H. R. 5029. A bill for the relief of Marcelo Maysonet Mirell and Maria Benitez de Maysonet Mirell; to the Committee on the Judiciary.

By Mr. GAMBLE:

H. R. 5030. A bill for the relief of Salim Jacob Mooallem and Aziza Mooallem; to the Committee on the Judiciary.

By Mr. HOLIFIELD:

H. R. 5031. A bill for the relief of Ishmael Rodriquez Chavez; to the Committee on the Judiciary.

H. R. 5032. A bill for the relief of Jesus Dosamantes Perez; to the Committee on the Judiciary.

H. R. 5033. A bill for the relief of Maria Del Refugio Lopez; to the Committee on the Judiciary.

By Mr. JARMAN:

H. R. 5034. A bill for the relief of Roy Mirt; to the Committee on the Judiciary.

By Mr. KEOGH:

H. R. 5035. A bill for the relief of Leiser, Rachela and Enoch Lampart; to the Committee on the Judiciary.

By Mr. KLEIN:

H. R. 5036. A bill for the relief of Leiser Weitman; to the Committee on the Judiciary.

By Mr. MORANO:

H. R. 5037. A bill for the relief of Chahine Ohannes Khosrofian; to the Committee on the Judiciary.

By Mr. MOSS (by request):

H. R. 5038. A bill for the relief of Anwar Khan; to the Committee on the Judiciary.

By Mr. O'BRIEN of Illinois:

H. R. 5039. A bill for the relief of Wolfgang Tyk; to the Committee on the Judiciary.

By Mr. OSMERS:

H. R. 5040. A bill for the relief of Maria Lanau Buil; 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:

228. By Mr. MILLER of Maryland: Petition of constituents of Sharptown, Mardela Springs, and Riverton (Wicomico County), Md., relative to proposed legislation to prohibit alcoholic beverage advertising over radio and television and in our magazines; to the Committee on Interstate and Foreign Commerce.

229. By the SPEAKER: Petition of the secretary, Board of Estimate of the City of New York, opposing and deploring any curtailment or reduction of Federal funds for the construction of low-income housing in the city of New York; to the Committee on Appropriations.

230. Also, petition of Kenneth Clark and other employees of Onondaga Pottery Co., Onondaga, N. Y., relative to inroads being made by imported china on American production of china and requesting laws that will protect their jobs; to the Committee on Ways and Means.

231. Also, petition of Sueto Taguchi and 395 others, Kumamoto Junior College, Kumamoto, Japan, requesting release of the Japanese people who are serving prison terms as war criminals; to the Committee on Foreign Affairs.

SENATE

WEDNESDAY, MAY 6, 1953

Father Timothy L. McDonnell, S. J., of the University of San Francisco, Calif., offered the following prayer:

We pray Thee, O God of might, wisdom, and justice, through whom authority is rightly administered, laws are enacted, and judgment decreed, to let the light of Thy divine wisdom direct the deliberations of Congress, and shine forth in all the proceedings and laws framed for our rule and government, so that they may tend to the acquisition of peace, the promotion of national happiness, the increase of industry, sobriety, and useful knowledge, and may perpetuate the blessings of equal liberty. Amen.

THE JOURNAL

On request of Mr. TAFT, and by unanimous consent, the reading of the Journal of the proceedings of Tuesday, May 5, 1953, was dispensed with.

MESSAGES FROM THE PRESIDENT

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

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 resolutions, in which it requested the concurrence of the Senate:

H. R. 270. An act to provide for the control and extinguishment of outcrop and underground fires in coal formations, and for other purposes;

H. R. 490. An act to authorize the use of the Sackets Harbor Military Cemetery for the burial of war and peacetime veterans of the Armed Forces of the United States;

H. R. 734. An act for the relief of Mihai Handrabura;

H. R. 738. An act for the relief of the widow and children of the late John L. LeCours;

H. R. 778. An act for the relief of Mrs. Jennie Maurello;

H. R. 821. An act for the relief of the American Barrel Co., Inc.;

H. R. 837. An act for the relief of Lt. Col. James D. Wilmeth;

H. R. 851. An act for the relief of Alfred J. Stahl;

H. R. 890. An act for the relief of William H. Lubkin, Jr.;

H. R. 898. An act for the relief of Mrs. Rose Kaczmarczyk;

H. R. 974. An act for the relief of Dr. Morad Malek-Aslani;

H. R. 1211. An act for the relief of Isak Benmuvhar;

H. R. 1383. An act to provide for distribution of moneys of deceased restricted members of the Five Civilized Tribes not exceeding $500, and for other purposes;

H. R. 1563. An act to amend Veterans Regulation No. 2 (a), as amended, to provide that the amount of certain unnegotiated checks shall be paid as accrued benefits upon the death of the beneficiary-payee, and for other purposes;

H. R. 1571. An act to amend the Alaska game law;

H. R. 1772. An act for the relief of Kenneth R. Kleinman;

H. R. 1812. An act relating to the activities of temporary and certain other employees of the Bureau of Land Management;

H. R. 1901. An act for the relief of Ciro Picardi;

H. R. 1904. An act for the relief of Patricia A. Pembroke;

H. R. 1905. An act for the relief of Montgomery of San Francisco, Inc.;

H. R. 2034. An act for the relief of Lt. (jg.) Samuel E. McMillan;

H. R. 2237. An act to increase criminal penalties under the Sherman Antitrust Act;

H. R. 2761. An act to revive and reenact the act of December 21, 1944, authorizing the City of Clinton Bridge Commission to construct, maintain, and operate a bridge and approaches thereto across the Mississippi River, at or near the cities of Clinton, Iowa, and Fulton, Ill., as amended;

H. R. 2813. An act for the relief of William E. Aitcheson;

H. R. 2815. An act for the relief of Floyd C. Barber;

H. R. 2832. An act to authorize Federal aid with respect to the costs of constructing that portion of an approved hospital project which was commenced without Federal participation and prior to January 1, 1953;

H. R. 3446. An act for the relief of Mrs. Emily Wilhelm;

H. R. 3733. An act for the relief of Mrs. Anna Holder;

H. R. 3823. An act for the relief of Raymond D. Beckner and Lula Stanley Beckner;

H. R. 4072. An act relating to the disposition of certain former recreational demonstration project lands by the Commonwealth of Virginia to the School Board of Mecklenburg County, Va.;

H. R. 4285. An act for the relief of Arthur Staveley;

H. R. 4471. An act for the relief of Lt. Col. Homer G. Hamilton;

H. R. 4779. An act to authorize the adoption of a report relating to seepage and drainage damages on the Illinois River, Ill.;

H. R. 4974. An act making appropriations for the Departments of State, Justice, and Commerce, for the fiscal year ending June 30, 1954, and for other purposes;

H. J. Res. 228. Joint resolution to permit the entry of 500 children under 6 years of age, adopted by United States citizens while serving abroad in the Armed Forces of the United States, or while employed abroad by the United States Government; and

H. J. Res. 238. Joint resolution granting the status of permanent residence to certain aliens.

LEAVE OF ABSENCE

Mr. IVES. Mr. President, I ask unanimous consent that I may be absent from the session of the Senate tomorrow for the purpose of attending the funeral of the late former Senator Robert F. Wagner.

The PRESIDENT pro tempore. Without objection, leave is granted.

On request of Mr. CLEMENTS, and by unanimous consent, Mr. GREEN was excused from attendance on the sessions of the Senate today and for the remainder of the week.

On his own request, and by unanimous consent, Mr. HOLLAND was excused from attendance on the sessions of the Senate tomorrow and Friday.

COMMITTEE MEETINGS DURING SENATE SESSION

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

On request of Mr. TAFT, and by unanimous consent, the Subcommittee on Investigations of the Committee on Government Operations was authorized to meet today during the session of the Senate.

FLUORIDATION OF WATER—RESOLUTION OF RHODE ISLAND STATE DENTAL SOCIETY

Mr. PASTORE. Mr. President, I present for appropriate reference, and ask unanimous consent to have printed in the RECORD, a resolution adopted by the Rhode Island State Dental Society, reaffirming its endorsement and approval of fluoridation of community water supplies.

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

Whereas the fluoridation of community water supplies has been demonstrated to reduce the incidence of dental decay among children by approximately two-thirds; and

Whereas the complete safety of fluoridation has been repeatedly demonstrated in extensive scientific research; and

Whereas fluoridation has been recommended and endorsed by all major national health organizations of the United States including the American Dental Association, the American Medical Association, the National Research Council, the Association of State and Territorial Health Officers, and many others; and

Whereas certain individuals and groups whose motives are most difficult to understand have been attempting to delay and forestall the fluoridation of community water supplies through the spread of rumors and erroneous and misleading information: Be it therefore

Resolved, That the Rhode Island State Dental Society in session here today hereby reaffirms its endorsement and approval of fluoridation of community water supplies and urges that fluoridation be adopted in all communities in the State of Rhode Island as rapidly as local conditions will permit; and be it further

Resolved, That the Rhode Island State Dental Society hereby go on record commending the excellent efforts of the local, State, and Federal Departments of Health for their enlightened efforts to make the benefits of fluoridation available to all children in all communities of the State of Rhode Island; and be it further

Resolved, That a copy of this resolution be forwarded to the Honorable Dennis J. Roberts, Governor of the State of Rhode Island; to Dr. Edward A. McLaughlin, director, Rhode Island Department of Health; to each Senator and Representative from Rhode Island serving in the Congress of the United States; to the Honorable Dwight D. Eisenhower, President of the United States; to the Honorable Oveta Culp Hobby, Secretary of the Department of Health, Education, and Welfare of the United States; and Dr. Leonard A. Scheele, Surgeon General of the United States Public Health Service.

Dated at Providence, R. I., this 21st day of April A. D. 1953.

RHODE ISLAND STATE DENTAL SOCIETY,
ALLYN F. SULLIVAN, D. M. D., *President.*
NICHOLAS G. MIGLIACCIO, D. M. D.,
Secretary.

PUBLIC HOUSING—RESOLUTION OF MINNEAPOLIS (MINN.) MINISTERS' ASSOCIATION

Mr. HUMPHREY. Mr. President, I present for appropriate reference, and ask unanimous consent to have printed in the RECORD, a resolution adopted by the Minneapolis Ministers' Association, Minneapolis, Minn., on March 2, 1953, relating to the continuation of public housing.

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

GRACE LUTHERAN UNIVERSITY CHURCH,
Minneapolis, Minn., April 29, 1953.

The Honorable HUBERT HUMPHREY,
Senate Office Building,
Washington, D. C.

DEAR SIR: Because Congress is considering the matter of public housing, I know that you will be interested in the following expression of opinion. At the regular meeting of the Minneapolis Ministers' Association on Monday, March 2, 1953, this resolution was adopted:

"*Resolved,* That the Minneapolis Ministers' Association go on record favoring the retention of public housing under the present type of public-housing authorities."

The Minneapolis Ministers' Association is the organization of Protestant ministers of this city and immediate suburbs. There are about 600 Protestant ministers in this area.

The Reverend Otto J. Magnuson, of Bethel Lutheran Church, 1115 30th Avenue North, Minneapolis, is the secretary of the association. However, I was appointed to represent the association in presenting this resolution to the State legislature and to Members of Congress.

On behalf of the association, I urge you to support the cause of public housing. You well know the poor housing conditions in sections of Minneapolis and the human need it involves. We are hopeful that the Glenwood project can be started in the near future, as the planning has been done and it is a feasible enterprise.

Thank you for your consideration.

Very sincerely,
JAMES P. CLAYPOOL,
Pastor.

BILLS INTRODUCED

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

By Mr. PAYNE:

S. 1839. A bill to amend section 32 of the Fire and Casualty Act, so as to provide that an agent or solicitor may secure a license to solicit accident and health insurance in the District of Columbia under that act without taking the prescribed examination, if he is licensed under the Life Insurance Act; to the Committee on the District of Columbia.

By Mr. DOUGLAS:

S. 1840. A bill for the relief of Victor Sorich (Vijekoslav Soric);

S. 1841. A bill for the relief of Carlo (Adiutore) D'Amico; and

S. 1842. A bill for the relief of Izidor Lerner, Maria Lerner, and Esther Lerner; to the Committee on the Judiciary.

By Mr. BARRETT:

S. 1843. A bill authorizing the transfer of certain property of the United States Government (in Camp Guernsey target and maneuver area, Platte County, Wyo.) to the State of Wyoming; to the Committee on Armed Services.

By Mr. BEALL:

S. 1844. A bill for the relief of Mrs. Dorothy J. Williams, widow of Melvin Edward Williams; to the Committee on Armed Services.

By Mr. HUMPHREY:

S. 1845. A bill for the relief of Dr. Ian Yung-cheng Hu; and

S. 1846. A bill for the relief of Nicholas Neapolitakis; to the Committee on the Judiciary.

S. 1847. A bill to require the Secretary of Agriculture in carrying out the provisions of the Soil Conservation and Domestic Allotment Act to continue to utilize the services of local and State committees established under such act, to require that the services of such committees be utilized in carrying out farm price support and crop insurance programs, and to provide for the election of such State committees by the members of county committees; to the Committee on Agriculture and Forestry.

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

By Mr. SPARKMAN:

S. 1848. A bill to further amend the National Housing Act; to the Committee on Banking and Currency.

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

AMENDMENT OF IMMUNITY PROVISION AFFECTING WITNESSES BEFORE CONGRESSIONAL COMMITTEES—AMENDMENTS

Mr. McCARRAN submitted an amendment intended to be proposed by him to the bill (S. 16) to amend the immunity provision relating to testimony given by witnesses before either House of Congress or their committees, which was ordered to lie on the table and to be printed.

Mr. HENDRICKSON submitted an amendment intended to be proposed by him to Senate bill 16, supra, which was ordered to lie on the table and to be printed.

TITLE TO CERTAIN SUBMERGED LANDS—PRINTING OF BILL

Mr. TAFT. Mr. President, I ask unanimous consent that the bill (H. R. 4198) to confirm and establish the titles of the States to lands beneath navigable waters within State boundaries and to the natural resources within such lands and waters, to provide for the use and control of said lands and resources, and to confirm the jurisdiction and control of the United States over the natural resources of the seabed of the Continental Shelf seaward of State boundaries, be printed showing the Senate amendments.

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

HOUSE BILLS AND JOINT RESOLUTIONS REFERRED

The following bills and joint resolutions were severally read twice by their titles, and referred as indicated:

H. R. 270. An act to provide for the control and extinguishment of outcrop and underground fires in coal formations, and for other purposes;

H. R. 490. An act to authorize the use of the Sackets Harbor Military Cemetery for the burial of war and peacetime veterans of the Armed Forces of the United States;

H. R. 1383. An act to provide for distribution of moneys of deceased restricted members of the Five Civilized Tribes not exceeding $500, and for other purposes;

H. R. 1571. An act to amend the Alaska game law;

H. R. 1812. An act relating to the activities of temporary and certain other employees of the Bureau of Land Management; and

H. R. 4072. An act relating to the disposition of certain former recreational demonstration project lands by the Commonwealth of Virginia to the School Board of Mecklenberg County, Va.; to the Committee on Interior and Insular Affairs.

H. R. 734. An act for the relief of Mihai Handrabura;

H. R. 738. An act for the relief of the widow and children of the late John L. LeCours;

H. R. 778. An act for the relief of Mrs. Jennie Maurello;

H. R. 821. An act for the relief of the American Barrel Co., Inc.;

H. R. 837. An act for the relief of Lt. Col. James D. Wilmeth;

H. R. 851. An act for the relief of Alfred J. Stahl;

H. R. 890. An act for the relief of William H. Lubkin, Jr.;

H. R. 898. An act for the relief of Mrs. Rose Kaczmarczyk;

H. R. 974. An act for the relief of Dr. Morad Malek-Aslani;

H. R. 1211. An act for the relief of Isak Benmuvhar;

H. R. 1772. An act for the relief of Kenneth R. Kleinman;

H. R. 1901. An act for the relief of Ciro Picardi;

H. R. 1904. An act for the relief of Patricia A. Pembroke;

H. R. 1905. An act for the relief of Montgomery of San Francisco, Inc.;

H. R. 2034. An act for the relief of Lt. (jg.) Samuel E. McMillan;

H. R. 2237. An act to increase criminal penalties under the Sherman Antitrust Act;

H. R. 2813. An act for the relief of William E. Aitcheson;

H. R. 2815. An act for the relief of Floyd C. Barber;

H. R. 3446. An act for the relief of Mrs. Emily Wilhelm;

H. R. 3733. An act for the relief of Mrs. Anna Holder;

H. R. 3823. An act for the relief of Raymond D. Beckner and Lula Stanley Beckner;

H. R. 4285. An act for the relief of Arthur Staveley;

H. R. 4471. An act for the relief of Lt. Col. Homer G. Hamilton;

H. J. Res. 228. Joint resolution to permit the entry of 500 children under 6 years of age, adopted by United States citizens while serving abroad in the Armed Forces of the United States, or while employed abroad by the United States Government; and

H. J. Res. 238. Joint resolution granting the status of permanent residence to certain aliens; to the Committee on the Judiciary.

H. R. 1563. An act to amend Veterans Regulation No. 2 (a), as amended, to provide that the amount of certain unnegotiated checks shall be paid as accrued benefits upon the death of the beneficiary-payee, and for other purposes; to the Committee on Finance.

H. R. 2761. An act to revive and reenact the act of December 21, 1944, authorizing the city of Clinton Bridge Commission to construct, maintain, and operate a bridge and approaches thereto across the Mississippi River, at or near the cities of Clinton, Iowa, and Fulton, Ill., as amended; and

H. R. 4779. An act to authorize the adoption of a report relating to seepage and drainage damages on the Illinois River, Ill.; to the Committee on Public Works.

H. R. 2832. An act to authorize Federal aid with respect to the costs of constructing that portion of an approved hospital project which was commenced without Federal participation and prior to January 1, 1953; to the Committee on Labor and Public Welfare.

H. R. 4974. An act making appropriations for the Departments of State, Justice, and Commerce, for the fiscal year ending June 30, 1954, and for other purposes; to the Committee on Appropriations.

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. HUMPHREY:

Article written by him entitled "Peace Is Dynamic," published in the May 1953 issue of the Intercollegian.

By Mr. POTTER:

Address delivered by Hon. Arthur Summerfield, Postmaster General, before the Jefferson National Expansion Association luncheon held at St. Louis, Mo., on April 30, 1953.

By Mr. AIKEN:

Address delivered by William D. Hassett at Warm Springs, Ga., April 12, 1953, at exercises on the eighth anniversary of the death of Franklin D. Roosevelt.

By Mr. GRISWOLD:

Address relating to the supervision of veterans' training by the Veterans' Administration, delivered by F. B. Decker, Nebraska State superintendent of public instruction, before the National Association of State Approval Agencies, on May 5, 1953, at Denver, Colo.

By Mr. DIRKSEN:

Editorial entitled "The New District Attorney," published in the Illinois State Journal of April 30, 1953, paying tribute to John B. Stoddart, Jr., the new United States district attorney for the southern district of Illinois.

By Mr. SMATHERS:

Article relating to inquiry into the shipment of war materials to Red China, written by Arthur Krock and published in the New York Times of May 5, 1953.

By Mr. WILEY:

Article entitled "Norway's Effort Is Sincere, but Traditions Show Results," and article entitled "Denmark: The Weakest Link in a Chain of Military Hopes," both written by Crosby S. Noyes and published in the Washington Evening Star of May 1 and May 2, 1953, respectively.

CALL OF THE CALENDAR

The PRESIDENT pro tempore. The morning business is closed.

Mr. TAFT. I move that the Senate proceed to the consideration of the calendar of bills and resolutions under rule VIII, starting at the beginning of the calendar.

The PRESIDENT pro tempore. That is the regular order of business.

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

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

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

Aiken	Griswold	Millikin
Anderson	Hayden	Monroney
Barrett	Hendrickson	Morse
Beall	Hennings	Mundt
Bennett	Hickenlooper	Murray
Bricker	Hill	Neely
Bridges	Hoey	Pastore
Bush	Holland	Payne
Butler, Md.	Humphrey	Potter
Byrd	Hunt	Purtell
Carlson	Ives	Robertson
Case	Jackson	Russell
Chavez	Jenner	Saltonstall
Clements	Johnson, Colo.	Schoeppel
Cooper	Johnston, S. C.	Smathers
Cordon	Kefauver	Smith, Maine
Daniel	Kennedy	Smith, N. J.
Dirksen	Kerr	Smith, N. C.
Douglas	Kilgore	Sparkman
Duff	Knowland	Stennis
Dworshak	Kuchel	Symington
Eastland	Langer	Taft
Ellender	Long	Thye
Ferguson	Magnuson	Tobey
Flanders	Malone	Watkins
Frear	Mansfield	Welker
Fulbright	Martin	Wiley
George	Maybank	Williams
Gillette	McCarran	Young
Goldwater	McCarthy	
Gore	McClellan	

Mr. SALTONSTALL. I announce that the Senator from Nebraska [Mr. BUTLER] is necessarily absent.

The Senator from Indiana [Mr. CAPEHART] is absent on official business.

Mr. CLEMENTS. I announce that the Senator from Rhode Island [Mr. GREEN] is absent by leave of the Senate.

The Senator from Texas [Mr. JOHNSON] and the Senator from New York [Mr. LEHMAN] are absent on official business.

The PRESIDENT pro tempore. A quorum is present.

The clerk will state the first order of business on the calendar.

BILL PASSED OVER

The bill (S. 242) to provide for the establishment of a Veterans' Administration domiciliary facility at Fort Logan, Colo., was announced as first in order.

Mr. TAFT. Mr. President, I ask that the bill be passed over. Neither Senator from Colorado is present.

The PRESIDENT pro tempore. The bill will be passed over.

JUDICIAL REVIEW OF DECISIONS OF GOVERNMENT CONTRACTING OFFICERS—BILL PASSED TO FOOT OF CALENDAR

The bill (S. 24) to permit judicial review of decisions of Government contracting officers involving questions of fact arising under Government contracts in cases other than those in which fraud is alleged was announced as next in order.

Mr. SMATHERS rose.

Mr. McCARRAN. Mr. President, will the Senator from Florida withhold his objection until I have an opportunity to make a brief explanation?

Mr. SMATHERS. Certainly.

Mr. McCARRAN. Mr. President, the purpose of this bill is to offset the decision of the Supreme Court in the so-called Wunderlich case. In that case the Court held—in an opinion written by Mr. Justice Minton—that where a Government contract provides that the decision of a contracting officer, or the head of an agency, is final, the losing party in a dispute over any decision such a contracting officer may make under a contract has no right of review of such decision in the courts, unless he can allege and prove fraud. In his decision, Mr. Justice Minton, speaking for the Supreme Court, said:

> By fraud we mean conscious wrongdoing, an intention to cheat or be dishonest.

The effect of this decision, of course, is such that even if an honest mistake has been made, it is necessary that the aggrieved party allege and prove that some Government employee deliberately cheated, or intended to defraud him, in order to get a court review of the question.

Up until the time this decision was handed down, there was no such rigid standard, and the review of administrative decisions was not so limited.

The Supreme Court itself recognized that the standard it was laying down was unusually rigid, and declared: "The limitation upon this arbitral process is fraud, placed there by this Court. If the standard of fraud that we adhere to is too limited, that is a matter for Congress." The Supreme Court thus invited

action by Congress, along the lines which this bill would take.

Senators who have looked into this matter know that this decision of the Supreme Court cuts two ways. It can hurt the Government badly, as well as doing an injustice to contractors. In a recent case, which arose since this Supreme Court decision, the Government did in fact lose. This recent case arose in Philadelphia. There had been an honest mistake by a contracting officer. The Comptroller General of the United States attempted to recover on behalf of the Government, because the mistake was against the Government. The contractor interposed a defense based on the Supreme Court decision in the Wunderlich case. The court followed this Supreme Court decision—as it was bound to do—and the result was a failure of recovery on behalf of the Government.

It was because of this case, and the possibility of similar cases, that the Comptroller General of the United States appeared and testified before the Judiciary Committee in behalf of this bill.

This bill was the subject of extensive hearings in the last Congress; and, as far as I know, the bill is not now opposed by any of the interested parties.

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

Mr. McCARRAN. I yield.

Mr. SALTONSTALL. Personally I have no objection to this bill. I am informed that the Department of Defense objected. I should like to ask if the Senator would be willing to allow the bill to go to the foot of the calendar. I should like to ascertain if there is objection on the part of the Department of Defense. If not, I have no personal objection to the bill. However, as chairman of the Armed Services Committee, I should like to obtain that information.

Mr. McCARRAN. I have no objection.

Mr. SALTONSTALL. Mr. President, I ask that the bill be placed at the foot of the calendar.

The PRESIDING OFFICER (Mr. CARLSON in the chair). Without objection, the bill will be passed to the foot of the calendar.

The clerk will state the next order of business.

ERICH ANTON HELFERT—BILL PASSED OVER

The bill (S. 56) for the relief of Erich Anton Helfert was announced as next in order.

Mr. GORE. Over, by request.

Mr. McCARRAN. Mr. President, will the Senator withhold his objection so that I may make a brief explanation?

Mr. GORE. Certainly.

Mr. McCARRAN. There are two such bills on the calendar, one following the other. Both have been objected to by the Senator from Arkansas [Mr. FULBRIGHT]. I think his objection has merit. The persons involved came to this country as students and now wish to remain here. I think the objection of the Senator from Arkansas is well taken. In other words, if they can come in as students and remain here, they will perhaps destroy the program. However, they could go across the line to Canada or down to Mexico and come back into the United States. I do not see any way to stop that.

I cannot criticize the objection. I think it is well taken from the standpoint of the policy of the program. However, I can see how the program might be defeated in another way.

Mr. GORE. Mr. President, those of us who serve on the Calendar Committee have no choice in the matter if a Senator requests us to object to a bill.

Mr. McCARRAN. I understand.

Mr. GORE. I have taken the liberty of suggesting to the majority leader that in cases like this, where a policy objection is made to a particular type of bill, it would be well to remove such bill from the calendar and call it up separately.

The PRESIDING OFFICER. Does the Chair understand that the Senator from Tennessee asks that the bill go over?

Mr. GORE. I ask that the bill go over.

The PRESIDING OFFICER. Objection is heard, and the bill goes over.

BILLS PASSED OVER

The bill (S. 59) for the relief of Felix Kortschok was announced as next in order.

Mr. GORE. Over.

The PRESIDING OFFICER. The bill goes over.

The bill (S. 152) for the relief of Fred P. Hines was announced as next in order.

Mr. GORE. Over.

The PRESIDING OFFICER. The bill goes over.

J. DON ALEXANDER—BILL PLACED AT FOOT OF CALENDAR

The bill (S. 484) for the relief of J. Don Alexander was announced as next in order.

Mr. HENDRICKSON. Mr. President, I ask that the bill go over.

Mr. MILLIKIN. Mr. President, may I ask the distinguished Senator from New Jersey what his objection is to the bill?

Mr. HENDRICKSON. Mr. President, I did not hear the Senator from Colorado.

Mr. MILLIKIN. May I ask the Senator what his objection is to the bill?

Mr. HENDRICKSON. I wonder whether the Senator from Colorado could give an explanation of the bill.

Mr. MILLIKIN. The bill would give Mr. Alexander the right to recover a capital-gains tax, on which he was not able to request a refund within the statutory period of time, because the matter became involved in bankruptcy proceeding. After the bankruptcy proceeding had been settled and his rights more or less determined, the statute of limitations had expired, and he was unable to make a claim for a refund.

The PRESIDING OFFICER. Does the Senator from New Jersey request that the bill go over?

Mr. HENDRICKSON. I withhold my objection.

Mr. GORE. Mr. President, did the Senator from New Jersey withdraw his objection?

Mr. HENDRICKSON. No; I withheld my objection.

Mr. GORE. Mr. President, reserving the right to object, if it would be agreeable to have an amendment releasing the operation of the statute of limitations against the claim, I would not object. However, I would feel constrained to object to the passage of a bill which makes an outright payment without any adjudication of the matter. If the distinguished junior Senator from Colorado is agreeable to such an amendment, allowing the claimant to go into the Court of Claims irrespective of the statute of limitations, I would have no objection.

Mr. MILLIKIN. Mr. President, I suggest that the bill go to the foot of the calendar. I shall later suggest such an amendment, to meet the objection of the Senator from Tennessee.

The PRESIDING OFFICER. Without objection, the bill goes to the foot of the calendar.

BILLS AND RESOLUTION PASSED OVER

The bill (S. 101) for the relief of Phed Vosniacos was announced as next in order.

Mr. GORE. Over.

The PRESIDING OFFICER. Objection is heard. The bill goes over.

The bill (S. 102) for the relief of Francesco Cracchiolo was announced as next in order.

Mr. GORE. Over.

The PRESIDING OFFICER. The bill goes over.

The bill (S. 153) for the relief of Wilhelm Engelbert was announced as next in order.

Mr. GORE. Over.

The PRESIDING OFFICER. The bill goes over.

The resolution (S. Res. 57) to amend rule XIII of the standing rules relative to motions to reconsider was announced as next in order.

Mr. SMATHERS. Over.

The PRESIDING OFFICER. Objection is heard. The bill goes over.

SUSPENSION OF DEPORTATION OF CERTAIN ALIENS

The concurrent resolution (S. Con. Res. 20) favoring the suspension of deportation of certain aliens was considered and agreed to.

(For text of the above concurrent resolution, see CONGRESSIONAL RECORD, March 20, 1953, pp. 2139–2144.)

DR. ALEXANDERE DEMETRIO MORUZI—BILL PLACED AT FOOT OF CALENDAR

The bill (S. 389) for the relief of Dr. Alexandere Demetrio Moruzi was announced as next in order.

Mr. GORE. Mr. President, I ask that the bill go over temporarily. A telephone call has been made to determine whether the objection may be withdrawn.

Mr. TAFT. Mr. President, I suggest that the Senator do what was done before, namely, request that the bill be placed at the foot of the calendar.

The PRESIDING OFFICER. Without objection, the bill goes to the foot of the calendar.

CHE KIL BOK

The bill (S. 486) for the relief of Che Kil Bok was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted, etc., That, for the purposes of sections 101 (a) (27) (A) and 205 of the Immigration and Nationality Act, the minor child Che Kil Bok shall be held and considered to be the natural-born alien child of Lt. Col. and Mrs. Ray A. Donaldson, citizens of the United States.

Mr. SMATHERS subsequently said: Mr. President, at the time when Senate bill 486, Calendar 91, was considered, I had thought the Senator from Louisiana, who had originally filed an objection to the bill, had withdrawn his objection. He has since told me that I was in error. I therefore ask unanimous consent that the votes by which the bill was ordered to be engrossed for a third reading, read the third time, and passed, be reconsidered, and that the bill retain its place on the calendar.

The PRESIDING OFFICER. Without objection, it is so ordered, and Senate bill 486, Calendar No. 91, will be passed over, but will retain its place on the calendar.

WILLIAM R. JACKSON

The bill (S. 712) for the relief of William R. Jackson was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted, etc., That the Secretary of the Treasury is authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to William R. Jackson, administrator of the estate of W. C. Jackson, deceased, the sum of $11,500 plus interest on such sum at the rate of 4 percent per annum from February 24, 1943, to the date of payment, representing the amount of damages found by the United States Court of Claims (Congressional No. 17859, decided April 8, 1952, in response to S. Res. 137, 81st Cong.), to have resulted from the unlawful taking by the Government of the deceased's fishing grounds and the deprivation by the Government of the deceased's use of his fishing nets in the vicinity of Spesutie Island, Md.: *Provided*, That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or attorney on account of services rendered in connection with this claim, and the same shall be unlawful, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000.

AMENDMENT OF ADMINISTRATIVE PROCEDURE ACT

The bill (S. 18) to amend the Administrative Procedure Act, and eliminate certain exemptions therefrom was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted, etc., That clause (4) of section 2 (a) of the Administrative Procedure Act is amended to read as follows:

"(4) the functions conferred by the following statutes: the Universal Military Training and Service Act; the Contract Settlement Act of 1944; and the Surplus Property Act of 1944."

SEC. 2. (a) All laws or parts of laws enacted prior to the date of approval of this act which grant exemption from the provisions of the Administrative Procedure Act are repealed, and the following parts of laws are specifically repealed:

(1) Section 302 of the First Supplemental Appropriation Act, 1947 (60 Stat. 918);

(2) Section 601 of the Social Security Act Amendments of 1946 (60 Stat. 993);

(3) Section 6 (a) of the Sugar Control Extension Act of 1947 (61 Stat. 37);

(4) Section 210 of the Housing and Rent Act of 1947 (61 Stat. 201);

(5) Section 301 of the Housing and Rent Act of 1948 (62 Stat. 99);

(6) Section 5 of the Second Decontrol Act of 1947 (61 Stat. 323);

(7) Section 16 of the Rubber Act of 1948 (62 Stat. 108);

(8) Section 7 of the Export Control Act of 1949 (Public Law 11, 81st Cong.);

(9) Section 3 (i) of the International Wheat Agreement Act of 1949 (Public Law 421, 81st Cong.);

(10) The first sentence of section 709 of the Defense Production Act of 1950 (Public Law 774, 81st Cong.);

(11) Section 305 of the Federal Civil Defense Act of 1950 (Public Law 920, 81st Cong.); and

(12) Section 111 of the Renegotiation Act of 1951 (Public Law 9, 82d Cong.).

(b) Nothing contained in this section shall be construed to invalidate, or to require any change in, any proceedings conducted by or before any agency of the Government which were commenced prior to the effective date of this section, or to invalidate any action of any such agency taken prior to such date or any action taken after such date in connection with any such proceedings. In the administration and interpretation of the Administrative Procedure Act, no implication shall be drawn by reason of the repeal by this act of any exemption from the provisions of such act heretofore granted with respect to any agency of the Government or to any functions exercised by any such agency.

(c) This section shall become effective on the 30th day following the date of its enactment.

PROVISION FOR JURY TRIALS IN CONDEMNATION PROCEEDINGS IN UNITED STATES DISTRICT COURTS—BILL PLACED AT FOOT OF THE CALENDAR

The bill (S. 30) to provide for jury trials in condemnation proceedings in United States district courts was announced as next in order.

Mr. SMATHERS. Mr. President, by request, I ask that the bill go over.

Mr. McCARRAN. Mr. President, will the Senator withhold his objection until I make a brief explanation?

Mr. SMATHERS. Certainly.

Mr. McCARRAN. Mr. President, this bill is designed to restore the right of a jury trial in condemnation cases.

Senators will remember that Congress gave to the Supreme Court authority to promulgate rules of civil procedure, and to amend those rules, by a process of transmitting the proposed rules to Congress and waiting a stipulated period of 90 days for possible congressional action. If Congress did not act adversely within this period, the rules were to become effective.

By this process, the Supreme Court amended rule 71 (a) of the rules of civil procedure, so as to take away the right of jury trial, in Federal condemnation cases, where the court in its discretion decided the proper thing to do was to appoint a commission to determine the value of the property.

A resolution to disapprove this rule passed the Senate during the 82d Congress; but it did not get action in the House in time to be effective. I then introduced a bill, S. 1958 of the 82d Congress, with which the bill S. 30, now before the Senate, is identical, and that bill passed the Senate unanimously in August of 1951, but was not acted upon by the House of Repreesntatives before Congress adjourned.

This bill should pass. Any man whose land is taken by the Federal Government, under its power of eminent domain, should have a right to have a jury determine the value of the land.

Mr. SMATHERS. I may say to the distinguished Senator from Nevada that I have no objection personally to the bill. I have been requested to make the objection by the senior Senator from Virginia [Mr. BYRD]. He has requested that the bill go over. Under the previous agreement, there is no other course I can follow.

Mr. McCARRAN. If I may be heard for a minute, I believe the bill was the subject of some discussion, and it was suggested that an amendment might be proposed. If the bill could go to the foot of the calendar—I dislike to see all these bills go to the foot of the calendar—perhaps we could present to the Senate an amendment to the bill which would be satisfactory to the Senators who are objecting to it. Therefore, I ask that it go to the foot of the calendar.

The PRESIDING OFFICER. Without objection, the bill goes to the foot of the calendar.

Mr. McCARRAN subsequently said: Mr. President, would the Senator from Tennessee [Mr. GORE] have any objection to reverting to Calendar No. 107, Senate bill 30, at this time. The reason is that consideration of the bill during the call of the calendar was objected to. However, I will offer an amendment which I understand to be satisfactory to the Senators who interposed objection.

Mr. GORE. Mr. President, the Senator from Florida is handling that bill.

Mr. SMATHERS. Mr. President, let me say that the senior Senator from Virginia was the one who asked that objection be interposed. I do not see him on the floor at this time. I wonder whether we can continue to pass over the bill, and the Senator from Nevada can take up the matter with the Senator from Virginia, and perhaps the bill can be reached again later in the day.

Mr. McCARRAN. I thank the Senator.

The PRESIDING OFFICER. The bill will retain its place on the calendar.

Mr. CASE. Mr. President, I could not hear the number of the bill which was being discussed in connection with an amendment. Was it Calendar No. 142, Senate bill 922?

Mr. SMATHERS. No; Calendar No. 107, Senate bill 30.

FURTHER IMPLEMENTATION OF FULL FAITH AND CREDIT CLAUSE OF THE CONSTITUTION

The bill (S. 39) to further implement the full faith and credit clause of the Constitution was announced as next in order.

Mr. TAFT. Mr. President, may we have an explanation of the bill?

Mr. McCARRAN. Mr. President, this bill is identical to S. 1331 of the 82d Congress, which passed the Senate on June 21, 1952, but no action was taken thereon in the House.

It is neither good morals nor good law to have a divorce legal in one State and illegal in another, so that a married man or woman may become a criminal by stepping over an imaginary line. Such a situation demands congressional action to the extent that such action may provide a remedy. But all proposals for a uniform Federal divorce law contemplate an invasion of State sovereignty inimical to the basic principles of our Federal Union. What we need is not a uniform Federal divorce law, but a uniform and reasonable interpretation and application of the full faith and credit clause of the Constitution.

One approach to the problem of interstate recognition of divorces has been through the so-called Uniform Divorce Recognition Act. As of November 1, 1950, this act had been adopted by seven States. Without attempting a discussion of the merits and shortcomings of this act, it may be pointed out that it does not meet the important requirement of certainty, which is an essential characteristic for a divorce law which is to be satisfactory from a national viewpoint. The Uniform Divorce Recognition Act fails in this regard because it is necessarily subject to the constitutional requirement with respect to full faith and credit. Thus, without thorough litigation in the Federal courts, it cannot be said precisely how the Uniform Divorce Recognition Act may be construed; and it appears that the act may be unconstitutional under some existing decisions of the United States Supreme Court. It seems clear that in the light of the constitutional provision with respect to full faith and credit, the only satisfactory method of giving uniformity of recognition to divorces granted in the different States is through a Federal law, rather than by means of the separate adoption by the States of the Uniform Divorce Recognition Act, even assuming that all 48 of the States, instead of only 7, could be persuaded to enact the uniform statute.

Briefly stated, the purpose of this bill is to guarantee the divorce decree of any State full faith and credit in every other State, providing that, first, the decree is final as to divorce in the State where rendered; second, the decree is valid in the State where rendered; third, the decree contains recitals setting forth that the jurisdictional prerequisites have been met; and, fourth, the State in which the decree was granted was the last State in which the couple lived together as man and wife, or the defendant was personally subject to the State's jurisdiction or appeared generally in the proceedings.

This proposed statute, if enacted, would not derogate from the right of any State to question a decree based on fraud, where such a decree would not be valid in the rendering State. It would, however, in the absence of fraud, give full recognition to decrees based on constructive service where the rendering State was the last place of domicile with respect to the marriage relationship; and would also permit a State wherein only one spouse is domiciled to determine its jurisdiction to grant the divorce, and to render a decree conclusive against everyone, where the defendant appears or is validly personally served with process. A default judgment, entered without such appearance or service, against a spouse not domiciled in the State, and where the State was the last State of marital domicile, would be open to attack and refusal of recognition to the same degree as under the present state of the law.

This legislation had the very full consideration of the Judiciary Committee of the Senate during the 82d Congress and was carefully considered from all angles. The able Senator from North Carolina [Mr. SMITH] wrote an exceptionally fine report. As I have stated before, the legislation has already been approved by the Senate; and it is my firm belief that this legislation is needed and should receive the approval of the Congress in this present session.

For the sake of the legislative history of this measure, I call attention to the questions submitted by the then minority Calendar Committee, and answered by me, at the time this legislation, then embodied in the bill S. 1331, passed the Senate during the 82d Congress. This colloquy has been included in the committee report on the bill now before the Senate, and should serve to remove any remaining doubt as to the purpose and effect of the proposed legislation.

There are just a few questions, which are repeatedly asked about this legislation, which I should like to answer here and now, for the record.

It is asked, "Will this bill legalize 'quickie' divorces, where one spouse goes out to Nevada and gets a divorce by default?" The answer is, it will not. This bill would have no effect whatever on the question of the validity of such a divorce.

Another question often asked is, "Will this bill take away from any State the right to make its own laws with regard to divorce?" The answer is, this bill will not do that. On the contrary, this bill expressly recognizes the right of every State to make its own laws with respect to divorce in accordance with its own public policy, as determined by its own legislature, reflecting the will of the people of the State.

One more question which is still heard with regard to this bill, although I think it has been fully answered before now, is this, "Will the bill legalize a fraudulent divorce?" The answer, of course, is that the bill will not legalize a fraudulent divorce.

All of these points and many others are covered in the report on the bill and in the questions and answers which were originally contained in the colloquy between the minority calendar committee and myself last year, and which are now included in the report of the Committee on the Judiciary.

This bill has been pending before the Congress for nearly 10 years. I have never pressed it, for I have felt confident that when the bill came to be fully understood by the bar of the country, it would gain approval on its own merit. The bill was brought to the floor of the Senate last year because of the interest in it demonstrated by the able Senator from North Carolina [Mr. SMITH]. The Senate at that time passed the bill unanimously. I hope and believe, Mr. President, that the Senate will take similar action today.

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

There being no objection, the bill (S. 39) to further implement the full faith and credit clause of the Constitution was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted, etc., That, where a State has exercised through its courts jurisdiction to dissolve the marriage of spouses, the decree of divorce thus rendered must be given full faith and credit in every other State as a dissolution of such marriage, provided (1) the decree is final as to the issue of divorce; (2) the decree is valid in the State where rendered; (3) the decree contains recitals setting forth that the jurisdictional prerequisites of such State to the granting of the divorce have been met; and (4) the State wherein the decree was rendered was the last State wherein the spouses were domiciled together as husband and wife, or the defendant in the proceeding for divorce was personally subject to the jurisdiction of the State wherein the decree was rendered or appeared generally in the proceedings therefor. In all such cases except cases involving fraudulent conduct of the successful party which was practiced during the course of an actual adversary trial of the issues joined and the effect of which was directly and affirmatively to mislead the defeated party to his injury after he announced that he was ready to proceed with the trial, the recitals of the decree of divorce shall constitute a conclusive determination of the jurisdictional facts necessary to the decree.

CIVIL ACTION AGAINST UNITED STATES FOR RECOVERY OF TAXES

The Senate proceeded to consider the bill (S. 252) to permit all civil actions against the United States for recovery of taxes erroneously or illegally assessed or collected to be brought in the district courts with right of trial by jury, which had been reported from the Committee on the Judiciary with amendments on page 2, line 7, after the word "of", to strike out "the" and insert "either"; and in the same line, after the word "party", to strike out "bringing" and insert "to", so as to make the bill read:

Be it enacted, etc., That paragraph (1) of section 1346 (a) of title 28 of the United States Code is amended to read as follows:

"(1) Any civil action against the United States for the recovery of any internal-revenue tax alleged to have been erroneously or illegally assessed or collected, or any penalty claimed to have been collected without authority or any sum alleged to have been excessive or in any manner wrongfully collected under the internal-revenue laws;".

SEC. 2. (a) Section 2402 of title 28 of the United States Code is amended to read as follows:

"§ 2402. Jury trial in actions against United States.

"Any action against the United States under section 1346 shall be tried by the court without a jury, except that any action against the United States under section 1346 (a) (1) shall, at the request of either party to such action, be tried by the court with a jury."

(b) The second item in the analysis of chapter 161 of title 28 of the United States Code, is amended to read as follows:

"2402. Jury trial in actions against United States."

The amendments were agreed to.

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

REPRINTING OF PAMPHLET ENTITLED "OUR AMERICAN GOVERNMENT"

The concurrent resolution (S. Con. Res. 24) to revise and reprint the pamphlet entitled "Our American Government" was considered and agreed to, as follows:

Resolved, etc., That the Joint Committee on Printing is hereby authorized and directed to revise, by bringing up to date, the pamphlet entitled "Our American Government" as set out in House Document 465, 79th Congress.

SEC. 2. Such revised pamphlet shall be printed as a Senate document, and there be printed 100,000 additional copies of which 24,750 copies shall be for the use of the Senate; 66,150 copies for the use of the House of Representatives; 3,100 for the Senate document room; and 6,000 for the House document room.

GRATUITY TO SURVIVING CHILDREN OF MARY A. BROOKS

The resolution (S. Res. 98) to pay a gratuity to the surviving children of Mary A. Brooks was considered, and agreed to, as follows:

Resolved, That the Secretary of the Senate hereby is authorized and directed to pay, from the contingent fund of the Senate, to Phillip Austin Brooks, Mary Brooks Crawford, and Martha Brooks Denz, surviving children of Mary A. Brooks, an employee of the Senate at the time of her death, a sum equal to 12 months' compensation at the rate she was receiving by law at the time of her death, said sum to be considered inclusive of funeral expenses and all other allowances.

BILLS PASSED OVER

The bill (S. 1081) to provide authority for temporary economic controls, and for other purposes, was announced as next in order.

Mr. TAFT. Let the bill go over.

The PRESIDING OFFICER. The bill will be passed over.

The bill (S. 978) to amend the Interstate Commerce Act in order to expedite and facilitate the termination of railroad reorganization proceedings under section 77 of the Bankruptcy Act and to require the Interstate Commerce Commission to consider, in stock modification plans, the assents of controlled or controlling stockholders, and for other purposes, was announced as next in order.

Mr. SMATHERS. Let the bill go over.

The PRESIDING OFFICER. The bill will be passed over.

DEFINING NATIONAL TRANSPORTATION POLICY

The bill (S. 275) to further define the National Transportation policy was announced as next in order.

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

Mr. GORE. I ask that the bill go over.

The PRESIDING OFFICER. The bill will be passed over.

Mr. HUNT. Mr. President, I should like to know which Senator requested that the bill be passed over, and I should like to ask him to withhold his objection until I can explain the bill.

The PRESIDING OFFICER. Will the Senator from Tennessee withhold his objection?

Mr. GORE. I withhold the objection.

Mr. HUNT. Mr. President, the bill came from the Committee on Interstate and Foreign Commerce with unanimous approval, and last year a similar bill was approved unanimously by the committee, and was passed by the Senate.

The bill simply gives to the Interstate Commerce Commission the authority and right to look into the moral qualifications of any person or company who may be an applicant for a certificate of convenience and necessity for the transportation of goods or commodities interstate. The bill is designed to correct situations which the Kefauver committee found in three States where gangsters had muscled into the transportation business.

We feel that this bill will eliminate that element in the transportation services throughout the United States.

I wonder whether the explanation is sufficient to satisfy the Senator who requested the bill be passed over.

Mr. GORE. I am advised by the Senator who requested that objection be made that the explanation is sufficient. Therefore I withdraw the objection.

Mr. HUNT. I thank the Senator.

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

There being no objection, the Senate proceeded to consider the bill (S. 275) to further define the national transportation policy, which had been reported from the Committee on Interstate and Foreign Commerce with amendments on page 1, line 10, after the word "unlawful", to strike out "or unethical business", and on page 2, line 1, after the words "or the", to insert "reasonable", so as to make the bill read:

Be it enacted, etc., That section 1 of the act of September 18, 1940 (54 Stat. 899), defining the national transportation policy, is hereby amended by adding at the end thereof a new paragraph, to read as follows:

"It is hereby further declared to be the policy of the Congress that all modes of transportation subject to this act shall be kept free of terrorism, extortion, racketeering, and similar unlawful tactics, and to this end due regard shall be given in all cases to any evidence of the use of such tactics, or the reasonable likelihood of the use of such tactics, by any applicant for, or transferee or holder of any certificate, permits, or license issued or outstanding under this act, or under any amendment thereto."

The amendment was agreed to.

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

RESOLUTION AND BILL PASSED OVER

The resolution (S. Res. 32) temporarily increasing the membership of the Committees on Armed Services and Labor and Public Welfare was announced as next in order.

Mr. HENDRICKSON. I ask that the resolution be passed over.

The PRESIDING OFFICER. The resolution will be passed over.

The bill (S. 922) to provide for a commission to regulate the public transportation of passengers by motor vehicle and street railroad within the metropolitan area of Washington, D. C., was announced as next in order.

Mr. GORE. Over, by request.

The PRESIDING OFFICER. The bill will be passed over.

RESOLUTION PLACED AT FOOT OF CALENDAR

The resolution (S. Res. 103) citing Russell W. Duke for contempt of the Senate was announced as next in order.

Mr. HENDRICKSON. Mr. President, reserving the right to object, may we have a brief explanation of the resolution?

The PRESIDING OFFICER. An explanation is requested. Is there present in the Chamber a Senator who is ready to explain the resolution?

Mr. HENDRICKSON. If not, Mr. President, I suggest that the resolution be placed at the foot of the calendar.

The PRESIDING OFFICER. Without objection, the resolution will be placed at the foot of the calendar.

FURNISHING OF CERTAIN SUPPLIES AND SERVICES TO FOREIGN NAVAL VESSELS

The bill (S. 1524) to authorize the Secretary of the Navy to furnish certain supplies and services to foreign naval vessels on a reimbursable basis, and for other purposes, was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted, etc., That the Secretary of the Navy, under such regulations as he may prescribe, is authorized to furnish foreign naval vessels at United States ports and naval bases—

(1) routine port services such as pilotage, tugs, garbage removal, line handling, and utilities on a reimbursable basis without an advance of funds when such routine port services are furnished on a like basis to United States naval vessels at ports and naval bases of the country concerned;

(2) miscellaneous supplies such as fuel, provisions, spare parts, and general stores on a reimbursable basis without an advance of funds when a prior agreement conferring reciprocal rights on the United States and covering the reimbursement therefor has been negotiated with the country concerned; and

(3) supplies and services such as overhauling, repairs, and alterations, including the installation of equipment, when funds to

cover the estimated cost thereof have been made available in advance.

SEC. 2. Payment for the supplies and services furnished pursuant to paragraphs (1) and (2) of the first section of this act may be credited to current appropriations so as to be available for the same purposes as the appropriation initially charged.

PHOTOGRAPHS AND SKETCHES OF PROPERTIES OF THE MILITARY ESTABLISHMENT

The bill (S. 1448) to amend the act of June 25, 1942, relating to the making of photographs and sketches of properties of the Military Establishment, to continue in effect the provisions thereof until 6 months after the present national emergency, was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted, etc., That section 5 of the act of June 25, 1942 (56 Stat. 390), as extended by section 1 (a) (11) of the Emergency Powers Continuation Act (Public Law 450, 82d Cong.) is amended by deleting the words "for the duration of the present war as determined by proclamation of the President" and inserting in lieu thereof the words "until 6 months after the termination of the national emergency proclaimed by the President on December 16, 1950 (Proc. 2914, 3 C. F. R. 1950 Supp., p. 71)."

REMOVAL OF LIMITATION UPON DETAIL OF OFFICERS ON THE ACTIVE DUTY LIST

The bill (S. 1527) to amend section 40 (b) of the National Defense Act, as amended (41 Stat. 759, 777), to remove the limitation upon the detail of officers on the active list for recruiting service and for duty with ROTC units, was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted, etc., That section 40b of the National Defense Act (41 Stat. 759, 777), as amended, is further amended by striking out so much of the second sentence as reads, "and no officer on the active list shall be detailed for recruiting service or for duty at a school or college, not including schools of the service, where officers on the retired list can be secured who are competent for such duty."

APPOINTMENTS AS OFFICERS AND WARRANT OFFICERS OF THE ARMY AND AIR FORCE

The Senate proceeded to consider the bill (S. 1528) to continue in effect certain appointments as officers and warrant officers in the Army and Air Force.

Mr. HENDRICKSON. Mr. President, S. 1528 proposes to correct a situation which, although it applies to a relatively few officers and warrant officers, involves a serious injustice.

Members of the Senate are aware of the fact that officers and warrant officers of the Reserve components of the Army and the Air Force were originally given commissions which expired at a definite date—usually at the end of a 5-year period.

Certain officers and warrant officers holding such commissions are currently in the status of missing, missing in action, or otherwise under enemy restraint. While in such a status, certain of these commissions will expire, and under existing law would entirely lapse on July 1 of this year if the remedial action recommended by the pending bill were not taken.

In case such commissions lapse through no fault of the individual—he being unable to extend his commission because of the fact that he is now under enemy control—an obvious administrative injustice comes about. The persons concerned would lose their military status and become civilians, and in such an event would suffer the loss of certain advantages in the way of pay and retirement; also, they would lose the status which would permit them to be hospitalized as military personnel. It is for those reasons that the committee has recommended the enactment of the bill. The bill was recommended by the Department of Defense, and involves no additional expenditure of Federal funds.

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

The bill was ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted, etc., That if the appointment as a commissioned officer or warrant officer of any person who is determined, as provided in the Missing Persons Act (56 Stat. 143), as amended, to have been in a status of missing, missing in action, interned, captured, beleaguered, or besieged at any time after June 25, 1950, and before the termination of the national emergency proclaimed by the President on December 16, 1950 (Proc. 2914, 3 C. F. R. 71), would normally terminate before the person holding that appointment is released from active duty, the President is authorized to continue that appointment in effect until that person is released from active duty. On or before the date of his release from active duty, any such person who agrees in writing to have his appointment as a Reserve commissioned officer or a Reserve warrant officer continued in effect for an indefinite term shall be given an indefinite term appointment in lieu of the appointment which he holds at that time.

POSTHUMOUS APPOINTMENTS AND COMMISSIONS

The bill (S. 1529) to amend the act of July 28, 1942 (ch. 528, 56 Stat. 722), relating to posthumous appointments and commissions, and for other purposes, was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted, etc., That the act of July 28, 1942 (ch. 528, 56 Stat. 722), is amended as follows:

(a) By deleting the words "Secretary of War or the Secretary of the Navy", and the words "Secretary of War and the Secretary of the Navy" wherever they appear therein and inserting in lieu thereof the words "appropriate Secretary";

(b) By deleting the words "in the military or naval service" wherever they appear therein and inserting in lieu thereof the words "in the military service";

(c) By deleting the words "War or Navy Department" wherever they appear therein and inserting in lieu thereof the words "military department concerned";

(d) By deleting the words "be, and they are hereby, severally" in section 4 and inserting in lieu thereof the word "is"; and

(e) By renumbering section 5 as "SEC. 6" and inserting immediately after section 4 a new section 5 as follows:

"SEC. 5. For the purposes of this act, in any case where the date of death is established or determined under the Missing Persons Act, as amended, the date of death is the date of receipt by the head of the department concerned of evidence that the person is dead, or the date the finding of death is made under section 5 of that act, as amended."

SEC. 2. This amendatory act is effective June 25, 1950.

AMENDMENT OF ARMY-NAVY NURSES ACT OF 1947

The bill (S. 1530) to amend the Army-Navy Nurses Act of 1947, to authorize the appointment in grade of first lieutenant of nurses and medical specialists in the Regular Army and Regular Air Force and appointment with rank of lieutenant (junior grade) of nurses in the Regular Navy was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted, etc., That section 101 (c) of the Army-Navy Nurses Act of 1947 (61 Stat. 42) is amended to read as follows:

"(c) Commissioned officers of the Regular Army in the Army Nurse Corps, and commissioned officers of the Regular Air Force appointed with a view to designation as Air Force nurses, shall be appointed by the President, by and with the advice and consent of the Senate, from female citizens of the United States who have attained the age of 21 years. To be eligible for appointment under this subsection a person must be a graduate of a hospital or university training school and a registered nurse and must have the physical and other qualifications prescribed by the Secretary of the Army or the Secretary of the Air Force for the appropriate armed force. A person appointed under this subsection shall be appointed in the grade of—

"(1) second lieutenant, if she is not more than 27 years of age on the date of nomination by the President and is not qualified for appointment as a first lieutenant under clause (2); or

"(2) first lieutenant, if she is qualified under regulations issued by the appropriate Secretary and is not more than 30 years of age on the date of nomination by the President.

The maximum ages specified in clauses (1) and (2) are increased by the period of active Federal commissioned service performed after December 31, 1947. However, such an age may not be so increased by more than 5 years."

SEC. 2. Section 102 (c) of the Army-Navy Nurses Act of 1947 (61 Stat. 42) is amended to read as follows:

"(c) Commissioned officers of the Regular Army in the Women's Medical Specialist Corps, and commissioned officers of the Regular Air Force appointed with a view to designation as women medical specialists, shall be appointed by the President, by and with the advice and consent of the Senate, from female citizens of the United States who have attained the age of 21 years. To be eligible for appointment under this subsection, a person must have the physical and other qualifications prescribed by the Secretary of the Army or the Secretary of the Air Force for the appropriate armed force. A person appointed under this subsection shall be appointed in the grade of—

"(1) second lieutenant, if she is not more than 27 years of age on the date of nomination by the President and is not qualified for appointment as a first lieutenant under clause (2); or

"(2) first lieutenant, if she is qualified under regulations issued by the appropriate Secretary and is not more than 30 years of age on the date of nomination by the President.

The maximum ages specified in clauses (1) and (2) are increased by the period of active Federal commissioned service performed after December 31, 1947. However, such an age may not be so increased by more than 5 years."

SEC. 3. Section 204 of the Army-Navy Nurses Act of 1947 (61 Stat. 48) is amended to read as follows:

"SEC. 204. Except as provided in section 203 and 211 of this title, appointment to the grade of nurse in the Regular Navy shall be with the rank of ensign or lieutenant (junior grade), and each such appointment shall be subject to revocation by the Secretary of the Navy until such time as the appointee has served under such appointment for 3 years from the date of appointment. Officers whose appointments are so revoked shall be discharged from the service without advanced pay. Appointees shall be female citizens of the United States who shall have reached the age of 21 years on July 1 of the calendar year in which appointed. No person shall be appointed pursuant to this section until she shall have established her mental, moral, educational, professional, and physical qualifications to the satisfaction of the Secretary of the Navy. A person appointed under this section shall be appointed with the rank of—

"(1) ensign, if she is not more than 27 years of age on the date of nomination by the President and is not qualified for appointment as a lieutenant (junior grade) under clause (2); or

"(2) lieutenant (junior grade), if she is qualified under regulations issued by the Secretary of the Navy and is not more than 30 years of age on the date of nomination by the President.

The maximum ages specified in clauses (1) and (2) are increased by the period of active Federal commissioned service performed after December 31, 1947. However, such an age may not be so increased by more than 5 years."

Mrs. SMITH of Maine subsequently said: Mr. President, I ask unanimous consent that an explanation of Senate bill 1530, Calendar No. 149, be printed in the RECORD in connection with the consideration of the bill.

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

STATEMENT BY SENATOR SMITH OF MAINE

I believe that most Senators are concerned—as I have been concerned—over the fact that it is proving so difficult to attract career women into the Nurse Corps and the Medical Specialists Corps of the Regular services.

The Army-Navy Nurses Act of 1947 is the basic procurement legislation in this field. This law prescribes an age limit of 28 years for original appointment in the Regular Nurse Corps of the Army and the Air Force and specifies that such appointments may be made only in the grade of second lieutenant.

With respect to the Regular Navy, the act provides that nurses may be appointed only in the rank of ensign, and from among persons below age 29 on July 1 of the calendar year in which appointed.

The number of nurses and women medical specialists currently being appointed in the Regular components of the armed services under the existing authority is not proving sufficient to compensate for the losses being incurred.

The Department of Defense feels that this situation could be alleviated by relaxing the current age limitations which govern the appointment of women as nurses and as medical specialists, so that these criteria will be more in line with those employed for the appointment of physicians and dentists.

The pending bill (S. 1530) amends existing law by prescribing an age limit of 27 years for appointments in the grade of second lieutenant or ensign and authorizes appointments in the next higher grade of persons who are not more than 30 years of age. Such age limits can be increased by a maximum of 5 years by periods of active commissioned Federal service performed since January 1, 1948.

This latter provision is of particular importance under present circumstances because of the very substantial number of women reservists who have served periods of active duty and who are desirous of joining the Regular services, but who find themselves over the prescribed age limit because of the years of service which they have already rendered.

The committee, after hearing the testimony of witnesses from the Department of Defense, feels that the bill as recommended will enlarge the field from which Regular nurses may be procured and will create a more stable and a larger supply of qualified candidates for Regular appointment.

The bill is recommended by the Department of Defense and does not involve the expenditure of additional Federal funds.

STANDARD DESIGN FOR SERVICE FLAG AND SERVICE LAPEL BUTTON

The bill (S. 1546) to amend the act authorizing the Secretary of War to approve a standard design for a service flag and service lapel button was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted, etc., That the act of October 17, 1942 (ch. 615; 56 Stat. 796), is hereby amended by striking the words "Secretary of War" wherever they appear therein and inserting in lieu thereof the words "Secretary of Defense" and striking the words "the current war" appearing at the end of the first and second sections of the act and inserting in lieu thereof the words "any period of war or hostilities in which the Armed Forces of the United States may be engaged."

Mrs. SMITH of Maine subsequently said: Mr. President, I ask unanimous consent that an explanation of Senate bill 1546, Calendar No. 150, be printed in the RECORD, in connection with the consideration of the bill.

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

STATEMENT BY SENATOR SMITH OF MAINE

I feel sure that Senators will recall that during World War II many families of servicemen were very proud and happy to display the authorized service flag in the window of their homes, showing that a member of their family was serving with the Armed Forces. Similarly, it was a matter of pride to wear the authorized lapel button.

The World War II service flag and lapel button were authorized by the act of October 17, 1942. This act was effective, however, as the language specifies, "during the current war."

The United States today has military personnel scattered throughout the world. Thousands of them are fighting a bitter and bloody campaign in far-off Korea. Others are manning our ramparts across the bleak Arctic wastes. Still others are stationed at potentially explosive spots elsewhere. There is no authority whereby the members of the families of these servicemen and women can display a service flag or wear a service lapel button which proclaims that they have a service man or woman somewhere with our Armed Forces.

Certainly there never was a time when the sacrifices of our service men and women are more worthy of such recognition. The Committee on Armed Services, therefore, after a full discussion of the matter with witnesses from the Department of Defense, has recommended that the World War II authority be extended and modified so as to fix the responsibility for the design of the service flag and lapel button in the Secretary of Defense, rather than the Secretary of War, as was the case during World War II.

This legislation does not involve the expenditure of any additional Government funds. It would be applicable to "any period of war or hostilities in which the Armed Forces of the United States may be engaged."

APPORTIONMENT OF MONEYS RECEIVED FROM LEASING CERTAIN LANDS ACQUIRED FOR FLOOD-CONTROL PURPOSES—BILL TEMPORARILY PASSED OVER

The bill (S. 117) to amend section 7 of the Flood Control Act of 1941 relating to the apportionment of moneys received on account of the leasing of lands acquired by the United States for flood-control purposes was announced as next in order.

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

Mr. HENDRICKSON. Mr. President, reserving the right to object, and I shall not object, the Senator from Connecticut [Mr. BUSH] wanted to be on the floor when this bill came up for consideration. I have sent for him, and he will, I am sure, be present within a few minutes. I would not want the bill sent to the foot of the calendar, but I wonder whether we could return to it presently.

The PRESIDING OFFICER. The bill will be passed over temporarily.

ABANDONMENT OF CERTAIN PART OF THE FEDERAL PROJECT FOR THE BROADKILL RIVER IN DELAWARE

The bill (S. 639) to provide for the abandonment of a certain part of the Federal project for the Broadkill River in Delaware was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted, etc., That the Chief of Engineers of the Department of the Army is authorized and directed to abandon the part of the Federal project for the Broadkill River in Delaware, adopted March 3, 1873, and modified March 2, 1907, which provides for an entrance channel from such river to Delaware Bay.

AMENDMENT OF IMMUNITY PROVISIONS AFFECTING WITNESSES BEFORE CONGRESSIONAL COMMITTEES—BILL PASSED OVER

The bill (S. 16) to amend the immunity provisions relating to testimony given by witnesses before either House of Congress or their committees was announced as next in order.

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

Mr. SMATHERS. Mr. President, may we have an explanation of the bill?

Mr. McCARRAN. Mr. President, this is Calendar No. 153, Senate bill 16, a bill to amend the existing statute with respect to immunity from prosecution of witnesses before congressional committees who are compelled to testify after having claimed their privilege against self-incrimination, under the fifth amendment of the Constitution of the United States. The purpose of this bill is to correct a deficiency in the present law, which renders it ineffective.

Members of the Senate are, I think, mostly familiar with this subject matter and with this bill. There has been a great deal of discussion about it, here on this floor and elsewhere. The committee report on the bill is quite full and complete.

To state the matter very briefly, the present law is deficient because it does not give an immunity as broad as the constitutional privilege. The privilege is against prosecution. The immunity granted by the present law is only against the use of the particular testimony which is compelled, as evidence in a subsequent criminal proceeding. The Supreme Court has held that this is not enough, since it would still be possible under the existing law to use the testimony of the witness as a basis for securing other evidence against him. Therefore, the bill now before the Senate would amend the law so as to provide complete immunity from prosecution, with respect to the particular matters or things concerning which the witness testifies in response to a requirement that he answer a specific question after he has claimed his immunity with respect thereto.

The bill provides that immunity could only be granted in this way when authorized by a vote of at least two-thirds of the members of a committee, including at least one member of each of the two political parties having the largest representation on such committee, or authorized by a majority of the Members present in either House.

Mr. President, enactment of this proposed legislation will go a long way to help combat the Communist conspiracy in this country, by putting in the hands of Congress the means to force Communists and former Communists to disclose what they know about the conspiracy. The American Bar Association has most strongly endorsed this proposal, as have many other patriotic and civic organizations.

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

Mr. TAFT. Mr. President, the question in my mind is whether the bill is not too wide open, in that any congressional committee—perhaps a small committee with one or two members—could grant immunity to any witness who appears before the committee. I do not desire to object particularly to the idea, but once before we had an immunity bath statute, and Congress repealed it because it was generally disapproved and thought to be too wide open. At least, it seems to me somewhat doubtful whether the bill ought to be passed on the consent calendar.

Mr. McCARRAN. Mr. President, merely to meet the suggestion of the Senator from Ohio, under the bill the question of immunity must be considered by the full committee, and two-thirds of the committee must approve the granting of immunity. Not only that, but there must also be representation by the two major parties, in any event.

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

Mr. McCARRAN. I yield.

Mr. SMATHERS. I understand that the Department of Justice objected to this bill in its present form, for the reason that it contains no provision requiring the committee to get permission from the Department of Justice, so to speak, before granting immunity. In other words, the Department of Justice might be preparing to file a suit or to bring an indictment against a person, only to have the committee grant him immunity, thus destroying the case. I wonder whether the Senator would be willing to amend his bill, and have it cleared by the Department of Justice, before the Senate votes on it?

Mr. McCARRAN. I have prepared an amendment, which I shall offer, though the amendment does not go so far as the Senator has requested.

Mr. TAFT. Mr. President, I think I would object to the bill, any way, but I would agree to have it come up later today or tomorrow, and let it be discussed on its own merits by those who have indicated to me that they object to the bill. That course has been followed from time to time.

Mr. McCARRAN. Mr. President, I should like to offer the amendment.

Mr. TAFT. That is perfectly satisfactory.

Mr. McCARRAN. Mr. President, I offer an amendment designed to meet both the viewpoint of the Senator from Tennessee and also that of the Senator from North Carolina [Mr. SMITH] and other Senators who feel that any provision with respect to giving notice to the Attorney General should not be a matter of law, but rather, being procedural, should be taken care of by the rules of the Senate and House or of the committees. My amendment would accomplish the purpose of requiring notification to the Attorney General in advance of taking a vote on a question of granting immunity to a witness; but the requirement would be in the form of an amendment to the rules of the respective Houses, not as legislation. I offer the amendment, and ask that it be printed and lie on the table.

The PRESIDING OFFICER. The amendment of the Senator from Nevada will be printed and lie on the table.

Mr. TAFT. Mr. President, I object to the consideration of the bill at this time, but I assure the Senator from Nevada I shall bring it up on motion, this week.

Mr. McCARRAN. I thank the Senator.

Mr. HENDRICKSON. Mr. President, I offer an amendment to this bill, which I ask to have printed and lie on the table.

The PRESIDING OFFICER. The amendment of the Senator from New Jersey will be printed and lie on the table.

Objection to the bill is heard, and it will be passed over.

HOUSING IN GUAM AND ALASKA

The joint resolution (S. J. Res. 71) to extend certain authority of the Federal National Mortgage Association to Guam and to amend the National Housing Act with respect to housing in Alaska was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Resolved, etc., That section 2 (b) of Public Law 52, 81st Congress, is hereby amended by inserting the figure "(1)" immediately prior to the words "may be offered to the Federal National Mortgage Association" and by adding the following before the period at the end of section 2 (b): ", and (2) may be offered to the Federal National Mortgage Association for purchase if such loans are secured by property located in Guam and insured under any of the provisions of the National Housing Act, as amended."

SEC. 2. Section 214 of the National Housing Act, as amended, is hereby amended—

(1) by striking from the last sentence of said section the words "Upon application by the mortgagee," and inserting in lieu thereof the words: "Upon application by the mortgagee (1) where the mortgagor is regulated or restricted pursuant to the last sentence of this section or (2)"; and

(2) by adding the following new sentence at the end of said section: "Without limiting the authority of the Commissioner under any other provision of law, the Commissioner is hereby authorized, with respect to any mortgagor in such case (except where the Alaska Housing Authority is the mortgagor or mortgagee), to require the mortgagor to be regulated or restricted as to rents or sales, charges, capital structure, rate of return, and methods of operation to such an extent and in such manner as the Commissioner determines advisable to provide reasonable rentals and sales prices and a reasonable return on the investment."

CONVEYANCE OF CERTAIN LANDS TO THE STATE OF CALIFORNIA

The bill (H. R. 2936) authorizing the Secretary of the Interior to convey certain lands to the State of California for use as a fairground by the 10A District Agricultural Association of California was considered, ordered to a third reading, read the third time, and passed.

ACCEPTANCE OF VIRGINIA SCHOOL-BOARD LAND IN EXCHANGE FOR PARK LAND

The bill (H. R. 1936) authorizing the acceptance for purposes of Colonial National Historical Park of school-board land in exchange for park land, and for other purposes, was considered, ordered to a third reading, read the third time, and passed.

INCREASE IN LIMIT OF EXPENDITURES FOR COMMITTEE ON RULES AND ADMINISTRATION—RESOLUTION PASSED OVER

The resolution (S. Res. 106) increasing the limit of expenditures under Senate Resolution 333, 82d Congress, for the Committee on Rules and Administration, was announced as next in order.

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

Mr. HAYDEN. Mr. President, reserving the right to object, I wish to say that this resolution was reported from

the Committee on Rules and Administration. For various reasons, probably through my fault, certain circumstances have now developed which had not been anticipated. I find upon inquiry that, on May 1, the subcommittee had a balance of $58,833 to its credit, and that its April payroll was at the rate of $10,378.80 a month. There are employed by the committee at this time a chief counsel, at a salary of $970.70 a month; two associate counsel at $839.03 a month; an assistant counsel at $797.50 a month; a special counsel at $436.58 a month; five investigators at $651.66 a month, and eight clerical assistants at about $340 or $350 a month. Considering these rates of compensation, the amount which the committee now has on hand should make funds available for another 4 or 5 months.

It is my understanding that the purpose in asking for the $100,000 was to provide funds in connection with the contest over the seat of the senior Senator from New Mexico [Mr. CHAVEZ]. My information from the subcommittee is that there has been no determination up to this time as to whether it will be necessary to recount all the ballots cast in the State of New Mexico at the last election. I understand that the ballots in one county only are now about to be recounted. I also understand that there has been a request for a bill of particulars on the part of the senior Senator from New Mexico which the subcommittee must consider.

I suggest, therefore, Mr. President, that the resolution go over until such time as further facts can be developed and the necessity for additional funds demonstrated.

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

Mr. HAYDEN. I yield.

Mr. ANDERSON. Will the Senator from Arizona again state how much money is on hand?

Mr. HAYDEN. It is $58,833, as of the first day of May.

Mr. ANDERSON. I am thoroughly in favor of an investigation being made, if anyone wants to make it, but I have been a little disturbed by stories that I find in some New Mexico newspapers. I understand that the attorneys are to be paid $200 a day, which amounts to $50,000 a year. I figured that was a pretty high rate. It is quite obvious that under such circumstances the committee could use up money in a hurry. I should like to have some indication of how the money is to be spent. I strongly support what the Senator has said about finding out the facts. I have never opposed an investigation of the last senatorial election in New Mexico. Thus far, some ballots have been recounted. That recount gained a few votes for the senior Senator from New Mexico.

Mr. HAYDEN. The question of whether it will be necessary to proceed further with the investigation has not been fully determined. The senior Senator from New Mexico has asked for a bill of particulars which would aid him in determining whether he would abide by a recount. Under the circumstances, Mr. President, it occurred to me that there is sufficient money at the present rate of expenditures to enable the committee to operate for another 3 or 4 months, and, therefore, I suggest that it would be well to let the resolution remain on the calendar, but I think it should go over at this time.

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

Mr. HAYDEN. I yield.

Mr. HENNINGS. In answer to the suggestion of the distinguished Senator from New Mexico I may say that it was determined by the Committee on Rules and Administration to wait until the attorneys present their bills, and that we should not bargain with counsel in advance as to what the rate of compensation should be in a matter of this kind. The statement is correct that ballots in one county have been recounted; but there is no firm commitment on the part of the subcommittee to recount the ballots in all the counties of the State.

Mr. HAYDEN. It is my understanding that the ballots in one-third of the counties have already been recounted.

Mr. HENNINGS. The Senator is correct. That was done under a State recount.

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

Mr. HAYDEN. I yield.

Mr. ELLENDER. In reference to the recounting of the ballots in New Mexico, as I understand the law in New Mexico, each district has the right within 10 days of an election to have a recount. Within 10 days the Governor had a recount made of 243 precincts. In order to ascertain the facts from the board I telegraphed the Governor on April 28 as follows:

> Wire Government collect if your canvassing board has recounted votes re Chavez-Hurley election. If so at whose request and with what results? If you care to express your view as to necessity for another recount by Senate, please wire.

In answer to that telegram I received the following telegram:

APRIL 28, 1953.

Hon. ALLEN J. ELLENDER,
United States Senator, Senate Office Building, Washington, D. C.:

Re your telegram 25th instant. State canvassing board recounted approximately 222 boxes throughout the State on Hurley's application. Original count for CHAVEZ 49,684 and for Hurley 28,809. Recount shows CHAVEZ 49,799 and for Hurley 28,545. CHAVEZ gained on recount 115 and Hurley lost 264. Net gain for CHAVEZ on recount 379 votes.

STATE CANVASSING BOARD,
EDWIN L. MECHEM, *Chairman,*
EUGENE D. LUJAN, *Member,*
BEATRICE B. ROACH, *Member.*

This recount was made at the request of Hurley himself. I understand that it is proposed to recount all the ballots in New Mexico. If that is done, it will simply be a waste of money.

Mr. HAYDEN. Is it proposed to recount the ballots which have already been recounted?

Mr. ELLENDER. Yes; that is my understanding.

Mr. HAYDEN. And not to accept the action taken by the State canvassing board?

Mr. ELLENDER. That is correct.

Mr. ANDERSON. Mr. President, will the Senator from Arizona yield further?

Mr. HAYDEN. I yield.

Mr. ANDERSON. Mr. President, I am not trying to say that I would not be willing to have every ballot in the State of New Mexico recounted, but I want to know what is to happen to the money before we undertake to provide it. I have sometimes retained the attorney who is representing the senior Senator from New Mexico. He is a very high-grade and responsible attorney. I am not sure that there should be any standard fixed. I say this as somewhat in response to the statement made by the Senator from Missouri [Mr. HENNINGS]. According to a newspaper story, a question was asked as to what compensation the attorneys will receive, and a man named Ware representing a group, I believe, individually stated that they were asking for $200 a day. I recognize that that is only four or five times the salary of a United States Senator, but I think it is somewhat high in most cases.

I would only suggest that if there should be a recount of the ballots in Bernalillo County, which is a very large and important county, and serious discrepancies should be disclosed, the committee would perhaps be justified in recounting the ballots in the entire State. I shall not oppose it. I think they should finish that job first, and then go on with the next one.

Mr. HAYDEN. Were the ballots in Bernalillo County recounted by the State canvassing board?

Mr. ANDERSON. I do not think so.

Mr. TAFT. Mr. President, I think the Senator's time has expired.

Mr. HAYDEN. Mr. President, under the circumstances, I ask that the resolution go over.

Mr. TAFT. Mr. President, I join in that request, because I think the matter should be fully discussed. I shall bring it up again after the completion of the call of the calendar.

The PRESIDING OFFICER (Mr. BENNETT in the chair). The resolution will be temporarily passed over.

RECONVEYANCE OF CERTAIN LAND TO THE TOWN OF MORRISTOWN, N. J.

The bill (S. 1292) providing for the reconveyance to the town of Morristown of certain land included within the Morristown National Historical Park in the State of New Jersey was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted, etc., That the Secretary of the Interior is authorized to convey to the town of Morristown, a municipal corporation of the State of New Jersey; without consideration, for public use, and under such terms and conditions as the Secretary may deem advisable, the following described property comprising a part of the Morristown National Historical Park:

That certain parcel of land comprising a part of the Fort Nonsense area of Morristown National Historical Park, bounded and described as follows:

Beginning at the twelfth corner of the eleventh tract which was conveyed by town of Morristown to the United States of America by deed dated July 4, 1933, which has been recorded at the Morris County clerk's office in book of deeds Q-33, page 433; thence—

(1) following the twelfth course therein south forty-nine degrees forty-six minutes east ninety-nine and fifty one-hundredths feet, to the thirteenth corner thereof, thence

(2) following the thirteenth course therein north forty-two degrees fourteen minutes east seventy and seventy one-hundredths feet, to the fourteenth corner thereof, thence

(3) following the fourteenth course therein north eight degrees ten minutes east one hundred eight and twenty one-hundredths feet, to the fifteenth corner thereof, thence

(4) following the fifteenth course therein north forty-seven degrees eighteen minutes west ninety-seven feet, to the sixteenth corner thereof, thence

(5) south twenty-two degrees forty-six minutes twenty seconds west one hundred seventy-four and fifty-eight one-hundredths feet to the point and place of beginning, containing approximately eighteen thousand square feet.

The above described land, upon conveyance to the town of Morristown, shall thereupon cease to be a part of the Morristown National Historical Park.

SALE OR LEASE OF CERTAIN LANDS BY THE STATE OF KANSAS

The Senate proceeded to consider the bill (S. 380) to authorize the sale or lease by the State of Kansas of certain lands situated near Garden City, Kans., which had been reported from the Committee on Interior and Insular Affairs with an amendment on page 1, line 3, after the word "to", to strike out "authorized" and insert "authorize", so as to make the bill read:

Be it enacted, etc., That the act entitled "An act to authorize the sale of certain lands near Garden City, Kans.," approved March 10, 1928, is amended to read as follows: "That the State of Kansas is hereby authorized to sell or lease for any purpose all or any part of the lands granted to the State under the provisions of the act entitled 'An act granting to the State of Kansas title to certain lands in said State for use as a game preserve,' approved June 22, 1916, without regard to any restrictions contained in such act, but upon condition that the proceeds of any such sale or lease be used by the State of Kansas to purchase or acquire other land in the State to be used as a State game refuge or for the further purposes and uses of the forestry, fish, and game commission of the State of Kansas as may be provided by the laws of the State."

The amendment was agreed to.

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

The title was amended so as to read: "A bill to authorize the sale or lease by the State of Kansas of certain lands situated near Garden City, Kans."

CONVEYANCE OF CERTAIN BURIAL LOTS AND OTHER PROPERTY IN WASHINGTON PARISH BURIAL GROUND, WASHINGTON, D. C.

The bill (S. 1545) to authorize the Secretary of the Army to convey certain Government-owned burial lots and other property in the Washington Parish Burial Ground, Washington, D. C., and to exchange other burial lots was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted, etc., That the Secretary of the Army is authorized to convey to the rector and vestry of Washington Parish (Christ Church), Washington, D. C., hereinafter referred to as the "vestry," all right, title, and interest of the United States in and to 392 burial lots, more or less, and a vault located in the Washington parish burial ground, Washington, D. C., formerly designated Congressional Cemetery, in consideration of the payment by the vestry to the United States of $100 and the release from the vestry of any claim it may have against the Government for reimbursement of moneys expended by it during prior years for upkeep and special care of Government-owned lots situated in the cemetery; and to acquire eight burial lots, more or less, owned by the vestry but occupied by Government burials, cenotaphs, or monuments, by exchange, without other consideration, for a like number of Government-owned burial lots; it being the intent of this act to authorize the Secretary of the Army, for the considerations stated, to dispose of the Government-owned vault and all Government-owned burial lots in the Washington Parish Burial Ground for which there is no present or foreseeable need and to acquire from the vestry all burial lots owned by the vestry and now occupied by Government burials, cenotaphs, or monuments.

Mr. HENDRICKSON. Mr. President, I ask to have printed at this point in the RECORD an article entitled "United States Acts To Return Old Cemetery Lots," published in the Washington Post of Tuesday, April 28, 1953, commending the legislation proposed by Senate bill 1545.

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

UNITED STATES ACTS TO RETURN OLD CEMETERY LOTS

Once again the Government and Washington Parish Christ Church are dickering over burial lots, though it's been half a century since the last Federal body was laid to rest at Congressional Cemetery.

Actually, the parties have been trading in burial lots for 137 years, off and on. But the current transaction, involving $100 and 392 lots, may close the deal once and for all.

Congressional Cemetery, at 1801 E Street SE., has a real name—Washington Parish Burial Grounds. The vestry of Christ Church, at 620 G Street SE., has owned and operated the cemetery since 1812. The Government first got into it in 1816.

Back in 1816, the Government asked the vestry for 100 burial sites. It requested and got 300 more in 1823. Down the long years, it has picked up some 500 additional lots.

If this seems like a lot of lots, pay it no heed. A spokesman for the vestry says the 30-acre cemetery has more than 38,000 of them. He also says more than 80,000 persons are buried there, many in mass graves.

Well, it developed back in mid-1950 that the Government had 392 of these lots and no use for them. So the Army Corps of Engineers, which has title to them, took steps to give them back to the vestry.

For one thing, Corps representatives did some stepping around in the cemetery, surveying the lots. There is considerable confusion, it seems, stemming from the fact that some Government personages are buried in lots belonging to the vestry—and some private citizens rest in lots claimed by the Government.

This is because many records have been lost, others changed, several wars have taken place—in short, because time has dimmed some records of who rests where even as it has softened and faded the once-sharp inscriptions in the old cenotaphs.

The business has reached the point now, though, where it's moving right along. The Senate Armed Services Committee last week approved a bill permitting the vestry to buy, for $100, the 392 lots.

The bill also provides for the trading of 8 burial lots owned by the vestry but occupied by Government-placed cenotaphs or monuments for 8 Government-owned lots.

If this appears complicated, here's something to top it: of the 400 lots (392 plus 8), only 212 are vacant. The vestry, interpreting the faded records as best it can, explains that "the Government used 56 of our lots and we used 88 of theirs." Figure that out.

Many notables are buried in Congressional Cemetery, among them Elbridge Gerry, fifth Vice President, interred in 1814; Col. Tobias Lear, George Washington's secretary, 1816; Chief Push-ma-ta-ha, of the Choctaw Nation, who fought in the War of 1812 and died here of the croup in 1824, and famed John Philip Sousa, the march king, 1932.

There also is a common grave for 27 girls who were working in the arsenal here during the Civil War when an explosion cost their lives.

The bill to give the 392 lots to the vestry went through the committee without question. "They felt," a vestryman said, "that it was the righteous thing to do."

The vestry will keep right on maintaining the Government cenotaphs and monuments just the same, as it has for 169 years.

PAYMENT FOR TRANSPORTATION OF HOUSEHOLD EFFECTS OF CERTAIN NAVAL PERSONNEL

The bill (S. 1547) to authorize payment for the transportation of household effects of certain naval personnel was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted, etc., That payment of the cost of transportation (including packing, crating, drayage, and unpacking) of household effects of members of the naval forces, upon release from active duty, from their homes of record to places selected by such members is hereby authorized to be made from current appropriations as may be available for such services and any payments representing the cost of such transportation (including packing, crating, drayage, and unpacking) heretofore made, are ratified and approved: *Provided,* That such transportation shall have been authorized prior to June 13, 1947, pursuant to duly promulgated regulations of the Navy Department: *Provided further,* That the transportation costs authorized to be paid hereunder are limited to the constructive costs of transportation from the last duty stations to the homes of record.

EXCHANGE OF CERTAIN LANDS BETWEEN UNITED STATES AND PUERTO RICO

The bill (S. 1548) to provide for the exchange between the United States and the Commonwealth of Puerto Rico of certain lands and interests in lands in Puerto Rico was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted, etc., That the Secretary of the Army is authorized to convey to the Commonwealth of Puerto Rico, in exchange for the land identified in section 2 hereof, all right, title, and interest of the United States in and to real estate briefly identified below and more fully described on maps and in descriptions on file in the Office, Chief of Engineers, United States Army:

(a) A strip of land alongside of Muñoz Rivera Avenue, San Juan, and east of Army medical building, containing 4.8 acres; the site of the San Sebastian guardhouse at 205

Sol Street, San Juan, containing five one-hundredths acre; old walls around La Fortaliza containing sixty-six one-hundredths acre; driveway to insular department justice containing eleven one-hundredths acre, and all shown in detail on drawing No. 15–02–142, dated August 15, 1951, entitled "Fort Brooke Military Reservation."

(b) Punta Las Marias Military Reservation, comprising eighty-seven one-hundredths acre, and shown on drawing No. 18–01–150, dated November 24, 1948, entitled "Punta Las Marias SL and FC Site."

(c) Punta Cangrejos (Battery Lancaster) Military Reservation, comprising 15.08 acres, and shown on drawing No. 18–01–114, dated November 10, 1948, entitled "Battery Lancaster (No. 264) Military Reservation."

(d) Punta Maldonado Military Reservation, comprising 1 acre, and shown on drawing No. 18–01–151, entitled "Punta Maldonado SL and FC Site."

(e) Mata Redonda Military Reservation, comprising 98.47 acres of fee-owned land and 1.81 acres of roadway easements, and shown on drawing No. 18–01–155, dated December 3, 1948, entitled "Mata Redonda Gun Emplacement Site."

(f) Point Lima Military Reservation, comprising 135.82 acres of fee-owned land and 9 acres of roadway, electric transmission line, and water pipeline easements, and shown on drawing No. 18–01–152, dated November 24, 1948, entitled "Point Lima Gun Emplacement Site."

(g) Camp O'Reilly Military Reservation, comprising 906.89 acres, and shown on drawing No. 18–01–160, entitled "Camp O'Reilly Military Reservation."

(h) Fort Mayaguez Military Reservation, comprising 7.05 acres and shown on drawing No. 18–01–180, dated August 17, 1949, entitled "Fort Mayaguez Military Reservation."

(i) Tract 16 of Salinas Maneuver Site, comprising 369.98 acres, and shown on drawing No. 18–01–126, dated November 1, 1948, entitled "Salinas Maneuver Site."

SEC. 2. The Secretary of the Army is authorized to accept from the Commonwealth of Puerto Rico, without cost to the United States, a conveyance by the Governor of Puerto Rico of the lands briefly identified below and more fully described on maps and in descriptions on file in the Office, Chief of Engineers, United States Army:

Area No. 1 comprising about 1,400 acres of rural and agricultural lands abutting along the upper one-half of the east boundary of the existing Salinas Maneuver Site and area No. 2 comprising about 5,100 acres of rural and agricultural lands abutting along the west and north boundaries of the reservation. These areas are shown on drawing No. 15–02–24, dated April 10, 1951, entitled "Expansion of Salinas Maneuver Site."

JURISDICTION OVER RIGHT-OF-WAY IN FORT SILL MILITARY RESERVATION, OKLA.

The bill (S. 1641) to retrocede to the State of Oklahoma concurrent jurisdiction over the right-of-way for United States Highways Nos. 62 and 277 within the Fort Sill Military Reservation, Okla., was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted, etc., That there is hereby granted to the State of Oklahoma a retrocession of jurisdiction over that part of the Fort Sill Military Reservation for which permission to use as a highway right-of-way for United States Higways Nos. 62 and 277, 80 feet in width, with necessary borrow pits, was granted to the State of Oklahoma by the Assistant Secretary of War by permit dated October 13, 1932. This retrocession of jurisdiction is granted to the extent that all laws of the State and all laws of the United States shall be applicable within the entire area included within the said permit and the United States and the State shall exercise concurrent jurisdiction thereover.

SEC. 2. The retrocession of jurisdiction granted shall be effective upon the acceptance thereof by the Legislature of the State of Oklahoma.

JURISDICTION OVER CERTAIN HIGHWAYS WITHIN FORT BELVOIR, VA.

The bill (S. 1549) to retrocede to the State of Virginia concurrent jurisdiction over certain highways within Fort Belvoir, Va., was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted, etc., That there is hereby granted to the State of Virginia a retrocession of jurisdiction over portions of highways described below within the Fort Belvoir Military Reservation to the extent that all laws of the State and all laws of the United States shall be applicable thereon and the United States and the State shall exercise concurrent jurisdiction thereover: United States Highway No. 1 between the easterly and westerly boundaries of the reservation, Virginia Highway No. 617 from Accotink to the northwesterly boundary of the reservation, Virginia Highway No. 618 between United States Highway No. 1 and Virginia Highway No. 613, Virginia Highway No. 613 from its intersection with Virginia Highway No. 611 (also known as Telegraph Road) to its intersection with Virginia Highway No. 618, and over the following area: Beginning at the intersection of the centerlines of Virginia Highways Nos. 613 and 617; thence westerly at right angles to the centerline of Highway No. 617, four feet; thence north forty degrees west two hundred thirty-two and forty-seven one-hundredths feet to center of bridge; thence north fifty degrees east forty-four feet to a point in stream; thence south forty degrees east one hundred eighty-eight and forty-seven one-hundredths feet to a point in Highway No. 613; thence south five degrees west sixty-two and twenty-three one-hundredths feet to point of beginning. This legislation is to be effective only as to those portions of the highways and area indicated herein over which the United States has heretofore acquired exclusive jurisdiction and shall not affect portions of such highways and area, if any, over which exclusive or concurrent jurisdiction is now vested in the State of Virginia. The general location of the numbered highways and the bounded area are shown on a map designated: War Department, O. C. E., Construction Division, Real Estate, Fort Belvoir Layout Map, approved September 22, 1944, Drawing No. MAD 37, on file in the Office, Chief of Engineers, Department of the Army.

SEC. 2. The retrocession of jurisdiction provided for in section 1 of this act shall take effect upon the acceptance thereof by the Legislature of the State of Virginia.

CONVEYANCE OF LAND AT EAGLE MOUNTAIN LAKE, TEX.

The bill (S. 1525) to authorize the Secretary of the Navy to convey to the Tarrant County Water Control and Improvement District No. 1 certain parcels of land in exchange for other lands and interests therein at the former United States Marine Corps air station, Eagle Mountain Lake, Tex., was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted, etc., That, in consideration of the conveyance to the United States of America by the Tarrant County Water Control and Improvement District No. 1 of fee-simple title to two certain parcels of land and avigation easement rights in other lands described in section 2 hereof, the Secretary of the Navy is authorized to convey to the said Tarrant County Water Control and Improvement District No. 1 all right, title, and interest of the United States of America in and to three parcels of land at the former United States Marine Corps air station, Eagle Mountain Lake, Tex., comprising an aggregate of two hundred twenty-five and five one-hundredths acres, more or less, and indicated as sections 1, 2, and 3 of area D on Public Works Drawing No. 4847, approved February 10, 1950, a copy of which is on file in the Navy Department, reserving, however, to the United States of America avigation easement rights and such other rights in, to, and over said lands as the Secretary of the Navy may deem proper.

SEC. 2. The Secretary of the Navy is authorized to accept the conveyance to the United States of America by the said Tarrant County Water Control and Improvement District No. 1 of fee-simple title to two parcels of land at the said former United States Marine Corps air station, Eagle Mountain Lake, Tex., containing an aggregate area of two hundred forty-four and thirty one-hundredths acres, more or less, and indicated as areas A and B on said Public Works Drawing No. 4847, together with perpetual avigation easement rights acceptable to the Secretary of the Navy over other lands of the said district lying in the flight-clearance zone of the east-west runway of the said air station.

REPEAL OF AUTHORITY TO PURCHASE DISCHARGE FROM THE ARMED SERVICES

The bill (S. 1544) to repeal the authority to purchase discharge from the Army, the Navy, the Air Force, and the Marine Corps was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted, etc., That section 4 of the act of June 16, 1890 (26 Stat. 158), and that part of the act of March 3, 1893 (27 Stat. 717), which provides "and in time of peace the President may, in his discretion, and under such rules and upon such conditions as he may prescribe, permit any enlisted man to purchase his discharge from the Navy or the Marine Corps, the amounts received therefrom to be covered into the Treasury," are hereby repealed.

AUTHORIZATION FOR WEARING OF UNIFORM BY PERSONS HONORABLY DISCHARGED FROM THE ARMED FORCES

The bill (S. 1550) to authorize the President to prescribe the occasions upon which the uniform of any of the Armed Forces may be worn by persons honorably discharged therefrom was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted, etc., That section 125 of the act of June 3, 1916 (39 Stat. 216), as amended, is further amended by deleting the words "of ceremony" wherever they appear therein and substituting therefor the words "authorized by regulations of the President."

SEC. 2. Section 2 of the act of June 21, 1930 (46 Stat. 793), as amended, is further amended by deleting the words "of ceremony" and substituting therefor the words "authorized by regulations of the President."

Mr. HENDRICKSON. Mr. President, I ask to have printed at this point in

the RECORD an explanation of the bill just passed.

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

STATEMENT BY SENATOR HENDRICKSON

Mr. President, this bill proposes to clarify certain provisions of existing law relating to the wearing of the military uniform by persons who have been discharged from the military services.

Under existing law persons who have been honorably discharged from the military services are permitted to wear their uniforms on certain occasions of ceremony.

Existing law, however, does not precisely define what is meant by the term "occasions of ceremony."

As a consequence there have been instances where individuals wearing the uniform of the United States have participated in ceremonies which were unbecoming to the dignity of the uniform and to the Armed Forces. Yet, the lack of a clear-cut definition enunciated in the law has made it impossible to prosecute offenders. The bill proposes to remedy the situation by substituting for the term "occasions of ceremony" the phrase "occasions authorized by regulations of the President."

The committee feels that the testimony presented shows a clear need for the legislation and recommends its enactment. The bill was recommended by the Department of Defense with the concurrence of the Department of Justice. It involves no expenditure of Federal funds.

AMENDMENT OF EXPORT-IMPORT BANK ACT OF 1945

The bill (S. 1413) to amend the Export-Import Bank Act of 1945, as amended, was announced as next in order.

Mr. TAFT. May we have an explanation of this bill?

The PRESIDING OFFICER. An explanation of the bill has been requested.

Mr. HENDRICKSON. My attention has been called to the fact that the Senator from Connecticut [Mr. BUSH], who is interested in this bill, has not returned from the meeting of the committee which has been considering the bill. Therefore, I ask that the bill go to the foot of the calendar.

The PRESIDING OFFICER. Without objection, the bill will go to the foot of the calendar.

PARTICIPATION BY UNITED STATES GOVERNMENT IN NATIONAL CELEBRATION OF CONTROLLED POWERED FLIGHT

The joint resolution (S. J. Res. 42) to provide for participation by the United States Government in a national celebration of the 50th anniversary year of controlled powered flight occurring during the year from December 17, 1952, to December 17, 1953, was announced as next in order.

Mr. TAFT. Mr. President, there are on the calendar two joint resolutions pertaining to this general celebration. The other is House Joint Resolution 241, Calendar No. 213.

Mr. McCARRAN. They are not the same, although they are designated on the calendar as being the same. They are different, because House Joint Resolution 241 carries a specific appropriation. I think it should have gone to the Committee on the Judiciary. The two measures are not the same.

Mr. President, I should like to say just one word in behalf of Senate Joint Resolution 42. I have here on my desk the personal file of Gen. Jimmy Doolittle, which shows that this celebration of the 50th anniversary of powered flight has been given the enthusiastic endorsement of President Eisenhower, has the full support of the executive departments of the Federal Government, has been endorsed by governors of a majority of the States, has been endorsed by outstanding leaders and organizations in civic and patriotic fields all over the country, by labor leaders, business leaders, and leaders in many other fields of endeavor.

Mr. President, Gen. Jimmy Doolittle is the sparkplug of this celebration of the 50th anniversary of powered flight. He has not only secured the approval and support of Government and business on the State and local levels, as well as on the national level; General Doolittle has encouraged and secured a high degree of world interest in this anniversary celebration. He wants Congress to join in the celebration, providing official notice that the whole Nation is interested in it. I am confident that my colleagues will not wish to withhold their sanction from this joint resolution.

As coauthor of Senate Joint Resolution 42, there is a statement which I feel I should make as part of the legislative history of the resolution. Question has been raised whether the last paragraph of the resolution, authorizing payment of necessary travel expenses of any Member of Congress incidental to the performance of duties and responsibilities pursuant to designation under this resolution, could be construed in such a way as to permit large expenditures, or whether this is a provision solely relating to actual and necessary minimum travel expenses by Members of Congress themselves. Of course, the latter view is the correct one. The resolution provides that the President of the Senate and the Speaker of the House shall appoint Members of their respective Houses to represent the Congress at principal national events in connection with the anniversary celebration. The clause with regard to expenses would simply cover the actual and necessary travel expenses of such Members in connection with their attendance at the designated events.

The PRESIDING OFFICER. Is there objection to the present consideration of the joint resolution?

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

Whereas two Americans, Orville and Wilbur Wright, of Dayton, Ohio, made the world's first successful controlled powered flight in a heavier-than-air craft at Kitty Hawk, N. C., on December 17, 1903; and

Whereas American inventiveness and competitive enterprise during the half century since December 17, 1903, has developed the airplane into one of mankind's most powerful economic tools, into a social force which has recast the earth, into the most decisive element in the armor of the free world; and

Whereas the epochal contribution of the Wright brothers is an historical milestone in world aviation leadership; and

Whereas the National Committee To Observe the Fiftieth Anniversary of Powered Flight desires and the President of the United States has directed the Federal Government to participate in a broad program of commemorative activities; and

Whereas it is the judgment of the Congress that a proper coordination of Government participation in this anniversary be achieved: Therefore be it

Resolved, etc., That the period from December 17, 1952, to December 17, 1953, be, and it is hereby, declared the 50th anniversary year of controlled powered flight.

The President of the Senate shall appoint six Members and the Speaker of the House shall appoint six Members to compose a Joint Committee on Observance of the 50th Anniversary Year of Controlled Powered Flight, and may appoint additional Members of their respective Houses from time to time to represent the Congress at principal national events during the 50th anniversary year of controlled flight.

When requested thereto by the joint committee appointed pursuant to this resolution the Secretary of Defense is authorized and directed to arrange for the cooperation of and appropriate participation by the various armed services in the celebration of the 50th anniversary year of controlled powered flight.

Necessary travel expenses of any Member of Congress incidental to the performance of duties and responsibilities pursuant to designation under this resolution shall be paid out of the contingent fund of the House of which such member is a Member, upon vouchers approved by the chairman elected by the joint committee created hereunder.

The preamble was agreed to.

Mr. McCARRAN. Mr. President, House Joint Resolution 241, although designated on the calendar as being a companion measure, is not a companion resolution; it is entirely different.

The PRESIDING OFFICER. The measure passed by the Senate was Senate Joint Resolution 42, Calendar No. 172.

Mr. McCARRAN. That is correct, that is the one that has been passed, as I understand.

The PRESIDING OFFICER. There was no objection, and Senate Joint Resolution 42 was passed.

SUSPENSION OF STATUS OF PERMANENT RESIDENCE TO CERTAIN ALIENS

The concurrent resolution (S. Con. Res. 25) favoring suspension of the status of permanent residence to certain aliens was considered and agreed to.

(For text of above concurrent resolution; see CONGRESSIONAL RECORD of April 27, 1953, p. 3908.)

SUSPENSION OF DEPORTATION OF CERTAIN ALIENS

The concurrent resolution (S. Con. Res. 26) favoring the suspension of deportation of certain aliens was considered and agreed to.

(For text of concurrent resolution, see CONGRESSIONAL RECORD, April 27, 1953, p. 3915.)

GRANTING OF STATUS OF PERMANENT RESIDENCE TO CERTAIN ALIENS

The Senate proceeded to consider the concurrent resolution (H. Con. Res. 29)

favoring the granting of the status of permanent residence to certain aliens, which had been reported from the Committee on the Judiciary with amendments on page 4, line 1, to strike out "A–6467056, Metsalo, Valentin"; in line 20, after the numerals "A–7144911", to strike out "Swoyski" and insert "Swoysik"; in line 21, after the name "Antonin", to strike out "Svojski" and insert "Svojsik"; in line 23, to strike out "A–9541479, Tani, Johannes."; on page 8, line 2, to strike out "A–7135678, Werner, Vera Stein"; on page 11, line 2, to strike out "A–7125298, Olkin, Golda"; on page 14, after line 6, to strike out "A–7021050, Fung, Corinne Lillian or Corrine Lillian Kwong"; on page 18, after line 9, to strike out "A–6903692, Bluth, Lenke Einhorn"; after line 11, to strike out "A–6852888, Feldbrand, Manci"; after line 13, to strike out "A–6857573, Halpert, Sari Meisels"; after line 21, to strike out "A–9778303, Mazurek, Eugeniusz. A–6887709, Meisels, Naftali"; on page 19, after line 7, to strike out "A–6917991, Schwimmer, Zoltan"; on page 20, after line 3, to strike out "A–6929687, Diller, Abraham Iser"; after line 11, to strike out "A–9536244, Gutmann, Villem or Willem, or Vellem, Willem, William, Vilam, or Wilheim Gutmann, Gutman, Guttmann"; after line 21, to strike out "A–6903748, Kaftanski, Seymour, alias Szepsel Kaftanski"; on page 21, after line 16, to strike out "A–6756293, Lucaci Larisa"; on page 22, after line 3, to strike out "A–6647101, Schulz, Jiri. A–6938007, Schwartz, Hillel Aron"; in line 6, after the numerals "A–7243320", to strike out "Shalmon" and insert "Shalom"; after line 9, to strike out "A–7290210, Sztrachman, Aleksander"; after line 13, to strike out "A–7197550, Waldman, Arpad"; after line 17, to strike out "A–6760585, Weil, Nicholas Andrew (Miklos Andor Weil). A–6886824, Weiss Josef"; on page 23, after line 10, to strike out "A–6565851, Hindreus, Hans Meeme. A–6159671, Joles, Joel Leib"; after line 16, to strike out "A–6903760, Morrissey, Suzanne Rath. A–6949995, Neufeld, Josef"; after line 23, to strike out "A–9776513, Stilger, Wlodzimierz Jan"; and on page 24, line 1, to strike out "A–6849828, Tai, Gertrude Loe or Hsiao Tso Loe."

The amendments were agreed to.

The concurrent resolution (H. Con. Res. 29), as amended, was agreed to as follows:

Resolved, etc., 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–6963020, Amsel, Andor.
A–7898535, Avilo, Rudolf.
A–6592016, Balberiski, Miron or Bell.
A–6756307, Baqai, Mohamad Amir or Mohamad Amir Boukai.
A–6552873, Brotleit, Zofia Kusewicka.
A–9825254, Bussani, Andrew.
A–7099697, Chank, Peter Yun-Pao.
A–6431861, Chang, Jean M. Y. (nee Young).
A–6623722, Chang, Shau Hoa.
A–6623721, Chang, Tsaing Wa.
A–6625811, Chang, Yuan Lo.
A–6851532, Chao, Tsei-Yu or T. Y. Chao or Chao Tsei Yu.
A–7073396, Chechik, Luba (nee Luba Russak).
A–6848439, Chen, Min.
A–6830501, Dischka, Zsuzsanna.
A–6917990, Domb, Mozes.
A–7828138, Domb, Cyla.
A–7828139, Domb, Fryda.
A–7131176, Esop, Verner.
A–6740258, Fanaberia, Calel Morika.
A–6713644, Fanaberia, Masia (nee Rubin).
A–6886818, Feldblum, Meyer.
A–6536894, Fleischman, David.
A–6841247, Fleischman, Ilona Sara (nee Eizikovitz).
A–6769948, Frankel, Nechemie.
A–6753622, Frankel, Chana (nee Wachs).
A–7056845, Furer, Menashe or Menasze or Menasche or Menash Furer.
A–7210070, Gawronski, Antonina (nee Rittigstein).
A–6769935, Gedeon, Elie Jabra.
A–6860145, Gedrovics, Alberts.
A–6903711, Grunwald, Alexander.
A–6448004, How, Julie Lien-Yng or Julie How.
PR901282, How, Bang.
PR901281, How, Rose May Ng or Rose Howe.
A–6737212, Huang, Yao Sien or Eva Yai-Sien Huang.
A–6576346, Jacobowitz, Bela (Jakobowitz).
A–6848236, Jacobowitz, Eva.
A–7197382, Jaszkowski, Tadeusz or Ted Jaszkowski or T. Jaszkowski.
A–7427989, Karm, Meinhard.
A–6772233, Khalidi, Suleiman Faud El.
A–7491361, Kirilloff, Boris Ephim.
A–6887572, Kopelowitz, Ester (nee Tessler).
A–7178548, Laurik, Evald.
A–8091096, Lee, Margaret Chia Lin (Margaret Therese Lee).
A–6171207, Lee, Yiu Yung.
A–6953010, Lieber, Savolta (nee Berger).
A–6851545, Loo, Ching Chee.
A–7135305, Loo, Chia-Ying Chang (nee Chang).
A–6819172, Masliyah, Noory Heskel or Noory Heskel Musaleh.
A–6415978, Molnar, Theresia.
A–6923768, Muller, Vera.
A–7095882, Munteanu, George Nicholas.
A–9107940, Nakielski, Bernard or Makielski.
A–8091555, Novak, Joakim Ante.
A–6801965, Pan, John Joei-Siang or John Pan.
A–6611055, Potocka, Maria.
A–9668080, Rand, Vladimir.
A–6776588, Rotbart, Motel.
A–7094824, Saltoun, Ishaq Heshel.
A–7841095, Saltoun, Raina.
A–7841096, Saltoun, Salum.
A–9825231, Scrivanich, Antonio Nicolo.
A–7048886, Shulman, Joel or Julian Shulman or Julian Szulman.
A–6606633, Spierer, Villiam or William or Vilimos.
A–6508114, Stern, Herman.
A–9825170, Swidzinski, Czeslaw.
A–7144911, Swoysik, Emery Anthony or Emerich Antonin Svojsik.
A–7365957, Szekely, Suzanne.
A–6862642, Tessler, Margit (nee Margit Sonnenschein).
A–6258292, Tsai, Pe Chiu.
A–7934047, Tulk Johannes.
A–7243463, Tye, Josephine Chou.
A–6990780, Wagner, Wienczyslaw Jozef.
A–6701080, Weiss, Rachel Ruth.
A–6881779, Weisz, Eva.
A–7134269, Wisniewski, Roxalia.
A–7197533, Woo, Kok Liang.
A–7197534, Woo, Lily Ji-Yuen.
A–7197535, Woo, Andy Ying-Chung.
A–7197536, Woo, Benny Fong-Chung.
A–6291894, Zydorowicz, Zygmunt Stanislaw.
A–6291893, Zydorowicz, Stanislawa (nee Babel) (Bombel).
A–6615482, Cimze, Brigita.
A–6619075, Sils, Jekabs Rudolfs.
A–6615484, Cimze, Wilhelmina Albertine (nee Upmanis).
A–7181298, Ambaras, Berek.
A–7181299, Ambaras, Ruchla Leja (nee Spektor).
A–7181301, Ambaras, Szmul or Samuel.
A–7181300, Ambaras, Chaja.
A–6933862, Antos, Viktor or Viktor Adler.
A–7073948, Bajor, Laszlo.
A–7073949, Bajor, Margaret (nee Bermann).
A–7125348, Belohlavek, Ladislav.
A–8015690, Boni, Donato or Bonich.
A–7982580, Chen, Betty Shu-Hsien.
A–7350806, Chen, Chi-Cheng.
A–6542129, Deutsch, Emery.
A–6542128, Deutsch, Edith.
A–7395122, Dunn, Fung Wen-Feng.
A–6899359, Eisendraft, Jente Perl.
A–7975403, Greisman, Chaim.
A–6933870, Greisman, Dyna (nee Dyna Stern).
A–6511086, Gulewski, Chaim Ber.
A–6843542, Halberstam, Serena.
A–7143248, Hauser, Moses.
A–6896010, Kac, David or David Katz.
A–6734615, Kahan, David.
A–6819107, Konig, Simon.
A–7383019, Konig, Judit.
A–6917988, Leffel, David.
A–7841092, Leffel, Hania Sarah Leffel.
A–7841094, Leffel, Henry.
A–7066379, Leicht, Alfred.
A–6757650, Liberman, Chaja Cross.
A–7057929, Loblovics, Jirina.
A–7445230, Loblovics, Peter Stepan.
A–9669698, Loser, Ladislav.
A–6439571, Lukacs, John Adalbert.
A–7184075, Nagy, Gustav.
A–6953276, Ostreicher, Sally or Sara Ostreicher.
A–9825173, Piccini, Giovanni or John Piccini.
A–9825233, Piccinich, Antonio.
A–9825234, Picinich, Giovanni (John).
A–7048776, Pribramska, Milena Jaroslava.
A–6803937, Propper, Hinda.
A–7243272, Rofe, Clemy (nee Hassoun).
A–7243273, Rofe, Roland.
A–6542415, Ronikier, Adam.
A–6275646, Rosenthal, Cecilia Lucy (nee Rochlin).
A–6937373, Rottenberg, Laszlo.
A–6851434, Shen, Mary.
A–6441693, Shew, Lester Fook.
A–6441694, Shew, Alice Lee.
A–6450187, Shimanovsky, Alexander Eugene.
A–6450157, Shimanovsky, Xenia Nikosevna.
A–6450158, Shimanovsky, Nickolai, Alexander.
A–6450159, Shimanovsky, Natalie Alexander.
A–6905008, Straush, Leo.
A–7863422, Strauss, Elizabeth (nee Elizabeth Brody).
A–7125300, Szilas, George.
A–7125301, Szilas, Veronica Anna.
A–6913912, Tabak, Guta.
A–9825237, Tarabocchia, Antonio Giovanni.
A–6805581, Teitelbaum, Dorothy.
A–7116390, Winter, Berek Litman.
A–7427544, Winter, Mordechai.
A–7802010, Zaharoff, George Alexander.
A–6659388, Zak, Irene Anna (nee Segal).
A–6663293, Zak, Daniel.
A–6663244, Zak, Michael.
A–6779061, Abdul-Nabi, Sion Moshi.
A–6907333, Abramczyk, Abram.
A–7074032, Blumenstein, Jerta.
A–6509235, Brecher, Samuel.
A–6703334, Chang, Joyce Loretta.
A–6848604, Chien, James Tai Tze.
A–7975994, Chiu, Leung.
A–9836671, Cymer, Alfred or Alfred Ziemer or Alfred K. Cymer or Cymer Alfred or A. Cymer.
A–7934149, D'Antoni, Giuseppe Giovanni.
A–6949998, Dresdner, Desider.
A–6983006, Felkay, Miklos.
A–6983007, Felkay, Magdalena.
A–7445428, Felkay, Julia Agnes.
A–6496385, Fischman, Moses.
A–6472344, Fischman, Piri (nee Jeremias).

A–9765956, Fook, Lum or Lam.
A–6390069, Gerencser, Frank.
A–6390070, Gerencser, Anne.
A–7132030, Goldberger, Ernest.
A–6929650, Gorodecki, Aba.
A–6480449, Gorog, Frigyes or Frederic Gorog.
A–7125154, Gorog, Margit.
A–6887741, Gunsburg, Mendel.
A–6666944, Haberfeld, Eugene.
A–6922074, Halpert, Mendel.
A–7491705, Ho, Hao Jo.
A–7828496, Ho, Hsiang-Chiao Huang.
A–7828498, Ho, Lily Li-Lien.
A–7828495, Ho, Louise Li-Si.
A–7828597, Ho, William Wei-Yu.
A–7125390, Iritz, Magda.
A–7354858, Iritz, Andras Ferenc.
A–6438637, Jurisevic, Milo Tripe.
A–6438638, Jurisevic, Jelena Milo.
A–6438640, Jurisevic, Radmila Milo.
A–6438639, Jurisevic, Svetozar Milo.
A–6987919, Karastoyanova, Marguita Bogdanova.
A–7056457, Karcz, Jerzy Feliks.
A–7097876, Karcz, Irena.
A–7134826, Karlik, Oldrich (Olda) Evse Spitihnev.
A–7095980, Kovacs, Ilona Marie (nee Tovolgyi).
A–7095981, Kovacs, Judith Ilona.
A–7095982, Kovacs, Katalin Piroska.
A–6847906, Keng, Hilda Hsi Ling.
A–9506160, Kingsepp, Alexander.
A–7210424, Kotas, Jindrich.
A–7197295, Kucera, Sonia or Sonia Kucerova.
A–7802992, Kun, Jozsef Lajos or Joseph Kun.
A–9290474, Lian, Choo Joon.
A–6709345, Kwong, Tin Yu.
A–6991771, Leidermann, Susan Veronica.
A–6985787, Leidermann, Paul.
A–6848564, Lin, Ru-Kan or Ru Kong Lin.
A–8001257, Ljubcic, Maria Luca.
A–7210293, Madis, Voldemar.
A–7210288, Madis, Ilona.
A–7863133, Madis, Ilona, Jr.
A–7863134, Madis, Voldemar, Jr.
A–7991037, Maram, Maria.
A–7629040, Michalski, Stefan Antoni.
A–6555835, Milikowski, Boruch or Milikowsky or Boruch Milikowskie or Milkowski or Bouch Milikowski or Borouch Milikowski.
A–7483287, Moy, Don Tsit.
A–7095886, Miculescu, Mircea.
A–6849839, Nieh, Tseng-Lu.
A–6852886, Ostteicher, Ester or Esther (nee Peristein).
A–7868150, Pi, Teh Ho.
A–9825275, Piccini, Matteo.
A–7201404, Ripka, George Prokop.
A–7863155, Ripka, Hubert Jean Michel or Hubert Jan Michal Ripka.
A–6704266, Romanowska, Alicja Theresa or Alice Romanowski.
A–6983560, Setton, Renee Albert.
A–6746537, Shina, Isaac Saleh.
A–9825384, Tarabochia, John.
A–6403591, Tkachenko, Arkady.
A–7142101, Twardon, Gerard Edward.
A–7828393, Veres, George Stephen.
A–7828395, Veres, Catherine Renee.
A–7828394, Veres, Paul Stephen.
A–7095791, Vizer, Jozsef or Joseph.
A–7095792, Vizer, Erzsebet or Elizabeth (nee Papa).
A–7264780, Pal, Peter or Paul Vizer.
A–7915647, Wang, King-Ching.
A–7354350, Wang, Shen Kuang.
A–7379754, Wang, Chao-Chih Shih.
A–6622376, Wang, Shih Jien.
A–7427597, Yang, Bernard Kenneth.
A–7248107, Yu, Fu Ching.
A–6699842, Choye, James Hung or Tsai Hung.
A–6933906, Feder, Solomon.
A–7052513, Feher, Janos.
A–7052514, Feher, Klara (nee Vajda).
A–7052515, Feher, Agnes Julianna.
A–7053576, Friend, Jacob Lion.
A–6159672, Hudec, Ladislas Edward.
A–6159673, Hudec, Gisella Isabella.
A–6903729, Irany, Jalal Zend.
A–6704668, Jacob, Ellis Samuel.
A–9778010, Kaplur, Serge Michael.
A–9506849, Klak, Tadeusz Boleslaw.
A–7052354, Kremnitzer, Samuel.
A–7898806, Kremnitzer, Sala.
A–7298969, Ku, Ta Hai.
A–7350229, Kurzenbaum, Konstantin Paul.
A–1804133, Lillo, Rudolf Karl.
A–6460280, Lis, Josef Lisek Vel.
A–6071234, Liu, James Hsi-Hwa.
A–9825110, Maslobojew, Ryszard.
A–7356260, Metes, Mircea Virgil P.
A–7809812, Nacinovich, Francesco Giovanni.
A–9831492, Paszek, Emil.
A–7249625, Quon, Yuk Lum or Egai Kim Quon.
A–6704260, Rymarska, Stanislawa Janina or Stella Rymarski.
A–7197296, Schwarzenberg, Francis (Frantisek).
A–7197297, Schwarzenberg, Amalie (Amalia).
A–7809033, Schwarzenberg, Ludmila.
A–6982895, Sevcik, Jaromir.
A–7809012, Siao, Ruby Wang.
A–7809013, Siao, Lilly.
A–5206882, Silla, Johannes.
A–6992868, Sion, Caroline Eliahou (nee Caroline Eliahou Khazzam).
A–6943745, Somogyi, John.
A–6985795, Stransky, Frank.
A–6985796, Stransky, Kamila.
A–9716791, Strawinski, Adolf.
A–9825125, Szymankiewicz, Kazimierz.
A–6844603, Wang, Kung-Lee.
A–6848123, Yen, Jen Hwa (Moore Yen).
A–9766047, Abelnicks, Karlis Alexsandris.
A–6763814, Ahmad, Abder Raouf Sayied.
A–9621982, Baric, Slavko.
A–9825347, Bresaz, Metodio Vittorio.
A–7201326, Chao, Margaret Ellen.
A–6868652, Chasan, Samuel.
A–6843905, Chasan, Lala.
A–6843906, Chasan, Daniel.
A–6665493, Djordjevich, Ilija Milan or Eli M. Georgevich.
A–6363788, Dwek, Joseph.
A–9825078, Geba, Waclaw Stanislaw.
A–6857645, Gedeon, William Jabra.
A–7176712, Geiger, Leslie alias Lelsie Laselo Geiger.
A–7197556, Geiger, Elizabeth (nee Elizabeth Klein alias Elisabeth Kozmo).
A–6870411, Gottlieb, Suszanna Gabriella.
A–6829523, Hofer, Andras or Andre or Andrew or Andre, Fernand, Francois Hofer; Andras Nandor Ferenc Hofer.
1100–23457, Huang, Yuan Chung or Wei Ta Huang or Walter Huang.
A–6652842, Kenigsberg, Szaja Abram.
A–7144083, Lederman, Abram.
A–6923751, Lewita, Pinkas.
A–7903765, Mikulich, Gildo (nee Ermine-gildo Miculich).
A–6819103, Pick, Teresa Zeller.
A–6555822, Rosenstein, Muzza.
A–6987833, Sebestyen, George Stephen.
A–7941803, Simicich, Giovanni.
A–9825228, Tarabocchia, Antonio.
A–6881776, Traube, Moses.
A–6949360, Traube, Frida Pessa.
A–6848504, Tsou, Kwan Shung or Tsou Kwan Chung.
A–6983523, Visoianu, Florica Corneliu (nee Balteanu).
A–8001252, Wei, Chue Sue.
A–7118818, Winkler, Thomas.
A–9634634, Adamson, Armant.
A–7074001, Alimanestiano, Mihai.
A–7052865, Alimanestiano, Ioana.
A–7118760, Blau, Sidonia (nee Weiss).
A–6953297, Brod, Ivan.
A–6739686, Chao, Pei Chu.
A–6973682, Chang, Linda Tung-Chen.
A–7111908, Chiao, Gene Liang.
A–7111909, Chiao, Wei Ying Lin.
A–6522482, Chou, Kuo-P'ing alias Ch'Iao-Chen Chou (or Chow), alias Shou-Ying Chou (or Chow) alias Hsien-Chen Chou (or Chow).
A–6921258, Deutsch, Joel.
A–6595663, Druker, Haim Girsch.
A–6595664, Druker, Rebecca Afraim.
A–6595662, Druker, Leah alias Lillian Druker.
A–6854411, Fabry, Gavriella.
A–7135698, Fan, Kwan Chi alias Quincey Chi-Chun Fan.
A–6897918, Faybik, Alojz Stefan alias Allen Stefan Faybik.
A–6945554, Froemel, Robert Boris Ivanchenko.
A–6968029, Goldstein, Margarita Martin.
A–7395111, Hu, Helen or Yu Hsin Hu.
A–6851699, Huang, William Yung-Nien alias William Edward Huang.
A–7141717, Izsak, Julianna.
A–7279652, Izsak, Robert John.
A–6771471, Karkar, Ya-Qub (Jack) Nasif.
A–7985654, Kask, Johannes alias Johannus Kask.
A–7178540, Kask, Nelly (nee Jarg) alias N. Jarg or Nelli Jarg or Nellie Jarg or Millie Jarg or Nellie Jarge or Nelly Jarg Kask.
A–7863386, King, Peter Wei Kong.
A–6930672, Kramer, Esther or Ester.
A–6279271, Landau, Judith.
A–6521591, Loutchan, Ludmila Maria.
A–7125164, Lowinger, Ida (nee Ida Klein).
A–9914609, Pusic, Paul.
A–9825124, Puszka, Jan.
A–7184152, Radnai, Pal Andras alias Paul Andrew Radnai.
A–7197543, Radnai, Eva (nee Eva Balazs).
A–7383442, Sakin, Anna (nee Boxer).
A–7383443, Sakin, Shulamith.
A–7383444, Sakin, Judith.
A–7178370, Sihv, Eduard (or E.; or Edward Sihv; or Eduard Shiv).
A–6183233, Tamm, Igor.
A–9580292, Toomberg, Valdemar.
A–7057641, Treblinska, Rywka alias Rywka Treblinski or Regina Treblinski, or Hochsztein (nee Treblinska).
A–7967275, Tung, Chen Huan.
A–7398350, Vali, Eduard Julius.
A–6922682, Winkler, Sandor.
A–7046213, Winkler, Margit (nee Szerou).
A–6790612, Wu, Chien Keng.
A–9825045, Swiderski, Romuald.
A–6916445, Ulm, Arvo Johannes.
A–6779243, Schidlof-Vojnovic, Ivan, or Ivan Schidlof.
A–7079927, Weiss, Bernat, or Bernard Weiss.
A–6354566, Krajden, Moszko.
A–6849467, Skarzynska, Aniela, or Irena Merenholc.
A–5534198, Zombory, Ladislas.
A–7941170, Chong, King Kee, or Kee Chong King or Casey King.
A–7786119, Gorski, Boleslaw Pawel.
A–6862321, Adamus, Stanislaw.
A–7193792, Kulej, Hanna Teresa.
A–7193793, Cholewicki, Victor Stefan.
A–9677603, Aasma, August.
A–7129220, Aurel, Mozes.
A–6861310, Chao, Hieh Chang, or Frank Chao.
A–7868117, Frank, Frieda.
A–6887552, Ickowicz, Majer.
A–6983574, Indig, Abraham.
A–7841098, Indig, Irene.
A–7052337, Levendel, Irene.
A–6691413, Lin, Shuh Yuen, alias Shuh Yuen Liu.
A–6794943, Malhas, Ruhi Abdul-Hamid.
A–6612875, Masri, Mahmud Said.
A–7190317, Molostvoff, Catherine Basil.
A–7125385, Nowomiast, Mojzesz Hirsz, alias Marvin Henry Newton.
A–7125386, Nowomiast, Mina (nee Kaplan), alias Mina Newton.
A–7841884, Nowomiast, Mark, alias Mark Newton.
A–8001241, Petelka, Zofia (nee Korpowska).
A–7427649, Rzepkowicz, Michael.
A–7390586, Sedlak, Mirko Svatopluk, or Mirko Sedlak.
A–4768149, Shu, E. Hah.
A–7048743, Stern, Martin.
A–7124129, Tan, Pai Chu.
A–9766004, Toomepuu, Juhan.
A–9766003, Toomepuu, Juri.

A-6163781, Tsai, Chen Yu.
A-7144079, Wolf, Aron Nathan.
A-6862641, Adam, Mozes.
A-6440636, Aizer, Salim Shaoul.
A-5876212, Ambrus, Jan.
A-8001260, Arro, Arnold.
A-6952382, Beer, Adam, Eugin.
A-7210292, Bekeffi, Laszlo, alias Leslie Bekeffi.
A-7210291, Bekeffi, Magdalena.
A-6967636, Chen, Paul Kuan Yao.
A-7483958, Cheng, Ai Ming.
A-7483959, Chen, Lilly Li.
A-9765114, Cieslak, Alfons.
A-6662080, Domb, Jerachmiel, alias Jerachmiel Donn.
A-6805594, Faber, Laszlo, alias Laszlo Theodore Faber and George Leslie Faber.
A-6567671, Friedman, Leopold.
A-6903791, Gilbert, Suzanne, alias Suzanne Goldberger.
A-6737204, Godkin, Michael Joseph, or Moses Joseph Godkin.
A-7049993, Hazzan, Leon Isaac.
A-7049994, Hazzan, Renee.
A-6862650, Herman, Michel.
A-6991850, Herman, Maria.
A-6887727, Horowitz, Majer.
A-7276014, Hwang, Lai-Yin Grace.
A-6985811, Ionnitiu, Mircea.
A-6390210, Kangro, Valdeko.
A-7085991, Kassab, David Jacob.
A-6627380, Kiang, Frederica Shu-Ya.
A-9635272, Kiploks, Ludvigs, Paul or Ludvigs Kiploks.
A-6922685, Klein, Moric.
A-7828455, Klein, Julie.
A-7828456, Klein, Tomas.
A-6386367, Kogerman, Sulev Kristjan.
56133/591, Kuljaca, Jovo Petro.
A-6847740, Kwong, Man Hong.
A-7087401, Lautman, Zoltan.
A-6983796, Lee, Joseph Alexander.
A-6694226, Li, Kuan.
A-6625627, Li, Frances.
A-6794979, Lieber, Leopold.
A-6794944, Loh, Ellen (Ai Lien Loh, Ellen Lo).
A-7757809, Loo, Ping Yok.
A-6995548, Lowy, Gustav.
A-6805570, Odinak, Alec (Elya Odinak).
A-6373385, Petrova, Olga Gregorie.
A-6904771, Pizyc, Stefa.
A-6934637, Popoff, Sergei Vasilievich.
A-6390227, Raid, Kaljo, alias Kaljo Raamann.
A-7073587, Rizk, George Sliman, formerly George Sliman Rizk Abu Judom.
A-7463362, Sabel, Bela.
A-7463363, Sabel, Ilona (nee Adler).
A-7903795, Sabel, Irene.
A-6771472, Salah, Nadim John.
A-7243320, Shalom, Yacoup Raphael, alias Jack Raphael Shalom.
A-6867165, Sommerstein, Emil.
A-6886844, Szeto, Shih-Chuan.
A-9734415, Tai, Yang Wah.
A-6983820, Taub, Ladislas Vasile, alias Lawrence Taub.
A-6628885, Vaughan, Nellie Ladd.
A-7752326, Wang, Chi-Yuan.
A-6849833, Wang, Virginia Fu-Chuang.
A-6904341, Wechsler, Samuel.
A-6844256, Wenger, Irving (Izrael Wegier).
A-6844257, Wenger, Ida (Chaja Wegier).
A-7130820, Berland, Felicja, alias Felicia Berland.
A-7182346, Borowiec, Andrzej Stanislaw.
A-9758751, Bracco, Giovanni.
A-7139089, Bracco, Simon Guisto.
A-8057048, Cugliani, John, or Ivan Kuljanic or Ivan Milan Kuljanic.
A-7046293, David, Masouda M. S. S.
A-7139010, Deblinger, Srul.
A-6959748, Deblinger, Kate (nee Guttman).
A-7934151, Fable, Joseph, or Joe Fable.
A-7079925, Fulop, Jeno.
A-7144001, Goldberger, Magdalena.
A-6528723, Halpern, Aron.
A-6737779, Klein, Moritz.
A-6891804, Kohn, Judith.
A-6755538, Liang Tsich.
A-7779160, Loo, Shou Ming.
0300-299946, Paema, Ernst.
A-7244193, Picinich, Matteo.
A-7123477, Rawicki, Jerzy Jacob alias Jerry Rawicki.
A-7276711, Sang, Chang Chuan.
A-6934990, Schnabel, Moses.
A-7828578, Surian, Giovanni.
A-6620485, Tsang, John Lien-Kwei.
A-9555577, Veider, Carl (Karl) Alfred.
A-7118759, Weiss, Ervin, alias Erwin Weiss.
A-7118778, Weiss, Frieda.
A-6238175, Yang, Peter Quay, also known as Yang Quay and Yang Kwei.

GRANTING OF STATUS OF PERMANENT RESIDENCE TO CERTAIN ALIENS

The Senate proceeded to consider the concurrent resolution (H. Con. Res. 73) favoring the granting of the status of permanent residence to certain aliens, which had been reported from the Committee on Judiciary with amendments, on page 2, after line 11, to strike out:

A-6803930, Diamant, Robert.

On page 3, after line 13, to strike out:

A-6803965, Macsai, John or Janos Macsai.

On page 5, after line 6, to strike out:

A-7367900, Giernalczyk, Stefan or Giernalczk or Gieralczyk or Gierwalczyk.

On page 7, after line 4, to strike out:

A-6667084, Niselbaum, Echel or Yechel Niselbaum.

After line 22, to strike out:

A-6623435, Gersten, Zorica.

On page 10, after line 4, to strike out:

PR-902563, Jones, Lilla Carola.

On page 11, after line 5, to strike out:

A-7056451, Stass, Ludmila (nee Kregiel).

On page 13, line 1, to strike out:

A-6933858, Muller, William or Viliam Muller.

And on page 14, after line 4, to insert:

A-7141334, Mandukich, Svetozar Kosta.
A-7141335, Mandukich, Kosara.
A-7141336, Mandukich, Ivan.
A-7190619, Tao, Hsiang Hsia or Albert H. Tao.
A-6370112, Ling, James Gi-Ming.
A-6289221, Sopko, Frantisek (Frantisch) or Frank John Sopko.

The amendments were agreed to.

The concurrent resolution (H. Con. Res. 73) as amended was agreed to, as follows:

Resolved by the House of Representatives (the Senate concurring), 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-6571865, Azouni, Omar Suleiman.
A-6034282, Basri, Saul Abraham alias Shaoul Abraham Basri.
A-7362993, Beker, Jiri or George.
A-7056018, Bigajer, Henry.
A-7927807, Bigajer, Maria (nee Klein).
A-7184426, Bornemisza, Adele.
A-6368664, Brodt, David Majer.
A-7125013, Cerveny, Jaroslav.
A-2688593, Chang, Yaum Wen-King alias Pauline Yuan Wen-King Chang.
A-8057496, Chang, Pan Yih alias Daniel Chang.
A-6819167, Dahlan, Joseph George.
A-6886895, Deutsch, Gyula.
A-7184060, Fabian, Bela.
A-6464490, Garutso, Alexander Steven.
A-7362421, Goldstein, Miksa or Max.
A-6862635, Grandjean, Ilona Elisabeth.
A-6933905, Groberg, Abram.
A-6933838, Hajnski, Henryk.
A-6754448, Hodnette, Emilie Syrova.
A-7134271, Horowitz, Herman.
A-7182150, Horowitz, Regina Scheer.
A-7483633, Ioan, Marie Chantal.
A-7095883, Bratianu, Vintila.
A-7483207, Bratianu, Despina Marguerite.
A-6709343, Jacob, Leah.
A-6843562, Jastrob, Ibolya.
A-6794727, Joseph, Sabat.
A-6929652, Kassees, Hanna Sa'Adallah alias John S. Kassees.
A-6759331, Kourilova, Vlasta Jindra or Kouril.
A-6817969, Kuo, Chi Sheng.
A-7828052, Li, Chu Fang Wu.
A-7243087, Li, Pei.
A-7133238, Liang, Tomson Chuan-Po.
A-7795750, Ling, Theodore.
A-6196851, Ling, Leah.
A-6196853, Ling, Amy.
A-6196852, Ling, Hubert.
A-6956200, Mikolajczyk, Marian.
A-9914607, Mojsilov, Milenko Rada.
A-6985784, Mostecky, Iva (nee Eret).
A-6985785, Mostecky, Iva Vaclava Marie Luisa.
A-6922679, Oestreicher, Moric.
A-7915652, Oestreicher, Ester (nee Schon).
0500-37887, Ounapuu, Anton.
A-7915651, Pavich, Krsto.
A-5358599, Pezzulich, Emilio, alias Milan.
A-6985963, Pollak, Rudolf.
A-6830454, Qalla, Mahmoud Abdullah.
A-9716946, Rannik, George Juri alias George Tilling.
A-7802994, Rannik, Oie (nee Laanvere).
A-6093774, Rogel, Samuel.
A-6952327, Stein, Geza.
A-6887557, Stein, Herman.
A-6855671, Szamet, Josef.
A-7975176, Tercovich, Joseph.
A-6163703, Tsai, Chun Hsiang.
A-5291485, Tsai, Shu Chen or Anna Tsai or Sister M. Marda Tsai.
A-9764882, Walczat, Josef.
A-7279395, Walter, Lajos.
A-7078090, Walter, Irene Wiesner.
A-6620502, Wang, Henry Kung-Chueh.
A-6923160, Weinberger, Saul.
A-7975402, Weinberger, Cyla.
A-7975401, Weinberger, Jacob.
A-7079576, Weiss, Judith.
A-7187464, Winkels, Elena or Elena Bohdanecka.
A-6009015, Zia, Joshua E.
A-6009018, Zia, Doris Pan.
A-9825023, Sawicki, Zbigniew Joe.
A-6509234, Apter, Moses, alias Mozes Apter.
A-6422791, Autengruber, Milan or Milan Rastislav Autengruber.
A-7048870, Beckmann, Veronica Eszter.
A-6949996, Berkowiski, Mojsze or Moisze.
A-6924618, Bialkowska, Danuta.
A-7967726, Chao, Shih Shun alias Richard Chao.
A-7057123, Dolinska, Zofia Helena.
A-7197508, Frohlinger, Eugene.
A-7283199, Glikson, Josef.
A-7283200, Glikson, Cypora.
A-7283201, Glikson, Jerzy.
A-6916044, Herzer, Ivo.
A-7095740, Jogis, Arvi formerly Jurgins.
A-7095741, Jogis, Helga formerly Jurgins (nee Sulla).
A-7841818, Kucich, Oscar.
A-6330092, Lau, Johann also known as Lau Tso Han.
A-7445337, Loh, Carolyn Y-T.
A-6818121, Nessim, Abraham Salim or Ibrahim S. Nessim.
A-6903693, Nussenzweig, Olga.
A-6886828, Paneth, Alter.
A-7210287, Pill, Jerzy also known as George Pill.
A-8001229, Radovich Maxmillian.
A-7176955, Rottmann, Mozart.

A-6916032, Steinmetz, Klara (nee Polatsek).
A-6916034, Polatsek, Elsa.
A-6851519, Tao, Kwang-Yeh known as William K. Y. Tao.
A-7941175, Tao, Yu-Tsai known as Anne Tao.
A-7941176, Tao, Ke-Chiang known as David Tao.
A-6851546, Tsun-Hou, Lu.
A-6835823, Zelouf, Victor Sasson also known as Yictor Sasson Zelouf.
A-6612442, Bohosiewicz, Erwin.
A-7190311, Bohosiewicz, Pawel.
A-6958987, Chow, Lee Yuen.
A-7955269, Dimini, Milano.
A-6617748, Dimitriyevitch, Pierre or Peter Aleksander.
A-6968042, Feierabend, Ivo Karel.
A-9825160, Gornicki, Adam Waclaw.
A-9037759, Grzeta, Josip Marko.
A-6698714, Hamoui, Salomon Aslan or Hamwi or Hamwai.
A-6386627, Jizba, Zdenek Vaclav.
A-9673334, Jurkovic, Luka.
A-9542733, Kodurand, Leo.
A-7056415, Korda, Peter Bela (Krausz).
A-7056416, Korda, Marianne Rose (Engel Endrenyi).
A-7292654, Lee, Ying alias Robert Ying Lee.
A-79855399, Lo, Agnes Kit-Ling or Kit-Ling Lo.
A-6855623, Mandel, Salamon.
A-6610332, Mashal, Haskel Shaul.
A-6920582, Matrai, Bela Ludwig.
A-7174072, Negulescu, Istrate Gheorghe.
A-6528823, Nuseibeh, Hisham Zaki.
A-7809073, Skenazi, Sarah.
A-6937366, Szatai, Janos E. or Szatay, alias Jean Szatai.
A-7178989, Tasnady, Joseph alias Joseph Tasnady Tiedrenzel alias Hans Bruner.
A-6751969, Wyszogrol, Morris alias Moses Morris Wyszogrod.
A-7445765, Ye, Richard Cheng (Cheng Richard Ye (Yeh), Cheng Ye).
A-6857543, Moorma, Eino Fred.
A-7186415, Ajgengold, Symcha Jojna.
A-6669703, Alpern, Berek.
A-6952374, Balazsy, Elizabeth or Elizabeth Balazsy Barta.
A-7955268, Carcich, Romeo Peter.
A-6923157, Feig, Lea.
A-7419844, Hsia, Wei Yen.
A-7419843, Hua, Yu-Ching.
A-9685271, Kong, Lee Wing or Lee Wai Ding.
A-9542194, Kotovs, Grigorijs.
A-7125194, Krausz, Erno.
A-7138433, Krausz, Magdolna (nee Friedman).
A-7352275, Krausz, Eva.
A-6095041, Li, Loo-Yi.
A-6095146, Li, Yu Hwa New.
A-6095147, Li, Ronald Liang-Kuh.
A-6166808, Osusky, Stefan.
A-6704109, Paley, Iona Solomonovich.
A-7143252, Pan, Henry Cheng Hsing.
A-7686295, Perkins, Valentine Smoleff.
A-7244215, Piir, Helmut Evald.
A-7439283, Raun, Joann.
A-6771850, Saliba, George Shamoun.
A-8031934, Szubert, Jadwiga Adelberta.
A-6537002, Tang, Yueh-Mei (nee Huang, known as Madeleine Tang).
A-6665387, Trela, Stanley (Stanislaw).
A-6794976, Zeller, David.
A-6891800, Zeller, Herman.
A-9825095, Zmyslowska, Jozefa.
A-6218708, Kallab, Jiri.
A-7057982, Kallab, Aloisie.
A-8021333, Kallab, Valeriana.
A-8021334, Kallab, Anna.
0300-233579, Kallab, Maria-Jana.
A-9765892, Kurkiewicz, Marian.
A-7073954, Szalatnyaova, Louisa.
A-6316965, Tang, Chi-Chien alias Jack Chichien Tang or Jack C. Tang.
A-6821620, Tcheng, John Tsou-Ling.
A-6933872, Apel, Izchok.
A-6904306, Berger, Josef.
A-7279367, Berger, Melanie.
A-7279368, Berger, Robert.
A—7116341, Birnbaum, Dora (nee Lebovitz).
A-6819585, Borek, Feliks Rubinstein.
A-6709169, Cernius, Filomena or Filomena Vaidilaite.
A-6986499, Chaw, Frances Chi.
A-6989489, Duvan, Boris.
A-6989488, Duvan, Nadejda.
A-6989487, Duvan, Irene.
A-6884230, Farkas, Ernest.
A—6904299, Galupkin, Elja or Elia.
A-6760568, Garai, Lydia Agnes.
A-6521600, Goldner, Noemi Susan.
A-6916062, Gottesmann, Dezso or David Gottesman.
A-8031937, Hanja, Aita (nee Olv).
A-8031938, Hanja, Rudolph.
0300-309594, Hanja, Yuri, Thomas.
A-6616280, Hariri, Mahmud Said.
A-6452910, Hawinowicki, Hara or Havinoviski.
A-6623735, Huang, Linda Min-Hui.
A-8021273, Klaas, Selma alias Selma Nilson.
A-6887212, Kennedi, Miklos alias Miklos Stern.
A-6414654, Koo, Ge-Tsung.
A-7594552, Koo, Ts-Zung.
A-6704261, Kopera, Maria (nee Rycerz).
A-7046752, Lempicki, Alexander.
A-9650707, Lepa, Mihkel.
A-6554469, Lipski, Tadeusz.
A-6251862, Liu, Li Shiang.
A-7046283, Marecek, Karel Vaclav.
A-7095897, Marecek, Maria Barbora.
A-8082101, Marecek, Karel Frantisek.
A-8082100, Marecek, Miriam Anna.
A-8082099, Marecek, Bozena Vera.
A-6999088, Menache, Esther Shaoul.
A-9731416, Peaske, Kaarel.
A-9766019, Piaskiewicz, Jan Tadeusz.
A-9765690, Rabar, Simone.
A-6949334, Rios, Eszter or Esther or Eszter Fazekas (nee Major).
A-7095380, Rubinstein, Simon.
A-6922094, Schachter, Imrich.
A-6564147, Sheng, Marie Ming-Yi.
A-6690379, Sohn, Isabella (nee Ravay) alias Isabella Herman.
A-7046265, Shurc, Ludovit.
A-7046266, Shurc, Helena.
A-7046267, Shurc, Susan Vera.
A-6858259, Ting, Pu Sheng alias Andrew Pusheng Ting.
A-6848022, Shung, Ming Cheng or Ming Cheng Ting alias Luch Shung Ting.
A-9770893, Trela, Leon Tadeusz.
A-6848499, Tsai, Nai Hsin.
A-6142235, Tung, Tze-Kuei.
A-6963104, Vali, Viktor.
A-6534362, Wainer, Dora (nee Segerman).
A-6667951, Wainer, Joseph Abraham.
A-7483336, Wang, Kwang Nien or Kenneth Wang.
A-8021362, Wen, Li Shu or William Li Shu Wen.
A-6952371, Wiener, Berek.
A-7138101, Zachariasiewicz, Wladyslaw.
A-6827524, Zakova, Marie-Antonie Jarmila.
A-7095569, Barton, Frank X.
A-7095570, Barton, Alice Margaret.
A-7863152, Benedig, Erno.
A-7863158, Benedig, Margit (nee Steinberg).
A-7196419, Chan, Kwoon Chung.
A-7118737, Chang, William or Ching-Sung Chang or Ching-Sheng Chang.
A-6851661, Chen, Christine Ching-Sung.
A-0946874, Chen, Chung Chi.
A-8021403, Chen, Fu-Hwa Yien.
A-7383215, Ettisch, Felix Hsu.
A-7934152, Fishman, Leon.
A-6917983, Fried, Magdalina.
A-6891816, Hsu, Tao-Chiuh or T. C. Hsu.
A-7821461, Ing, Z. T. or Ting Shang-Teh.
A-7052331, Kolaja, Jiri Thomas.
A-7128146, Laamann, Uno.
A-8057474, Lee, Hong-I.
A-8057472, Lee, Ya-Wei Yew.
A-8057475, Lee, Jeannette.
A-6612725, Li, Sumin.
A-7795633, Li, Suefong.
A-7795635, Li, Suetse.
A-7276375, Li, Virginia Cheng.
A-7910447, Ozolins, Brun Francis.
A-7419933, Pao, Boris or Boris Bolian Pao.
A-7419934, Pao, Krystyna Bogdanska.
A-6851541, Pastoohoff, Peter Michael.
A-6772211, Saad, Edward Theodore or Saliba Saad.
A-7064188, Schwartz, Paul or Paul Soros.
A-6624082, Sheng, Chenhua H.
A-6624081, Sheng, Dora S.
A-8057047, Shun, Wah.
A-6923163, Stern, Carol.
A-6949345, Stocki, Gabrielle.
A-6333110, Trumbic, Mate.
A-7768049, Tsu, David Teh-Wei.
A-7073968, Weiner, Jacobina.
A-7868089, Weiner, Mircea or Mitchell.
A-7868090, Weiner, Mariano or Murray.
A-6891808, Wolf, Jacob.
A-7415061, Wu, Louise Siu Ching.
A-6032950, Yang, Biau.
A-6567550, Yang, Chang-Tsing.
A-6991827, Zacharia, Esa Matuk.
A-7283179, Grossfeld, Henrik or Haym or Henry David.
A-7048905, Moravcsik, Michael Julius.
A-7048902, Moravcsik, Julius Matthew Emil.
A-6976873, Racz, Marianna Maria alias Reihard.
0500-40102, Hasal-Ova, Dagmar Zofie.
A-7141334, Mandukich, Svetozar Kosta.
A-7141335, Mandukich, Kosara.
A-7141336, Mandukich, Ivan.
A-7190619, Tao, Hsiang Hsia or Albert H. Tao.
A-6370112, Ling, James Gi-Ming.
A-6289221, Sopko, Frantisek (Frantisch) or Frank John Sopko.

ANNY DEL CURTO

The bill (S. 52) for the relief of Anny Del Curto was announced as next in order.

Mr. HENDRICKSON. Mr. President, reserving the right to object—and I do not intend to object—I wonder if I may ask the distinguished chairman [Mr. McCARRAN] whether or not there is administrative relief available in this case.

Mr. LANGER rose.

Mr. McCARRAN. Mr. President, will the Senator from North Dakota permit me to make an explanation?

Mr. LANGER. The distinguished Senator is the author of the bill. I will gladly permit him to make an explanation.

Mr. McCARRAN. Mr. President, this is the case of a young woman whose mother is an American citizen and who is herself the wife of an American citizen. She is a young woman of good moral character. Her husband is a respected citizen of Reno, Nev. I know him personally. He is in the real estate and insurance business. He was born in Reno and he is a young man of excellent character, highly regarded in the community. His wife has been accepted in the community, and is in every way an asset both to her husband and to the life of the town and the neighborhood in which she lives. She is extremely well educated. She speaks eight languages. She has traveled widely and in many foreign countries. There is no blot or blemish on her record. This bill would simply have the effect of permitting her to remain in the United States.

Mr. HENDRICKSON. I take it from the Senator's explanation that he does not think there is administrative relief available.

Mr. McCARRAN. I do not think administrative relief is proper.

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

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

Be it enacted, etc., That, for the purposes of the Immigration and Nationality Act, Anny Del Curto shall be held and considered to have been lawfully admitted to the United States for permanent residence as of the date of the enactment of this act upon payment of the required visa fee.

TONI ANNE SIMMONS (HITOMI URASAKI)

The bill (S. 193) for the relief of Toni Anne Simmons (Hitomi Urasaki) was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted, etc., That, for the purposes of sections 101 (a) (27) (A) and 205 of the Immigration and Nationality Act, the minor child Toni Anne Simmons (Hitomi Urasaki) shall be held and considered to be the natural-born alien child of Sgt. and Mrs. Max L. Simmons, citizens of the United States.

JIMY OKUDA

The bill (S. 207) for the relief of Jimy Okuda was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted, etc., That, for the purposes of sections 101 (a) (27) (A) and 205 of the Immigration and Nationality Act, the minor child, Jimy Okuda, shall be held and considered to be the natural-born alien child of M. Sgt. and Mrs. Melvin C. Nietzel, citizens of the United States.

KEIKO TASHIRO

The bill (S. 226) for the relief of Keiko Tashiro was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted, etc., That, for the purposes of sections 101 (a) (27) (A) and 205 of the Immigration and Nationality Act, the minor child, Keiko Tashiro, shall be held and considered to be the natural-born alien child of Juro and Shizuko Yoshioka, citizens of the United States.

GEORGIA ANDREWS

The bill (S. 371) for the relief of Georgia Andrews was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted, etc., That, for the purposes of sections 101 (a) (27) (A) and 205 of the Immigration and Nationality Act, the minor child, Georgia Andrews, shall be held and considered to be the natural-born alien child of Mr. and Mrs. Gust Andrews, citizens of the United States.

WILLIAM JUNIOR JAMI AND SACHIKO SUWA

The bill (S. 448) for the relief of William Junior Jami and Sachiko Suwa was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted, etc., That, for the purposes of sections 101 (a) (27) (A) and 205 of the Immigration and Nationality Act, the minor children, William Junior Jami and Sachiko Suwa, shall be held and considered to be the natural-born alien children of M. Sgt. and Mrs. Albert E. Rowe, citizens of the United States.

THOMAS DALE FAWCETT (GEORGE YAMAMOTO)

The bill (S. 607) for the relief of Thomas Dale Fawcett (George Yamamoto) was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted, etc., That, for the purposes of sections 101 (a) (27) (A) and 205 of the Immigration and Nationality Act, the minor child, Thomas Dale Fawcett (George Yamamoto), shall be held and considered to be the natural-born alien child of Sgt. and Mrs. Dale T. Fawcett, citizens of the United States.

KIKUE TSURUKAWA

The bill (S. 674) for the relief of Kikue Tsurukawa was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted, etc., That, for the purposes of sections 101 (a) (27) (A) and 205 of the Immigration and Nationality Act, the minor child, Kikue Tsurukawa, shall be held and considered to be the natural-born alien child of Lt. and Mrs. Andrew J. Dickison, citizens of the United States.

TERESA LEE TIPTON (KINUKO SAKAI)

The bill (S. 1143) for the relief of Teresa Lee Tipton (Kinuko Sakai) was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted, etc., That, for the purposes of sections 101 (a) (27) (A) and 205 of the Immigration and Nationality Act, the minor child, Teresa Lee Tipton (Kinuko Sakai), shall be held and considered to be the natural-born alien child of Sgt. and Mrs. Wilmar D. Tipton, citizens of the United States.

KAREN RUTH BAUMAN

The bill (S. 1147) for the relief of Karen Ruth Bauman was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted, etc., That, for the purposes of sections 101 (a) (27) (A) and 205 of the Immigration and Nationality Act, the minor child, Karen Ruth Bauman, shall be held and considered to be the natural-born alien child of John F. Bauman, a citizen of the United States.

PATRIC DORIAN PATTERSON

The bill (S. 1228) for the relief of Patric Dorian Patterson was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted, etc., That, for the purposes of sections 101 (a) (27) (A) and 205 of the Immigration and Nationality Act, the minor child, Patric Dorian Patterson, shall be held and considered to be the natural-born alien child of S. Sgt. and Mrs. Shirley E. Patterson, citizens of the United States.

AMI HANADA (MARGARET AMI McCLUNG)

The bill (S. 1389) for the relief of Ami Hanada (Margaret Ami McClung) was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted, etc., That, for the purposes of sections 101 (a) (27) (A) and 205 of the Immigration and Nationality Act, the minor child Ami Hanada (Margaret Ami McClung), shall be held and considered to be the natural-born alien child of Capt. and Mrs. Elbert Lewis McClung, citizens of the United States.

ANN MARIE LONGWORTH AND JOHN FRANCIS LONGWORTH

The bill (S. 1390) for the relief of Ann Marie Longworth and John Francis Longworth was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted, etc., That, for the purposes of sections 101 (a) (27) (A) and 205 of the Immigration and Nationality Act, the minor children, Ann Marie Longworth and John Francis Longworth, shall be held and considered to be the natural-born alien children of Capt. and Mrs. Everett Longworth, citizens of the United States.

LINDA MARLENE KOLACHNY (MARIKO FURUE)

The bill (S. 1418) for the relief of Linda Marlene Kolachny (Mariko Furue) was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted, etc., That, for the purposes of sections 101 (a) (27) (A) and 205 of the Immigration and Nationality Act, the minor child, Linda Marlene Kolachny (Mariko Furue), shall be held and considered to be the natural-born alien child of Warrant Officer and Mrs. Clarence D. Kolachny, citizens of the United States.

IRENE EZITIS

The Senate proceeded to consider the bill (S. 228) for the relief of Irene Ezitis, which had been reported from the Committee on the Judiciary with an amendment to strike out all after the enacting clause and insert:

That for the purposes of the Immigration and Nationality Act Irene Ezitis shall be held and considered to be the minor child of her mother, Mrs. Ilga Ezitis, a lawful permanent resident of the United States.

The amendment was agreed to.

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

FRANCISCA EGURROLA

The Senate proceeded to consider the bill (S. 383) for the relief of Francisca Egurrola, which had been reported from the Committee on the Judiciary with an amendment to strike out all after the enacting clause and insert:

That for the purposes of the Immigration and Nationality Act Francisca Egurrola shall be deemed to be the minor alien child of Mr. and Mrs. Christobal Gabiola, citizens of the United States.

The amendment was agreed to.

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

TAKAKO NIINA

The bill (H. R. 688) for the relief of Takako Niina was considered, ordered to a third reading, read the third time, and passed.

ANNELIESE ELSE HERMINE WARE (NEE NEUMANN)

The bill (H. R. 748) for the relief of Anneliese Else Hermine Ware (nee Neumann) was considered, ordered to a third reading, read the third time, and passed.

STEPHANIE MARIE DORCEY

The bill (H. R. 884) for the relief of Stephanie Marie Dorcey was considered, ordered to a third reading, read the third time, and passed.

ASPASIA VEZERTZI

The bill (H. R. 886) for the relief of Aspasia Vezertzi was considered, ordered to a third reading, read the third time, and passed.

PAULA AKIYAMA

The bill (H. R. 955) for the relief of Paula Akiyama was considered, ordered to a third reading, read the third time, and passed.

DANIEL ROBERT LEARY

The bill (H. R. 1101) for the relief of Daniel Robert Leary was considered, ordered to a third reading, read the third time, and passed.

ASTRID INGEBORG MARQUEZ

The bill (H. R. 1186) for the relief of Astrid Ingeborg Marquez was considered, ordered to a third reading, read the third time, and passed.

MRS. HELGA JOSEFA WILEY

The bill (H. R. 1193) for the relief of Mrs. Helga Josefa Wiley was considered, ordered to a third reading, read the third time, and passed.

MRS. JAMES M. TUTEN, JR.

The bill (H. R. 1451) for the relief of Mrs. James M. Tuten, Jr., was considered, ordered to a third reading, read the third time, and passed.

MRS. SUGA UMEZAKI

The bill (H. R. 1704) for the relief of Mrs. Suga Umezaki was considered, ordered to a third reading, read the third time, and passed.

JACK KAMAL SAMHAT

The bill (H. R. 1895) for the relief of Jack Kamal Samhat was considered, ordered to a third reading, read the third time, and passed.

EMA SHELOME LAWTER

The bill (H. R. 2353) for the relief of Ema Shelome Lawter was considered, ordered to a third reading, read the third time, and passed.

PAOLA BOEZI LANGFORD

The bill (H. R. 2624) for the relief of Paola Boezi Langford was considered, ordered to a third reading, read the third time, and passed.

JAMES RENNICK MOFFETT

The Senate proceeded to consider the bill (H. R. 731) for the relief of James Rennick Moffett which had been reported from the Committee on the Judiciary with an amendment, on page 1, in line 5, after the name "James", to strike out "Rennick" and insert "Renwick."

The amendment was agreed to.

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

The PRESIDING OFFICER. The clerk will call the roll.

The Chief Clerk proceeded to call the roll.

Mr. TAFT. Mr. President, I ask unanimous consent that the order for a quorum call be rescinded and that further proceedings under the call be dispensed with.

Mr. MAYBANK. Mr. President, I ask unanimous consent——

The PRESIDING OFFICER. Does the Senator from South Carolina rise to object to the unanimous-consent request?

Mr. MAYBANK. Reserving the right to object, I ask unanimous consent that following the consideration of the next bill on the calendar the Senate proceed to the consideration of Calendar No. 171, S. 1413, to amend the Export-Import Bank Act of 1945, as amended.

The PRESIDING OFFICER. The Senate can consider only one unanimous consent request at a time.

Mr. MAYBANK. I understand. I said I reserved my right to object.

The PRESIDING OFFICER. The Chair informs the Senator from South Carolina that there can be no debate until the Senate has acted on the unanimous-consent request of the Senator from Ohio to rescind the order for a quorum call. Until such action is taken the Senate cannot proceed to the consideration of other business. If the Senator from South Carolina wishes to object to rescinding the order for a quorum call, the call will proceed.

Mr. MAYBANK. Because I am interested in getting along with the business of the Senate, I do not object at this time to the request of the Senator from Ohio, the distinguished majority leader.

The PRESIDING OFFICER. Without objection, the order for a quorum call is rescinded.

Mr. TAFT. What was the request of the Senator from South Carolina?

Mr. MAYBANK. I may say to the distinguished majority leader, my friend from Ohio, that I hope the Senate will consider Calendar No. 171, Senate bill 1413, amending the Export-Import Bank Act. The bill has been approved by Senators on both sides of the aisle. Unfortunately, the Senator from Connecticut [Mr. BUSH] is not in the chamber. It is a very important bill, and I do not want it to be carried over.

Mr. TAFT. Mr. President, I have very serious doubt about the wisdom of passing the bill. It would put the Export-Import Bank in the insurance business, whenever it determined that a regular insurance company was not willing to write some insurance. It seems to me it would be a step toward having the Government go into a business in which it has not so far engaged. At least it would seem that way to me from very casually looking at the bill, as I went through the calendar. Therefore I would somewhat doubt its validity; but I shall be very glad to bring it up for consideration by the Senate, together with a number of other bills.

Mr. MAYBANK. I did not understand the bill would have that effect. I understood the insurance companies' representatives testified differently when they appeared before the committee. I am sure the distinguished majority leader, the Senator from Ohio, knows that I never would be one to have socialism enter the insurance business. Certainly I have always stood against any kind of socialist bill. The Presiding Officer, the Senator from Utah [Mr. BENNETT], was present at the hearings. I heard no complaints of that kind.

Mr. TAFT. If the Senator from South Carolina is willing to let the bill go over I shall be glad to have it called up tomorrow for consideration, if the Senator wishes.

Mr. MAYBANK. I want to be sure that will be done. Mr. President, I now suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

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

Aiken	Griswold	Millikin
Anderson	Hayden	Monroney
Barrett	Hendrickson	Morse
Beall	Hennings	Mundt
Bennett	Hickenlooper	Murray
Bricker	Hill	Neely
Bridges	Hoey	Pastore
Bush	Holland	Payne
Butler, Md.	Humphrey	Potter
Byrd	Hunt	Purtell
Carlson	Ives	Robertson
Case	Jackson	Russell
Chavez	Jenner	Saltonstall
Clements	Johnson, Colo.	Schoeppel
Cooper	Johnston, S. C.	Smathers
Cordon	Kefauver	Smith, Maine
Daniel	Kennedy	Smith, N. J.
Dirksen	Kerr	Smith, N. C.
Douglas	Kilgore	Sparkman
Duff	Knowland	Stennis
Dworshak	Kuchel	Symington
Eastland	Langer	Taft
Ellender	Long	Thye
Ferguson	Magnuson	Tobey
Flanders	Malone	Watkins
Frear	Mansfield	Welker
Fulbright	Martin	Wiley
George	Maybank	Williams
Gillette	McCarran	Young
Goldwater	McCarthy	
Gore	McClellan	

The PRESIDING OFFICER. A quorum is present.

The question is on the engrossment of the amendment and the third reading of Calendar No. 207, House bill 731, for the relief of James Renwick Moffett.

Without objection——

Mr. MAYBANK. Mr. President, I object.

The PRESIDING OFFICER. Does the Senator from South Carolina wish the bill to go over or to be placed at the foot of the calendar?

Mr. MAYBANK. I do, and I suggest the absence of a quorum.

The PRESIDING OFFICER. Until the bill is passed, no business will have been transacted since the previous call of the roll.

Mr. MAYBANK. Mr. President, I appeal from the ruling of the Chair.

The PRESIDING OFFICER. The question is, Shall the decision of the Chair stand as the judgment of the Senate? [Putting the question.] The "ayes" have it, and the decision of the Chair is sustained.

Mr. MAYBANK. Mr. President, I now 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:

Aiken	Griswold	Millikin
Anderson	Hayden	Monroney
Barrett	Hendrickson	Morse
Beall	Hennings	Mundt
Bennett	Hickenlooper	Murray
Bricker	Hill	Neely
Bridges	Hoey	Pastore
Bush	Holland	Payne
Butler, Md.	Humphrey	Potter
Byrd	Hunt	Purtell
Carlson	Ives	Robertson
Case	Jackson	Russell
Chavez	Jenner	Saltonstall
Clements	Johnson, Colo.	Schoeppel
Cooper	Johnston, S. C.	Smathers
Cordon	Kefauver	Smith, Maine
Daniel	Kennedy	Smith, N. J.
Dirksen	Kerr	Smith, N. C.
Douglas	Kilgore	Sparkman
Duff	Knowland	Stennis
Dworshak	Kuchel	Symington
Eastland	Langer	Taft
Ellender	Long	Thye
Ferguson	Magnuson	Tobey
Flanders	Malone	Watkins
Frear	Mansfield	Welker
Fulbright	Martin	Wiley
George	Maybank	Williams
Gillette	McCarran	Young
Goldwater	McCarthy	
Gore	McClellan	

The PRESIDING OFFICER. A quorum is present.

The clerk will report the next bill on the calendar.

CONTINUATION OF AUTHORITY FOR REGULATION OF EXPORTS

The bill (S. 1739) to provide for continuation of authority for regulation of exports, and for other purposes, was announced as next in order.

Mr. TAFT. Mr. President, with regard to Senate bill 1739, I should like to say that it provides for an extension of the Export Control Act from 1953 to 1956. I wonder whether the committee would be willing to make the extension for 1 year. For a long time I have objected to the continuation of export controls. I think they involve a policy which is unwise as a general policy. They have been used by Americans on international commissions to assist them in a kind of cartelization of various commodities in short supply throughout the world. I have always questioned the wisdom of such power. It seems to me, in view of the fact that we are under a new administration, we should continue the authority for 1 year and make a study of the whole subject and see if we cannot get rid of export controls.

Mr. MAYBANK. Mr. President, will the Senator from Ohio yield?

Mr. TAFT. I yield.

Mr. MAYBANK. Mr. President, the Senator from Ohio looks at me, and I appreciate it, since I am the ranking Democrat on the committee. I have no authority to speak for the committee, and I have no comment to make on the Senator's suggestion, except to say that we have never discussed the 1-year proposal.

Mr. BRICKER. Mr. President, will the senior Senator from Ohio yield?

Mr. TAFT. I yield to my colleague.

Mr. BRICKER. Mr. President, the last extension was for 3 years. The Secretary of Commerce suggested that the extension is necessary at this time. The purpose is to control the export of strategic and war-support materials so that they will not be shipped behind the Iron Curtain.

Mr. MAYBANK. Mr. President, I have spoken to some of the Democratic Members, and they see no objection to limiting the bill to 1 year.

Mr. TAFT. Mr. President, I think the Government should make a study as to whether it is necessary to have export controls. It is contrary to anything we have done in our past history.

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

Mr. TAFT. I yield.

Mr. BRICKER. The second issue, so far as the bill is concerned, is with regard to the prohibition of exports of strategic materials in short supply in this country which may be essential in the war effort. That is becoming less and less important. I cannot speak for the committee, but certainly it would be satisfactory to me, as acting chairman of the committee, to agree to a 1-year extension. I think the majority leader is correct when he says there should be an extensive study made of the whole subject.

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

Mr. TAFT. I yield.

Mr. MAYBANK. The purpose of the bill is to keep materials from reaching the Iron Curtain.

Mr. BRICKER. That is the major purpose. The second purpose is to preserve our essential supplies in this country.

Mr. MAYBANK. Of course, I have no objection, Mr. President.

Mr. TAFT. Mr. President, I should not be willing to abandon export controls today, because of the danger of exports reaching Iron Curtain countries. But the bill is much broader than that. It applies to almost anything in certain fields exported under the authority of the Department of Commerce. At the same time, the legislation has been used in connection with international cartels.

Mr. BRICKER. Mr. President, it is certainly not the intention of any member of the committee to extend the act for any other purpose than the two purposes which I have mentioned. They constitute the only arguments that could be made for any extension at all.

Mr. TAFT. I have no objection to the consideration of the bill. I shall offer an amendment as soon as it is under consideration.

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

There being no objection, the Senate proceeded to consider the bill (S. 1739) to provide for continuation of authority for regulation of exports, and for other purposes, which had been reported from the Committee on Banking and Currency with an amendment, in line 6, after the word "thereof", to strike out "1958" and insert "1956", so as to make the bill read:

Be it enacted, etc., That section 12 of the Export Control Act of 1949 (63 Stat. 7), as amended by Public Law 33, 82d Congress (65 Stat. 43), is hereby amended by striking out "1953" and inserting in lieu thereof "1956."

Mr. TAFT. I move to amend the amendment by striking out "1956" and inserting in lieu thereof "1954."

The PRESIDING OFFICER. Is there objection?

Mr. BRICKER. I have no objection.

Mr. MAYBANK. That is perfectly agreeable to me.

The PRESIDING OFFICER. The question is on agreeing to the amendment offered by the Senator from Ohio [Mr. TAFT] to the amendment of the committee.

The amendment to the amendment was agreed to.

The amendment as amended was agreed to.

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

ORDER OF BUSINESS

Mr. MAYBANK. Mr. President, has the bill been passed?

The PRESIDING OFFICER. The bill has been passed.

Mr. MAYBANK. I should like to address myself to the distinguished majority leader.

The PRESIDING OFFICER. Under rule VIII, the hour of 2 o'clock having arrived, consideration of the calendar must be discontinued.

Mr. TAFT. Mr. President, I ask unanimous consent that the Senate continue with the call of the calendar to the end.

Mr. MAYBANK. Reserving the right to object, I wish to say to my distinguished friend that my private enterprise bill, which I introduced originally, and which was sponsored by the present distinguished Presiding Officer, the Senator from Utah [Mr. BENNETT], and the distinguished Senator from Connecticut [Mr. BUSH], was objected to. I refer to Calendar No. 171, Senate bill 1413, to amend the Export-Import Bank Act of 1945, as amended. I understand that the distinguished majority leader will make it the first order of business tomorrow, after the calendar is called, provided no other bill is to be taken up.

Mr. TAFT. There is another matter which I shall be obliged to take up first, which is the resolution providing additional funds for the Committee on Rules

and Administration. I shall bring up the bill in which the Senator from South Carolina is interested immediately upon the conclusion of the consideration of the resolution. However, that matter may be settled before tomorrow, so the Senator's bill may be the first one to be taken up.

Mr. MAYBANK. I appreciate the Senator from Ohio saying that the bill referred to by me will not be set aside for any other bill, after the consideration of the resolution of the Committee on Rules and Administration. Is my understanding correct?

Mr. TAFT. The Senator from South Carolina is correct; the bill will not be set aside for any other bill.

The PRESIDING OFFICER. Is there objection to continuing the call of the calendar to the end?

Mr. KERR. Mr. President——

The PRESIDING OFFICER. Does the Senator from Oklahoma rise to object to continuing the call of the calendar?

Mr. KERR. I do not.

The PRESIDING OFFICER. Then we must proceed with the call of the calendar.

Mr. KERR. I rise to make a statement in connection with proceedings with the call of the calendar.

The PRESIDING OFFICER. There is nothing before the Senate. Until a bill is before the Senate, the Senator cannot be recognized.

ELIMINATION OF REQUIREMENT THAT NATIONAL BANKS FURNISH LISTS OF SHAREHOLDERS

The bill (S. 1375) to amend section 5210 of the Revised Statutes was announced as next in order.

The PRESIDING OFFICER. The Senator from Oklahoma [Mr. KERR] is recognized.

Mr. MAYBANK. Mr. President, will the Senator from Oklahoma yield to me?

Mr. KERR. If I may do so without losing the floor, I yield.

Mr. MAYBANK. Mr. President, I ask unanimous consent that the Senator from Oklahoma may yield to me, without losing the floor, in order that I might make a statement.

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

JAMES RENWICK MOFFETT

Mr. MAYBANK. When I asked for a quorum call, I objected to a vote on Calendar No. 207, H. R. 731, an act for the relief of James Rennick Moffett. I desire to withdraw my objection. I wish to say to whichever Senator is handling the bill that I trust it will be passed.

The PRESIDING OFFICER. Is there objection to returning to the consideration of House bill 731?

There being no objection, the Senate resumed the consideration of the bill (H. R. 731) for the relief of James Rennick Moffett.

The PRESIDING OFFICER. The committee amendment was agreed to previously.

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

The amendment was ordered to be engrossed, and the bill to be read a third time.

The bill was read the third time and passed.

The title was amended so as to read: "A bill for the relief of James Renwick Moffett."

APPORTIONMENT OF MONEYS RECEIVED ON LEASING OF CERTAIN LANDS FOR FLOOD-CONTROL PURPOSES

Mr. KERR. Mr. President, I understand that Calendar No. 151, S. 117, was passed over temporarily, not put at the foot of the calendar, until the distinguished Senator from Connecticut [Mr. BUSH] could be on the floor. I observe the Senator from Connecticut now on the floor, so I wonder if the bill could be disposed of at this time.

Mr. HENDRICKSON. The bill was passed over temporarily until the Senator from Connecticut [Mr. BUSH] returned.

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

There being no objection, the Senate proceeded to consider the bill (S. 117) to amend section 7 of the Flood Control Act of 1941 relating to the apportionment of moneys received on account of the leasing of lands acquired by the United States for flood-control purposes, which had been reported from the Committee on Public Works with amendments, in line 8, after the word "defraying", to insert "any of"; and in the same line, after the word "the", to strike out "general", so as to make the bill read:

Be it enacted, etc., The section 7 of the act entitled "An act authorizing the construction of certain public works on rivers and harbors for flood control, and for other purposes," approved August 18, 1941, as amended (33 U. S. C. 701c–3), is amended by striking out "situated:" and inserting in lieu thereof "situated, or for defraying any of the expenses of county government in such county or counties."

The amendments were agreed to.

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

ELIMINATION OF REQUIREMENT THAT NATIONAL BANKS FURNISH LISTS OF SHAREHOLDERS

The bill (S. 1375) to amend section 5210 of the Revised Statutes, was announced as next in order.

Mr. GOLDWATER. Mr. President, the House has passed H. R. 4004, a bill identical to S. 1375. The House bill is now before the Senate Committee on Banking and Currency. I ask unanimous consent that the committee be discharged from further consideration of H. R. 4004 and that the House bill be substituted for the Senate bill, and be considered at this time.

The PRESIDING OFFICER. Without objection, the Committee on Banking and Currency is discharged from the further consideration of House bill 4004. Is there objection to the present consideration of the bill?

There being no objection, the bill H. R. 4004, to amend section 5210 of the Revised Statutes, was considered, ordered to a third reading, read the third time, and passed.

The PRESIDING OFFICER. Without objection, Senate bill 1375 is indefinitely postponed.

PROMOTION OF CERTAIN NAVAL OFFICERS—BILL PASSED OVER

The bill (S. 1063) to authorize and request the President to promote certain naval officers, and for other purposes, was announced as next in order.

Mr. GORE. Over, by request.

Mr. SALTONSTALL. Do I understand correctly that S. 1063 is objected to?

The PRESIDING OFFICER. Objection has been made.

Mr. SALTONSTALL. Would the Senator from Tennessee reserve his objection, in order to permit a brief statement, or does the Senator believe he will object anyway?

Mr. GORE. I objected by request of a Senator who is not now in the Chamber. I should be glad to reserve my objection in order to permit the Senator from Massachusetts to make a statement, but it would not affect my obligation.

Mr. SALTONSTALL. Then I think it would be a waste of time for me to make my statement.

The PRESIDING OFFICER. The bill will go over, by request.

CONSTRUCTION OF AERONAUTICAL RESEARCH FACILITIES

The bill (S. 1805) to promote the national defense by authorizing the construction of aeronautical research facilities and the acquisition of land by the National Advisory Committee for Aeronautics necessary to the effective prosecution of aeronautical research, was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted, etc., That pursuant to subsection (b) of section 1 of Public Law 672, approved August 8, 1950, the National Advisory Committee for Aeronautics is authorized to acquire land, undertake additional construction, and to purchase and install additional equipment at the following locations:

Langley Aeronautical Laboratory, Hampton, Va.: Transonic tunnel boundary-layer system, variable Mach number facility, and substation expansion, $3,235,290.

Pilotless aircraft station, Wallops Island, Va.: Preflight jet heat accumulator, $310,000.

Ames Aeronautical Laboratory, Moffett Field, Calif.: Modernization of supersonic tunnel, $990,700.

Lewis Flight Propulsion Laboratory, Cleveland, Ohio: Acquisition of not to exceed 10 acres of land, $10.

SEC. 2. Any of the approximate costs enumerated in section 1 of this act may, in the discretion of the Director of the National Advisory Committee for Aeronautics, be varied upward 10 percent and, with the concurrence of the Director of the Bureau of the Budget, by such further amounts as may be necessary to meet unusual cost variations, but the total cost of all work so enumerated shall not exceed $4,536,000.

SEC. 3. There are hereby authorized to be appropriated not to exceed $4,536,000 to accomplish the purposes of this act.

AUTHORIZING CERTAIN TRANSACTIONS BY DISBURSING OFFICERS OF THE UNITED STATES

The Senate proceeded to consider the bill (S. 1307) to amend the act of December 23, 1944, authorizing certain transactions by disbursing officers of the United States, and for other purposes, which had been reported from the Committee on Banking and Currency with an amendment on page 4, line 3, after the word "the", to strike out "Treasury." ", and insert "Treasury.

"SEC. 4. The provisions of this act shall terminate on June 30, 1954." ", so as to make the bill read:

Be it enacted, etc., That the act entitled "An act to authorize certain transactions by disbursing officers of the United States, and for other purposes," approved December 23, 1944 (ch. 716, 58 Stat. 921; U. S. C., 1946 ed., title 50 App., secs. 1705–1707), is hereby amended to read as follows:

"SECTION 1. Subject to regulations promulgated pursuant to this act, disbursing officers of the United States are authorized, for official purposes, or for the accommodation of members of the Armed Forces and civilian personnel of the United States Government, veterans of the Armed Forces of the United States hospitalized or domiciled in institutions operated by the Veterans' Administration and other institutions operated by agencies of the United States Government, contractors engaged in United States Government projects and the personnel of such contractors, and personnel of authorized nongovernmental agencies operating with agencies of the United States, to cash and negotiate checks, drafts, bills of exchange, and other instruments payable in the United States and foreign currencies, and to conduct exchange transactions involving United States and foreign currency and coin, checks, drafts, bills of exchange, and other instruments; and when satisfactory banking facilities are not available, disbursing officers of the United States in foreign countries are also authorized, for the accommodation of any person who is a United States citizen, to cash checks drawn on the Treasurer of the United States: *Provided*, That such checks are presented by the person to whose order they are drawn. Any official funds which are held by disbursing officers of the United States and which are available for expenditure may, with the approval of the head of the agency having jurisdiction over such funds, be utilized for these purposes.

"SEC. 2. Any gains in the accounts of disbursing officers of the United States resulting from operations permitted by this act shall be paid into the Treasury as miscellaneous receipts. There are hereby authorized to be appropriated, out of any money in the Treasury not otherwise appropriated, such amounts as may be necessary to adjust any deficiencies in the accounts of disbursing officers of the United States which may result from such operations. For the purposes of this section, the heads of agencies having jurisdiction over disbursing officers of the United States are authorized, on a fiscal year basis, to apply gains to offset deficiencies in the accounts of such disbursing officers.

"SEC. 3. The Secretary of the Treasury and, with the concurrence of the Secretary of the Treasury, the heads of other agencies having jurisdiction over disbursing officers of the United States are hereby authorized respectively to issue such rules and regulations, governing the disbursing officers under their respective jurisdictions, as may be deemed necessary or proper to carry out the purposes of this act: *Provided*, That the Secretary of the Treasury may delegate to the head of any agency, subject to such terms and conditions as he may prescribe, authority to issue such rules and regulations governing disbursing officers who are officers or employees of such agency and exercise the function of disbursement pursuant to a delegation by the Secretary of the Treasury.

"SEC. 4. The provisions of this act shall terminate on June 30, 1954."

The amendment was agreed to.

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

FIFTIETH ANNIVERSARY OF FIRST AIRPLANE FLIGHT

The joint resolution (H. J. Res. 241) to appoint a committee to attend the celebration of the 50th anniversary of the first airplane flight at Kill Devil Hills, Kitty Hawk, N. C., was announced as next in order.

Mr. McCARRAN. I ask unanimous consent that Calendar No. 213, House Joint Resolution 241, be referred to the Committee on the Judiciary.

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

THIRD SUPPLEMENTAL APPROPRIATIONS, 1953

The bill (H. R. 4664) making supplemental appropriations for the fiscal year ending June 30, 1953, and for other purposes, was announced as next in order.

Mr. HENDRICKSON. This is a bill which should go over. It should not go to the foot of the calendar.

The PRESIDING OFFICER. The bill will go over.

HOUSING IN CONNECTION WITH NATIONAL DEFENSE

The bill (S. 1376) to amend section 503 of the act entitled "An act to expedite the provision of housing in connection with national defense and for other purposes" approved October 14, 1940, as amended, was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted, etc., That section 503 of the act entitled "An act to expedite the provision of housing in connection with national defense, and for other purposes," approved October 14, 1940, as amended, is further amended by inserting after the words "during the present war" the following: "and prior to such date thereafter as shall be determined by the President."

Mr. GOLDWATER. Mr. President, in relation to the Senate bill 1376, which has just been passed, the report of the committee as now printed contains the name "Latham" in the heading. I ask unanimous consent that the name be changed to "Lanham," and that in the last sentence in the second paragraph the words, "Public Law 45," be changed to "Public Law 450."

The PRESIDING OFFICER. Without objection, the corrections will be made.

Mr. GOLDWATER. I now ask unanimous consent that the report on this bill be printed in the RECORD at this point.

There being no objection, the report (No. 213) was ordered to be printed in the RECORD, as follows:

The Committee on Banking and Currency, to whom was referred the bill (S. 1376) to amend section 403 of the act entitled "An act to expedite the provision of housing in connection with national defense, and for other purposes," approved October 14, 1940, as amended, having considered the same, report favorably thereon without amendment and recommend that the bill do pass.

This bill would enact a technical amendment to the Lanham Act (42 U. S. C. 1521 et seq.) which would clarify the authority of the Housing and Home Finance Agency to give, after July 1, 1953, to any Korean war veteran whose service commences after that time the same preference for admission to housing provided under title V of that act as is given to veterans of World War II and to Korean war veterans whose services commenced before that time. The necessity for this clarifying legislation arises from the fact that certain powers will expire on July 1 of this year under the Emergency Powers Continuation Act (Public Law 450, 82d Cong.), as amended by Public Law 12, 83d Congress.

The bill would not involve any expenditures, administrative or otherwise, and would prevent discrimination against some Korean veterans which might otherwise result from a legal technicality.

The Lanham Act governs the administration and disposition of World War II war and veterans' housing. Title V is the veterans' housing title of that act. Section 503 defines veterans and servicemen as those serving "during the present war," which has been construed to mean those who have served on or after September 16, 1940, and prior to the Japanese Peace Treaty. Subsection 1 (a) (21) of the Emergency Powers Continuation Act, as amended by Public Law 12, 83d Congress, made it clear that, notwithstanding the Japanese Peace Treaty, the preference in admission to housing which was made available to veterans by title V of the Lanham Act could be extended to persons who served in the Armed Forces after the Japanese Peace Treaty and before July 1, 1953. Thus the Congress has assured veterans' preference under title V of the Lanham Act for persons serving in the Armed Forces during the Korean conflict and before July 1, 1953.

The approaching July 1 time limitation is inconsistent, however, with the laws governing other housing preferences which make adequate provision for all Korean veterans. Public Law 214, 82d Congress, approved October 26, 1951, amended all other housing preferences administered by the Housing and Home Finance Agency so as to make provision for all Korean veterans. The only reason why a consistent amendment to section 503 was not then enacted is that the Japanese Peace Treaty had not yet been made effective, thereby making such amendment unnecessary at that time.

About 250,000 family dwelling units in war and veterans' housing are now under active management of the Housing Agency, pending their disposal. The bill would affect the eligibility of future Korean veterans to be admitted to these units as vacancies occur, provided, of course, that the particular project remains in active management.

This bill authorizes the President to determine a future cutoff date for Korean war service. This is consistent with veterans' preference provisions which the act of October 26, 1951, provided for other titles of the Lanham Act and for the several acts administered by the Housing Agency which contain veterans' preference provisions.

CHANGES IN EXISTING LAW

In compliance with subsection (4) of rule XXIX of the Standing Rules of the Senate,

changes in existing law made by the bill, as reported, are shown as follows (existing law proposed to be omitted is enclosed in brackets, new matter is printed in italics, existing law in which no change is proposed is shown in roman):

"AN ACT TO EXPEDITE THE PROVISIONS OF HOUSING IN CONNECTION WITH NATIONAL DEFENSE, AND FOR OTHER PURPOSES, APPROVED OCTOBER 14, 1940, AS AMENDED

* * * * *

"SEC. 503. As used in this title V the term 'families of servicemen' shall include the family of any person who is serving in the military or naval forces of the United States, and the term "veterans" shall include any person who has served in the military or naval forces of the United States during the present war *and prior to such date thereafter as shall be determined by the President,* and who have been discharged or released therefrom under conditions other than dishonorable."

COMMISSION ON GOVERNMENTAL FUNCTIONS AND FISCAL RESOURCES

The Senate proceeded to consider the bill (S. 1514) to establish a Commission on Governmental Functions and Fiscal Resources, which had been reported from the Committee on Government Operations with amendments.

Mr. TAFT. Mr. President, this is a bill which was requested by President Eisenhower. It proposes to create a joint legislative and public commission, to be comprised of 5 Members of the House, 5 Members of the Senate, and 15 members appointed by the President, to study the whole problem of Federal aid to States, and to determine the correct basis of such Federal aid, whether it has gone too far, or has not gone far enough, and what fields should be covered, if aid is approved. That is one purpose.

The second purpose is to study the sources of revenues for each division of the Federal Government and of State and local governments, in order to ascertain whether they have adequate funds to cover the particular fields within the general scope covered by the Commission, and, if not, to endeavor to suggest means whereby sufficient money may be provided for that purpose.

Roughly speaking, the Commission proposes to deal with matters of housing, health, welfare, education, highways, and other matters which have been the subjects of State aid, or which may have been the proposed subjects of State aid.

There is one committee amendment to which I shall offer an amendment. I think the bill was reported unanimously by the committee. I see no particular reason why it should not be passed on the call of the calendar.

Mr. HENDRICKSON. Mr. President, not very long ago—on the floor of the Senate April 1—to be exact, I paid what I believe to be a well-deserved tribute to President Eisenhower for his prompt fulfillment of a campaign pledge on taxation policy when he proposed that the Congress establish a Commission to Study Federal-State Relations.

Of course, Mr. President, Senate bill 1514, which I rise to support today, does more than merely propose a study of taxation policy.

It will establish a Commission to examine the entire field of overlapping functions, duplication, and waste, and all the knotted vines in a jungle of confusion which have grown up and entangled our fiscal relationships and our budgets at all levels of government in recent years.

Senate bill 1514 will provide the answers to these monumental problems.

I shall ever be proud of the fact that I have made some contribution to the formulation of this legislation through my years in the Senate, and that some of my views are incorporated in the final version of the legislation before us.

All of us here assembled owe a debt of thanks to our distinguished majority leader [Mr. TAFT] and to all those on both sides of the aisle and in both Houses of the Congress who have labored over a period of years in what appeared to be forgotten vineyards.

We surely owe our deepest appreciation for the dispatch and understanding with which the distinguished Committee on Government Operations and its able subcommittee chairman on reorganization the distinguished senior Senator from Maine [Mrs. SMITH], handled and welded together the various proposals.

The work of such organizations as the American Municipal Association, the Council of State Governments, and the State chambers of commerce cannot go unrecognized.

Mr. President, it is reasonably estimated that the National Government may have to spend for many years to come upward of $50 billion a year for four activities, namely, foreign policy and foreign aid, the Armed Forces, veterans' affairs, and interest on the national debt.

All of these obligations are clearly the responsibility of the National Government.

More and more of the best fiscal minds in our Nation believe that it is now time to reappraise in a comprehensive manner the duties and responsibilities of each area of government in our Federal system—this reappraisal to be conducted in the light of the relatively new situation in which our country finds itself, and which will probably be with us for many years.

It has been years since an official responsible group, with power to make recommendations, has considered this major question.

During these years profound changes have taken place in our social and economic system and as well in our international relations.

Present financial difficulties and fiscal problems will be an integral part of this constructive study—a study which must result in strengthening the foundations of an American system which resides in local responsibility, local control, and local self-government.

I am grateful, Mr. President, for the opportunity which I have had in the Senate of the United States to foster this Commission study and to speed it on its way to a culminating vote here today.

Mr. President, we have an opportunity, by our prompt and favorable action, to make up for all the lost time.

Mrs. SMITH of Maine. Mr. President, the distinguished majority leader and the able Senator from New Jersey have so well covered the objectives of the bill that I prefer not to take the time of the Senate to present the statement which I have prepared. I ask unanimous consent that it be printed in the RECORD at this point as a part of my remarks.

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

STATEMENT BY SENATOR MARGARET CHASE SMITH, CHAIRMAN, SUBCOMMITTEE ON REORGANIZATION OF THE SENATE COMMITTEE ON GOVERNMENT OPERATIONS

S. 1514, TO CREATE A COMMISSION ON INTERGOVERNMENTAL RELATIONS

S. 1514, as amended by the committee, would create a Commission on Intergovernmental Relations, authorized to make a broad and comprehensive study of all aspects of the proper role of the Federal Government, in relation to the States and their political subdivisions. The Commission would be directed to define Federal-State relations, and submit recommendations for the allocation of functions to their proper jurisdiction, and for readjustments in intergovernmental fiscal relations.

Specific authority would be granted to the Commission to make studies into the objectives of programs of the Federal Government shared in by the States, and the extent to which Federal activities have advanced into fields which are the primary interest and obligation of the States and their political subdivisions. It will also be directed to develop various aspects of Federal grants-in-aid, including the interrelationships of the financing of such aid, the sources of financing of governmental programs, and problems in the field of intergovernmental tax immunities.

S. 1514 was introduced by Senator TAFT, in response to a request by the President of the United States for a review and assessment of the proper roles of the Federal, State and local governments, referred to in his state of the Union message laid before the Congress in a special message on March 30, 1953.

The Commission would be composed of 25 members, 15 of whom would be appointed by the President of the United States; 5 to be appointed by the President of the Senate; and 5 by the Speaker of the House of Representatives. Bipartisanship is provided for in the two latter groups by the requirement that in each of these groups, 3 members will be from the majority party and 2 from the minority party. With respect to the 15 members to be appointed by the President, the committee felt that any numerical requirement based upon political considerations would constitute an undue restriction on the President's freedom of choice and might well defeat the objective of complete nonpartisanship in these appointments, which the committee deems desirable. Accordingly, the committee concluded that it would be preferable to rely upon the President to appoint these 15 members solely on the basis of qualifications and experience and without reference to political affiliation or activity. This will enable the President to appoint persons who are properly representative of various interested groups, including Governors of States, members of State legislatures and representatives of State, county and municipal associations as well as local governments. It would also leave him free to include representatives of labor, industry, commerce, agriculture, taxpayers' associations, and others with specific qualifications in the fields of health, education, and social security.

The Commission would be authorized to submit interim reports to the President, as deemed necessary by the President or the

Commission, and would be required to submit its final report and recommendations to the President for transmittal to the Congress not later than March 1, 1954, at which time it would cease to exist.

The establishment of a commission to study various aspects of Federal-State-local relations has received almost continuous consideration by the Committee on Government Operations since the Hoover Commission submitted its report and recommendations on this subject in 1949, recommending that such a study be made. During the past 4 years, the Committee on Government Operations has held extensive hearings in an effort to devise some means of initiating studies of the general problem of intergovernmental relations. Bills to establish such a commission were reported unanimously during both the 81st and 82d Congresses. They failed of approval in the Senate, due largely to differences on the part of individual Senators relative to the composition of the proposed Commission and the length of time provided for the study.

A comprehensive study of Federal-State-local relations such as is contemplated by S. 1514 is long overdue. For the confusion, duplication, and overlapping of Federal and State functions, the American people are paying a tremendous price. This bill was approved by all of the members of the Committee on Government Operations, and by former President Hoover. It is a priority measure of the President of the United States who recognized the urgent need for the study contemplated almost immediately after he assumed office. It has the wholehearted support of Senators on both sides of the aisle, and the major associations concerned with State, county, and municipal affairs have repeatedly supported similar proposals.

S. 1514, as amended by the committee, will provide the Commission on Intergovernmental Relations with adequate authority to carry out the intent of the Congress to provide for a complete study of all phases of intergovernmental relations, as recommended by the Hoover Commission and the President. The Commission's report and recommendations will serve as a much-needed blueprint to enable the Congress to take appropriate legislative action to simplify and readjust Federal-State-local relations in the various areas in which confusion, duplication, and overlapping now exist.

The proposed Commission on Intergovernmental Relations will in no way duplicate the work of the proposed Commission on Governmental Operations provided for in S. 106, the next bill on the calendar. Amendments approved by the committee will avoid any possible duplication. This was accomplished by striking from S. 106 a provision specifically authorizing a study of intergovernmental relations by the proposed Commission on Governmental Operations. The reports on both of these bills clearly state the intent of the Congress that duplication be avoided.

The PRESIDING OFFICER. The clerk will proceed to state the amendments.

The first amendment of the Committee on Government Operations was, on page 2, line 11, in the subhead, after the word "on", to strike out "Governmental Functions and Fiscal Resources" and insert "Intergovernmental Relations"; in line 15, after the word "on", strike out "Governmental Functions and Fiscal Resources" and insert "Intergovernmental Relations"; on page 3, after line 20, to insert:

SEC. 3. (a) The Commission shall carry out the purposes of section 1 hereof.

The amendment was agreed to.

The next amendment was, on page 3, line 23, to strike out "SEC. 3. (a)" and insert "(b)."

The amendment was agreed to.

The next amendment was, on page 4, line 1, after the word "governments", to insert "the interrelationships of the financing of this aid, the sources of the financing of governmental programs, and problems in the field of intergovernmental tax immunities."

Mr. TAFT. Mr. President, I offer an amendment to the committee amendment on page 4, line 2, after the word "aid", to insert the word "and"; and in line 3, after the word "programs", to change the comma to a period and strike out "and problems in the field of intergovernmental tax immunities."

The PRESIDING OFFICER. The question is on agreeing to the amendment offered by the Senator from Ohio to the committee amendment on page 4, beginning in line 2.

The amendment to the amendment was agreed to.

The amendment as amended was agreed to.

Mr. TAFT. Mr. President, I should like to make a brief statement as to why I offered my amendment to the committee amendment. It was to cover the case of Government plants which are moved into various places where they are not subject to taxation. The property is thus taken off the tax rolls. I feel that that subject has become of such an emergency nature that it ought not to be postponed for a year while the Commission studies it. I think the Commission ought to go about doing something at once. I do not see any reason for taking a full year to study the question.

Furthermore, the language, without the intention of the committee, very obviously covers the study of the taxability of municipal bonds. I have received a letter of very violent protest from the executive director of the United States Conference of Mayors objecting at least to inviting the Commission to open up that subject, which has been before the Congress two or three times already. While it is possibly within the general scope of the language used, certainly I do not think the language ought to include a direct invitation to enter that field.

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

Mr. TAFT. I yield.

Mr. ELLENDER. Was the letter to which the Senator referred from the Municipal Association?

Mr. TAFT. It was from Mr. Paul B. Betters, executive director of the United States Conference of Mayors.

Mr. ELLENDER. Did the Senator receive any other protests from mayors?

Mr. TAFT. I have received only this letter. The mayors are just waking up to the fact that the committee amendment covered municipal bonds.

Mr. ELLENDER. Is the Senator's amendment opposed by them?

Mr. TAFT. No. I never did want the Commission to go into the other problem, that is, the problem of taxability of Government plants.

Mr. ELLENDER. So the amendment which the Senator has offered to the committee amendment would probably meet the objection which has been made.

Mr. TAFT. It would meet that objection and also meet the other objection which I had.

Mrs. SMITH of Maine. Mr. President, will the Senator yield?

Mr. TAFT. I yield.

Mrs. SMITH of Maine. It was the intention of the committee to have the wording exactly as suggested by the Director of the Budget.

Mr. TAFT. I understood that, but I think he did not realize the implications of the language in that particular respect. His other words are retained. We retain the language "the interrelationships of the financing of this aid, the sources of the financing of governmental programs." I did not change that. However, I feel that the following language went much further than the committee or the Budget Director really intended.

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

Mr. TAFT. I yield.

Mr. ELLENDER. Do I correctly understand that the committee was unanimous in its approval of the bill?

Mr. TAFT. The committee was unanimous with respect to the general provisions of the bill.

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

Mr. TAFT. I yield.

Mr. MARTIN. In considering this subject it should be realized that the level of government which is in the most difficult situation from a tax standpoint is the local level of government. If we expect the Government to go back to the local level, as many people are now advocating, it will be necessary for local governments to have taxes in order to perform their functions properly. Chief Justice Marshall said that the power to tax is the power to destroy. The Federal Government will eventually destroy the State governments, and the Federal Government and the State governments combined will destroy all local government unless we give local government taxes with which to carry on the functions which we expect local government to perform. I think the Congress ought to keep that principle in mind at all times. This bill, of course, provides for a study of the situation.

Before we can come to any sound conclusion, we must have taxes allocated for the three levels of government, and we must make sure that the highest level of government does not interfere with the lower levels.

The PRESIDING OFFICER. The next committee amendment will be stated.

The next amendment was, in line 14, before the word "The", strike out "(b)" and insert "(c)."

The amendment was agreed to.

The bill was ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted, etc.—

DECLARATION OF PURPOSE

SECTION 1. Because existing confusion and wasteful duplication of functions and administration pose a threat to the objectives of programs of the Federal Government shared in by the States including their po-

litical subdivisions, because the activity of the Federal Government has been extended into many fields which, under our constitutional system, are the primary interest and obligation of the several States and the subdivisions thereof, and because of the resulting complexity of intergovernmental relations, it is necessary to study the proper role of the Federal Government in relation to the States and their political subdivisions, with respect to such fields, to the end that these relations may be clearly defined and the functions concerned may be allocated to their proper jurisdiction. It is further necessary that intergovernmental fiscal relations be so adjusted that each level of Government discharges the functions which belong within its jurisdiction in a sound and effective manner.

COMMISSION ON INTERGOVERNMENTAL RELATIONS

SEC. 2. (a) For the purpose of carrying out this act there is hereby established a Commission to be known as the Commission on Intergovernmental Relations, hereinafter referred to as the "Commission."

(b) The Commission shall be composed of 25 members, as follows:

(1) Fifteen members appointed by the President of the United States, from among whom the President shall designate the Chairman and the Vice Chairman of the Commission;

(2) Five members appointed by the President of the Senate, three from the majority party, and two from the minority party; and

(3) Five members appointed by the Speaker of the House of Representatives, three from the majority party, and two from the minority party.

(c) Any vacancy in the Commission shall not affect its powers, but shall be filled in the same manner in which the original appointment was made.

(d) Thirteen members of the Commission shall constitute a quorum, but a lesser number may conduct hearings.

(e) Service of an individual as a member of the Commission or employment of an individual by the Commission as an attorney or expert in any business or professional field, on a part-time or full-time basis, with or without compensation, shall not be considered as service or employment bringing such individual within the provisions of section 281, 283, 284, 434, or 1914 of title 18 of the United States Code, or section 190 of the Revised Statutes (5 U. S. C. 99).

DUTIES OF THE COMMISSION

SEC. 3. (a) The Commission shall carry out the purposes of section 1 hereof.

(b) The Commission shall study and investigate all of the present activities in which Federal aid is extended to State and local governments, the interrelationships of the financing of this aid and the sources of the financing of governmental programs. The Commission shall determine and report whether there is justification for Federal aid in the various fields in which Federal aid is extended; whether there are other fields in which Federal aid should be extended; whether Federal control with respect to these activities should be limited, and, if so, to what extent; whether Federal aid should be limited to cases of need; and all other matters incident to such Federal aid, including the ability of the Federal Government and the States to finance activities of this nature.

(c) The Commission, not later than March 1, 1954, shall submit to the President for transmittal to the Congress its final report, including recommendations for legislative action; and the Commission may also from time to time make to the President such earlier reports as the President may request or as the Commission deems appropriate.

HEARINGS; OBTAINING INFORMATION

SEC. 4. (a) The Commission or, on the authorization of the Commission, any subcommittee or member thereof, may, for the purpose of carrying out the provisions of this act, hold such hearings and sit and act at such times and places, and take such testimony, as the Commission or such subcommittee or member may deem advisable.

(b) The Commission is authorized to secure from any department, agency, or independent instrumentality of the executive branch of the Government any information it deems necessary to carry out its functions under this act; and each such department, agency, and instrumentality is authorized and directed to furnish such information to the Commission, upon request made by the Chairman or by the Vice Chairman when acting as Chairman.

APPROPRIATIONS, EXPENSES, AND PERSONNEL

SEC. 5. (a) There are hereby authorized to be appropriated such amounts as may be necessary to carry out the provisions of this act.

(b) Each member of the Commission shall receive $50 per diem when engaged in the performance of duties vested in the Commission, except that no compensation shall be paid by the United States, by reason of service as a member, to any member who is receiving other compensation from the Federal Government, or to any member who is receiving compensation from any State or local government.

(c) Each member of the Commission shall be reimbursed for travel, subsistence, and other necessary expenses incurred by him in the performance of duties vested in the Commission.

(d) The Commission may appoint and fix the compensation of such employees as it deems advisable in accordance with the provisions of the civil-service laws and the classification laws.

(e) The Commission may procure, without regard to the civil-service laws and the classification laws, temporary and intermittent services to the same extent as is authorized for the departments by section 15 of the act of August 2, 1946 (60 Stat. 810), but at rates not to exceed $50 per diem for individuals.

(f) Without regard to the civil-service and classification laws, the Commission may appoint and fix the compensation of a Director who shall perform such duties as the Commission shall prescribe.

TERMINATION OF THE COMMISSION

SEC. 6. Six months after the transmittal to the Congress of the final report provided for in section 3 of this act, the Commission shall cease to exist.

The title was amended so as to read: "A bill to establish a Commission on Intergovernmental Relations."

COMMISSION ON ORGANIZATION OF THE EXECUTIVE BRANCH OF THE GOVERNMENT

The Senate proceeded to consider the bill (S. 106) for the establishment of the Commission on Organization of the Executive Branch of the Government, which had been reported from the Committee on Government Operations with amendments, on page 2, line 3, after "(1)", to strike out "limiting" and insert "recommending methods and procedures for reducing"; after line 12, to strike out:

(5) defining and limiting executive functions, services, and activities;

(6) eliminating services, functions, and activities more properly within the jurisdiction of State and local governments;

In line 18, to change the subsection number from "(7)" to "(5)"; after line 20, to strike out:

(8) postponing expenditures during periods of heavy defense commitments where deferral will not impair essential functioning of government;

In line 24, to change the subsection number from "(9)" to "(6)"; on page 3, line 1, to change the subsection number from "(10)" to "(7)"; in line 7, after the word "on", to strike out "Organization of the Executive Branch of the Government" and insert "Governmental Operations"; after line 10, to insert:

(b) Service of an individual as a member of the Commission or employment of an individual by the Commission as an attorney or expert in any business or professional field, on a part-time or full-time basis, with or without compensation, shall not be considered as service or employment bringing such individual within the provisions of sections 281, 283, 284, 434, or 1914 of title 18 of the United States Code, or section 190 of the Revised Statutes (5 U. S. C. 99).

On page 4, line 1, after the word "President", to strike out "pro tempore"; after line 6, to strike out:

(b) Qualification of members: Of each class of four members appointed under paragraphs (1), (2), and (3) of subsection (a), respectively, one member, if available, shall have served on the Commission established pursuant to the act entitled "An Act for the Establishment of the Commission on Organization of the Executive Branch of the Government", approved July 7, 1947.

After line 13, to insert:

(b) Political affiliation: Of each class of 2 members appointed in subsection (a), not more than 1 member shall be from each of the 2 major political parties.

On page 5, line 17, after the word "receive", to strike out "$75" and insert "$50"; in line 23, after "SEC. 7.", to insert "(a)"; on page 6, line 2, after the word "of", to strike out "1923" and insert "1949"; after line 3, to insert:

(b) The Commission may procure, without regard to the civil-service laws and the classification laws, temporary and intermittent services to the same extent as is authorized for the departments by section 15 of the act of August 2, 1946 (60 Stat. 810), but at rates not to exceed $50 per diem for individuals.

After line 14, to strike out:

EXPIRATION OF THE COMMISSION

SEC. 9. Ninety days after the submission to the Congress of the report provided for in section 10 (b), the Commission shall cease to exist.

In line 20, after "SEC.", to strike out "10" and insert "9"; on page 7, line 3, after the word "Report", to strike out "The Commission shall make a report of its findings and recommendations to the Congress not later than February 1, 1954" and insert "The Commission shall submit interim reports at such time, or times, as the Commission deems necessary, shall submit a comprehensive report of its activities and the results of its studies to the Congress on or before December 31, 1954, and shall submit its final report not later than May 31, 1955, at which date the Commission shall cease to exist. The final report of the Commission may propose such constitutional amendments, legislative enactments, and administrative actions as in its judgment are necessary to carry out its recommendations."

And in line 16, to change the section number from "11" to "10", so as to make the bill read:

Be it enacted, etc.—

DECLARATION OF POLICY

SECTION 1. It is hereby declared to be the policy of Congress to promote economy, efficiency, and improved service in the transaction of the public business in the departments, bureaus, agencies, boards, commissions, offices, independent establishments, and instrumentalities of the executive branch of the Government by—

(1) recommending methods and procedures for reducing expenditures to the lowest amount consistent with the efficient performance of essential services, activities, and functions;

(2) eliminating duplication and overlapping of services, activities, and functions;

(3) consolidating services, activities, and functions of a similar nature;

(4) abolishing services, activities, and functions not necessary to the efficient conduct of government;

(5) eliminating nonessential services, functions, and activities which are competitive with private enterprise;

(6) defining responsibilities of officials; and

(7) relocating agencies now responsible directly to the President in departments or other agencies.

ESTABLISHMENT OF THE COMMISSION ON ORGANIZATION OF THE EXECUTIVE BRANCH

SEC. 2. (a) For the purpose of carrying out the policy set forth in section 1 of this act, there is hereby established a commission to be known as the Commission on Governmental Operations (in this act referred to as the "Commission").

(b) Service of an individual as a member of the Commission or employment of an individual by the Commission as an attorney or expert in any business or professional field, on a part-time or full-time basis, with or without compensation, shall not be considered as service or employment bringing such individual within the provisions of section 281, 283, 284, 434, or 1914 of title 18 of the United States Code, or section 190 of the Revised Statutes (5 U. S. C. 99).

MEMBERSHIP OF THE COMMISSION

SEC. 3. (a) Number and appointment: The Commission shall be composed of 12 members as follows:

(1) Four appointed by the President of the United States, 2 from the executive branch of the Government and 2 from private life;

(2) Four appointed by the President of the Senate, 2 from the Senate and 2 from private life; and

(3) Four appointed by the Speaker of the House of Representatives, 2 from the House of Representatives and 2 from private life.

(b) Political affiliation: Of each class of 2 members appointed in subsection (a), not more than 1 member shall be from each of the 2 major political parties.

(c) Vacancies: Any vacancy in the Commission shall not affect its powers, but shall be filled in the same manner in which the original appointment was made.

ORGANIZATION OF THE COMMISSION

SEC. 4. The Commission shall elect a Chairman and a Vice Chairman from among its members.

QUORUM

SEC. 5. Seven members of the Commission shall constitute a quorum.

COMPENSATION OF MEMBERS OF THE COMMISSION

SEC. 6. (a) Members of Congress: Members of Congress who are members of the Commission shall serve without compensation in addition to that received for their services as Members of Congress; but they shall be reimbursed for travel, subsistence, and other necessary expenses incurred by them in the performance of the duties vested in the Commission.

(b) Members from the executive branch: The members of the Commission who are in the executive branch of the Government shall serve without compensation in addition to that received for their services in the executive branch, but they shall be reimbursed for travel, subsistence, and other necessary expenses incurred by them in the performance of the duties vested in the Commission.

(c) Members from private life: The members from private life shall each receive $50 per diem when engaged in the actual performance of duties vested in the Commission, plus reimbursement for travel, subsistence, and other necessary expenses incurred by them in the performance of such duties.

STAFF OF THE COMMISSION

SEC. 7. (a) The Commission shall have power to appoint and fix the compensation of such personnel as it deems advisable, in accordance with the provisions of the civil-service laws and the Classification Act of 1949, as amended.

(b) The Commission may procure, without regard to the civil-service laws and the classification laws, temporary and intermittent services to the same extent as is authorized for the departments by section 15 of the act of August 2, 1946 (60 Stat. 810), but at rates not to exceed $50 per diem for individuals.

EXPENSES OF THE COMMISSION

SEC. 8. There is hereby authorized to be appropriated, out of any money in the Treasury not otherwise appropriated, so much as may be necessary to carry out the provisions of this act.

DUTIES OF THE COMMISSION

SEC. 9. (a) Investigation: The Commission shall study and investigate the present organization and methods of operation of all departments, bureaus, agencies, boards, commissions, offices, independent establishments, and instrumentalities of the executive branch of the Government to determine what changes therein are necessary in their opinion to accomplish the purposes set forth in section 1 of this act.

(b) Report: The Commission shall submit interim reports at such time, or times, as the Commission deems necessary, shall submit a comprehensive report of its activities and the results of its studies to the Congress on or before December 31, 1954, and shall submit its final report not later than May 31, 1955, at which date the Commission shall cease to exist. The final report of the Commission may propose such constitutional amendments, legislative enactments, and administrative actions as in its judgment are necessary to carry out its recommendations.

POWERS OF THE COMMISSION

SEC. 10. (a) Hearings and sessions: The Commission, or any member thereof, may, for the purpose of carrying out the provisions of this act, hold such hearings and sit and act at such times and places, and take such testimony, as the Commission or such member may deem advisable. Any member of the Commission may administer oaths or affirmations to witnesses appearing before the Commission or before such member.

(b) Obtaining official data: The Commission is authorized to secure directly from any executive department, bureau, agency, board, commission, office, independent establishment, or instrumentality information, suggestions, estimates, and statistics for the purpose of this act; and each such department, bureau, agency, board, commission, office, establishment, or instrumentality is authorized and directed to furnish such information, suggestions, estimates, and statistics directly to the Commission, upon request made by the Chairman or Vice Chairman.

The amendments were agreed to.

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

The title was amended so as to read: "A bill for the establishment of a Commission on Governmental Operations."

Mrs. SMITH of Maine. Mr. President, I ask unanimous consent that a statement in explanation of the bill be printed in the RECORD at this point.

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

STATEMENT BY SENATOR SMITH OF MAINE

S. 106, as amended by the committee, would create a bipartisan Commission on Governmental Operations, similar in composition to the Commission on Organization of the Executive Branch of the Government (the Hoover Commission), but somewhat broader in its frame of reference and authority.

The proposed Commission would be authorized to make studies and investigations of the present organization and methods of operation of all agencies of the Federal Government, and to submit recommendations to the Congress for appropriate action designed to abolish services, activities and functions not necessary to the efficient conduct of the Government, or which may be found to be in competition with private enterprise. In addition to powers vested in the Hoover Commission, to make recommendations for improvement of Federal organization, methods, and administration, the new Commission would have authority to make studies and recommendations relative to changes in substantive policies and Federal programs.

Testimony at the hearings revealed virtual unanimity on the part of all witnesses and members of the committee that there is a need for a comprehensive study of duplicating and overlapping activities, organization, methods, administration, functions, and policies, with a view to improving Government efficiency and effecting economies. The hearings also developed the fact that, although the Hoover Commission performed an important service effectively, many of its recommendations have not been fully implemented, and these recommendations should be reevaluated in the light of present conditions. That more of the recommendations contained in the Hoover reports have not been approved is due primarily to the fact that the Hoover Commission was not authorized to deal with substantive programs and policies. In many instances, the line of demarcation between organization and administration, on the one hand, and substantive policy on the other, often made it difficult to separate the two. The new Commission proposed under S. 106 would have adequate authority to examine not only all of the governmental operations previously covered by the Hoover Commission, 4 years ago, but also Federal functions, programs and policies as well. Testimony indicated further that substantial economies should result from such studies.

The Commission would be required to submit interim reports from time to time, as it deems necessary, to submit a comprehensive report of its activities and the results of its studies to the Congress on or before December 31, 1954, and its final report not later than May 31, 1955.

As amended by the committee, S. 106 will provide for the broad study of governmental operations which is so urgently needed at this time. It is supported by former President Herbert Hoover and President Eisenhower. The Director of the Bureau of the Budget participated in the executive session of the committee at which the amendments were considered and the bill was reported fa-

vorably. The bill has the unanimous support of all members of the Committee on Government Operations, and it was actively supported by organizations and individuals who are interested in more efficient government at substantially lower cost.

There will be no duplication between the work of the Commission on Governmental Operations, created by S. 106, and that of the Commission on Intergovernmental Relations, which would be established by S. 1514, the preceding bill. To make certain of this the committee struck out a provision in S. 106 which would have specifically authorized the Commission on Governmental Operations to conduct studies into Federal-State relations.

Approval of S. 106 is not intended to interfere with any reorganization programs which may now be under consideration by the President. If approved by the Congress, the proposed Commission will not be required to submit its findings and recommendations until December 31, 1954, and its final report until May 31, 1955. The committee stressed in its report that reorganizations presently under consideration by the President or the Congress, proposing further streamlining and reorganizations in the executive branch of the Government, should not be delayed unnecessarily, pending the submission of reports by this Commission.

JOINT RESOLUTION PASSED OVER

The joint resolution (S. J. Res. 49) proposing an amendment to the Constitution of the United States relative to equal rights for men and women was announced as next in order.

Mr. GORE. Mr. President, reserving the right to object——

Mr. SMATHERS. Over.

Mr. TAFT. Mr. President, a measure of this much importance should not be passed on the call of the calendar. At a later date I shall move to bring it up for consideration by the Senate.

The PRESIDING OFFICER. The joint resolution will go over.

REV. A. E. SMITH

The bill (S. 1334) for the relief of the Reverend A. E. Smith was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted, etc., That the Secretary of the Treasury is authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to the Reverend A. E. Smith, of Bismarck, N. Dak., the sum of $1,706.40, in full satisfaction of all claims against the United States for reimbursement for custom duties paid upon the importation of stained-glass windows for use in St. George's Church in Bismarck, N. Dak.: *Provided*, That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or attorney on account of services rendered in connection with this claim, and the same shall be unlawful, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000.

BILL PASSED OVER

The bill (H. R. 662) for the relief of Mr. and Mrs. Joseph W. Furstenberg was announced as next in order.

Mr. GORE. Over.

The PRESIDING OFFICER. The bill goes over.

MRS. MURIEL J. SHINGLER, DOING BUSINESS AS SHINGLER'S HATCHERY

The bill (H. R. 720) for the relief of Mrs. Muriel J. Shingler, doing business as Shingler's Hatchery, was considered, ordered to a third reading, read the third time, and passed.

BILL PASSED OVER

The bill (H. R. 739) for the relief of Alexander A. Senibaldi was announced as next in order.

Mr. GORE. Over.

The PRESIDING OFFICER. The bill goes over.

PREVENTION OF CITIZENS OF QUESTIONABLE LOYALTY FROM ACCEPTING OFFICE OR EMPLOYMENT UNDER UNITED NATIONS—BILL PASSED OVER TO NEXT CALL OF THE CALENDAR

The bill (S. 3) to prevent citizens of the United States of questionable loyalty to the United States Government from accepting any office or employment in or under the United Nations, and for other purposes, was announced as next in order.

Mr. HENDRICKSON. Mr. President, I ask that the bill go over, at the request of the Department of Justice.

Mr. McCARRAN. Mr. President, will the Senator withhold his objection until I make an explanation of the bill?

Mr. HENDRICKSON. I gladly withhold my objection for an explanation of this bill.

Mr. McCARRAN. Mr. President, this is a bill designed to implement the recommendations of the Senate Internal Security Subcommittee. The bill seeks to guarantee by statute that only American citizens of unquestioned loyalty will be employed by the United Nations.

The bill does not impose any restrictions upon the United Nations nor does it attempt to coerce the officials of that international organization. It recognizes that there are two classes of American nationals upon which the bill may have impact: First, those who seek employment with the United Nations. The second group are those American nationals already employed by the United Nations. The bill recognizes that Congress cannot require the United Nations' administrative officials to dismiss American nationals. This bill, therefore, operates directly upon the American nationals themselves. With respect to an American national now employed by the United Nations, it merely requires the submission of certain information basic to a proper determination of the question as to whether the employee presents a loyalty or security risk. With respect to persons not presently employed by the United Nations, the bill would explicitly prohibit acceptance of such employment without first receiving security clearance from the Attorney General.

The test is to be whether the Attorney General finds evidence that there is a reasonable possibility of danger to the security of the United States by the employment of the applicant by the international organization. If he does so find, he would issue a written denial of the application for security clearance, together with a statement of his reason for such denial, and would forward that information to the United Nations or special agency thereof, so that body would have notice of the doubtful loyalty of the prospective employee. Such a denial would not of course bar the United Nations from hiring the applicant; but it would make it unlawful for the applicant thereafter to accept a United Nations job. On the other hand, if the Attorney General should find that the applicant's employment by the United Nations would not involve reasonable possibility of danger to the security of the United States, he would give a security clearance. That is all there is to this bill.

Mr. President, there is no way except by congressional action to prohibit United States nationals who are subversives from accepting employment with the United Nations. There is no way except by congressional action to require present employees of the United Nations who are United States nationals to file registration statements designed to disclose possible subversion in that group. If Congress deems it desirable to do these things, Congress will have to do them by legislation. These are the things S. 3 is designed to do.

Mr. HENDRICKSON. Mr. President, the junior Senator from New Jersey would like to say that he is wholeheartedly in favor of the bill. He supported it in committee, and voted to report it to the Senate.

My only reason for asking that the bill go over is that a request was made by the Department of Justice to have it go over for purpose of study, until the next call of the calendar.

The PRESIDING OFFICER. The bill will go over.

Mr. McCARRAN. Mr. President, I ask unanimous consent that the bill go over to the next call of the calendar.

Mr. TAFT. Mr. President, it is my intention to bring it up tomorrow, if it is agreeable to the Senator from Nevada, after the resolution relative to the New Mexico election case, Senate resolution 106, Calendar No. 159, and the export insurance bill, are disposed of. Then I shall be glad to bring up the additional judges bill.

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

Mr. TAFT. I yield.

The PRESIDING OFFICER. The Chair would call the attention of the Senator from Ohio to the fact that the Senate has not reached the additional judges bill. The Senate has just concluded consideration of Calendar 224, Senate bill 3, relating to the United Nations.

Mr. TAFT. I thought Calendar No. 225 had been called. I thought we had disposed of Calendar 224, Senate bill 3, because it was objected to.

The PRESIDING OFFICER. Yes; but the Senator from Nevada apparently misunderstood the Senator from Ohio.

Mr. HENDRICKSON. The Senator from Nevada requested that Calendar

224, Senate bill 3, be included in the next call of the calendar.

Mr. TAFT. I see. Certainly it will be included in the next call of the calendar.

The PRESIDING OFFICER. The clerk will call Calendar No. 225, Senate bill 15.

APPOINTMENT OF ADDITIONAL CIRCUIT AND DISTRICT JUDGES—BILL PASSED OVER

The bill (S. 15) to provide for the appointment of additional circuit and district judges, and for other purposes, was announced as next in order.

Mr. TAFT. Mr. President, I ask that the bill go over, in line with the statement I made a moment ago.

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

Mr. TAFT. I yield.

Mr. CLEMENTS. The majority leader has suggested that three measures which, as I recall, are Calendar No. 159, Senate Resolution 106; Calendar No. 171, Senate bill 1413; and Calendar No. 225, Senate bill 15, would be taken up tomorrow. Is that correct?

Mr. TAFT. That is correct.

Mr. CLEMENTS. Am I correct in understanding that Calendar No. 153, Senate bill 16, and Calendar No. 142, Senate bill 922, would also be considered tomorrow?

Mr. TAFT. Yes; if the Senate reaches Calendar No. 153, the immunity bill, we will take it up tomorrow. The Senate will also take up Calendar No. 142, the Johnson District of Columbia transportation bill, if we have time to consider it tomorrow.

Mr. CLEMENTS. Several Members on this side of the aisle are interested in those two bills.

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

Mr. TAFT. I yield.

Mr. KEFAUVER. In connection with Calendar No. 153, Senate bill 16, the so-called immunity bill, one of the amendments which has been suggested by the author of the bill, the distinguished Senator from Nevada [Mr. McCARRAN], I believe would take care of the question I raised.

Mr. TAFT. A number of amendments were suggested, and I thought it would be just as easy to consider the measure tomorrow. That would be as soon as we could get to it. I thought the bill would require more discussion than could be had under the 5-minute rule. The subject is one of very general controversy, and, I think, of public interest.

Mr. KEFAUVER. Very well.

PREVENTION OF INDEFINITE SERVICE OF UNITED STATES MARSHALS AFTER EXPIRATION OF TERMS OF OFFICE

The PRESIDING OFFICER. The next measure on the calendar will be stated.

The bill (S. 1608) to prevent the indefinite continuation of service of a United States marshal following the expiration of his term was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted, etc., That subsection (c) of section 541 of title 28, United States Code, is hereby amended so as to read:

"(c) Each marshal shall be appointed for a term of 4 years except in the district of Hawaii where the term shall be 6 years. Unless sooner removed by the President, a marshal shall continue, for a period of not to exceed 6 months, to perform the duties of his office after the expiration of his term unless his successor is appointed and qualifies before the expiration of that period."

BILL PASSED OVER

The bill (S. 1631) to amend section 10 of the Federal Reserve Act, and for other purposes, was announced as next in order.

Mr. GORE. Mr. President, this measure does not appear on the copy of the calendar which is before me. Therefore, I ask that the bill be passed over.

Mr. HENDRICKSON. Mr. President, does the Senator from Tennessee refer to Calendar No. 227, Senate bill 1631?

Mr. GORE. Yes.

The PRESIDING OFFICER. The Senator from Tennessee has asked that the bill be passed over, and the bill will be passed over.

ORDER OF BUSINESS

The PRESIDING OFFICER. We now come to the bills which have been placed at the foot of the calendar.

Mr. MILLIKIN. Mr. President, I ask unanimous consent that the Senate now proceed to the consideration of Calendar No. 55, Senate bill 484, for the relief of J. Don Alexander.

The PRESIDING OFFICER. The Senator from Colorado has requested that Calendar No. 55, Senate bill 484, be considered at this time, out of order.

Mr. MILLIKIN. Mr. President, if consideration of the bill at this time is out of order, I am perfectly willing to wait.

The PRESIDING OFFICER. One bill comes ahead of it.

Mr. MILLIKIN. Then I am willing to wait.

The PRESIDING OFFICER. Very well.

Mr. McCARRAN. Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER. The Senator from Nevada will state it.

Mr. McCARRAN. A number of bills, one of which was Senate bill 30, Calendar No. 107, were placed at the foot of the calendar. Are not they to be considered at this time, ahead of any other measures?

The PRESIDING OFFICER. The Senate is about to consider the bills which went to the foot of the calendar, and they will be taken up in their order on the calendar.

The first bill placed at the foot of the calendar will be stated.

JUDICIAL REVIEW OF DECISIONS OF GOVERNMENT CONTRACTING OFFICERS IN CERTAIN CASES—BILL PASSED OVER

The bill (S. 24) to permit judicial review of decisions of Government contracting officers involving questions of fact arising under Government contracts, in cases other than those in which fraud is alleged, was announced as next in order.

Mr. SALTONSTALL. Mr. President, I have discussed the bill with attorneys of the Department of Defense. I am afraid that at the present time I have to object to consideration of the bill in its present form.

I should like to ask the distinguished Senator from Nevada whether he would object to having the bill recommitted, so that the Department of Defense could perfect the language of the bill with the committee, rather than for us to try to do so on the floor.

There is some objection from contractors who do business with the Air Force, and also from the Department of Defense itself, to including the General Accounting Office under the provisions of the bill. My feeling is that the easiest way to straighten out the matter would be to recommit the bill.

However, if the Senator from Nevada objects to having that done, I must object to consideration of the bill at this time; and perhaps we could get together on the language of the bill at a later time.

Mr. McCARRAN. Mr. President, I should like to make an explanatory statement, in reply to the Senator from Massachusetts.

This bill has been held up, I am informed, at the request of the Air Force. The Air Force, I am further advised, objected to the fact that the bill gave the Comptroller General the same right that was given to a contractor to question a decision of a contracting officer on the basis that it was arbitrary, or fraudulent, or grossly erroneous.

Attorneys for the Air Force have drafted, and representatives of the Associated General Contractors have submitted to me, an amendment designed to meet the views of the Air Force. I was requested to offer this amendment as a substitute for the language of Senate bill 24, as it was reported from committee. I said I would consider doing so if the Air Force got a clearance from the Budget Bureau and took up the matter with the Comptroller General and got his approval of the proposed new language, or at least an assurance that he did not object to the proposed new language.

The reason I asked that the matter be taken up with the Comptroller General is that it appears to me that the principal objection the Air Force has to the bill is that it gives the Comptroller General the same right that a contractor has to question the decision of a contracting officer.

I was informed this morning by a representative of the Associated General Contractors that the matter had been cleared with the Budget Bureau and had been taken up with the Comptroller General, as I had suggested.

Subsequently, I discovered that while the proposed amendment had been taken up with the Budget Bureau, there had been no clearance; the position of the Budget Bureau is one of nolo contendere, so to speak. The Budget Bureau

does not specifically approve this new language, but does not want to be in a position of disapproving it.

Furthermore, Mr. President, the Comptroller General has not approved this proposed new language. It has not been discussed with him. The matter has been discussed in principle with the General Counsel of the General Accounting Office, who informed a representative of the Air Force that the Comptroller General never could approve eliminating the Comptroller General from the bill, because the Comptroller General feels that in order to protect the interests of the Government, it is necessary that he shall have as much right to question the decision of a contracting officer on the ground, for instance, of fraud or gross mistake, as may be given to the private party to the contract.

I want to make it clear that I do not mean to imply there has been any misrepresentation to me by any representative of the Air Force. As a matter of fact, officials of the Air Force gave me the information only this morning that the Budget Bureau had not cleared this proposed amendment and that the Comptroller General—to use their phrase—"has not backed off from his opposition to the amendment."

It has been represented to me—not by the Air Force—that the Air Force has threatened to oppose this bill unless it gets the amendment it has drafted. It was stated to me that the Air Force had Senators who would object to this bill on a calendar call unless the Air Force was satisfied; who would fight any motion to bring up the bill unless the Air Force was satisfied; and who would oppose the bill if it did come up in the Senate; and that if the bill ever passed both Houses of the Congress, the Air Force would get it vetoed.

I do not know how much reliance to place in those threats, Mr. President. I reiterate that they have not been made directly by any representative of the Air Force, so far as I know. I know they have been repeated to other Senators.

Under the circumstances, Mr. President, I am not going to offer the amendment the Air Force has proposed, and I shall resist it if it is offered; but I ask unanimous consent that the text of the amendment, together with a statement of position of the Associated General Contractors of America with respect to this bill, may be printed in the RECORD at this point, as a part of my remarks.

There being no objection, the text of the amendment and the statement were ordered to be printed in the RECORD, as follows:

Be it enacted, etc., That any provision of any contract entered into by the United States to the effect that the decision of the head of the department or agency of the United States concerned, or his representative, shall be final and conclusive with respect to disputes involving questions of fact arising under the contract, shall be binding except as to such decisions hereafter made which may be determined by a court of competent jurisdiction to have been arbitrary, so grossly erroneous as necessarily to imply bad faith, or not supported by substantial evidence.

STATEMENT OF POSITION OF THE ASSOCIATED GENERAL CONTRACTORS OF AMERICA AND DEVELOPMENTS IN RE SENATE BILL 24

1. The association has no objection to Senate bill 24 as drafted.

2. Immediately following objections by Senators HUNT and BUTLER, the association received a telephone call from a representative of the Department of Defense to arrange a conference.

3. At the initial conference with the Department of Defense we were advised that Senate bill 24 in its present form would cause undue hardship to the Department, as well as to other industries, and would seriously interfere with the Department's procedure.

4. We advised the Defense Department that we had no desire to cause either the Department or any other industry any hardship, and that our primary purpose was to secure the right of judicial review so that the hardship created by the Wunderlich decision would be corrected.

5. One of the objections voiced against Senate bill 24 was that it conferred upon the Comptroller General the right to review questions of fact as well as questions of law. At present the Comptroller General's right of review is limited to questions of law.

6. The Defense Department indicated that giving the Comptroller General the right to review questions of fact would unnecessarily tie the hands of the Department and, in many instances, years would elapse before a decision could become final.

7. After many conferences, the Department of Defense submitted a proposed revision, a copy of which is attached hereto.

8. It will be noted that this draft eliminates the retroactivity objected to by the Department. It applies only to decisions made after the date of enactment. It further eliminates the right of review of questions of fact by the Comptroller General.

9. This association is primarily interested in the early enactment of legislation which will assure members of our industry the right of judicial review. The proposed revision also appears to accomplish this purpose. We are hopeful that early and favorable action may be obtained.

Mr. McCARRAN. Mr. President, I further wish to serve notice that if there is objection to the consideration of this bill on the call of the calendar, I shall at the earliest opportunity move that the Senate proceed to its consideration.

Mr. SALTONSTALL. Mr. President, what the Senator from Nevada has said will be helpful, I think, in the attempt to work out proper terminology of the bill. I am very happy that he has made his statement and has brought out the various points.

I renew my request that the bill go over at the present time.

The PRESIDING OFFICER. Objection being heard, the bill is passed over.

J. DON ALEXANDER

The PRESIDING OFFICER. The next bill placed at the foot of the calendar will be stated.

The bill (S. 484) for the relief of J. Don Alexander was announced as next in order.

Mr. MILLIKIN. Mr. President, the purpose of the bill is to award $16,720.41 to J. Don Alexander, of Colorado Springs. He paid that amount of tax on a capital-gains transaction. Then there was bankruptcy litigation, in the course of which it developed that the property was not his. According to the court it belonged to the corporation. Therefore, he had paid the Government taxes which he was not obligated to pay; hence the claim.

The distinguished acting minority leader has suggested that, instead of making an outright award of the amount of his overpayment, the case should be litigated judicially. I think the suggestion is a proper one, and it is acceptable.

Mr. President, I send to the desk an amendment in the nature of a substitute, offered by my colleague the senior Senator from Colorado and myself, and ask that it be read.

The PRESIDING OFFICER. The clerk will state the amendment.

The LEGISLATIVE CLERK. It is proposed to strike out all after the enacting clause and in lieu thereof to insert:

That, notwithstanding any statute of limitations or lapse of time, jurisdiction is hereby conferred upon the United States District Court for the District of Colorado to hear, determine, and render judgment on the claim of J. Don Alexander, of Colorado Springs, Colo., against the United States for recovery of income tax paid by him for the year 1929 which covered the capital net gain from the sale of 9,000 shares of stock in the Alexander Industries, Inc., which stock was later held by the United States circuit court of appeals in *Alexander* v. *Thelemen* (69 F. (2d) 610 (1934)) to be the property of Alexander Industries, Inc., and not of the said J. Don Alexander.

SEC. 2. Suit upon such claim may be instituted at any time within 1 year after the date of enactment of this act. Proceedings for the determination of such claim and review thereof, and payment of any judgment thereon, shall be in accordance with the provisions of law applicable to cases over which the court has jurisdiction under section 1346 (a) (1) of title 28 of the United States Code. Nothing contained in this act shall be construed as an inference of liability on the part of the United States.

The PRESIDING OFFICER. Without objection, the amendment is agreed to.

The bill (S. 484) was ordered to be engrossed for a third reading, read the third time, and passed.

The title was amended so as to read: "A bill conferring jurisdiction upon the United States District Court for the District of Colorado to hear, determine, and render judgment upon the claim of J. Don Alexander against the United States."

DR. ALEXANDRE DEMETRIO MORUZI—BILL PASSED OVER

The bill (S. 389) for the relief of Dr. Alexandre Demetrio Moruzi was announced as next in order.

The PRESIDING OFFICER. Is there objection?

Mr. GORE. Mr. President, I suggest that the bill go over for the time being. The junior Senator from Arkansas [Mr. FULBRIGHT] has not withdrawn his objection to the bill. I understand that he is in correspondence with the Department of State. Therefore, I must at this time object.

The PRESIDING OFFICER. Objection is heard, and the bill will be passed over.

JURY TRIALS IN CONDEMNATION PROCEEDINGS IN UNITED STATES DISTRICT COURTS

The Senate proceeded to consider the bill (S. 30) to provide for jury trials in condemnation proceedings in United States district courts, which was read, as follows:

Be it enacted, etc., That (a) chapter 121 of title 28 of the United States Code is amended by adding at the end thereof a new section as follows:

"§ 1875. Condemnation proceedings.

"Notwithstanding the provisions of subdivision (h) of rule 71A of the Rules of Civil Procedure, any party to an action in a district court involving the exercise of the power of eminent domain under the law of the United States may have a trial by jury of the issue of just compensation, except where a tribunal has been specially constituted by an act of Congress governing the case for the determination of that issue, by filing a demand therefor within the time allowed by such rule for answer or within such further time as the court may fix."

(b) The analysis at the beginning of such chapter is amended by adding at the end thereof the following:

"1875. Condemnation proceedings."

SEC. 2. Section 1875 of title 28 of the United States Code shall apply to (a) actions commenced after the date of enactment of this act, (b) actions pending on the date of enactment of this act in which the time for requesting a jury trial under the applicable provisions of law in effect immediately prior to August 1, 1951, had not expired prior to August 1, 1951, and (c) actions pending on the date of enactment of this act which were commenced subsequent to July 31, 1951; but the time within which a jury trial may be demanded under such section in any case referred to in clause (b) or clause (c) above shall be 30 days after the date of enactment of this act in lieu of the time prescribed in such section.

Mr. McCARRAN. Mr. President, since this bill was reached earlier on the call of the calendar, I have conferred with the senior Senator from Virginia [Mr. BYRD], who raised objection to it. I now send forward an amendment and ask for its immediate consideration and adoption.

The PRESIDING OFFICER. The clerk will state the amendment.

The LEGISLATIVE CLERK. On page 1, line 8, it is proposed to strike out the words "any party" and insert the words "the defendant."

Mr. McCARRAN. Mr. President, let me say that I submitted this amendment, together with the bill, to the senior Senator from Virginia [Mr. BYRD], and it was satisfactory to him.

The PRESIDING OFFICER. Without objection, the amendment is agreed to.

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

CITATION OF RUSSELL W. DUKE FOR CONTEMPT OF THE SENATE

The resolution (S. Res. 103) citing Russell W. Duke for contempt of the Senate was announced as next in order.

The PRESIDING OFFICER. Is there objection to the present consideration of the resolution?

Mr. McCARTHY. Mr. President, I believe Senators would like an explanation of Senate Resolution 103. It concerns a matter which the Senate Permanent Investigations Subcommittee has been investigating in some detail. Mr. Duke was under subpena when he went to Canada. He was contacted by the Chief of our staff, Mr. Flanagan, and was told the date and time when he was to return to the United States, and the place at which he was to appear. Mr. Duke first said he lacked sufficient funds to come to Washington, so we sent him an airplane ticket. He then complained that he never received the ticket, so Mr. Flanagan then made arrangements for him to pick up another ticket at the airport. Mr. Duke then called back to say that he had discussed the matter with a lawyer, and that he had found that we could not extradite him in contempt proceedings, and therefore he thought he would not return to the United States. He has not returned since then. The committee met and unanimously voted to cite Mr. Duke for contempt.

If Senate Resolution 30 is agreed to today by the Senate, I shall ask unanimous consent to place in the RECORD a memorandum which the staff is preparing, and which will be ready this afternoon, giving a résumé of this particular case. It is a rather aggravated case of influence peddling, and has to do with the Internal Revenue Bureau.

To give the Senate a very quick 1-minute picture, if I may, Duke somehow was able to come into possession of information as to pending tax claims against various persons residing on the west coast. His typical method of approach was to contact the individual against whom the claim was made, or his lawyer, tell him all about the case, and give him all the confidential information he had, information which neither the individual himself nor his lawyer possessed. He would end up by taking a cut in the case. In this manner he obtained a total sum of $30,000 plus.

However, rather than state all the details, I ask unanimous consent to place the staff memorandum in the RECORD at this point in my remarks.

The PRESIDING OFFICER. Is there objection?

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

STAFF MEMORANDUM RE RUSSELL W. DUKE

On the basis of information furnished to the Senate Permanent Subcommittee on Investigations several months ago by a reporter for the San Francisco Examiner, a joint investigation into the activities of Russell W. Duke, formerly of Portland, Oreg., was conducted by the Senate Permanent Subcommittee on Investigations and the Senate Subcommittee Investigating the Justice Department. During the course of the investigation, Mr. Duke on January 15, 1953, in secret session testified before the Senate Permanent Subcommittee on Investigations. Upon completion of our investigation, it was decided to hold open hearings. Mr. Duke was the chief witness, and as Report No. 143 of the Committee on Government Operations of the Senate which supports Senate Resolution No. 103, clearly indicates, Duke willfully refused to appear before this subcommittee in response to a subpena. I have proposed Senate Resolution No. 103 as I feel Duke should be cited for contempt. His open defiance of the subpena powers of the United States Senate compels me to make some of his activities a matter of record.

Investigation has revealed that Russell W. Duke about 1946 began operations as a self-styled public relations representative in connection with various tax cases that were pending in the Bureau of Internal Revenue. In one way or another, through various sources, most of which are unknown and which could not be identified, Duke would ascertain that some person on the west coast was in tax difficulty with the Bureau of Internal Revenue. In some manner, he would also obtain detailed information concerning that person's tax difficulty. Duke would then contact the taxpayer or the taxpayer's attorney, and would attempt to convince them his services should be retained so the case could be resolved to their satisfaction. In many cases, his representations to these persons that he knew prominent people in the Bureau of Internal Revenue and the Department of Justice and elsewhere, plus his intimate knowledge of their individual tax cases, would result in his being retained as public relations counsel. Duke was not an attorney nor an accountant. On occasions, however, during his first meeting with the taxpayer or the taxpayer's attorney, he would represent that he was an attorney.

One example of Duke's activities was his association with the L. De Martini Co. of San Francisco, Calif. In June of 1947, the San Francisco office of the Bureau of Internal Revenue proposed an additional assessment in its civil tax case against this corporation in the amount of $265,001.11 for the taxable years 1944, 1945, and 1946 because the Government disputed certain salaries which had been paid to the officials of this company. The amount of this tax deficiency was established by and recommended by Frank L. Norton, who was at that time (June of 1947) an employee of the Bureau of Internal Revenue in San Francisco. Shortly thereafter, on July 15, 1947, Norton's services with the Bureau of Internal Revenue were terminated because of a reduction in force, and a few months later, he met A. S. Kayser, treasurer of the De Martini Co., at which time they discussed the tax assessment. Norton told Kayser he had a friend in Portland, Oreg., who could get the tax deficiency figure of $265,001.11 reduced and he suggested that Kayser discuss the case with his friend, whose name Norton did not mention. Norton also told Kayser his friend would not be interested in doing anything at all unless a guaranty of good faith was put up in the sum of $5,000. Kayser agreed to make out a certified check for $5,000 and place same with an independent person to be held until the case was satisfactorily handled, at which time it should be delivered to Norton's friend.

Kayser, at Norton's specific request, made out this check to the order of E. Ward on October 17, 1947, and Norton was then given the check to hold. A short time later, a meeting between Duke and Kayser was arranged by Norton at which time Duke promised Kayser introductions to the proper people in Washington, D. C., and gave Kayser assurances of proper treatment of the tax case. On behalf of the De Martini Co., Kayser retained Duke as public relations representative, agreeing to compensate "Duke or his associates" in the amount of $65,000 provided the proposed additional tax assessment of $265,001.11 was reduced to a maximum payment of $100,000. There was a further understanding that if a higher tax payment was necessary, some other reasonable method of compensating Duke would be worked out.

Frank L. Norton, after he had received the aforementioned $5,000 check, retained the same in his possession for a few months and then, upon being advised by Duke, not Kayser, that he could keep this amount as his fee, had this check cashed in the following manner: He first endorsed the name of E. Ward and then had his wife endorse the check in her maiden name of Hogan, and cash it. Norton admitted that the reason

the check was made out in the name of E. Ward at his request and cashed in the above manner was because he did not want to have his name appear anywhere in the transaction.

On August 30, 1948, David Sullivan, of the San Francisco office of the Bureau of Internal Revenue, who was then assigned to the De Martini case, had luncheon with Duke at the latter's invitation. At this luncheon, Duke informed Sullivan that he was "just the man we are looking for," and inquired if Sullivan would be interested in accepting a position, and if Sullivan were so interested, he would receive a $25,000 check on the following day and would then receive $1,200 a month in addition thereto. Duke also told Sullivan he would see that the mortgage on Sullivan's home was paid and in response to an inquiry from Sullivan as to what action Duke would take if Sullivan rendered an adverse opinion on the De Martini case, Duke answered by saying Sullivan's wife would not make a very pretty-looking widow.

The new president of the De Martini Co. terminated Duke's services on August 31, 1948. Duke had been paid $14,000 by the company, however, which amount was in addition to the $5,000 retained by Frank L. Norton.

In another case, Thomas Guy Shafer, of Oakland, Calif., was under investigation by the Bureau of Internal Revenue for willfully attempting to evade taxes for the years 1944, 1945, and 1946. This was a criminal investigation and the tax deficiency was listed as $266,907.95, with a penalty of $70,576.21 resulting in a total of $337,383.16. Shafer was eventually indicted, and on December 4, 1952, was tried for tax evasion for the years 1945 and 1946. The jury disagreed on the 1945 case and found him not guilty on the 1946 case.

Wallace Knox, an attorney in Oakland, Calif., who had represented Shafer previously, incorporating Shafer's drugstore business in 1946, and who was retained by Shafer to represent him in the tax case, contacted Russell W. Duke in 1948 after having been informed that Duke could assist people in tax matters. Knox, at this time, was unfamiliar with the procedure followed by attorneys in tax cases. At their first meeting, Duke told Knox he was an attorney; that he knew everyone of importance in the Bureau of Internal Revenue including the Commissioner; and that he could steer Knox to the right persons who could forcibly present Shafer's case to the proper authorities. The following day, Duke amazed Knox with his intimate knowledge of the facts of Shafer's tax case, and as a result Duke was retained as public relations representative for $6,500. Subsequently, Shafer's case was referred by the Bureau of Internal Revenue to the Department of Justice in Washington, D. C., with the recommendation that Shafer be prosecuted. At this time, which was about August of 1948, Duke and Knox, through attorney Howard Bobbitt, of Portland, Oreg., met Edward P. Morgan, an attorney in the law firm of Welch, Mott & Morgan in Washington, D. C.

Investigation has revealed Attorney Morgan was retained by Attorney Knox to represent Shafer on a contingency fee basis. The fee was to be $20,000, which sum was to be held by Morgan's firm in escrow, contingent upon whether or not the case could be so presented to the Department of Justice by Attorney Morgan that Shafer would not be prosecuted criminally. Morgan, in connection with the activities of Mr. Duke, testified before the Senate Permanent Subcommittee on Investigations on January 16, 1953. It was his testimony that the $20,000 contingent fee was returned to Shafer because Shafer was in fact indicted.

In a written statement by Edward P. Morgan to this subcommittee on February 5, 1953, he advised that the first time he had knowledge of Duke's having been paid a fee by Mr. Shafer was late in 1951, and that at the time he met Duke, he understood the latter was a public relations counselor, who had acted as a manufacturer's representative for various west coast companies during the war; that Morgan then and now regards the Shafer case as a reference case from Attorney Howard Bobbitt, of Portland, Oreg. However, on various occasions after Duke met Morgan in the fall of 1948, Duke made various inquiries of Morgan as to the status of the Shafer case as indicated by his letters to Morgan of March 3, 1949; May 6, 1949; and September 10, 1949.

Subsequent to the initial meeting between Duke and Morgan, Duke was responsible for several tax cases being handled by Morgan. During the early part of 1949, Noble F. Wilcoxon, of Sacramento, Calif., was under investigation by the Bureau of Internal Revenue for criminal tax evasion. The additional tax claimed by the Government was $89,277.68 with penalties of $44,681.51, making a total of $133,959.19. In April of 1949, Duke contacted Wilcoxon at Sacramento, Calif., stating he had come from Washington, D. C., where he had seen all of the papers in Wilcoxon's tax case. Duke also told Wilcoxon the latter would be a free man if Duke's services were retained and displayed an intimate knowledge of the tax case. Mr. Duke was verbally retained for $5,500. On April 27, 1949, Duke appeared in Edward Morgan's law offices in Washington, D. C., with Wilcoxon, at which time Wilcoxon retained the legal services of Morgan. Morgan, in his statement of February 5, 1953, and in his testimony before this subcommittee, advised he was paid a fee of $2,750 by Wilcoxon while Wilcoxon was in his office on April 27, 1949. Morgan testified he had never split any fees with Duke because it was contrary to the ethics of the legal profession. Investigation has revealed that prior to Wilcoxon's trip to Washington, D. C., with Duke to see Morgan, which was after Wilcoxon had agreed to retain Duke, Wilcoxon withdrew from his bank $5,500 in cash, which amount he had on his person when he left for Washington, D. C. Morgan also testified that it was approximately about September of 1949 that he ascertained that Duke had a criminal record, and that subsequent thereto he recalled no particular case that he handled by reference from Duke other than a simple inquiry he made in September of 1950.

In a letter dated August 2, 1949, to Mr. Wilcoxon, Morgan enclosed a receipt in the amount of $2,750 the receipt being dated April 27, 1949. It is interesting to note that by letter dated August 1, 1949, to Duke, which letter was produced by Duke in response to a subpena issued by this subcommittee, Morgan states as follows:

"DEAR RUSSELL: I have sent Noble Wilcoxon a receipt covering our retainer received from him on April 25, 1949. Enclosed herewith is the agreement between you and Mr. Wilcoxon which I believe you should transmit directly to him. I am glad to hear that your Senate bill is moving along smoothly.

"Sincerely,

"EDWARD P. MORGAN.

"Enclosure."

The enclosure, also produced by Duke, is as follows:

"MEMORANDUM OF AGREEMENT BETWEEN NOBLE WILCOXON AND RUSSELL W. DUKE, OF PORTLAND, OREG.

"This agreement has to do with the appointment of Mr. Russell W. Duke as public-relations representative for the purpose of presenting my tax case wherever necessary in order to secure proper relief. I am now involved in proceedings to determine liability in connection with Federal income tax, and do hereby appoint Russell W. Duke as my public-relations representative in connection with all tax matters. For this service I have paid Mr. Russell W. Duke the sum of $2,750.

"Dated May 1, 1949.

"NOBLE WILCOXON.

"The above accepted and approved

"RUSSELL W. DUKE."

Morgan in his prepared statement of February 5, 1953, related as follows:

"In accordance with advice from Mr. Wilcoxon, I communicated with Mr. Duke by letter on May 3, 1949, asking that he forward to me without delay the required material which I had requested be obtained in the Wilcoxon case. Again on May 5, 1949, I wrote Mr. Duke indicating that I must have the required material for filing the brief in the Wilcoxon case by May 10, 1949, inasmuch as I was leaving the city. Under the date of May 16, 1949, I supplied the Department of Justice a memorandum in which I included all of the basic facts and arguments which in my opinion indicated that criminal prosecution of Mr. Wilcoxon was unwarranted. It was not until about the first of August 1949 that I had any knowledge concerning the fact that Mr. Wilcoxon had paid Mr. Duke for his services or the amount of such payment."

In connection with the above two tax cases of Thomas Guy Shafer and Noble F. Wilcoxon, I desire to quote from a carbon copy of a letter dated at Portland, Oreg., September 10, 1949, addressed to Mr. Edward Morgan, Welch, Mott & Morgan, 7100 Erickson Building, 14th Street NW., Washington, D. C.:

"Talent, Ed, is what I want. I am going to make my tour of the South (incidentally, Nevada and Idaho are good territory) and make one complete thrust to bring all the talent I possibly can to Washington.

"I understand there are 23 applications in Oregon for television. Can you confirm that?

"How are the horses running? I refer to Sir Laurel Guy, the Oakland-owned horse, and the Sacramento-owned horse.

"With best personal regards, I remain

"Sincerely yours,

"R. W. DUKE."

Morgan testified that he "had no recollection of the letter," and he failed to produce it, despite a subpena, because a search of his files failed to locate it. He said he would interpret the reference to the horses, Sir Laurel Guy, the Oakland-owned horse, and the Sacramento-owned horse, to mean the Thomas Guy Shafer case and the Noble Wilcoxon case. He denied he had had any code agreement or relationship or other understanding with Duke in matters of correspondence. Despite Mr. Morgan's failure to recall said letter, he produced, as a result of a subpena, a copy of a letter to Russell Duke, dated September 14, 1949, which letter obviously is an answer to Duke's letter of September 10, 1949, and from which I quote as follows:

"Mr. RUSSELL DUKE,

"Portland, Oreg.

"DEAR RUSS: I was glad to receive your letter of September 10 and was particularly interested in your reference to successful drill tests for oil that have been conducted in Oregon.

"The report that there are 23 television applications for Oregon is a phony. As a matter of fact, there are only 5 applicants and they are all for the city of Portland: i. e., KOIN, Inc. (channel 8); KOPJ, Inc., (channel 12); Edward Lasker (channel 10); Oregonian Publishing Co., KGW (channel 6); and Westinghouse Radio Station, Inc., KEX (channel 10).

"When are you coming back this way?

"With kind regards,

"Sincerely,

"EDWARD P. MORGAN."

Duke also produced, as a result of a subpena, a copy of a letter he had sent to

Edward Morgan under date of September 5, 1949, from which I quote as follows:

"PORTLAND, OREG., *September 5, 1949.*

"WELCH, MOTT & MORGAN,

"Washington, D. C.

"DEAR ED: I have a lot of cases in California that I have to do a lot of bird-dogging on, and I hate like sin to go down there and bird-dog without clicking on a few. I wish you would be able to secure some talent as I could use some hay. I am letting things quiet down on the coast by lying dormant and putting more effort in lining up the coming campaign. I am willing to gamble with you in any shape, form, or manner that you will be in as soon as the other chap resigns. I sincerely hope that the cases that are back there clear up so that we can start on something else. Again I repeat: I can use the hay.

"As you know, the talent is plentiful, and it is a psychological effect when one comes in cold and tells a person what he knows about him, so I hope sincerely that you will be able to secure some talent for me."

Morgan, in his testimony before this subcommittee, stated that to the best of his knowledge and belief he had never seen the above letter, and he failed to produce the original under subpena. Morgan said the word "talent" used in the letter was meaningless to him.

In still another case, Dr. Ting D. Lee, of Portland, Oreg., on February 15, 1949, was served by the Bureau of Internal Revenue with a jeopardy assessment for unexplained income for the years 1942 through 1947. The amount of the deficiency was $147,290.32, and the issue in the case, which was a civil one, was whether or not certain funds Dr. Lee had received were taxable income or were funds received as an inheritance from China, and therefore not taxable. Lee retained Attorney Ashley Green, in Portland, Oreg., to represent him in this case. Shortly thereafter Lee met Russell W. Duke, who said he could be of assistance in the case; that he knew an attorney in Washington, D. C., who had handled many tax cases very successfully. Lee retained Duke as public-relations representative, and by a written contract dated March 19, 1949, agreed to pay Duke $12,500 for his services. Investigation has revealed that on approximately March 21, 1949, Duke introduced Dr. Lee to Edward P. Morgan in the latter's law offices in Washington, D. C., and Morgan was retained by the doctor on a $4,000 contingency-fee basis. Dr. Lee has advised that the $12,500 to be paid to Duke was to include all attorney's fees. In Morgan's statement to the subcommittee of February 5, 1953, he said as follows:

"Some question appears to have been raised as to whether my fee in this case was to be paid by Russell Duke or by Dr. Lee. Under the circumstances that the case was initially presented to me, I submit that it would have been quite proper to have looked to either of these men for my fee. The fact of the matter is, however, that I always looked to Dr. Lee for the payment of my fee and that he in fact did pay my fee. I think the file in my office concerning the case clearly bears out my understanding that my fee was to be paid by Dr. Lee. It is true that at the time the case was concluded, Dr. Lee apparently was under the impression that Mr. Duke was to take care of my fee, but no such impression certainly had any consonance with my own thinking."

In testimony before this subcommittee, in response to a question as to whether Morgan knew that Duke was to be compensated in connection with the Lee tax case, Morgan answered in part, "I just feel that it would be ridiculous of me to undertake to go to the west coast and handle a case for $4,000 on a contingent basis had I known that this fellow had received eight or nine thousand dollars in the matter." Dr. Lee, however, has advised this subcommittee that during his first meeting with Morgan, he informed Morgan that the latter's fee would come from the money Dr. Lee was to pay to Russell Duke, under the terms of the previously mentioned agreement. It was Dr. Lee's understanding that Morgan's fee would be approximately $4,000 plus traveling expenses, payment to be made when the case was closed and payment to be made to Morgan by Duke from the amount paid to Duke by Lee. In substantiation of Dr. Lee's statement of the facts, I quote from the following letter from Dr. Lee to Edward Morgan, dated April 4, 1949, which letter is in the possession of Mr. Morgan. I call your attention to the fact that this letter was sent by Dr. Lee within 2 weeks after he had retained Attorney Morgan.

"Since all financial arrangements re case are handled through Russell W. Duke, although you rendered your legal services directly to me, I feel that I should have a letter of confirmation from you, along the lines suggested in the following.

" 'DR. LEE: This is to confirm my consent to accept the request of Mr. Russell Duke, your public-relations representative, to handle all legal proceedings incidental to your tax case now pending in the United States Treasury Department. It is mutually understood and agreed that Duke and not you shall assume full responsibility for my expenses and fees in connection with your case as per special agreement that I had with him.'

"Of course, as I have frankly told you, the written agreement that I had with Mr. Duke regarding fees on this case which you may verify. This letter of confirmation will prevent us from any involvement in case there should be any controversy between you and Mr. Duke (which I do not expect however) regarding the matter of fees and payments."

Mr. Morgan has in his file a copy of the following telegram from Dr. Lee to Russell W. Duke, dated June 20, 1949, which telegram was sent to Mr. Morgan by Dr. Lee:

"You verbally verified my understanding last Wednesday night that Morgan's fees and expenses are to be paid out of $12,550. Condition of payment of this sum depends upon final settlement of case previously agreed and witnessed by Talbot. To date no notice of final settlement of case received, hence condition of payment not being fulfilled. Other financial obligations make it impossible to make this unexpected payment now."

The telegrams were sent to Morgan because a request had been made by Morgan for expense money in the amount of $450. Dr. Lee paid this expense money by check to Morgan dated July 6, 1949, but investigation has revealed that this amount was deducted from the $12,500 that Duke was to receive from Dr. Lee.

Again, by letter from Dr. Lee to Morgan dated August 30, 1950, which letter is in Morgan's possession, Lee encloses a check for $3,450 in full payment of Morgan's fees as per a telephone agreement and I quote from this letter as follows:

"So you will have to look to Duke for balance of $4,000, which being $550.

"You had no idea of difficult position I was placed. To convince you that I tried my best to make payments as shown in the enclosed receipts (copies of). You will note that up to August 3, 1950, the total sum of $9,050 has been paid to Mr. Duke, leaving a balance of only $3,450. You will remember also before taking my case up, Mr. Duke, you and myself had agreed in your office that your fees are to be paid through Mr. Duke and is to be deducted from the $12,500 contract that I had signed with him for the entire case. Of course, he had the right to refuse to release me of the contract until the entire sum is paid up which he did—without having a release from Duke, I am in no position to pay you for fear he may now acknowledge such payment as part of the payment on the $12,500."

Russell W. Duke produced a release that he had executed to Dr. Lee in which he itemizes receipts and disbursements. The release reveals that he received $9,050, out of which he had credited the $450 that had been paid by Dr. Lee to Morgan for the aforementioned expenses. The release further states: "by paying Edw. P. Morgan the sum of $3,450 plus the payment of an additional $550 to be made by R. W. Duke to Edw. P. Morgan, making a total of $4,000 as attorney's fees, Dr. T. D. Lee is in full released from any contracts and agreements that he has entered into with R. W. Duke, or the R. W. Duke Enterprises of Portland, Oreg."

Canon 34 of the Court of Legal Ethics states as follows:

"No division of legal fees for legal services is proper except with another lawyer, based upon a division of service or responsibility."

Two other tax cases of interest are those of Louis Wolcher and Harry Blumenthal. On November 10, 1948, according to Morgan's own statement, Mr. Duke called at his office in Washington, D. C., and introduced him to Conrad Hubner, a tax attorney of San Francisco, Calif. Morgan was retained by Hubner to represent both Wolcher and Blumenthal. Wolcher was the subject of a criminal tax-evasion case, the deficiency being $634,799.22, with penalties of $318,352.40, making a total of $953,141.52. Wolcher, on May 7, 1951, was found guilty, sentenced to 3 years' imprisonment plus a $10,000 fine, but the case was referred to the appellate court on November 7, 1952, and is to be retried. Morgan's fees for services rendered in this case were $1,000.

Harry Blumenthal was also the subject of a criminal tax-evasion case with a deficiency of $183,455.90 and penalties of $89,817.12, making total of $273,272.92. The case was never prosecuted because Blumenthal supplied to the Government the identity of individuals to whom he had actually given the money that was in dispute. Morgan's law firm received $1,000 in fees for services rendered in connection with this case.

I should also like to bring to your attention the tax case of Inez Burns. Morgan, in his testimony before this subcommittee, stated that at the initial meeting he had with Russell W. Duke late in August 1948, Duke mentioned several tax cases to Morgan, one of which was the case of Inez Burns. Morgan produced under subpena a copy of a letter dated March 31, 1949, to Duke, which I quote as follows:

MARCH 31, 1949.

Mr. RUSSELL DUKE,

Portland, Oreg.

DEAR RUSS: Pursuant to our conversation yesterday, I am enclosing herewith two photostatic copies of an editorial which may be somewhat helpful to you relative to the matter which we discussed, along with a clipping from the local Washington Times-Herald.

Best personal regards.

Sincerely,

EDWARD P. MORGAN.

P. S.—I don't seem to be able to get a line on Inez B. at either place back here. Who is the attorney of record in her case? Can you check at S. F. to find when they referred it to D. C.?

You will note that according to the postscript, Morgan is attempting "to get a line on Inez B.," and according to his own testimony, this referred to Inez Burns. Investigation has revealed that the attorney of record for Inez Burns was Frank I. Ford, Sr., of San Francisco, Calif., and that subsequent to the above letter Duke did in fact call Mr. Ford and recommended Edward P. Morgan as a Washington counsel in the case. Morgan, in his testimony before this subcommittee and in his statement, maintains that he was retained as Washington counsel by Attorney Frank I. Ford about December 1, 1950, and that he specifically asked Ford if Duke was in any way involved in this case, and was assured by him that Duke was not, following which Morgan did in fact become

Washington counsel. It is interesting to note that obviously Morgan was attempting to make arrangements to be retained as attorney in this case as far back as March of 1949, at which time he was making inquiry even though he did not know who Burns' attorney was at that time. It is of further interest to note that he was successful in being retained as counsel even though he alleges that Duke was in no way involved. The Burns case was a criminal tax-evasion case, being a deficiency in the amount of $93,685.82 with penalties of $465,842.91, making a total of $1,397,528.73. On May 8, 1951, Burns received a sentence of 1 year and a day and a fine of $10,000. Investigation has revealed that Morgan received the sum of $2,500 for his services in the Burns case.

May I also cite the criminal tax evasion case of one Jack Glass, of Los Angeles, Calif., whose tax deficiency was $45,480.53. There was no prosecutive action in this case because Glass became mentally ill and later died in November of 1950. Investigation has shown Morgan actually was retained as Washington counsel by Attorney Maurice J. Hindin, who has learned of Morgan through legal sources other than Russell W. Duke. During the month of June 1949, attorney Hindin contacted Edward P. Morgan, making inquiry as to whether his firm could represent Mr. Glass in Washington, D. C., but Morgan was not retained at that time because Mr. Glass indicated he would be unable to pay the fee requested by Mr. Morgan. During the latter part of June after Hindin contacted Morgan and before he retained him, Mr. Glass was contacted directly by Russell W. Duke, who also contacted attorney Hindin. Mr. Duke was hired as public relations representative by Mr. Glass for $1,000 despite attorney Hindin's opinion to Mr. Glass that Duke's services were not necessary. After Duke was retained, Hindin on behalf of Mr. Glass did, in fact, retain Mr. Morgan in this case, and Morgan received $4,500 in fees. It is most interesting to note that Duke contacted Mr. Glass and Mr. Hindin within a matter of days after Hindin had discussed this case with Morgan and had not, at the time of Mr. Duke's appearance, retained Edward P. Morgan.

In the few cases that I have related, Russell W. Duke received a total of $32,850 in fees and approximately $2,500 in expenses; and Attorney Edward P. Morgan received $13,700 in fees and $450 in expenses.

Edward P. Morgan also loaned Duke $500 on July 22, 1949. According to both Morgan's and Duke's testimony, this sum of money which was, in fact, a loan, has never been repaid.

CONCLUSION

Russell W. Duke had various contacts with Senator WAYNE MORSE, of Oregon, while Duke was engaged in some of the activities that I have mentioned. Duke at that time was a constituent of Senator MORSE, and the information in the possession of this subcommittee clearly reveals MORSE treated Duke as he would have any constituent. Our information has failed to reveal any wrongdoing on the part of Senator MORSE in connection with his association with Duke.

It is quite clear that Russell W. Duke was an influence peddler who specialized in tax cases. In the absence of any legal, accounting, or other technical ability, he used his alleged influence with his alleged contacts. There is no evidence that he performed any legitimate service to any taxpayer.

The PRESIDING OFFICER. Is there objection to the consideration of the resolution? There being no objection, the resolution (S. Res. 103) was considered and agreed to, as follows:

Resolved, That the President of the Senate certify the report of the Committee on Government Operations of the United States Senate as to the willful default of Russell W. Duke in failing to appear to testify before the Senate Permanent Subcommittee on Investigations of the Committee on Government Operations of the United States Senate in response to a subpena, together with all the facts in connection therewith, under the seal of the United States Senate, to the United States attorney for the District of Columbia, to the end that the said Russell W. Duke may be proceeded against in the manner and form provided by law.

Mr. HENDRICKSON. Mr. President, the acting majority leader would like to take this opportunity to thank the Senator from Wisconsin for his explanation of the resolution just agreed to.

Mr. McCARTHY. I thank the Senator. I may say also, if I may, that at the time this case originally came to our attention it was referred to us by the Judiciary Committee of the House. There were certain phases which were beyond the jurisdiction of that committee. The incident occurred before the House was organized in January, and the House, not being a continuing body, could not issue a subpena for the production of documents. The Senate, being a continuing body, had authority to do so. The House committee was fearful that the documents might disappear and requested us to issue the subpena, and we did so.

One point which I desire to emphasize in this connection is that at the time this matter was first discussed in the press reference was made to the name of the Senator from Oregon [Mr. MORSE]. The staff made a complete investigation, and they reported that there was no evidence whatever to indicate any wrongdoing of any kind on the part of the Senator from Oregon. I thought I should make that perfectly clear, in view of certain news stories which appeared at the time.

The PRESIDING OFFICER. The Chair calls the attention of Senators to the fact that with the adoption of the resolution, Senate Resolution 103, the call of the calendar has been completed.

Mr. MORSE. Mr. President, will the acting majority leader yield to me on a question of privilege?

Mr. HENDRICKSON. I am glad to yield to the Senator from Oregon.

Mr. MORSE. Mr. President, I wish to address myself to a question of personal privilege. I did not know the Senator from Wisconsin was going to make any reference to my name in connection with the consideration of the resolution which has just been passed by the Senate. I appreciate the comments he made. There is no doubt about the fact that certain segments of the press have carried stories linking my name in a critical way by innuendoes and implications, which have no basis in fact, with the case referred to. I want to say on the floor of the Senate, as I have said to the Senator from Wisconsin and to the Senator from Illinois [Mr. DIRKSEN], whom I see on the floor, as well as to other members of the committee, that any time the committee or any member of the committee wants me to appear before the committee—and this applies not only to the committee in question, but to all other committees—to answer questions, or to testify in regard to any phase of my political life, I am at their service. Furthermore, my files are open to them.

My record, Mr. President, in regard to this matter, and every other matter, will stand any public inspection any committee may care to make at any time.

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

Mr. MORSE. I yield to the Senator from Wisconsin.

Mr. McCARTHY. I may say that the Senator from Oregon offered to come before our committee to give us any information which we desired, and to give us free access to any file he might have in connection with this matter. The staff made a complete check, and thereafter reported to us that there was no basis or ground for calling the Senator from Oregon before the committee. The staff reported that there was no evidence of any nature to indicate any wrongdoing of any kind whatever on the part of the Senator from Oregon. For that reason, we can see no reason whatever for asking the Senator to come before the committee.

Mr. MORSE. Mr. President, I appreciate the statement of the Senator from Wisconsin. I simply want to make this assertion, which I stand ready to support, as to what my records will show. They will show what will be shown by the records of each and every other Senator, who tries to perform his duty to his constituents. Whenever a constituent comes to my office to ask for assistance in obtaining an appointment for the purpose of interviewing a Government official concerning what he considers to be a problem he has with the Government, I have done what every other Senator does in similar circumstances, and have extended to the constituent the courtesy of rendering him the assistance he requested.

In each case I have made clear that the constituent must stand on the merits of his own case. I have never asked a Government official to consider a complaint or a problem raised by any constituent of mine except on the basis of the merits of the matter. No compensation, financial or otherwise, was ever paid to me for any service I ever rendered a constituent in connection with carrying out any of my work or duties as a Senator. If any representative of clients ever received fees from Oregon constituents or anyone else for services he rendered those clients as the result of any appointments he had with Government officials through any courtesy my office extended in arranging such appointments, I was no party in any way to the compensation. Every Senator knows that as Senators we would have no right to inquire into or interfere with the private contractual arrangements entered into between professional representatives and their clients.

I do not keep an FBI agent in my office to check into the background and business dealings of constituents who may visit my office. They are entitled to the kind of courteous service which I have rendered to all my constituents, including this particular one. When they make what appears to be a legitimate request for assistance with a problem they have with a Government department, I try to give them courteous treatment. That is one of the things they pay taxes for. That is the only position I have taken in

regard to this case or any other case, and my files will show it.

I want to thank the entire committee for the courtesies which the committee has extended to me and for the clarifying statement the chairman of the committee has made on the floor of the Senate today. The chairman some days ago notified me that upon investigation the committee had no desire to call me before the committee; nevertheless I wish to make clear to the Senator from Wisconsin [Mr. McCARTHY], the Senator from Illinois [Mr. DIRKSEN], and other Senators on the committee that my offer to appear before the committee is a standing offer, and if any new developments occur, I am at their service.

LEAVE OF ABSENCE

Mr. MORSE. Mr. President, I ask unanimous consent to be absent from the Senate beginning tomorrow and through Friday. Let me hasten to add that it is a matter of regret on my part that I shall not make my weekly committee report on Friday; but I shall make it next Monday if I may have consent to be absent.

The PRESIDING OFFICER (Mr. BUSH in the chair). Without objection, the Senator's request is reluctantly granted.

THIRD SUPPLEMENTAL APPROPRIATIONS, 1953

Mr. HENDRICKSON. Mr. President, I move that the Senate proceed to the consideration of Calendar No. 214, House bill 4664, making supplemental appropriations for the fiscal year ending June 30, 1953, and for other purposes.

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

The LEGISLATIVE CLERK. A bill (H. R. 4664) making supplemental appropriations for the fiscal year ending June 30, 1953, and for other purposes.

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

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

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

The PRESIDING OFFICER. The clerk will call the roll.

The Chief Clerk proceeded to call the roll.

Mr. HENDRICKSON. Mr. President, I ask unanimous consent that the order for a quorum call be rescinded and that further proceedings under the call be dispensed with.

Mr. CLEMENTS. Mr. President, I object to rescinding the order for a quorum call.

The PRESIDING OFFICER. The clerk will continue to call the roll.

The Chief Clerk resumed the call of the roll.

Mr. HENDRICKSON. Mr. President, I renew my unanimous-consent request that the order for the quorum call be vacated, and that further proceedings under the call be dispensed with.

The PRESIDING OFFICER. Is there objection? If not, the request is granted, and the order for the call of the roll is rescinded.

The Clerk will state the first committee amendment.

The first amendment of the Committee on Appropriations was, under the heading "Chapter I—District of Columbia, regulatory agencies, salaries and expenses, Office of Administrator of Rent Control," on page 2, line 15, after the figures "$17,000", to insert "and the limitation of $27,000 for payment of terminal leave only, in the appropriation of $125,000 for necessary expenses for 'Office of Administrator of Rent Control,' contained in the Supplemental Appropriation Act, 1953, is reduced to $5,850."

The amendment was agreed to.

The next amendment was, under the subhead "Veterans' services," on page 3, line 3, to strike out "$3,000" and insert "$5,000."

The amendment was agreed to.

The next amendment was, on page 3, after line 3, to insert:

OFFICE OF CIVIL DEFENSE

SALARIES AND EXPENSES

For an additional amount for "Salaries and expenses, Office of Civil Defense," $78,285.

The amendment was agreed to.

The next amendment was, on page 4, after line 19, to insert:

CHAPTER II

LEGISLATIVE BRANCH

Senate

Contingent Expenses of the Senate

Folding documents: The appropriation for folding documents contained in the Legislative Branch Appropriation Act, 1953, is hereby amended to read "For folding speeches and pamphlets at a gross rate not exceeding $2 per thousand or for the employment of personnel at a gross rate not exceeding $1.53 per hour per person."

The amendment was agreed to.

The next amendment was, on page 5, after line 4, to insert:

Motor vehicles: For an additional amount for maintaining, exchanging, and equipping motor vehicles for carrying the mails and for official use of the offices of the Secretary and Sergeant at Arms, $9,331.26, to be derived by transfer from the appropriation for "Folding documents," fiscal year 1953.

The amendment was agreed to.

The next amendment was, on page 5, after line 10, to insert:

Miscellaneous items: For an additional amount for "Miscellaneous items," exclusive of labor, $55,000.

The amendment was agreed to.

The next amendment was, on page 5, after line 12, to insert:

Postage stamps: For an additional amount for postage stamps for the Office of the Sergeant at Arms of the Senate, $175.

The amendment was agreed to.

The next amendment was, on page 5, after line 15, to insert:

ARCHITECT OF THE CAPITOL

CAPITOL BUILDINGS AND GROUNDS

Rotunda frieze, Capitol Building: For cleaning and restoring the sections of the Rotunda frieze decorated in fresco by Constantino Brumidi and Filippo Costaggini, $15,000, to be expended by the Architect of the Capitol under the direction of the Joint Committee on the Library for personal and other services and all other necessary incidental items, without regard to section 3709 of the Revised Statutes, as amended, and to remain available until June 30, 1954.

The amendment was agreed to.

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

Senate Office Building: For an additional amount for "Senate Office Building," $9,200, to remain available until June 30, 1954.

The amendment was agreed to.

The next amendment was, on page 6, after line 5, to insert:

THE JUDICIARY

OTHER COURTS AND SERVICES

Fees of jurors

For an additional amount for "Fees of jurors," $350,000.

The amendment was agreed to.

The next amendment was, on page 6, after line 10, to insert:

CHAPTER III

DEPARTMENT OF HEALTH, EDUCATION, AND WELFARE

Office of Education

Salaries and Expenses

For an additional amount for "Salaries and expenses," $32,000, to be derived by transfer from the appropriation "Promotion and further development of vocational education," fiscal year 1953.

The amendment was agreed to.

The next amendment was, on page 6, line 20, to change the chapter number from "II" to "IV."

The amendment was agreed to.

The next amendment was, on page 7, after line 11, to insert:

RURAL ELECTRIFICATION ADMINISTRATION

LOAN AUTHORIZATIONS

For an additional amount for rural telephone loans in accordance with the Rural Electrification Act of 1936, as amended (7 U. S. C. 901–924), and for carrying out the provisions of section 7 thereof, to be borrowed from the Secretary of the Treasury in accordance with the provisions of section 3 (a) of said act, $15,000,000.

Mr. BRIDGES. I think an explanation is required in connection with this amendment.

As Senators may recall, when this item was before the Senate in connection with a previous supplemental bill, there was included a transfer of loan authorization from rural electrification funds to rural telephones in the sum of $15 million. That was reported by the Senate Committee on Appropriations and was passed by the Senate. It then went to conference with the House. As a result of differences of opinion in the conference with the House the section and the appropriation for rural telephones was eliminated.

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

Mr. BRIDGES. I yield.

Mr. CLEMENTS. I understand that this amendment does not make an additional appropriation of funds, but provides only a transfer of funds from rural electrification to rural telephones. Is that correct?

Mr. BRIDGES. No. That is what the situation was in the previous supplemental bill, I may say to the distinguished Senator from Kentucky. In the second supplemental bill it involved a transfer from rural electrification to rural telephones. It was the transfer which was objected to in the conference between the Senate and the House.

This is not an appropriation, but is authorization for REA to borrow from the Treasury up to $15 million for the rural telephone program, which eventually, of course, if all goes as planned, would be returned to the Treasury by amortization of the telephone lines. The situation is a little different from the way in which the Senator from Kentucky stated it.

Mr. CLEMENTS. I thank the Senator from New Hampshire for his explanation.

Mr. LANGER. Mr. President, will the Senator from New Hampshire yield?

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

Mr. LANGER. I was present in the Chamber until about 20 minutes ago, when I left to get lunch, so I did not hear the entire explanation about rural telephones. May I impose upon the good nature of the Senator from New Hampshire to give his explanation once more?

Mr. BRIDGES. Certainly. In the previous supplemental appropriations bill, an amount of $15 million was taken from the Rural Electrification program, and, in effect, was transferred to the rural telephone program, because Rural Electrification seemed to have a surplus, while the rural telephones activity was in need of funds. Since the same general principle applied, it seemed wise to make the transfer. The item was reported by the committee to the Senate, it was passed by the Senate, and then went to a conference between the Senate and the House.

Although the conferees made a compromise, when the conference report was considered in the House it was rejected.

This amendment is designed for the same purpose, but instead of transfering the funds, it provides for a new authorization—not a new appropriation, but a new authorization—for rural telephones to borrow from the Secretary of the Treasury up to $15 million. This amount will eventually be repaid by amortization over a period of years, as the Senator from North Dakota knows.

Mr. LANGER. May I inquire of the Senator from New Hampshire if he is supporting this item?

Mr. BRIDGES. I am supporting it in behalf of the committee. As I understand the feeling of the Senator from North Dakota, this will accomplish what I believe he desires.

Mr. LANGER. I thank the Senator very much.

The PRESIDING OFFICER. The question is on agreeing to the amendment of the committee.

The amendment was agreed to.

The PRESIDING OFFICER. The next committee amendment will be stated.

The next amendment was, on page 7, after line 19, to insert:

CHAPTER V

INDEPENDENT OFFICES

Economic Stabilization Agency

Salaries and Expenses

The amount made available under this head in the Supplemental Appropriation Act, 1953, for the Office of Rent Stabilization is hereby increased from "$11 million" to "$11,385,000."

Mr. WILLIAMS. Mr. President, I have an amendment I desire to offer at this point. Would it be all right to pass over the amendment until the others are disposed of?

The PRESIDING OFFICER. Without objection, the amendment will be passed over temporarily.

The clerk will state the next amendment of the committee.

The next amendment was, on page 8, after line 2, to insert:

VETERANS' ADMINISTRATION

SERVICEMEN'S INDEMNITIES

For an additional amount for "Servicemen's indemnities," $650,000, to be derived by transfer from the appropriation "Compensation and pensions," and to remain available until expended.

The amendment was agreed to.

The next amendment was, on page 8, line 9, to change the chapter number from "III" to "VI"; and in line 11, to change the section number from "301" to "601."

The amendment was agreed to.

The next amendment was, on page 9, line 19, to change the section number from "302" to "602."

The amendment was agreed to.

The PRESIDING OFFICER. That completes the committee amendments, except the one that was passed over.

Mr. BRIDGES. As chairman of the committee, I send to the desk an amendment and ask that it be stated.

The PRESIDING OFFICER. The clerk will state the amendment.

The LEGISLATIVE CLERK. On page 5, after line 15, insert:

HOUSE OF REPRESENTATIVES

For payment to Mabel H. Withers, widow of Garrett L. Withers, late a Representative from the State of Kentucky, $12,500.

Mr. BRIDGES. Representative Withers died since the bill was reported by the Senate Committee on Appropriations, and this amendment is offered in compliance with the usual tradition and rule.

The PRESIDING OFFICER. The question is on agreeing to the amendment offered by the Senator from New Hampshire.

The amendment was agreed to.

The PRESIDING OFFICER. The clerk will state the committee amendment passed over.

The CHIEF CLERK. On page 7, after line 19, it is proposed to insert:

CHAPTER V

INDEPENDENT OFFICES

Economic Stabilization Agency

Salaries and Expenses

The amount made available under this head in the Supplemental Appropriation Act, 1953, for the Office of Rent Stabilization is hereby increased from "$11,000,000" to "$11,385,000."

Mr. WILLIAMS. Mr. President, I offer the amendment, which I send to the desk, to the committee amendment.

The PRESIDING OFFICER. The amendment to the amendment will be stated.

The CHIEF CLERK. At the proper place in the bill it is proposed to insert the following proviso:

Notwithstanding any other provisions of the law—

1. No employee shall be eligible for annual leave payments in excess of 60 days.

2. Any employee who, having received annual leave payment, has been reemployed in any department or agency of the United States within 60 days after separation shall refund to the Federal Treasury an amount equal to the unused portion of his annual leave (or separation) payment.

Mr. HAYDEN. Mr. President, I should like to inquire of the Senator from Delaware if the amendment does not propose legislation on an appropriation bill.

Mr. WILLIAMS. I am reasonably certain that it is legislation on an appropriation bill. I ask unanimous consent that the rule be suspended, and that I be permitted to offer the amendment.

Mr. HAYDEN. Mr. President, it seems to me that this is a matter which ought to be considered by a legislative committee. It materially affects the existing law. I do not feel competent, as a member of the Committee on Appropriations, to pass upon a subject of this kind.

Mr. WILLIAMS. My reason for offering the amendment at this time, I may say to the Senator from Arizona, is this: This particular item in this appropriation bill is to provide $385,000 for lump-sum separation pay or annual-leave payments to the employees of the Rent Stabilization Agency. I recognize that under the law we are obligated to make certain payments to such employees. I am not objecting to that. However, I point out that this is the agency which conceived the devious scheme whereby it could make a raid on the Federal Treasury by firing employees one day and rehiring them the next morning.

I have already called that situation to the attention of the Senate how that effective at 5 o'clock on one day the employees were separated and paid. The next morning at 9 o'clock they went back to the same office, walked in the same door, and were rehired. We do not want any repetition of that Pendergast machine.

My amendment would limit annual-leave payments to 60 days. I consider this liberal and it is all that Congress thought it had authorized. Also, if any of the employees are rehired in the same agency or any other Government agency after having received a lump-sum payment, they would be required to pay back into the Federal Treasury a sum representing the unused portion of their annual-leave payments. If they went back to work the next morning, they would pay it all back under my amendment.

Mr. HAYDEN. Mr. President, of course, it is entirely proper for the

Senator from Delaware to criticize a particular agency. However, he is proposing on an appropriation bill general legislation which would apply to all agencies.

I should like to inquire of the Senator from Kansas [Mr. CARLSON], chairman of the Committee on Post Office and Civil Service, whether there is any legislation of this kind pending before his committee.

Mr. CARLSON. Mr. President, will the Senator from Delaware yield?

Mr. WILLIAMS. I yield to the Senator from Kansas for the purpose of making reply.

Mr. CARLSON. I will say to the Senator from Arizona that I just entered the Chamber. I am trying to check on the contents of the amendment offered by the Senator from Delaware. As I understand, it would affect annual leave.

Last week the House passed a bill dealing with the annual leave provisions. That bill is now before our committee. I wonder if it would be possible to take care of the situation in conjunction with that measure. What does the Senator have in mind?

Mr. WILLIAMS. I will say to the Senator from Kansas that the Committee on Post Office and Civil Service can and should still recommend much needed overall legislation clarifying annual leave payments. However, in the meantime it seems to me that Congress would be negligent if it allowed this particular agency, which originated a device which has been denounced by the Comptroller General as highly unethical, if not actually illegal, to repeat its past performance. It seems to me that Congress would be negligent if it were to give that agency $385,000 to do again what it did once before. My amendment would prevent a recurrence.

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

Mr. WILLIAMS. I yield.

Mr. HAYDEN. If the Senator objects to appropriating money in this bill, that is one thing. However, if he wishes to include in the bill legislation on the general subject, that is something else. I was trying to protect the jurisdiction of the legislative committee by objecting to any action of that kind being taken. For that reason I must insist on the point of order, that the amendment of the Senator from Delaware proposes legislation on an appropriation bill.

Mr. WILLIAMS. Mr. President, I wonder if the Senator from New Hampshire [Mr. BRIDGES] would be willing to let the bill go over until tomorrow, so that I may file formal notice with the Senate and bring up my amendment tomorrow, when we may have a vote on the proposal.

Mr. BRIDGES. I will say to the Senator from Delaware that while the Senator from New Hampshire is anxious to get appropriation bills through, this is a relatively small bill. The Senator from New Hampshire does not wish to foreclose the Senator from Delaware in his desire to have this issue brought to the foreground. Is it the intention of the Senator from Delaware to make a motion to suspend the rule?

Mr. WILLIAMS. Yes.

Mr. BRIDGES. And to give a day's notice, so that the question can be brought up and voted upon tomorrow?

Mr. WILLIAMS. That is correct.

Mr. BRIDGES. I do not wish to delay the bill unduly. I think some of the questions raised deserve attention. If some assurance can be given that the matter will be acted upon with reasonable speed, I shall not object. I do not desire to shut off the Senator. However, when the point of order is made, the only way the Senator can proceed is by giving notice of a motion to suspend the rule.

Mr. WILLIAMS. The Senator is correct.

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

Mr. WILLIAMS. I yield.

Mr. HAYDEN. In the meantime, can the chairman of the Committee on Post Office and Civil Service advise the Senate by tomorrow what action his committee proposes to take on the House bill which has already been passed? I still believe that it is much better to have a legislative committee hold hearings on a question of this kind and act in the regular way rather than to have a Senator offer an amendment to an appropriation bill, when no one knows at the moment what the effect of it would be.

The PRESIDING OFFICER. Does the Senator from Arizona object?

Mr. HAYDEN. I did object.

The PRESIDING OFFICER. The objection is sustained.

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

Mr. WILLIAMS. I yield.

Mr. CARLSON. Generally speaking, I am opposed to legislation on appropriation bills. Such action frequently gets us into trouble.

I admit that our committee has not acted on this particular phase of this type of legislation. We received a bill from the House yesterday, I believe. It is now before our committee. Regardless of what action is taken on this bill, I assure the Senator from Delaware that we will give the subject consideration as soon as we have an opportunity.

Mr. WILLIAMS. Mr. President, I appreciate the agreement of the Senator from New Hampshire, chairman of the Committee on Appropriations, to let the bill go over until tomorrow. I give notice now that I shall call up this amendment at that time. However, if it is desired to strike the appropriation from the bill entirely in order to give the committee an opportunity to act, I have no objection to that course. I am opposed to appropriating any more money for annual-leave payments for any of the agencies until we clarify the question of annual-leave payments.

I point out the fact that daily employees are being laid off. As we lay them off, let us be sure that we are not paying them 2 or 3 times, as was done once before. No doubt some of the employees laid off will find employment in some other agency. If they do, we do not want them to become eligible to draw separation pay by merely transferring to some other agency. I think this question should be acted upon one way or the other. I am perfectly willing to leave to the chairman of the Committee on Appropriations the choice of approach.

Mr. BRIDGES. Mr. President, so far as I am concerned, as chairman of the Committee on Appropriations, although an appropriation bill is a privileged matter anyway, I should like to have an agreement that this question will be taken up first tomorrow and disposed of, so that we may have action on the bill. The Appropriations Committee is very busy, and there are other bills to be considered.

The PRESIDING OFFICER. Does the Senator from New Hampshire wish to make a motion?

Mr. BRIDGES. Mr. President, I ask unanimous consent, if the bill goes over until tomorrow, that it be the first order of business tomorrow.

The PRESIDING OFFICER (Mr. BUSH in the chair). Is there objection?

Mr. LANGER. Mr. President, reserving the right to object—and I shall not object—frankly I cannot see why the distinguished chairman of the Committee on Post Office and Civil Service and his committee should be prevented from considering the entire subject. Certainly as a whole the people who work for the United States Government are a fine, honest group of workers who give a good day's work for an honest day's pay.

I do not understand why there should be an exception made in this particular case. Undoubtedly my friend from Delaware, as usual, has a very good case. However, I do not know anything about it, because I am no longer a member of the Committee on Post Office and Civil Service. I believe the Senator from Arizona [Mr. HAYDEN] is quite correct in his objection and in stating that the whole subject should be taken up in its entirety by the Committee on Post Office and Civil Service.

Mr. CLEMENTS. Mr. President, reserving the right to object—and I shall not object—I wonder whether the chairman of the Committee on Appropriations understood the statement which was made on the floor of the Senate by the majority leader with reference to the measures which will be taken up tomorrow, and the order in which they will be considered. The Senator from Ohio made a statement on that point earlier today.

Mr. BRIDGES. I was not in the Chamber at the time. I have been engaged in committee work at least a part of the time. I would appreciate it if the Senator from Kentucky would inform me on that point.

Mr. CLEMENTS. My understanding is the majority leader stated that the resolution providing additional funds for the Committee on Rules and Administration in connection with the New Mexico senatorial election would be taken up tomorrow, if it had not been disposed of previously, and also four other measures, namely, calendar Nos. 171, 225, 153, and 142, which are, respectively, Senate bills 1413, 15, 16, and 922. The majority leader stated they would be taken up tomorrow in that order.

Mr. WILLIAMS. I would say, Mr. President, that I would be willing to agree to limit debate on this question.

It is a subject which could be debated in 15 or 20 minutes by each side, or I would be agreeable to set any time for debate which would be agreeable to the Senator from New Hampshire [Mr. BRIDGES]. In that way we would not delay the proceedings of the Senate. All I am asking is that the Senate register its approval or disapproval of the conduct of Government officials in this matter.

The PRESIDING OFFICER (Mr. BUSH in the chair). The Chair will advise the Senator from Kentucky [Mr. CLEMENTS] that there is no positive agreement recorded that any particular measure shall be the first order of business tomorrow. Therefore, the unanimous-consent request of the Senator from Delaware would be in order.

Mr. BRIDGES. Mr. President——

Mr. CLEMENTS. Mr. President, the Senator from Kentucky did not understand that it was an order of the Senate. I called the attention of the chairman of the Appropriations Committee to the statement which had been previously made by the majority leader.

The PRESIDING OFFICER. The Chair understands that to be the fact. He merely wishes to remind the Senate that no positive order had been entered.

Mr. HENDRICKSON. For the RECORD I should like to state that the list of bills read by the distinguished Senator from Kentucky [Mr. CLEMENTS] was stated by the majority leader as the tentative schedule for tomorrow.

Mr. SPARKMAN. The Senator from New Jersey will recall that the Senator from South Carolina [Mr. MAYBANK], just before he left the floor, addressed the majority leader, the Senator from Ohio [Mr. TAFT], and got what I understood to be the very positive declaration from the majority leader that in the event the resolution having relation to the New Mexico election case should be disposed of earlier, the bill mentioned by the Senator from South Carolina [Mr. MAYBANK] would be taken up next, and might be the first order of business tomorrow.

Mr. HENDRICKSON. I remind the Senator from Alabama that the bill to which he has referred is on the list read by the Senator from Kentucky [Mr. CLEMENTS].

Mr. SPARKMAN. It is the second bill.

Mr. HENDRICKSON. No; it is not the second bill. I do not believe the list was made up in any particular order.

Mr. SPARKMAN. After the Senator from South Carolina [Mr. MAYBANK] withdrew his objection, I heard the majority leader clearly state that the bill referred to by the Senator from South Carolina would be the first order of business, provided the Senate had disposed of the resolution regarding the New Mexico election case by that time.

Mr. HENDRICKSON. But there was no agreement to that effect.

Mr. CARLSON. Mr. President, reserving the right to object, I believe it is unfortunate to write this type of legislation on an appropriation bill. I have taken that position consistently during the years. Yet here we are, on one of the first appropriation bills this year, starting to do exactly that. I will object.

The PRESIDING OFFICER. Objection is heard. The question is on agreeing to the amendment offered by the Senator for Delaware to the committee amendment on page 7, line 19.

Mr. WILLIAMS. Mr. President, in view of the fact that objection has been made to offering my first amendment, I now move that the Senate strike out the committee amendment in its entirety and that the $385,000 appropriation for the funds covering leave payments await action by the committee. I respect the rights of the Committee on Post Office and Civil Service to determine the matter. However, I hope that the committee will act promptly. After the committee has acted, the Senate can then make an appropriation for this agency. In the meantime I point out that the reason they are asking for $385,000 more to make these lump-sum payments is because of the highly unethical, if not actually illegal, separation payments which they have made in the months heretofore.

We appropriated the money last year to take care of this agency but they recklessly squandered it by adopting this "fire-rehire racket."

I point out again that we are not trying to take away from bona fide employees what they are entitled to. All we are trying to do is stop a repetition of the disgraceful practice which was exposed in recent weeks, namely, the raiding of the United States Treasury for making lump-sum annual payments under the guise of separating persons from the Government service, when in fact they were not being separated. I wonder whether the chairman of the committee would agree to strike out the amendment until we determine how much will be due with the corrected law.

Mr. CARLSON. Mr. President, I support the Senator from Delaware in his motion to strike out the section to which he has referred until we have had an opportunity to look into the subject. I, too, want to state that the regular civil-service employees need have no fear that they will not get their just payments. However, we wish to have an opportunity to look into the matter. I hope the Senate will go along with the request of the Senator from Delaware.

Mr. BRIDGES. Mr. President, I believe we should understand what we are about to do. There is no new money in the committee amendment. Legislation has been passed with respect to an extension of the Economic Stabilization Agency, eliminating a number of its duties and extending others. From the total amount previously appropriated, by means of this committee amendment we are increasing from $11 million to $11,385,000 the funds available. They are not new funds. They had been previously appropriated for the full Agency. What we did was to extend the rent division. Therefore we are making available now for the rent division a certain amount of money which previously was assigned to another division of the Agency.

Last week we extended rent control until July 31, 1953. If we had not extended rent control we could have left the Amount as it was, and the Agency would have had sufficient money with which to close up its functions and release its employees and pay them. However, since Congress has extended rent control, we must provide more money, not only a sufficient amount with which to close certain divisions of this Agency and enable them to pay their employees, but also a sufficient amount of money to continue the employment of the administrator of rent control until July 31.

Furthermore, I do not know whether there will be another supplemental bill to come before Congress this year. The only other appropriation bills to come before us, so far as we know now, are those for the coming fiscal year, which will begin on July 1. Therefore, if we fail to act on this matter now in this bill, I do not know what the situation will be. Another supplemental appropriation bill may come before us, but we have no intimation of it now.

Mr. HAYDEN. Mr. President, will the Senator from Delaware yield to me?

Mr. WILLIAMS. I yield.

Mr. HAYDEN. My understanding is that if funds are not appropriated, the employees affected will have to be discharged at once, and there will be no one to carry on the functions of rent control for the next 2 months.

Mr. BRIDGES. Let me say that may be, in part, the effect.

Mr. HAYDEN. If that be the case, and if the employees are discharged, under existing law they will be entitled to their terminal leave.

Mr. WILLIAMS. If the situation referred to by the Senator from Arizona is the correct one, is it not likewise correct that the only reason that would be so is that this particular agency has wasted the funds Congress appropriated for it last year? I refer to the funds appropriated last year for the running of this agency during the period mentioned.

The funds now proposed to be appropriated are not for the purpose of taking care of the rent stabilization agency for the next 3 to 6 months, for on page 3 of the report we find the following statement:

> Additional funds for the year 1953 will be required if legislation extending Federal rent control is enacted.

Mr. HAYDEN. And such legislation has been enacted.

Mr. WILLIAMS. Yes; and therefore additional funds will be needed.

Mr. HAYDEN. That is correct.

Mr. WILLIAMS. However, that has no relationship to the $385,000 now requested in today's appropriation. The report submitted in connection with the bill clearly states that additional funds will be needed to take care of the extension of the rent stabilization agency.

Mr. HAYDEN. That is exactly what has happened, and nothing else. We have extended the life of the agency, and these persons will be employed. If there is to be rent control, the employees will have to be paid.

Mr. WILLIAMS. I am perfectly willing to go along with that, but I point out that the $385,000 covered by this committee amendment is for nothing more than the payment of annual leave. If that is not true, and if the $385,000 is for the salaries of the employees needed for the continuation of the agency, we can very readily solve that matter by

merely including another amendment to the effect that no portion of this fund shall be used for annual leave payments. This will automatically leave the $385,000 available to pay the salaries if that is what you intend.

Mr. HAYDEN. Where would we be then, if no action were taken at the end of the time and if rent control were discontinued? Under the law, every one of these employees would have a valid claim, which he could collect, for his annual leave, because he would have earned it under existing law.

Mr. WILLIAMS. I recognize it is a valid claim, and I shall support on the floor of the Senate the appropriations needed to pay any claim which I think is due.

All I am asking is that we make sure that we do not pay again something that is not justly due to the employees in this agency or in any other agency.

Mr. HAYDEN. All I can understand from what the Senator from Delaware has said is that he has absolutely no confidence in the Administrator who now is in charge of the Agency, and the Senator from Delaware believes that that Administrator, as such, will deliberately violate the law. That is all I can make out of the statement the Senator from Delaware has made.

Mr. WILLIAMS. I do not say that. However, has the Senator from Arizona read the report that the Comptroller General made in regard to what happened in this particular agency?

Mr. HAYDEN. Yes; I read the newspaper accounts of it, and, undoubtedly, the situation was scandalous. However, that does not mean that the Comptroller General thinks that situation will be repeated, and that therefore we should not appropriate any funds, but should require the employees of this agency to go to the Court of Claims in order to collect.

Mr. WILLIAMS. It is not a matter of what I think. The Comptroller General has said that under existing law these payments have been made, and will continue to be made, unless Congress corrects the law, and we are a part of Congress.

Mr. HAYDEN. That is a function of the Senate Committee on Post Office and Civil Service, and undoubtedly that committee will proceed to recommend steps to correct the law, so that such situation cannot again rise.

However, in this instance, these employees must be paid for the next 2 months if they are to perform their duties, and if this agency goes out of business, the employees must be paid their terminal leave.

The Senator from Delaware is perfectly willing to see them paid, but he wants to compel them to go to the Court of Claims in order to obtain payment.

Mr. WILLIAMS. No; they can come to the Congress, but I want to be sure that we know what we are paying.

I wish to point out another discrepancy in the law, as it has been interpreted by the previous administration. Congress passed the law and in doing so Congress thought the annual leave would be limited to 60 days. However, while it has been ruled that 60 days is the maximum amount that can be accumulated to the end of the year, an employee is allowed to accumulate 26 days of annual leave during the succeeding year. If an employee begins a year with 60 days' annual leave accumulation, and if during the year he accumulates 26 more days of annual leave, and is separated from the service or resigns 1 day before the year elapses, he can collect annual leave for the 60 days, plus the additional 26 days, whereas if he works 1 day longer, he cannot collect for the additional 26 days, plus the 60 days. Such a situation is absurd.

Mr. HAYDEN. But now we have a new administration and a new administrator, and the Senator from Delaware should have confidence that what he complains about will not be allowed to occur.

Mr. WILLIAMS. I have confidence in the new administration, and the President has issued an order to the effect that none of the top-level employees of the various agencies can in the future participate in such raids on the Federal Treasury, as was permitted by the executive branch under the old administration.

I am proud to say that the Cabinet officers and others in the new administration have been told that in accepting their jobs, they will not be eligible for such payments; and the President has also recommended that Congress correct the law and plug this loophole. However, this Executive order does not stop the repudiated bureaucrats of the Truman regime from this last raid on the Treasury. Congress alone can stop that by outlawing the practice. This is our first opportunity to meet that responsibility.

Mr. HAYDEN. The way to correct the law is by taking the appropriate action through the regular legislative committee. The Senator from Delaware agrees that any service rendered prior to correction of the law will constitute a valid claim which will have to be paid. So not a cent would be saved to the taxpayers of the United States if we were to adopt the amendment the Senator from Delaware proposes. Thus it seems to me that it would be merely a waste of effort to adopt such an amendment.

Mr. WILLIAMS. Mr. President, if we do not save a cent by adopting the amendment, at least I point out that the Senator from Arizona should not object, because if no agency is able to make such a raid, I will be satisfied, he will be satisfied, and everyone else will be satisfied. So let us adopt the amendment to the committee amendment.

I think the Senator from Arizona is well aware of the fact that adoption of the amendment to the committee amendment would save money, in that there would not be any more of these raids.

Mr. HAYDEN. Mr. President, if legislation of the sort being discussed by the Senator from Delaware were to be enacted, that would be one thing. However, he now seeks to have passed on the floor of the Senate, in connection with the consideration of an appropriation bill, legislation which appropriately should come first before a committee. I would object to the course the Senator from Delaware proposes.

On the other hand, I am certain the amendment he proposes would not save a cent.

Mr. CARLSON. Mr. President, will the Senator from Delaware yield to me for a question?

Mr. WILLIAMS. I yield.

Mr. CARLSON. Do I correctly understand that if the proposal of the Senator from Delaware were adopted by the Senate, there would be no funds with which to pay the salaries of the employees of the rent-control agency, if we were to re-create it or to extend it?

Mr. WILLIAMS. My amendment has nothing to do with that subject. The committee report says that to the extent the agency is extended new funds will be needed.

However, in order to make sure that we would not be restricting the operations of the agency, I would support an amendment providing that the operations of the agency be allowed to be continued. Let the Senate accept an amendment in the nature of a proviso that none of the funds be used for separation payments or annual-leave payments pending the decision of the Congress.

If the intention is as the Senator from Arizona claims, namely, to use these funds merely to pay the salaries of the employees, the adoption of such an amendment would accomplish this purpose. However, I do not think that is intended.

Mr. CARLSON. I would be opposed to elimination of the funds required for the payment of the salaries of the employees of an agency we have extended. However, I am not opposed to taking a little time to look into some of the annual-leave payments, with the distinct understanding that those who are entitled to them—and, so far as I know, all the employees may be entitled to them—would receive them.

Then, at a very early date, I would urge the Appropriations Committee to bring in a measure appropriating the necessary funds, if such funds are required by this measure.

On the other hand, I do not want the Senator from Delaware to receive the impression that I would oppose the appropriation of funds for an agency which we have re-created or extended, and when such funds are needed in order to pay the salaries of the employees of the agency.

Mr. WILLIAMS. It is my understanding that the funds are not required in connection with the extension of the agency. However, that matter could be cleared up by merely restricting the use of the funds to payments for salary purposes only.

Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER. The Senator from Delaware will state it.

Mr. WILLIAMS. Such an amendment would be in order, would it not—in other words, an amendment providing such a limitation on the funds?

The PRESIDING OFFICER. An amendment providing a limitation on the use of the funds would be in order.

Mr. WILLIAMS. Then, Mr. President, in order to clarify the situation, I move that the amendment be amended in such manner that no funds provided in this bill shall be used for annual-leave payments.

The PRESIDING OFFICER. The question is on agreeing to the amendment offered by the Senator from Delaware to the committee amendment.

Mr. BRIDGES. Mr. President, before action is taken on the pending question, I think we should have a clear understanding of the situation.

There remains for this agency, for the last 2 months of the present fiscal year, namely, May and June, $1,084,555. It is estimated that the cost for the agency for May will be $583,900, and that the cost for this agency for June will be $526,900, or a total of $1,110,800.

The agency proposes to release or discharge 210 employees on May 30, and 148 more employees on June 30, or a total of 358 employees. If those 358 employees were paid their terminal pay, which under the existing conditions they claim, the amount would be $384,855. I may say that the Appropriations Committee did not allow them the full amount they requested. They requested an item representing an increase of $529,000. In providing an increase of $385,000, it is very clearly to be seen that we failed to go as far as they desired. But we have felt that such a sum would take care of the definite obligations.

As the Senator from Delaware has pointed out very clearly, it includes the terminal-leave pay for the 358 people. The only desire I have is that the Senate may understand exactly what is proposed. The motion of the Senator from Delaware would limit it solely to terminal-leave pay for all the 358 employees, leaving it to be determined later how much they shall get, and how they shall get it. That is what the Senator is attempting to do.

Mr. WILLIAMS. That is correct, and that would be determined by the legislation which would be reported. I may say to the Senator from New Hampshire that I will join in supporting appropriations to make possible the payment of whatever is required, once the amount has been established. My understanding is that the $385,000 is for annual-leave payments only.

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

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

Mr. LANGER. Does the Senator from New Hampshire think it fair to treat 358 people differently from the manner in which other Federal employees are treated?

Mr. BRIDGES. No. I think all Federal employees should be treated alike.

Mr. LANGER. Mr. President, if the Senator from New Hampshire will yield further, does he believe that it would be fair to the 358 employees, who may be needing the money in order that they may pay doctors' bills or rent, and who have been depending upon this financial aid, during weeks and months, suddenly to deprive them of something to which they are honestly entitled under the present law?

Mr. BRIDGES. No; I do not think it would be fair. I want to say to the Senator from North Dakota, I see what the Senator from Delaware is getting at. He is upset—and justly so—because of the abuse which has been practiced on the Government, and he is endeavoring, by means of this bill, to correct the abuses.

Mr. WILLIAMS. Mr. President, I should like to say to the Senator from New Hampshire——

The PRESIDING OFFICER. The Chair would like to request the Senator from Delaware to inform the Chair concerning his amendment. The clerk has it recorded as applying to annual-leave payments, whereas it is thought that perhaps the Senator intended it to apply to terminal-leave payments.

Mr. WILLIAMS. I think the legal definition would be annual leave. We were referring to it here as terminal-leave payments, on the assumption that the individuals were to be separated from the service. I may say to the Senator from North Dakota, I am just as sympathetic as he is to the need of these employees for the money, to be used in the payment of rent, doctor's bills, and so forth. But, to get down to the exact meat of this case, I point out that this whole problem arose from the manner in which this act was misinterpreted, or mishandled, by the same agency with which we are presently dealing. The first misuse originated on the part of a man who needed money, as he said, not for the purpose of paying rent, not for the payment of doctor bills, but because he wanted to buy a $20,000 home. So he conceived the unique device of getting himself discharged, collecting $3,654.75 as separation pay, and resuming his employment. He never missed a day. It was on Saturday night that he was discharged and collected his separation pay. On the following Monday morning, at 9 o'clock, he walked back into the same office, and entered upon the duties of the same position as the one he had previously held, and with the same pay. I am not pitying too much this poor little individual for whom the Senator from North Dakota is shedding crocodile tears. Remember this poor little fellow was also drawing over $10,000 per year as the general counsel of this Agency.

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

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

Mr. LANGER. Does the Senator from Delaware believe that the 358 employees, inconsequentially placed, for the most part, ought to be blamed because the head of the department does something that is wrong?

Mr. WILLIAMS. The 358 employees, occupying inconsequential positions, as the Senator says, will lose nothing to which they are entitled. According to the Senator from New Hampshire, they are not supposed to be separated from the service until May 30. Between now and the date of separation, there is ample opportunity for the enactment of legislation, and the appropriation of money with which to pay them such sums as they deserve. But I point out that many of the employees involved are not so inconsequential. We are proposing to close up an agency, and the top-level employees, unless we correct the law, are going to draw just what the Cabinet officers in the last administration drew, namely, large bonuses.

I tried to ascertain whether some of the Cabinet officers conducted their political campaigns last November at the expense of the taxpayers. I have received a letter stating that, by virtue of their position, it would be beneath the dignity of a Cabinet officer to keep a record of his annual leave or vacation time. I was told that the Comptroller General had ruled that their positions were so exalted that they did not have to render an accounting as did other employees. I took the matter up with the Comptroller General, requesting that he furnish me a copy of any such ruling, exempting Cabinet officers from the rules that are applicable to all other Government employees. So far they have found no such ruling. Mr. President, I may say I am sick and tired of such payments to all the top-level repudiated bureaucrats, some of whom never made a living until they went to work for the Government. I want to see them get out and go to work. I think a great many people, on November 4 last, voted to put them to work. I want to be sure that they get off the Government payroll without this last minute raid on a fund which was set up to protect the regular employee upon his bona fide separation or vacations.

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

Mr. WILLIAMS. I yield further to the Senator from North Dakota.

Mr. LANGER. I certainly will join the distinguished Senator from Delaware in making the former Cabinet officers and bureaucrats work. If he can devise some method of making them work, I say God bless him, and I will go along with him. But let me say there are a great many poor employees. For example, a woman with two or three small children, or a woman who has worked for 25 or 30 years, who has a dependent mother or aunt, merely lives from hand to mouth because, in spite of what my distinguished friend says, the pay of Federal employees is, in my opinion, far too low. While the cost of living has gone up and up, the pay of the Federal employees has not kept pace with it.

Mr. WILLIAMS. Mr. President, if the Senator will yield, I should like to reply to his statement.

Mr. LANGER. I should like to finish my question.

Mr. WILLIAMS. I fear I shall forget the first part of it.

Mr. LANGER. The amount involved is only a few dollars in the case of each individual. These employees are dependent upon the money, perhaps for use in paying for some household article, such as a piece of furniture, or for use in paying a doctor's bill or some other bill. Would it not be unfair to say we are going to wait until May 30? Even then, it might be another month or 2 or 3 months before the employees could get that to which they are entitled under the present law.

The only justification offered by the Senator for the proposal is that he desires to compel certain former Cabinet officers and bureaucrats to go to work. I repeat, I sincerely hope he is able to accomplish that objective. But I do not think he ought to do so at the expense of these poor employees.

Mr. WILLIAMS. Mr. President, I may say to the Senator from North Dakota that the people about whom he is talking—and there is no use putting this down to the point that these people are going to starve to death—they are on the payroll until May 30, they will be drawing their pay; and, between now and May 30, we will have opportunity to clear this question up, and their pay will be ready for them on May 30. If the Senator from North Dakota will join with me in suspending the rules and adopting the amendment which I offered previous to this argument every employee will be paid. If the Senator from North Dakota is ready to go along with this suggestion, it would make it possible to pay the employees all that they are entitled to as Members of Congress understood the law. It would not pay what some of them are getting as the laws were interpreted by some of the so-called bureaucratic experts, who wanted to make one last grab from the Treasury on their way out.

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

Mr. WILLIAMS. I yield.

Mr. LANGER. I shall be delighted to join with the Senator from Delaware in any deal which will make the bureaucrats work or prevent them from getting money in the way he has described, but I think it is wrong for the Government, which is pouring out millions of dollars to almost every country on the face of the earth, to pick out a handful of Federal employees who are doing an honest day's work for small pay, and say to them, "We are not going to give you the money to which you are entitled."

Mr. WILLIAMS. The whole principle involved should be corrected. The regular Federal employees want justice, not pity.

Mr. LANGER. That is correct—after proper hearing; but it should not be corrected by trying to legislate in connection with an appropriation bill.

Mr. WILLIAMS. I served under the Senator from North Dakota when he was chairman of the Civil Service Committee, and I have just as much respect for the rights of employees as he has. But I point out that the legislation under which this loophole developed was reported by the Committee on Post Office and Civil Service, while the Senator from North Dakota was chairman of the committee, and I think he should be the first to join me in trying to help correct the error. The reason why hundreds of thousands of employees are today confronted with an annual-leave program which is discredited in the eyes of the American people is because certain top-level bureaucrats have misused the law. It does not do a bit of good to stand on the floor of the Senate and say, "We are against this and against that," and then vote the other way.

I promised to yield to my colleague from Delaware.

Mr. FREAR. Mr. President, before I pose a question I should like to make a brief comment.

I think we should congratulate President Eisenhower on the selection of his Cabinet, because I doubt that there is any member of the Cabinet who would need to depend on terminal-leave pay if he severed his connection with the Cabinet.

If I correctly understand the figures given by the Chairman of the Appropriations Committee, at the end of June 358 employees will be discharged from this agency, and we are providing $385,000 to pay the annual terminal leave.

Based on the figures given, they receive an annual salary of $5,370, on the average. I do not think that is a meager salary for a Government employee.

Mr. WILLIAMS. I think my colleague is correct. I also point out that the misuse of the terminal-leave payment was not on the part of the lowest-paid employees. There are very few instances in which we have found that the lower-paid employees were allowed to take advantage of the loophole. It was a plan which was designed by the executive branch and put into effect and utilized only by the top executives as a device whereby they could get a little extra money. They did not pass down this opportunity to the employees who were actually doing the work. My amendment would not take away from any of the employees what we intended them to have. It merely expresses the idea that we are tired of the raid on the Federal Treasury which has been denounced throughout the Nation. It was denounced by the Comptroller General of the United States as being highly unethical, if not actually illegal. The Attorney General is still studying the case to determine whether the Government should be repaid. I think we certainly have an obligation to stop the practice. The only way we can do so is to stop appropriating the money, and amend the law.

Mr. PASTORE. Mr. President, will the Senator from Delaware yield?

Mr. WILLIAMS. I yield.

Mr. PASTORE. I assume that what we are trying to do is to prevent such abuses as occurred in the past. Would the Senator be willing to accept a modification of his motion by inserting the words "unless the Administrator shall certify the payment of such annual leave"? That would place the responsibility at the doorstep of the man in whom the Senator from Delaware seems to have a great deal of confidence. He would personally have to scrutinize each case and do administratively what he should be doing. In other words, there is nothing wrong with the annual leave situation itself, except with respect to the top echelon employees who had the responsibility of seeing that the payments were properly made, but turned their backs on their responsibility.

If the money is to be paid, and the little fellows are expecting to pay their rent and their medical bills, then, what we should do is to say in the bill that none of the annual leave can be paid unless each case is personally certified by the administrator.

Mr. WILLIAMS. The present Administrator of this particular agency has already denounced the program. He said he had denounced it at the time it was inaugurated, months ago. He said he thought it was highly unethical, if not actually illegal, and he personally refused to accept any payment. He refused to allow in his own department any secretary or anyone else to accept these payments. But there has been an administrative interpretation placed upon the Annual Leave Act as it is now on the books, and the present Administrator would be morally bound to carry out the act as it has been interpreted until the Congress has rewritten the law.

In this particular case I have confidence in the Administrator that he would do the best he could, but he would have to carry out the law as it is now being interpreted.

Congress must rewrite the law. My proposed amendment provides that no employee shall be eligible for annual leave payments in excess of 60 days, and that any employee who having received annual leave payment is reemployed in any department or agency of the United States within 60 days after separation shall refund to the Federal Treasury an amount equal to the unused portion of his annual leave of separation payment.

Let us assume his 60-day accumulation amounts to $2,000. Thirty days later he receives a job with the Government. He would refund half of the money.

Mr. PASTORE. Mr. President, will the Senator from Delaware yield?

Mr. WILLIAMS. I yield.

Mr. PASTORE. As I understand the situation, these employees are being separated from the service through no voluntary act of their own. They are being dismissed because the activities of their department are coming to an end. A few employees have accumulated annual leave. They cannot take it because their time is up. They are entitled to it under the law. If at a later time they should reenter the Government service, why should they be denied the compensation which they have lawfully earned? There is a difference between taking a job for the purpose of cashing in on annual leave and being laid off and later getting a job with the Government.

Mr. WILLIAMS. I point out this one difference. Some of the employees are going to continue working, because rent stabilization is being extended 3 months. Therefore, some of them will continue working without any interruption. Last year, when a similar case arose, the administrator gave every employee written notice that they were going to be separated. Congress extended the life of the agency, and 90 percent of the employees continued in their jobs without an hour's interruption, but because they had received notice of separation every one of them that wanted to drew their lump-sum payment. They never lost a day. They continued working at the same desks and at the same salaries.

While it is true there is a difference in connection with those who are actually separated in a bona fide separation, and that would be true of three-fourths of the employees, there are going to be some who will be continued throughout. Unless some restrictions are adopted, those who will continue can, under the existing interpretation, draw a separation payment effective April 30, then they can go back to work May 1. We do not want that to happen.

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

Mr. WILLIAMS. I yield.

Mr. PASTORE. Does not the Senator from Delaware feel that the adminis-

trator is absolutely competent to decide that?

Mr. WILLIAMS. Surely, and he has decided it and asked the Congress to correct the law. That is what I am now trying to do.

Mr. PASTORE. That is all I am suggesting in my amendment.

Mr. WILLIAMS. I again point out to the Senator from Rhode Island that the present administrator has asked Congress to clarify the law, so that he will not have to make payments to employees which he does not believe are justified.

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

Mr. WILLIAMS. I yield.

Mr. PASTORE. I quite agree that the whole matter should be studied by the committee, but I do not see how the committee is going to change the legality of the situation if these employees, under the law, have already earned their annual leave. If they are being separated from the Government service through no act of their own, if they are being laid off because an agency is coming to an end, or if they are being laid off for some other legitimate reason, and the administrator decides that they can and should be paid their annual leave, I do not see how any investigation by Congress will change that, unless we turn our back on a contract we have made with Federal employees.

Mr. WILLIAMS. No one is saying that we should turn our back on contracts, but we should pass laws to protect the American people against bureaucrats who would misuse the practice.

Glaring examples have been pointed out of such misuse. Surely the Senator from Rhode Island is not defending them. Different agencies have misused the practice, and all that we are trying to do is stop the abuse. It is not intended to affect one single, bona fide Government employee from his separation payment or his annual leave. I believe in the principle of legitimate annual leave. I think it is fair. I have supported it, and I will continue to support it.

I will support an appropriation to pay what employees are honestly entitled to, but I do not want to continue appropriating money to make improper payments to a lot of broken-down bureaucrats.

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

Mr. WILLIAMS. I yield.

Mr. PASTORE. What bothers me is that if the Senator is willing to admit that annual leave is proper, if he is willing to admit that the employees who are separated from the Government service are entitled to their separation pay, there is no need for a change in the law. I cannot conceive of what change he could make by any law.

Mr. WILLIAMS. That answer is very simple. The change needed is to stop Cabinet officers and other top-level appointees, including discredited Treasury officials, from raiding the Federal Treasury, as was done under the Truman administration.

What is wrong with the amendment I have offered?

Mr. PASTORE. I do not see what is wrong with placing the responsibility right in the lap of the Administrator, and let him certify each case.

Mr. WILLIAMS. On November 4, 1952, the American people decided that this Government would be a Government of laws, not a Government by administrative decisions. We have had a change of administration, and that is what the people wanted. Congress must accept its own responsibility and write laws as it is intended they should be written, not pass the buck back to an Administrator, give him a million dollars, and say, "You do what you think is best." I do not like what has been done before under that loose practice.

Mr. PASTORE. I subscribe to that. I believe ours is a Government of laws. I believe we should have an annual-leave law, and we ought to clarify the law as to what annual leave is. On the other hand, I do not think we have to pass an act of Congress every time an employee of the Federal Government collects a paycheck. That is what is being attempted here.

We have passed an annual-leave law, saying to employees, "You are entitled to a certain amount of annual leave every year." We have also recognized the fact that when an employee is separated from the Government service through no fault of his own, he is entitled to a cash payment. That is the law. All we are saying is, "If you are entitled to it, you should be paid." We cannot glamorize and sensationalize this matter. These employees should not be paid their money unless they are entitled to it, and I think the man who is responsible is the Administrator. If he cannot exercise that responsibility, he is the one who should be fired.

Mr. WILLIAMS. The Senator from Rhode Island says the administrator is the one who is responsible; but remember there have been some administrators who were not so good.

Again I say that Congress has the responsibility to determine whether we want these payments to continue as they have been made.

The law reads very plainly, that it was set up to take care of separations of Government employees who are separated from the Government service through no act of their own, but much to the surprise of many of us, and perhaps to the surprise of the Senator from Rhode Island, an interpretation was placed upon the words "separation through no act of their own" to mean that executive officers, including Cabinet officers, who were separated as a result of the elections, were entitled to this pay and therefore they claimed separation pay averaging around $5,000 apiece. That is not the interpretation Congress intended. I do not believe there is a Senator on the floor, including the Senator from Rhode Island, who will stand up and defend that. The law was designed to take care of regular employees who are separated through no act of their own. It was never intended to take care of Cabinet officers or any administration official who loses his job solely because the American people repudiates him.

Mr. PASTORE. I am not defending any annual leave received by any Cabinet officer. Whether right or wrong, I am not now prepared to say. But I am now defending the action with respect to 358 employees, small people, in this agency, whose positions Congress is going to terminate in a period of 3 months. These employees have already been given notice of separation. The committee has already been apprised of the fact. We have already suggested an appropriation for the payment of their annual leave.

The Senator from Delaware cannot stand on the floor now and say that this is an illegal act. He cannot say these employees are not entitled to this money. He can only say they are entitled to the money. If they are entitled to the money, let the Administrator certify the fact, and let us do our jobs as Members of Congress by seeing to it that the money is available with which to pay them.

I am not defending any abuse by any Cabinet officer. I am defending 358 small employees who are going to lose their jobs within a matter of days.

Mr. WILLIAMS. The Senator from Rhode Island points out that I cannot say that a single one of those 358 employees is not to be separated in a bona fide manner. To that extent, he is correct. Likewise, the Senator from Rhode Island cannot point out with any force or any factual information that some of those 358 employees are not going to be paid their annual-leave payments on a fictitious separation notice and never lose their job, but continue right on in the portion of the agency which we are extending.

Some of those men are still going to be retained. I point out a specific example. Mr. DuPree, former General Counsel of the Rent Stabilization Agency, the same one who took the $3,500 payment on the basis that Congress was going to close up the Agency about a year ago, notified himself that he was going to be separated. He took his separation payment. He reemployed himself and kept right on working. It can be done again. I do not say that it is going to be done; however, it is to prevent that possibility that the amendment is offered. There may be another DuPree who will conceive the bright idea, "Here is a chance for me to get a little extra money."

I am perfectly willing to pay any employee every dollar that is due him on the day he leaves the service, if he is really separated from the service. If he is not separated from the service he is not entitled to any payment.

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

Mr. WILLIAMS. Mr. President, I should like to ask the Senator from New Hampshire a question first. Would the Senator from New Hampshire be willing to carry this matter over in order that we may have a vote on the proposal tomorrow, with the understanding that debate be limited to 15 minutes on each side? In that way we can have a prompt vote on the question of suspending the rule.

Mr. BRIDGES. Mr. President, I have no objection. Earlier I submitted a unanimous-consent request, to which the

Senator from Kansas [Mr. CARLSON] objected. I should like to see the bill disposed of as soon as possible. If we could be sure of action tomorrow, I would have no objection.

Mr. LANGER. Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER. The Senator will state it.

Mr. LANGER. What is pending?

The PRESIDING OFFICER. The question is on agreeing to the amendment offered by the Senator from Delaware [Mr. WILLIAMS].

Mr. WILLIAMS. Mr. President, I ask unanimous consent that the bill go over until tomorrow, and that immediately on the convening of the Senate, the Senate proceed to the consideration of the bill, with debate limited to 15 minutes to each side.

Mr. LANGER. I object.

The PRESIDING OFFICER. Objection is heard.

Mr. PASTORE. Mr. President, I offer an amendment to the amendment of the Senator from Delaware, to add the following words: "unless the Administrator shall personally certify the payment of such annual leave."

The PRESIDING OFFICER. The question is on agreeing to the amendment of the Senator from Rhode Island [Mr. PASTORE] to the amendment of the Senator from Delaware [Mr. WILLIAMS].

Mr. WILLIAMS. Mr. President, I point out that that amendment would completely nullify my corrective amendment. If that modification were accepted, it would defeat the purpose of the entire amendment.

The PRESIDING OFFICER. The question is on agreeing to the amendment offered by the Senator from Rhode Island to the amendment of the Senator from Delaware. [Putting the question.]

Mr. WILLIAMS. Mr. President, I ask for a division.

On a division, the amendment to the amendment was agreed to.

Mr. WILLIAMS. Mr. President, I withdraw the amendment which I offered.

The PRESIDING OFFICER. Is there objection to the withdrawal of the amendment of the Senator from Delaware?

Mr. PASTORE. Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER. The Senator will state it.

Mr. PASTORE. If the amendment of the Senator from Delaware is withdrawn, how does that leave the situation?

The PRESIDING OFFICER. As it was.

Mr. PASTORE. I have no objection.

The PRESIDING OFFICER. Without objection, the amendment——

Mr. HAYDEN. Mr. President, reserving the right to object, I should like to inquire of the Senator from Delaware whether or not he intends to offer another amendment, or whether he intends to let the bill pass.

Mr. WILLIAMS. I will tell the Senator from Arizona in due time what I intend to do.

Mr. HAYDEN. Then, I object.

Mr. WILLIAMS. That is all right.

The PRESIDING OFFICER. Objection is heard.

The question is on agreeing to the amendment of the Senator from Delaware, as amended.

Mr. WILLIAMS. Mr. President, I point out that it is really immaterial now whether the Senate adopts the pending amendment or not. The modification offered by the Senator from Rhode Island merely puts the question back into the hands of the Administrator. The same Administrator has already said that he needs clarification of the law if he is going to correct the practice which has been going on, a practice which Congress has denounced, but a practice they have just refused to correct. In all fairness to the Administrator, I think it should be pointed out that if we have future examples of improper payments, Senators should not criticize the Administrator. He should criticize the Congress. Today, in the adoption of the Pastore amendment, you have authorized a continuation of the same practice which has been followed by the Truman administration. No one defends the practice, but you voted for it. We are refusing to do what the Comptroller General of the United States recommended that we do, namely, to amend the law in a manner which would stop the practice of paying unearned annual-leave payments to those who are ineligible to receive them.

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

Mr. WILLIAMS. I yield.

Mr. LONG. I wish the Senator from Delaware would submit this question to the proper legislative committee. I believe there is merit in what he has in mind. It seems to the junior Senator from Louisiana that the adoption of the amendment originally offered by the Senator from Delaware might prevent one or two abuses, at the expense of doing an injustice to perhaps 350 employees. That would not be the fair thing to do. Therefore it seems to the junior Senator from Louisiana that we should follow the legislative process of studying this subject to ascertain where abuses may exist. If the Senator from Delaware should submit such a proposal to the Committee on Post Office and Civil Service, which is the appropriate committee, give the committee an opportunity to study the subject, and then offer his amendment to a subsequent appropriation bill, I would be delighted to support it, if a provision could be devised which would not do injustice to a great number of employees in order to correct an abuse by a small number.

Mr. WILLIAMS. I do not think the Senator from Louisiana was present in the Chamber at the time I offered my original amendment. I was not seeking to stop payment to a single employee who is entitled to it. As I understand it, Congress intended that employees who are separated from the service should receive such payments. What I was trying to do was to close loopholes in the law.

I point out to the Senator from Louisiana that at least 2 months ago I called this matter to the attention of the Senate and to the attention of the appropriate committees of the Senate. At that time I received assurance that we were going to get prompt action. We are still awaiting action. Every day we wait we continue to make these questionable payments to various Government officials. We are changing the executive branch of the Government as a result of the recent election; and as we change the executive branch of the Government we are moving many employees from one position to another. They may be promoted or demoted. The point is that by a little administrative interpretation it would be possible for the administrators, if they chose to do so—and they have done it—to use this device to give an employee two or three thousand dollars as he changes jobs in the Government. That is what we are trying to stop. I am not trying to take away from any employee his bona fide separation pay, as he understands it, as Congress intended it, and as we all intend him to receive it.

Now that Congress has refused to act today I hope legislation may be reported from the committee to correct a situation which has been denounced throughout the country. I am sorry that such payments will have to be continued a little longer. They should have been stopped long ago.

Again I point out that the acceptance or rejection of the pending amendment would make no difference, in that it says that the Administrator may do as he pleases. The Administrator himself says that the law needs changing and that without a change the practice will not be stopped.

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

Mr. WILLIAMS. I yield.

Mr. LONG. The new Administrator believes that the Federal payroll can be reduced, in the interest of economy. It has been suggested that 250,000 employees should be removed from Federal payrolls. By and large, all those employees will be entitled to certain separation benefits when they lose their jobs. I would be glad to support the proposal of the Senator from Delaware if we could arrive at an arrangement which would protect the rights of employees who are separated from their jobs, and enable them to draw their terminal pay. However, I would not vote for a proposal which might jeopardize the rights of those employees merely because there might be a few who would abuse the privilege of terminal-leave pay.

When this question has been studied and when we can have entire confidence that the rights of those who are legitimately entitled to separation pay will be respected, I certainly expect to support the type of proposal which the Senator from Delaware has in mind.

Mr. WILLIAMS. I point out to the Senator from Louisiana that there was absolutely nothing in my amendment which would in any way jeopardize the rights of the 250,000 employees who would be laid off. My amendment would not jeopardize their rights to the bona fide separation pay, which they have earned, as shown by the records. All I was trying to do was to stop the practice of making payments to those not entitled to receive them. If certain

employees merely lose their jobs in X office and immediately move into another Government office, they are certainly not entitled to separation pay, any more than an employee in civilian life who stops working for X Corp. is entitled to draw his unemployment insurance because he has lost his job, when in effect he merely walks across the street and gets another job with another corporation. Such an employee would not draw unemployment insurance. It was never intended that Government employees should draw it either. The whole situation has come about as a result of the unwise interpretation that has been placed on the law by a rejected administrator. I hope Congress will wake up some day to our responsibility of changing the law.

Mr. WILLIAMS subsequently said: Mr. President, I ask unanimous consent to have printed in the body of the RECORD, immediately following my previous remarks, an editorial entitled "Going-Away Checks," which was published in the Washington Daily News on March 12, 1953.

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

GOING-AWAY CHECKS

On the claim that they didn't have time to take their vacations while in office, 215 high-ranking officials ($10,000 a year or more) collected $709,538 from the Government when the Truman administration moved out in January.

This happened under a system which permits Government employees to accumulate vacation time and then get paid for it when they leave the payroll.

Only one Truman Cabinet officer didn't catch this going-away gravy train. Most of the better-publicized Truman officials made it.

We are especially impressed with the accumulated leave cash which went to Oscar Ewing, the former Federal Security Administrator, and to William O'Dwyer, ex-Ambassador to Mexico.

Mr. Ewing, in his capacity of making secure the lives of everybody from Huttites to goats, roamed far and wide in the world—in the interest, naturally, of the security of the American people.

Such arduous travels, as you can see, keep a man from getting his just vacation.

So Mr. Ewing, on leaving the Government, got $4,447 to make up for the vacation he didn't get.

Consider, too, Mr. O'Dwyer. He went to Mexico to escape the heat in New York.

Mexico, of course, is a wonderful vacationland, especially for a man charged with nurturing and protecting crime and vice while mayor of the biggest American city.

But poor Mr. O'Dwyer claims he didn't get all the vacation he had coming, so the Government sent him an accumulated-leave check for $5,396, although he was in office only 2 years and 3 months.

A House committee now is investigating, and we hope it will find a way to give the taxpayers a vacation from this kind of nonsense.

Mr. WILLIAMS. Mr. President, I also ask unanimous consent to have printed in the body of the RECORD an interview with the Commissioner of Internal Revenue, the Honorable T. C. Andrews. The interview was published in the May 8, 1953, issue of U. S. News & World Report. In the interview Mr. Andrews outlines the new attitude of the Treasury Department in promising a square deal for all taxpayers. In view of the importance of this new policy to all American citizens, I am asking unanimous consent to have the article incorporating the interview printed in the body of the RECORD.

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

SQUARE DEAL FOR TAXPAYERS

(Interview with T. Coleman Andrews, United States Commissioner of Internal Revenue)

(EDITOR'S NOTE.—T. Coleman Andrews is the first certified public accountant to become Commissioner of Internal Revenue. Tax practice and tax accounting have been his lifework. He has held important positions with State and city governments in Virginia as a comptroller and auditor of public accounts. He has served the War and Navy Departments in fiscal affairs and contract problems. But in 1944 and 1945 he also served in the United States Marine Corps and became a major on the staff of the Fourth Marine Aircraft Wing in the Central Pacific. From 1945 to 1947 he was Director of Corporation Audits in the General Accounting Office in Washington, and for this work received an award for outstanding service from the American Institute of Accountants, of which he became president in 1950. To discuss the relations of the taxpayer to the Bureau of Internal Revenue, U. S. News & World Report invited Mr. Andrews to its conference room. This interview is the first comprehensive explanation of the Bureau's plans and policies given by the new Commissioner.)

Question. Are you changing the attitude of the Bureau of Internal Revenue toward the taxpayer, Mr. Andrews? To many taxpayers it has seemed to be one of hostility——

Answer. I have been challenged on the question of what the attitude of the Bureau has been toward the taxpayer, and, instead of saying that we are changing the attitude to the taxpayers, let's put it this way:

Everybody in the Bureau—and there are 54,000 of us—is an employee of every man and woman whose tax return is filed with us. We are not their bosses; they are ours. We are hired by them to assist them in discharging one of their duties as a citizen. There is no excuse whatsoever for any person in the Bureau of Internal Revenue to take any attitude toward a taxpayer other than one that emanates from a sincere desire to be helpful.

Question. Are you going to give the taxpayer the benefit of the doubt? Some of the Bureau's letters in the past have seemed to some taxpayers to be almost insulting, as though the taxpayer had done something wrong.

Answer. I have that difficulty with letters that come in to me for signature. I might say that I'm requiring a great many replies to be prepared for my signature—which a few months from now I won't expect to do—just to see what kind of letters our people write. Occasionally I have to send a letter back and say, "For goodness sake, breathe into it a little bit." I might say that it isn't that our people don't want to do a better job. As a matter of fact, they seem as anxious about it as I am and they are cooperating enthusiastically.

Question. Are you aware of the popular attitude of the taxpayer toward the Bureau, which is that the Government is interested only in the revenue by any manner that it can collect the revenue, irrespective of the inequities involved?

Answer. I am very much aware of it.

My feeling about it is that the Bureau has brought this on itself, and that one of our major jobs is to get the people believing in the Bureau again as they used to, to give the Bureau character and standing in the eyes of the public. And I believe that that's a very simple thing to do.

You have mentioned giving the taxpayer a break, the benefit of the doubt. Of course, that is what we should do. There should be a square deal for the taxpayer.

We should have the attitude, I think, that we want every cent that's coming to us, but not 1 cent more, and if there is sufficient doubt, we don't want it at all.

I will give you an illustration. A case came up the other day of a dispute with a taxpayer that had arisen over 1943 income when the taxpayer was in the military service. When he came back and his returns were audited, he was told that he owed some $250. He said, "I don't think I owe you $250." And they argued backward and forward, and finally in desperation the taxpayer said, "Well, I'll give you $50 and clean it up," and that compromise was accepted.

Now, I would not have insisted on collecting the $50. Why? Because there was a reasonable doubt as to whether he owed any money or not, and I say that a compromise made in those circumstances is not a compromise at all.

Question. It doesn't prove who was right or wrong, does it?

Answer. It doesn't prove a thing. If the Government is not satisfied that it is right, then it has two courses open to it. If its doubt is sufficiently strong, it can say, "Well, let's forget it." If it is not strong, then it can say, "Well, let's let the courts decide."

Question. Isn't that the reason for the widespread belief that the Government is collecting nuisance penalties constantly from a public which doesn't want to be bothered with litigation, doesn't want to hire lawyers to defend every minor point? And aren't the sums so small in some cases that the people can't even afford the litigation and would rather pay the penalty than try to have it adjudicated?

Answer. You are probably right, and I would say that the last thing that any fair tax administrator wants is to have a tax return regarded as an invitation to a lawsuit. Way back in 1927, the Secretary of the Treasury, in a statement to the Joint Committee on Internal Revenue Taxation, stated: "The collection of revenue is primarily an administrative and not a judicial problem. As far as the Federal income tax is concerned, a field of administration has been turned into a legal battlefield."

I am afraid that anyone would have to admit that over the years this situation has gotten worse instead of better.

As I see it, the Commissioner of Internal Revenue in his enforcement of the revenue statutes must not only see that every dollar of taxes due under the statutes is collected, but also that not one dollar is collected that shouldn't be. In other words, the Commissioner, in a sense, wears two hats—one as a law-enforcement officer, the other as a dispenser of justice—and the appellate procedures provided by the revenue laws were deliberately set up to give the Commissioner the fullest possible opportunity to discharge both of these obligations.

Now, what is that appellate procedure? First, the return is examined, and the taxpayer has an opportunity to voice at that point his disagreement with the revenue agent.

Second, if the taxpayer and the revenue agent don't agree, they can take their differences to the revenue agent's group chief.

Third, if agreement is not reached at this point, the next step is appeal to our Appellate Division.

Fourth, if agreement is not reached at this point, then the next step is the Tax Court. But even at this point there is still another opportunity for informal discussion in the form of a pretrial conference.

Now it should be borne in mind that this procedure is designed to facilitate a meeting of minds across the table by the two people, each of whom must be prepared to

give and take—the revenue agent as well as the taxpayer.

Also I call attention to the fact that our Appellate Division is not responsible to the district commissioners in matters of case settlements, but rather is responsible directly to the Commissioner, in Washington. Therefore, while it is the Appellate Division's duty to see that the laws are complied with, it nevertheless to a large extent sits as the representative of the Commissioner, functionally independent of the collecting authorities, to achieve, if possible, a just settlement of the points in controversy.

I have not yet had a meeting with the appellate people, but I am going to, and I am going to tell them: "Your function is to represent me in my second capacity. My first capacity is to collect taxes. My second capacity is to do it with justice. Your function is to find, if possible, a point at which the Commissioner and the taxpayer can agree. Remember that you are sitting there now in my second capacity to find a just solution to the difficulty if you can, and to settle the case if you can in the manner that any two people willing to give and take can always settle any argument."

Question. What do you think of the bar association's plan for a small-claims court for tax collecting?

Answer. That is a hard question to answer without indicating a negative attitude, which I honestly do not have. But I feel this way about all proposals for any supplementation of the appellate process. I believe—at least, I am strongly inclined to believe after being here now nearly 3 months—that with a proper attitude from the top the present appellate procedure is sufficient, and that any taxpayer can get justice under it.

Question. And yet there must be millions of dollars collected by the Treasury from people who cannot leave their jobs to go to your tax offices to argue. Rather than argue, whether it's $10 or $15, or whatever it is, and may be a lot of money to them—and lose a day's pay from their job by coming down to the Bureau of Internal Revenue, they just accept the penalty. Now, what procedure have you within the Bureau to review those assessments?

Answer. The difficulty with that is that if a taxpayer pays without arguing, then there is no system of review that will help him, because the reviewer would never have the taxpayer's side of the case before him——

TAX ARGUMENT VIA MAIL

Question. Could the taxpayer write a letter and try to settle his problem and not take time to come in and argue it?

Answer. If we could get an adequate letter from the taxpayer stating his position, yes, that could be and would be, and even now is, reviewed if he makes this protest, formal or informal. It is reviewed and given due consideration. But the difficulty with most of those cases is that you can never get all the facts merely by correspondence.

Take, for instance, the question of dependents. There could very easily be a question as to a person's entitlement to an exemption for a dependent which could not possibly be solved by correspondence, but has to be solved on the spot.

There is no reason that I know of, in cases that warrant it, why the revenue agent couldn't go look up the person instead of making the person come to him. As a matter of fact, I have frequently thought it probably would be a lot less expensive in the long run—not to the Government, because it would cost the Government more money, but it would bring about a lot less economic loss—if, instead of making the masses come to the tax collector, the tax collector should try to arrange some way to go to the masses.

I don't know whether this would be practical, but there is such a thing as bringing the mountain to Mohammed when you can't get Mohammed to the mountain. At any rate, such a policy deserves study and we will explore the possibilities of it.

Question. Can a taxpayer, as a practical matter, expect to go to the appellate division on his own hook, without a lawyer, without an accountant, and have any real hope for success?

Answer. Why, certainly—unless there is a complicated question of law or income determination involved. If it is nothing in the world but a question of fact, any taxpayer can do this on his own.

Question. In theory, a taxpayer can take his case to the Tax Court without a lawyer or an accountant—but he doesn't get very far, does he?

Answer. But that isn't practical at all. And that's why the small-claims court idea as an adjunct of the Tax Court probably is not the answer. The problem we were talking about is one that never gets to that stage. What we have to do to solve the problem you are talking about is simply to do our utmost to develop among the people who deal with us at the lowest level a feeling that the attitude of the Bureau is going to be one of justice, reasonableness, on the part of the agent as well as on the part of the taxpayer

Question. Might you not lose a great deal of revenue that way?

Answer. Well, personally I don't believe you would lose any significant amount of revenue, and I think it would be a good investment even if you lost a little revenue by it and achieved the confidence of the American people in their Revenue Bureau.

Question. Do you think you are losing a lot of revenue because people are not reporting all their income?

Answer. We are losing some, but whether it is a lot I don't know. "Lot" is a relative term.

Question. Do you think some people are not making income-tax returns at all who ought to?

Answer. There is no doubt about that, and we are conducting a survey right now in three cities to find out how many people in those cities who should be filing returns are not filing them. That will be used as a test sample of what we need to do in order to ferret out people who are not now filing income-tax returns.

LOOKING FOR CHEATERS

Question. Do you have any indications as to what the answer might be?

Answer. Not yet.

Question. Did you cooperate with the Census Bureau on that?

Answer. No. We can do that job through other devices with a whole lot more ease. We can cross-check with the telephone directory and other lists. There are all kinds of simple ways of doing it.

Question. What percentage of the people try to cheat? Do you have any idea? Is it high or low?

Answer. In some categories it is high.

Question. You have some definite plans, haven't you, to make it more convenient for the taxpayer to make out his returns and pay his taxes?

Answer. Oh, yes. And then, too, I think we may properly say that there really has been substantial change in the public attitude. We're beginning now to get a few letters and telephone calls from people who think we're not too bad. That, of course, is the result of a deliberate effort to improve relations with the public.

Question. How far can you go in helping the taxpayer make out his returns?

Answer. This year, for instance, we did a rather novel thing. I don't want to claim credit for it myself. What happened was that we were confronted with the problem of getting about 55 million individual returns out of the way in a very short period of time, and what we did was to say: "Now, here, we are going to give the taxpayer every bit of assistance we can, the best assistance we can give them. At the same time, we want to try to hold the line on collections, which have been slipping a bit."

So the plan was to bring into the collection offices in the various cities every person outside of the collection group whom we could make available. For instance, we brought in field agents and other personnel to assist the taxpayer in the actual making out of his returns. Now, there are other things that I will mention later. But that, of course, had a tremendous advantage from both the taxpayer's standpoint and our standpoint, because it put on the job of preparing returns those men who knew most about what the returns should contain.

THIRTY-FIVE MILLION STANDARD DEDUCTIONS

Question. Don't you find that the general run of people don't know what they can deduct and what they can't deduct?

Answer. That isn't quite an accurate statement when you stop to consider that there are probably between 35 and 40 million people who never worry about what they can deduct because they use the standard deduction of 10 percent of gross income. So, there is no great problem with all those people. The problem arises with people who have income other than salary—say, rents, interest, profits on sale of property, and that sort of thing—and who may have exceptionally large doctors' bills through the year or whose aggregate deductions will amount to more than the standard deduction of 10 percent. Now, these people have to have help. They are the ones who are most helped in the preparation of the longer form. And so we gave them the best help that's available in the Bureau. That's going to have two effects.

It got them through the line fast. I think the average time that anybody spent waiting was about 20 minutes, which is pretty fast.

Question. Is that here in Washington?

Answer. That's everywhere, the average for the country.

Question. Can you give us some idea of what the time had been in the past?

Answer. I couldn't tell you that because I don't think we have any record of it. But I'd say that it must have taken twice as long. As a tax practitioner I can say that 20 minutes is a remarkably short time.

Now, another advantage of that—the unseen advantage, the one that comes later—is that it simplifies our auditing job because we've got more correctly made returns, and that means less need for auditing.

Question. Then you can spend more time on the returns that you have to audit?

Answer. We will be able to examine more returns that ought to be looked into.

Question. What is the plan we hear you have to relieve 30 or 40 million people of making tax returns?

Answer. That is in its concept a very simple thing, but in its execution it is going to take time. It is this: Every person on a salary has his salary reported to the Social Security Board and the Internal Revenue Bureau. There are two different forms that report the same salary. Our idea is simply to coordinate the two.

We know what the man's salary is. And if that's all the income he's gotten, it is a very simple matter to take that information, calculate the tax, deduct it from what was withheld, and send him a refund check or a bill—and he never has to come to the Bureau at all.

Question. He would make no return?

Answer. None at all. We get the information from the Social Security report and salary-information form filed by his employer.

Question. These are the forty to fifty million people who have no income other than their salaries or wages?

Answer. That's right, and who use the standard-deduction form.

Question. Won't he have to sign his withholding receipt?

Answer. He will probably have to sign his withholding report before the employer sends it in. We will, of course, have to get some change in law to put this plan into operation. It is not something we can do this year, and we may not be able to do it next year. But in another year after that, it ought to——

ONE FORM LESS FOR EMPLOYER

Question. Will it not increase the burden of the employer?

Answer. It doesn't put any more work on the employer at all. It will save him one form, in fact.

Question. It will put a great deal more burden on the Bureau, though, will it not? And, where the taxpayer frequently calculates his own entitlement to a refund, the Bureau will have to detect each of those cases?

Answer. We have to audit their calculations in any case, so why not let the auditor do it all in the first place?

Question. Will he get the bill for taxes due at the same time he does now?

Answer. He will get a receipt for having already paid his tax and a remittance notice. As far as the Bureau is concerned, the handling of a simple thing like that can be done by the least expensive people we have. So, you see, it really boils down to a very low-cost operation at a minimum of trouble to the taxpayer, the employer, and the Bureau.

Question. How often would you do this, quarterly?

Answer. No; it would be done every year, once a year.

Question. Doesn't the employer make the deduction now and turn it in each month?

Answer. Yes; and they accumulate over the year.

Question. If the taxpayer still owes money, then you send him a bill?

Answer. Sure. If he gets a refund, we send it to him; if he owes money, then he is called on to pay it.

SPEED WITH REFUNDS

Question. If he has any income other than salary, the plan wouldn't work, would it?

Answer. No; he would have to file a different type of return. Now, there is another aspect of this taxpayer-help program that I think I ought to mention. By making the move that we did to increase the assistance to the taxpayer and get all this work done and preserving our collection people in their regular job of collection and holding the line in collections, we did something else very important. We got out practically all of our refunds by April 15, and so saved more than $3 million in interest this year.

Question. People are getting earlier refund checks?

Answer. Oh, yes. There are very few places that I know of where people haven't already received their refunds.

Question. Can you do anything to make it easier for taxpayers to get advance rulings from the Bureau on problems they encounter?

Answer. Yes; we are already doing something about that. We get about 4,000 requests for rulings a month, and the production reports of the technical divisions of the Bureau indicate that, under a stepped-up program, more rulings are disposed of in each month than we are receiving requests for, so that the backlog of unanswered rulings is being diminished.

Question. Are the rulings worded in such a way so that if the facts change in any way the ruling doesn't constitute approval of what the taxpayer may subsequently do? How do you handle that?

Answer. Usually you get two different kinds of requests. One will be a request for an application of the statute to a particular situation, with a statement as to what the facts are. We will answer the taxpayer in a case like that by saying to him, "Now if the facts you gave us hold, then this is your answer."

Question. Can anyone write in for this?

Answer. Sure, and they do, with the questions running all the way from very simple ones to the very complicated. Some rulings take a good deal of legal and other research.

Question. In what sort of fields do these questions come?

Answer. Every field that we are in.

Question. How can you let the public know what you are doing with respect to these rulings? You may answer 4,000 letters a month, but that information is not available to the public. It's only for the one man who writes the letter. Nobody else knows how you have ruled in particular cases. What can be done to disseminate that information to the public? Could you publish the cases without mentioning the names?

Answer. What happens is this: We have a great many rulings, of course, that are just duplicates of previous rulings; therefore, to publish every ruling we make would be a tremendous waste of time and money. So, when we get a significant question to answer, we publish the question and our answer in the Internal Revenue Bulletin. Also, we are publishing more rulings now. In other words, there are fewer office rulings and more published rulings.

Question. Hasn't that been one of the complaints from the public, that there have been so few public rulings?

Answer. Yet—let's say that there haven't been enough.

Question. Where does a person write to get these advance rulings?

Answer. To the Commissioner of Internal Revenue, stating his problem and asking for a ruling.

Question. Who determines whether these rulings are significant or not?

Answer. That is determined by the technical office. They know. For instance, today we got a question up there on a matter that is almost novel, which probably seems unusual, since we have had an income tax since 1913. But, actually, it was a brand-new question. Well, the ruling on that question will be published so that if it comes up again, and it will come up again because it is a new type of business development, then people can be guided by it.

WHERE RULINGS ARE PRINTED

Question. What is the circulation of this Internal Revenue Bulletin?

Answer. The circulation of the bulletin is available to anybody who wants it. It is not difficult to get. Anyone can write for a copy. The mailing list is handled by the Superintendent of Documents of the Government Printing Office on a subscription basis. The tax practitioners—the lawyers and accountants who actively operate in the tax field—get the bulletin when it comes out.

Question. Is that sent free by the Bureau?

Answer. There is a small charge, $3.25 a year.

Question. Well, here you have millions of people who may need to know how you are ruling on these cases, but apparently there is no medium by which the general public as a whole can learn what you are doing—unless the newspapers would print that as a service—is there?

Answer. Under the new policy of the Bureau—if I may call it that—we are releasing a great deal more information to the public through the commercial-tax services and the press. Lots of these rulings that apparently nobody heretofore thought of turning loose to the press are now being made available—not that they were ever secret before, but rather we are giving them out on the theory that maybe the newspapers might be interested in them and publish something about them.

The average taxpayer, of course, is not interested in the day-to-day rulings that come out. Even the practitioners aren't. Sometimes they just put them aside and never bother about them until pertinent cases come up; but then they go digging for them.

MAKING THE FACTS KNOWN

Question. Have you any practical suggestion as to how the rulings can be more widely disseminated? Can the newspapers do anything?

Answer. Well, the newspapers could do a great deal about it, but the question is whether they would find any real reader interest in the vast majority of those cases. I don't think they would—until somebody gets a particular problem.

Question. A few years ago the Bureau prepared a series of articles which were to be published in the press in installments prior to the date for filing income taxes. These daily articles gave the effect of various rulings in a popularized version of what the taxpayer could do, for example, by way of deductions.. Couldn't there be something like that again?

Answer. There is such a publication available for that purpose right now. It is called "Your Federal Income Tax," costs 25 cents and is obtainable at the Government Printing Office. It has a thorough explanation in simple language—as simple as we have been able to develop up to now—though we hope we can make it still simpler.

As a matter of fact, we have tried to make all of our rulings simpler. We've tried to get some human understanding in them. For instance, this morning we had a ruling in which we were more humane than technical. I took the position that it was a situation where we could rule against the taxpayer technically but we should not rule solely on such grounds, but should also be right from a humane standpoint. And I told the man who wrote the decision, "Now, take it back and rewrite it and put it in the language in which you would want to explain it to your 15-year-old son." We are trying, in other words, to put a little warmth into these rulings.

Question. This brings up a legal point. You still have a wide discretion, under your regulations, to do a great many things, haven't you?

Answer. I am told that the Commissioner has pretty wide latitude in some situations. Of course, that means he can be pretty arbitrary if he wants to, or he can be very liberal if he wants to. Now, you have to strike a balance between the two in order to do a good job of tax administration. We hope we are going to do that kind of job.

Question. How many copies of this publication, Your Federal Income Tax, do you print?

Answer. During this last filing period it sold about 210,000. It was down because of the fact that there were no appreciable changes in the internal revenue laws. With each income tax blank, of course, we give a small pamphlet which runs to about 50 million copies.

What we are trying to do is to make plain the things that taxpayers can deduct so that they can sit down and figure out for themselves whether their legitimate deductions are greater than the standard deductions.

And another thing we have done on the taxpayer-help program, and I think is going to pay big dividends: We went into the high schools of the country last year with a simplified explanation of the income tax law and the preparation of returns. They took a blown-up picture of a return, for instance, and put it up on the wall and explained the various items in the return and how it came down finally to the mathematical calculation of the tax. Then they did the same thing with other forms.

Well, now, that approach has had a great response. The school people like it because it gives them something very practical to teach and adds to their capacity to teach government. Of course, underlying this

program is the fundamental idea that, after all, we want to give the next generation an appreciation of why they have to have taxes, and, in addition to that, a knowledge of how to make out a tax return.

Imagine, if you can, the difference in the public understanding of the tax return when all these millions of school children who have been taught about it come up against the problem of making their own tax returns. It is going to simplify our problem tremendously—it's bound to—it just can't miss.

VISUAL EDUCATION ON TAXES

Question. That same method has been applied to voting machines in many States by putting these machines in the high schools when they weren't being used in actual voting. You are doing the very same thing, aren't you?

Answer. Yes. I call it using visual education to teach two things: respect for and understanding of government and its necessities and, also, a knowledge of how to discharge one's tax responsibility. We think that in the years to come we are going to have a lot less trouble with poorly and inaccurately prepared tax returns.

Question. Are you making real changes in the tax-return blanks and the instructions?

Answer. We have a group that is constantly working on changes in the wording alone to get it in simple language. One of the duties of the Assistant Commissioner in charge of administration is to take all tax forms after they have been passed as to their technical correctness and review them completely for language, to see if it is in language that he thinks the average person will understand.

Question. What is the situation with respect to deductions for individuals? There has been a lot in the papers lately about a mother who is employed and goes off to work and has to hire a nurse or someone to take care of the children. And she does not get a deduction for that expense. Whereas, in a business if you hire anybody to do anything, you get a deduction for that expense. What progress has been made in the handling of that issue?

Answer. There can't be any settlement of it so far as the Bureau is concerned, because the law is very plain on the subject—you can't take that deduction. It is not an ordinary or necessary expense of doing business under the law.

This question involves the matter of what part of income are you going to tax. Now Congress has said you are going to tax a man's gross income, with certain exceptions, and against that he is allowed certain deductions. Unless an act of Congress says that in the case of a working mother we will allow servant hire, the Bureau hasn't any right to allow it, because there is nothing in the law and regulations to justify us in allowing it.

THE WORKING MOTHER'S PROBLEM

Question. How about expenses necessary for production of income, that's allowed. Certainly that is true of a working mother?

Answer. I don't know that it could be so interpreted under that rule. We've considered it, and I think it has been honestly considered, and I think the only way to solve that problem is by legislation. The question is whether as a matter of principle you want to solve it that way.

It comes down to the whole question, then, of "What are you going to tax?" Are you going to tax an arbitrary amount of income, or rather an amount of income less certain arbitrary deductions, or are you going to tax only net income? If you tax net income, then most people spend all they make and so we wouldn't get much from individuals on that basis.

Question. What is your attitude toward the people who get income in the form of room and board? Lots of servants and hotel employees sleep in, and they get food and lodging. If they were working by the day they would go out and have to have a place to live and they would have to pay for their meals. They might work somewhere else and get increased pay, but they would pay income tax on it. Now, the person who lives in doesn't pay income tax on that income?

Answer. That is one of those borderline cases that comes under the rule, as I recall it, of whether the room and board is compensatory. This question often is very hard to decide.

Question. Now, if it is part of the employment agreement, is board and room income?

Answer. Ordinarily, no, where it is a required part of their employment for the convenience of the employer.

Question. Turning now to some of the headaches of business, what does the Bureau think it can do to accelerate the auditing of business returns, so many of which extend over so many years before a business knows whether its returns have been audited or not?

Answer. That is a problem that is bothering us a bit. As an accountant, I think I have the answer. No. 1, we regulate our volume of examination of business returns according to the number of auditors we have. In other words, it's almost a mathematical proposition that you need so many auditors for every hundred or every thousand business establishments. There is only so much work that one man can do. Some of the big returns take a number of men. We have 1 corporation for which there are a dozen men on the job 12 months a year.

But for the average 1-man or 2-man account, one way we can speed it up is to develop in the revenue agents a greater understanding of the principle which the public-accounting profession has long since adopted, and that is test checking. In other words, no public accountant today ever audits every transaction. He picks a certain number of transactions over the year and examines them thoroughly, and on the basis of his tests he concludes whether everything is generally in order and gives an opinion as to the state of the account. We can apply that principle, the principle of comprehensive auditing on the test-check basis, and considerably speed up the process that way.

Another thing we can do is this: There are a great many auditors now going into some establishments that file more than one kind of return. We propose to wrap up all these returns into one package so that when an auditor comes into your establishment to examine your books, he would examine your income-tax return, your social-security return, and, if you have excise taxes, your excise-tax returns. Then that is the last time you would see the auditor until the next year.

PLAN FOR SINGLE AUDIT

Question. You mean that all goes on one return form?

Answer. Oh, no—separate returns, but all bundled up in one package for auditing purposes. I think we can speed the process a great deal in that manner.

Question. Wouldn't you need a change in the law to do that?

Answer. No; that could be an administrative determination. So, by improved auditing methods, which we will get by an intensification of our training program, I think we can probably get our agents finishing their audits faster; also, by cutting out a lot of writing which is now done. One of the things that slows an agent down a lot is that most of them have to write their reports out in longhand. I suspect that a lot of reports don't even need to be written at all. In such cases the agent would say in a simple report form they have examined the return and everything is in order, or even in those cases where they find something they disagree with, I doubt that the agents have to go through all the gyrations they go through now.

I think the process of developing the agent's reports can be speeded up. I think the process in connection with the papers for appeals can be speeded up. For instance, you usually find in a case where there has been an appeal that practically in every step in the case the facts are completely restated, and they may run for pages and pages and pages. Why not simply incorporate the facts for reference wherever they are first stated and let it go at that?

FRANKNESS DUE FROM AGENT

Question. In the case of disputes as to items in auditing, do you think that the agent should disclose to the taxpayer that difference of opinion as to an item, or is he justified in saying nothing about it and giving the taxpayer his first notice of a disputed item when he sends him a deficiency letter?

Answer. The answer to that is that if an auditor examines anybody's returns, the first step in setting the dispute is for the agent to tell him just where he disagrees with him. I never heard of cases where——

Question. But there have been cases——

Answer. Fraud cases, maybe?

Question. No. The stories we hear are that an agent goes in to a business office and sees a lot of items on the return and he disputes those items. In writing up his report he includes some points that he thinks he can bargain with and writes them up as deficiencies, which he knows he's got to concede. And the impression you hear among businessmen is that some of their experiences with an auditor have been on a bargaining basis, that is, he might take up with the taxpayer 8 or 9 points, but when he gets back to the office he may find several others and doesn't argue with the taxpayer but simply puts them in——

Answer. Well, that just isn't cricket. I wouldn't permit that.

Question. Has the Bureau some tax cases that are still there from World War I?

Answer. I couldn't say.

Question. There are always rumors of cases being there 10, 15, 20 years——

Answer. They may be excess-profits cases, but I would imagine they are in the courts. I had one case the other day that has been hanging around there since 1928. We are finally getting that cleaned up and out of the way.

Question. Was that in the Tax Court?

Answer. No. It hadn't even gotten to the point of assessment yet.

Question. That brings us to another question. What about your rules in the various stages in the Bureau before you go to the Tax Court? The average businessman feels, when he goes before some kind of review board, that if he has some evidence or testimony, the Bureau should give weight to that evidence if it comes from competent witnesses. Can he bring in witnesses to support and substantiate his points?

Answer. Certainly.

Question. At any stage in this review procedure?

Answer. Sure.

Question. Is the Bureau in any way obligated to give weight to the testimony?

Answer. They certainly are.

Question. In a good many businesses of a complex nature which could not possibly be understood by the Bureau's personnel, unless, perhaps, a competitor came in and verified it as fact, is there an opportunity to bring in witnesses like this?

Answer. The taxpayer can bring anybody in that he wants to.

Question. Do any of them do it?

Answer. Yes.

Question. At what stage? I mean, is this done before it reaches the court?

Answer. Yes; it is done at any stage of the process, from start to finish. If a taxpayer has a case where he wants to impress the agent with the industry practice, then he may bring somebody else along who can say it is the practice. The Bureau is obligated to listen to that testimony. There is no

reason in the world why they shouldn't do it. What we're after is to get the cases settled. We want to stop this pile-up along the line.

TAX COURT DELAY: 2 OR 3 YEARS

Question. Is there much of a jam now?

Answer. It is pretty bad. It is so bad, in fact, that I am told that Tax Court cases may not get tried for 2 or 3 years.

But we are making headway on this. I've given instructions that there must be more concentrated effort to settle.

Question. Wouldn't you get more revenue that way?

Answer. We get the revenue and get the case out of our way and simplify the thing all along the line. I haven't said that we have to settle a case just to settle it, but I said to these fellows:

"Here, forget about all this business of being scared to death of investigations. Go on and make your decisions. You have the authority to make them. Make every decision you can make within the scope of your authority, and be satisfied that if it is an honest decision you will be defended in it. Now, of course, if you are a person who is not capable of making a good decision as a matter of habit, then we are not going to leave you in that position very long. That is an administrative matter. What we are after is an honest effort to reach agreement with the taxpayer, even if you have to give a little sometimes. If you think it is just to give a little, then do so and get it over with."

Question. Are these pile-up cases mostly individuals or corporations?

Answer. That I can't answer, but my guess would be that they are business cases.

Question. What do you think of the idea of this 6-percent interest charge which goes on and on and on while a case is unsettled? Do you think it is right or wrong?

Answer. I think there are some circumstances where the running of interest might be stopped. But just where that point is I don't know. I do believe, though, where there is undue delay on the part of the Government in getting around to the disposition of the case, the Government ought not to expect to collect interest beyond a certain point. But just when that point should be I frankly don't know right now. We'll have to study it. I know that I have seen many cases where I thought the interest should have been stopped at a certain point, and I have had cases where people would pay a certain amount of money in, in order to minimize the interest.

I do think there has to be an interest charge for delay in payment, and there should be, conversely, an interest payment by the Government for delay in refunds.

Question. Why couldn't it be the prevailing interest rate instead of the flat 6 percent?

Answer. Well, in my own mind there is no particular sanctity in the rate of 6 percent. I don't know that you could defend it on any grounds except that it has the effect of an additional penalty, a penalty that works both ways, however.

REGULATIONS VERSUS LAW

Question. What is your theory about the discretionary interpretations by the Bureau of Statutes in what is called the Treasury Regulations? Do you think the regulations are in conformity with the law?

Answer. One of the most serious complaints that we have been receiving has been that there is a lot of law in the regulations that Congress never contemplated. As a former tax practitioner, I can say that this complaint is justified, and all of us, at both the Treasury Department level and the Bureau level, are not only conscious of the problem, but are working on it almost feverishly.

We propose to identify, if possible, every such instance and correct it, and we certainly will not consciously allow it to happen in the future.

To give you an illustration, just the other day we were working on a regulation under the 1951 act, and we found a provision as to which we had doubt concerning its consistency with congressional contemplation, and we changed it. However, let me point out that I didn't think for one minute that the people who wrote that regulation intended to try to do something that Congress didn't intend, so let's not any of us think that the Bureau is headed by people who are using gouges instead of their heads. We must remember that the fact is the Bureau is under the Treasury Department and that in the long run the Bureau reflects Treasury policy. The present Treasury group is as anxious as we in the Bureau to see that the regulations conform to what has been contemplated by Congress.

I think the original motivation was the concept of strict interpretation, with all doubts resolved in favor of the revenue.

TWENTY YEARS OF DIFFERENT VIEWS

Question. How far back would you say it goes?

Answer. It goes back 20 years anyhow. Most of it has happened in that period. I don't want to turn this interview into a discussion of the previous administration, but I think their attitude was a shortsighted approach for immediate revenue purposes.

Question. How are you going to work with Congress on the matter of the changes in the law? Will you make the recommendations, or is the Secretary's office going to make them?

Answer. The Secretary's office is going to make them. That is all being handled by the Under Secretary of the Treasury. The Treasury team divides the tax problem between the Under Secretary, as far as legislation is concerned, and the Commissioner, as far as administration is concerned.

Question. Are you going to make some suggestions for administrative provisions?

Answer. We already have made a great many.

Question. The administrative provisions in the tax laws haven't been revised for a great many years, have they?

Answer. No, they haven't, but that whole thing is under consideration, and what we are doing now is this: We have a new policy, it might be said, of dealing with Congress. For instance, we have regular meetings with the Joint Committee on Internal Revenue Taxation, in which the committee and ourselves sit down and discuss problems of administration and reach conclusions as to what we ought to do. We met with the committee only last Monday on the question of some of the new regulations that we have coming along.

You see, the regulation process is one of publishing a proposed regulation so that anyone who wishes may get a whack at it. The committee gets complaints saying we don't like this and we don't like that, and we go up and hash it out. We settled four important points at our meeting last week.

Our attitude is very simple. We say: Congress makes the revenue laws for us to administer; therefore, how can we administer these laws intelligently unless we work closely with Congress and know what it intended. So we've established the closest possible liaison with the joint committee and its staff, with the House Ways and Means Committee, the Senate Finance Committee, and other committees where the effects of taxation become involved.

Question. What are you going to do about the disclosure to Congress and the public of so-called "compromise" settlements? Do you favor a continuance of the existing practice of disclosing cases where the settlements are compromised due to incapacity to pay?

Answer. I feel this way about it: When a tax obligation is established by assessment and the liability is agreed to, then at that point any compromise of that tax is entitled to publication. I think the people have a right to know about it. I'm a taxpayer and you're a taxpayer. If you are going to get a special deal on your taxes, for any reason whatsoever, I think I have a right to know it.

Question. Then you would publish the amounts that were compromised? Would you publish the facts in the case?

Answer. We would do what we are doing now. All compromises of income, profits, estate and gift tax cases are now put on a register and are available for anybody who wants to see them.

Question. Those are cases where the taxpayer has claimed his inability to pay?

Answer. They are for a compromise for any reason.

Question. And they are available for anybody to see?

Answer. Yes. You can go right down there now and see them.

WHAT IS A COMPROMISE?

Question. In the previous administration, Commissioner Dunlap used to say that he would not introduce the other type of settlement. He used the phrase "compromise settlement" for only those instances in which a man was assessed a certain amount of money, say $1,000, and he was unable to pay, and finally the Government would accept $50. All those types of cases he made available to the public. But where there was dispute over an assessment between the taxpayer and the Government, and they finally agreed that all that was owed was X instead of Y——

Answer. That's not a compromise. It hasn't even reached the point of assessment because it isn't assessed until that agreement is reached. Now, we are having that every day. We'll have a dispute with a taxpayer over whether he owes X dollars or Y dollars and through the appellate process we finally determine the amount owed. We then bill the taxpayer for that amount.

Question. You call that an "assessment," not a "compromise"?

Answer. That's right. That is a positive obligation on the taxpayer's part. Now, if at that point he says, "I agree. I owe $100 but I can pay only $50," and offers $50 in payment of his liability, then that is an "offer in compromise."

RIGHT TO DISCLOSE INFORMATION

Question. You have much power to make changes in this matter by regulation, haven't you?

Answer. There is a great deal that can be done administratively, but there is a lot that has to be done by legislation. Take this whole question of disclosure of information as to compromises, or disclosure of information in general, I may have my own ideas about it, but there may be some phases of the thing that could come up sometime where there would be a question of whether under the law I had the right to disclose it. In that case, I would depend upon the advice of counsel.

But, generally speaking, I think that compromise of tax liability, once the liability is firmly agreed to by both sides, is a thing that ought to be a matter of public knowledge if the public wants to know, because then to the extent that the other fellow is being relieved everybody else is being taxed.

Question. That's if he cannot pay his "assessment"?

Answer. Yes.

Question. What do you do about a case like this:

A business pays its taxes, argues with an internal revenue agent, and sometimes with its own accountant about a deduction, and yet that very same moment that Bureau may be allowing that deduction in another case and the taxpayer wouldn't know anything about it. Is there any way a taxpayer can find out what competitors, for example, may be getting in the way of a break in his line of business?

Answer. Frankly, I don't think you'll find very many cases of that kind, because a good many people in business have pretty good

advice as to the preparation of their tax returns.

Question. But there is no publication of the rulings of the Bureau that would guide an industry unless they have this exchange of information among tax practitioners?

Answer. There would be no way for the Bureau, except at inordinate expense, to be able to publish the fact that deductions made by one business in an industry are different from those made by another business in the industry.

But, frankly, I doubt that we're talking about anything significant here, because through trade-association activity, conferences of tax practitioners, and other means business establishments find out pretty well what they can and cannot do taxwise; and I doubt that many of these establishments are missing much that might be to their advantage.

Question. Let me put it another way: Is there an obligation on the part of the Bureau, which is aware of its own rulings, to apply that same ruling even though the taxpayer may be unfamiliar with it?

Answer. Certainly. In other words, there is as much obligation on the part of an agent to give a taxpayer a deduction he is not now claiming as there is for him to disallow an unlawful deduction that he is claiming.

Question. Are there a great many deductions claimed that are not supposed to be claimed?

Answer. Yes; there are. There are a great many cases of revenue being lost by people claiming exemptions and deductions that are not proper.

Question. Is the expense account itself being abused?

Answer. It most assuredly is, and the Secretary of the Treasury is taking a close look at this problem from the standpoint of whether the law should be tightened up to prevent the abuse.

Question. How tough is the policy on business-entertainment expenses?

Answer. Of course, we have to look at it from three standpoints: Is it an ordinary, necessary expense, and is it reasonable? What we try to do is require pretty thorough documentation on entertainment expenses, and, if not documentation, then sufficient explanation to enable us to determine whether or not there is convincing reason to suppose the money was actually spent.

Question. And that is true of individuals as well?

Answer. Yes.

FORMULAS FOR DEPRECIATION

Question. Can you by an administrative act, by regulation, change the depreciation policy?

Answer. Many aspects of depreciation can be settled administratively, but there are some that must be dealt with legislatively. Two aspects are presently under consideration. One is the administrative aspect as to, for instance, when shall the determination of depreciation be deemed to be final? I'll come back to that in a minute. The other question is: What formula for depreciation may be adopted? For instance, could we permit a wide-scale switch from the "straight line" method of depreciation to the "diminishing balance" method? Perhaps we could, and the question is being studied by the Treasury staff.

Question. What do you mean by the "straight line" method?

Answer. It means the depreciation charge obtained by dividing the cost of the property less its probable salvage value by the number of years that the property probably will last. For instance: Cost, $1,000; salvage value, $100; probable life, 10 years; annual depreciation charge, $90.

The main thing that bothers me about depreciation is the fact that as matters now stand an agent can go into a business and say, "I think you've taken too much depreciation. I'm going to cut that down." They argue about it, and, finally, somewhere along the line they compromise. The agent says, for instance, it ought to be 3 percent and the taxpayer says it ought to be 5 percent, and maybe they settle on 4 percent. But it doesn't end there. The very next agent that comes along may take the position that the previous agent was too liberal, and then the argument starts all over again. Somewhere along the line the taxpayer has a right to expect finality.

WHEN A BUILDING WEARS OUT

Question. Isn't building depreciation fixed at 2 percent a year?

Answer. No, sir. It shouldn't be.

Question. Is that a matter of administrative determination?

Answer. There is a regulation on it, T. D. 4422, and a special bulletin, bulletin F. In bulletin F a great many categories of property and the applicable rates of depreciation are listed. But that doesn't say that the rates indicated are the only rates that will apply. Special circumstances might change any rate in the regulation.

The position I have taken on depreciation, with the group that we have studying it, is that we should have a regulation that says that once the depreciation on a particular category or type of property is established and the taxpayer and the Bureau agree to it as proper, it should not be changed after that point unless the one who wants to change it takes the burden of proof that the original determination was wrong or no longer applies.

That would save untold annoyance to business organizations and a terrific amount of money to the taxpayers and the Government in a matter which in the final analysis has really cost the Government a lot of money, for the reason that the Government has been beating depreciation charges down, down, down, and taxes have been rising; so that all that has happened has been that the deduction for depreciation has been shoved over to high-tax years and the Government has lost money by it.

Now, regardless of that, I am not just trying to save the Government money. What I am trying to do is get a reasonable policy, save annoyance to everybody, and have a rule under which, once a determination is made, there it is going to stay until the Government proves it ought to be lower or the taxpayer proves it ought to be higher.

Question. You hear very frequently among businessmen the idea that a company ought to be allowed to take just about any depreciation it wants and feels is reasonable, providing it is consistent and the Government doesn't lose any money in the long run, because if it fixes too much depreciation it is merely postponing its taxes. What do you think about that?

Answer. That is not sound accounting to begin with; nor is it good finance.

Question. Once the method has been set, Mr. Commissioner, don't you have to stick to that method in order to prevent distortions of income?

Answer. Generally speaking, that is true. If you've got the straight-line method, then you pay on the straight-line method.

Question. What do you think of the British scheme, which they announced the other day, for a tax rebate on new machinery, and so on?

Answer. Of course, that was done to encourage investment of risk capital. I doubt that we need to go that far in order to encourage risk capital. In effect, that is similar to the diminishing-balance method, under which you apply your depreciation rate to the diminishing balance (cost less previous charges for depreciation) of the asset.

For instance, if you've got a piece of property that is estimated to last 10 years, and it costs $1,000, then you take off 10 percent, which is $100, and the next year you take 10 percent off of $900, or $90, and so on.

Question. But you never completely depreciate the property on that basis——

Answer. No, but you can set the formula so that you can get back in a relatively short time the bulk of the cost of the property, and it is in effect an accelerated depreciation scheme, and you come down within the estimated life of the property to a residual balance which is approximately equal to its salvage value. But you do it much faster.

Question. Is that allowed now?

Answer. Oh, yes; there are taxpayers on that basis now.

Question. Can others who are not on it get on it?

Answer. From the standpoint of optimum application, that is a matter of tax policy and would have to be answered by the Treasury Department. That's why it is being concurrently considered by the Treasury Department.

Question. In other words, broad changes in depreciation policy would probably have to be done by legislation?

Answer. That approach should always be considered.

SMOOTHER IN BRITAIN

Question. Speaking of the British, have you made any study of their system of tax administration?

Answer. Not recently; no.

Question. The general impression we have over here is that the British sit down with the taxpayer and work out his indebtedness very promptly, without all this endless litigation. Is that true?

Answer. Yes. They do a much better job in that respect than we. For instance, I understand that a British chartered accountant can sit down with a taxpayer and work out his tax return, and when he says to the British Government, "I have made this return, I think it's all right," they will examine it, but a great deal of weight is attached to the fact that a British chartered accountant did the job. They don't seem to have as much or as protracted argument as we.

Question. Do you think we have too many disputes?

Answer. Far too many.

Question. With businesses, or individuals?

Answer. With business, primarily.

Question. Does the taxpayer in this country have a better chance to get his return approved if he has had it made out by an accountant? Do you take that into consideration in this country as they do in Britain?

Answer. Let's put it this way: The Bureau doesn't have any policy of accepting a return merely because it is made by an accountant, but I can tell you from my own experience that the taxpayer who keeps good books and has a good accountant make his tax return has very little trouble.

HAZARDS IN UNREASONABLE SURPLUS

Question. There is a great deal of interest in section 102, which prohibits the retention in business of an unreasonable surplus. After the war, many small businesses were alarmed by what they thought was an unfriendly, or rigid attitude——

Answer. And let me say that I think those who have been alarmed about it have had good reason to be. Who wouldn't object to having a sword of Damocles hanging over his head?

Question. I wonder whether the attitude has changed, whether or not an ordinary corporation can use its own judgment in retaining income?

Answer. Within reasonable limits, yes. Of course, no one should be allowed to use unnecessary accumulations of corporate profits as a means of escaping taxes that others have to pay. But I regard section 102 as a lever, not as a club, and I think that in applying it the Government should assume the burden of proof. As Commissioner of Internal Revenue I'm willing to accept that burden. I do not think that Congress put section 102 into the law to be used as a pattern for liquidation of the country's traditional en-

terprise system, to which our people's unparalleled high standard of living is so largely attributable.

Question. The burden should be on the Government?

Answer. Yes.

Question. By and large, it has been the other way around, though, has it not?

Answer. I'm afraid it has. In other words, the position of the taxpayer in that situation is just the same as it is with respect to any other question that the Commissioner raises, he has to prove his case. I don't think this should apply in the case of section 102.

From my point of view, before the Government says to a company that part or all of its profit accumulations are excessive, I think we ought to be ready to prove our case.

Question. At least by indirection, one of your predecessors as Commissioner of Internal Revenue set up a 70 percent rule. The impression was abroad that any small, closely held company that paid out less than 70 percent of its earnings in dividends was suspect under such rule——

Answer. That's right.

Question. Is that still so, are they still suspect, or is there any reason to believe that they are suspect if they pay out less than 70 percent?

Answer. I wouldn't say they are suspect, but I think for orderly and common sense administration of the tax law you've got to have some rule—whether 70 percent distribution is adequate or inadequate, I don't know. I wouldn't want to say. But I say this: You've got to require people to pay out reasonable dividends.

In this question whether accumulations of earnings are necessary in a particular case, you've got to have some standard as a basis to go on. But I don't think it can be any fixed amount—70 percent, or 50 percent, or any other percent.

I think each case has to be considered on its own merits, and when the Commissioner says, "I think you people are taking advantage of a good situation," I think he ought to be able to prove it.

LAW'S POWER TO DESTROY ENTERPRISE

Question. Can that be made policy without a changing of law?

Answer. I hope so. However, I fear that would require legislation. But as Commissioner, regardless of the legislation, that is one section of the law that I would be very reluctant to be harsh about, for the simple reason that I don't think Congress means to destroy enterprise, and I think that section 102 in unwise hands can be used to do just that.

Question. Doesn't the Government often spend more in collecting a tax debt than the collection is worth? What can be done about that?

Answer. In the case of willful and flagrant tax evasion, I don't think anything should be done about it. The time and effort spent in sending a crook to jail often costs more than the revenue that we obtain from him. But that doesn't worry me, for in the long run the deterrent effect of prosecution on would-be evaders nets us revenue far in excess of the costs of a particular prosecution. Moreover, the fellow should be in jail anyway. As between the jailing of a crook and collecting the taxes he owes, I'd rather see him in jail any time.

As to other classes of underpayments, we propose to take all the factors into consideration in each case and use plain commonsense. I certainly do not propose to make minor adjustments in the audit of tax returns just to pick up a few dollars here and there; neither do I propose to issue distraint warrants and liens on insignificant amounts of balances due but unpaid. We have the approval of the Comptroller General's office to write off small debit balances.

Question. What is the morale situation in your Bureau? Are you getting much turnover?

Answer. Well, yes; we are having some turnover, but I think we may say that morale is improving steadily. You see, this is not a spending agency; it is a necessary operating function of the Government. It's always going to be there; therefore, if a man comes to work in the Bureau and keeps his record clean and tends to his business, the chances are he will wind up with a pretty good grade and retire with a fair pension; hence, we don't have as much turnover as some agencies have had. There are a lot of people in the Bureau, and because we are a stable establishment, the average age of all the Bureau's people may be a bit high in relation to some of the other agencies.

However, by a different attitude at the top, I think we have considerably restored, or started morale on the way back up.

Question. Fear isn't a dominant factor, then?

Answer. No. We want to get injected into the Bureau, with the approval of the Civil Service Commission, the idea of accelerated recognition of outstanding merit. If we can get that, it will be a great help. Moreover, we think we have to adopt a firm policy as to discipline. We think it has been too lenient in the past.

Question. What are you going to do about gratuities that come toward these employees? Are you going to prohibit them from receiving any?

Answer. Absolutely.

Question. And what about going to lunch with a taxpayer? Is that a rule of the Bureau?

Answer. It isn't a rule of mine. I think it is unwise for a man to get too chummy with the taxpayer or his agent, but I don't know whether you can have an ironbound rule on that.

ROTATION FOR AGENTS?

Question. Do you think that agents should be moved from one locality to another occasionally?

Answer. I think certain types of personnel ought to be rotated. I haven't decided yet exactly where rotation should stop, but there certainly are types of jobs that call for rotation, and I believe it will make for better service to adopt rotation in those cases.

Question. In the past the Bureau had been accused of withholding prosecution where the Department of Justice is ready to prosecute and the Bureau is not, or vice versa. What have you done about that?

Answer. My feeling about prosecution is that when you find that you have your facts and investigation is finished and prosecution is indicated, the case should go to the Department of Justice promptly with recommendation of prosecution.

Question. There have been a number of cases where they have examined the defendant and found that he supposedly wasn't in good health and so they defer and defer the case, until they finally drop it because the defendant is not well enough to stand trial——

Answer. That's a matter, I think, to be settled by the Department of Justice and the courts. I don't think it is up to the Bureau to determine that. If the Bureau says to the Department of Justice, "Here's a fraud case. We think it ought to be prosecuted, so we are sending it to you. Whether to prosecute or not is your job." Now if they want to determine that health considerations should delay prosecution or stop it, I think that is a matter between the district attorney and the court.

Question. What proportion of your personnel is under civil service now?

Answer. Everyone except me.

REORGANIZING THE BUREAU

Question. What do you do about the deputies that got in at the last minute under the so-called questionable examinations? How are you going to handle those?

Answer. You mean the district commissioners and the directors of revenue?

As far as the reorganization is concerned—that's what you're talking about, I believe—I have said a number of times that I thought the reorganization of the Bureau was structurally and functionally a sound move. I have considerable reservations about the manner in which it was implemented. My feeling is, however, that nobody is smart enough to walk into an organization as big as that and in a matter of a few weeks, or even a few months, know exactly what he wants to do with it.

You have, moreover, a very serious personnel problem involved there. Suppose I determine tomorrow that half of my district commissioners and half of my directors are unsatisfactory. Where would I get 8 district commissioners and 32 directors right quick? Men qualified to hold those jobs aren't running around loose. I'd hope to find them in the Bureau. But in any event it would take time—a good deal of time—to find the right men.

I've asked Congress to let me handle this matter administratively, and I have assured them that, if or to the extent I find I can't handle it that way and need legislation, I'll ask for it. We will not hesitate to replace any officer or employee of the Bureau whom we find not up to his job.

Question. Would you clear up a question about your personal plans? When you took office, didn't you indicate that you were only going to be here for 2 years?

Answer. No; I did not. As to this there has been confusion of my personal plans with my official objectives. What I have said has been that as a necessary goal we are shooting at getting the situation in hand within 2 years. If we did not establish some reasonable deadline for getting our house in order we'd run the risk of wandering aimlessly. It's too early to talk about my personal plans. There's a big job to be done here, we've just started on it, my colleagues in the Bureau are cooperating with me wholeheartedly, and I intend to see it through with them.

TAX UNIT SEPARATE FROM TREASURY?

Question. Have you had any thoughts even before you came into office as to whether the Bureau of Internal Revenue should be divorced from the Treasury and made an independent agency like the Comptroller General's office?

Answer. I'd rather not get involved in that question. If I advocated independence I'd be accused of empire-building ambitions. If I opposed it, and the Treasury Department happened to be opposed to it, too, I'd be accused of submitting to domination. I do not wish to be put in either position. However, I can discuss the question generally. The important thing, it seems to me, is to settle the question on the basis of what would be best under all conditions.

It so happens that the present Treasury team is a very congenial group. We work together in mutual confidence and complete harmony. Thus, there is no domination of the Bureau; on the contrary, we operate under a grant of broad authority except as to the matters that come under the Chief Counsel of the Bureau, who is functionally responsible to the General Counsel of the Treasury Department.

Obviously, the success of this kind of setup depends largely upon the personalities involved. It seems to me, therefore, that the question is whether from the long-range point of view this is the kind of setup which under all conditions will be most likely to provide administration of the revenue laws that is as directly and as promptly responsive to the intentions of Congress as can be achieved.

So it all boils down to people. The most important thing in the world is people. If I get the right kind of people I can run the Bureau efficiently under any kind of setup.

Question. It has been argued that if you get an independent agency you're liable to get arbitrary action—

Answer. I believe that experience has shown that that can happen under any kind of setup. It's still a question of people.

Question. Have the previous commissioners been practicing accountants like yourself?

Answer. No. I believe I am the first certified public accountant ever appointed to the job.

The PRESIDING OFFICER. The question is on agreeing to the amendment offered by the Senator from Delaware, as amended.

The amendment as amended was agreed to.

Mr. DOUGLAS. Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER. The question is on agreeing to the committee amendment, as amended.

The committee amendment, as amended, was agreed to.

Mr. DOUGLAS. Mr. President, a parliamentary inquiry.

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

Mr. DOUGLAS. Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER. The Senator from Illinois will state it.

Mr. DOUGLAS. May I be permitted to ask a question of the distinguished chairman of the Committee on Appropriations with regard to an item in chapter 2 of the bill? I should like to ask a question about the item on page 5, lines 5 to 10, which appropriates $9,331.26. I inquire how much of the amount is for the exchange of motor vehicles for the offices of the Secretary of the Senate and the Sergeant at Arms.

Mr. BRIDGES. I will say to the distinguished Senator from Illinois that the item covers the buying of 1 large mail truck and 2 small delivery Chevrolets. The trucks in service now have outlived their usefulness, and their continued operation involves very heavy expense. The item covers mail vehicles for the Senate.

Mr. DOUGLAS. It does not involve automobiles for the Secretary or Sergeant at Arms?

Mr. BRIDGES. Not passenger automobiles, I will say to the Senator from Illinois.

Mr. DOUGLAS. I express the hope that when the general appropriation bill comes before the Senate the majority will observe Spartan simplicity in matters affecting the officials of the Senate.

Mr. JOHNSTON of South Carolina. Mr. President, I should like to add to what has been said that I am familiar with the activities of the Senate Post Office. I know it is necessary at this time to make the appropriation to which the Senator from Illinois has referred. In the long run it will save money for the Government.

Mr. DOUGLAS. I thank the distinguished Senator from New Hampshire, and I will look hopefully in his direction when the main appropriation bill comes before the Senate.

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

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

The bill (H. R. 4664) was read the third time and passed.

Mr. BRIDGES. Mr. President, I move that the Senate insist upon its amendments, request a conference thereon with the House of Representatives, and that the Chair appoint the conferees on the part of the Senate.

The motion was agreed to; and the Presiding Officer appointed Mr. BRIDGES, Mr. FERGUSON, Mr. CORDON, Mr. HAYDEN, and Mr. RUSSELL conferees on the part of the Senate.

APPOINTMENT OF ADDITIONAL CIRCUIT AND DISTRICT JUDGES

Mr. HOLLAND. Mr. President, inasmuch as I shall be absent tomorrow when, as I understand, the majority leader expects to bring up S. 15, I should like to make a short statement with reference to the portion of the bill which relates to district judges in the southern district of Florida.

First, I wish to thank the committee for providing, as they do in the bill, two additional district judges for the southern district of Florida.

Second, I wish to say, since the two Senators from Florida will necessarily be absent tomorrow, attending the biennial session of the Florida Legislature for their official visit, that I should like to have the RECORD show that in making the recommendation for these two additional judges the distinguished committee has recognized the fact that our very large growth in Florida in recent years has left us in the worst condition possible, so far as congestion of dockets is concerned—the worst, I believe, that can be found anywhere in the Nation.

Our increase in population from 1940 to 1950 was 880,000, and the census figures released not long ago for the estimates as of July 1 of last year showed an additional increase of between three hundred and four hundred thousand.

The congestion of the dockets in the southern district of Florida, as compared with similar areas of large growth, such as California, Arizona, Oregon, and Washington, is so much worse in Florida that it is greatly in the interest of expediting justice and of making the courts function better to allow two additional judges as provided in S. 15.

I wanted to make this statement for the RECORD by reason of the fact that the two Senators from Florida will not be present tomorrow.

THE SECURITY ORDER RELATING TO FEDERAL EMPLOYMENT

Mr. JOHNSTON of South Carolina. Mr. President, these are dark days for the many faithful and hardworking Federal employees. Under other circumstances I might refer to them as Federal civil servants—however, in view of the happenings of the past few weeks that show a strong tendency to completely destroy the civil-service-merit system, I think it a bit of a misnomer to now associate the words "civil service" with Federal employees.

The purpose of my remarks today is to insert in the body of the RECORD a letter written by George W. Ball, of Washington, and appearing on the editorial page of the Washington Post of May 5, 1953, concerning the new security order just released by the new administration.

I ask unanimous consent that the letter be printed in the RECORD at this point in my remarks.

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

THE NEW SECURITY ORDER

As a lawyer with some years of practice in Washington I had come to believe there were faults in the loyalty-security program in effect under the last administration. But the Republican substitute is worse—so much worse that any partisan satisfaction which that fact might give me as a Democrat is overwhelmed by the dismay it causes me as a citizen. The former program at least made a serious effort to satisfy two demands not readily reconcilable: protecting the Federal service against subversion, and assuring the maintenance of a fair and objective standard for hiring and job retention. The new order, in concentrating on the first objective, has lost sight of the second; in so doing it has performed a net disservice to the interests of our national security.

Contrary to the impression created by the President, the procedures elaborated by the draftsmen of the order are not new or original; in their essentials they have been borrowed from existing legislation. This legislation, intended originally to apply to a limited number of security-sensitive agencies, has now been stretched with dubious legality to blanket all Federal agencies.

The most serious procedural problem in this area has always been to give employees an opportunity, consistent with the demands of security, to be told the charges against them and to confront their accusers. The new order leaves it for the security officer to determine how much to tell an accused employee about the charges against him. Security officers, who under the order are investigators and prosecutors, will naturally tend to withhold specifications of charges as long and as completely as they can. Yet the new order offers no adequate criteria to limit their discretion. They are authorized to disclose as much as "security considerations" permit.

The order shows the same failure to cope with the question of confrontation. Experience shows that to deprive accused employees of a chance to confront and cross-examine their accusers is gravely unjust; it makes it difficult and sometimes impossible to reach the truth. Yet the new order perpetuates one of the major defects of the old procedure; not only does the accused employee have no right of confrontation, but the fact-finders themselves—the hearing boards—except in unusual cases, have no opportunity to judge the credibility of the informants.

The FBI has repeatedly stated that it does not evaluate the information it collects and that its reports include gossip and rumor. An evaluation by the security officer (who is designated as the prosecutor) is scarcely adequate. Yet the new order provides full protection for the "confidential informants." Whatever the interest in the protection of continuing sources of information—the professional informers—there is absolutely none in shielding casual informants. In fact, their willingness to acknowledge their statements may be a useful index of their credibility.

The new order offers no definition of the "confidential informant" whose anonymity it protects. The phrase can and almost certainly will be used to embrace crackpots, frustrated fellow employees, and grudge-bearing neurotics.

The principal change made in the procedures—the change in the method of selecting hearing boards—has some merit. Under the new order these boards are to be composed of officers and employees from agencies other than that of the accused employee. But while the new order takes 1 step forward toward greater impartiality, it takes at least 2 steps back when it provides that the nominees for the hearing board roster shall be picked by the personnel security officers of the various agencies. These officers, concerned exclusively with protecting security, will almost certainly restrict their choices to persons known to favor an exclusionary policy.

The Attorney General has referred to the present Loyalty Review Board as "discredited." He proposes to solve the problem of a "discredited" review by independent citizens, by providing none at all. The only check on the decisions of a hearing board picked by security officers will be by the agency head. Yet the agency head has no time to read a hearing board record and make an independent judgment.

The continuing study of general procedures by the Civil Service Commission, provided for in the new order, offers no adequate substitute for a case-by-case appeal to a tribunal free from the pressures that will weigh heavily on the new hearing boards.

If the position of the permanent employee is bad under the new order, the position of the temporary or probationary employee is impossible. He is denied even a limited hearing board procedure. His fate is, for practical purposes, in the hands of the security officer who brings the charges against him. The order gives him the right to obtain some statement of charges from the security officer and to reply in writing, but unless the head of the agency is willing to overrule his own security officer (and can afford the time to study as much of the file as the security authorities see fit to make available to him), the temporary or probationary employee is dismissed.

Even if the procedures established in the new order met minimum standards of fairness and objectivity, the criteria laid down for determining when an employee is a security risk are so broad as to threaten the integrity of the merit system. Subject only to the informal discretion of personnel security officers, an employee can be set on the road toward suspension and termination if, for example, information is developed on any behavior, activity, or associations which tend to show that the individual is not trustworthy or reliable.

This provides an opportunity to liquidate civil servants without the tedium and publicity of existing Civil Service dismissal procedures. Such an opportunity will not long escape the notice of agency heads.

The order exalts a new power group within the Federal structure. Even under the old procedures the security officer was rapidly becoming a man to be feared by all employees, however loyal and honest. The new order gives him a practical power of life or death over their careers. Its particular vice is that it offers the possibility for effective control of the Government service by a well-placed, ambitious man who can obtain the allegiance of key security officers.

The standards and procedures embodied in the new order will have destructive effects on the Federal service. They empower the personnel security officer to make the determination for which the civil-service system was organized, with all its checks and balances: the suitability of an American citizen to serve his Government. They increase the probability that an employee faced with unfounded charges can be intimidated into resigning, rather than stake his reputation in a game where the cards are stacked against him.

Those employees who remain in the service will be dull where they ought to be daring, subservient where they ought to be critical, lest an inconvenient display of imagination be held untrustworthy, or independence of thought be considered unreliable.

But the greatest dangers of the system lie in the future. We have laid the foundations in the last three generations for an independent career civil service, on which the security of our country to a great extent depends. Now we are in danger of building an army of bureaucrats who will serve their supervisors and the clock but not the public. What kind of recruits can our Government attract, and how effectively will it guard our national security, if it puts a premium on rigidity of thought and flexibility of principle?

GEORGE W. BALL.

WASHINGTON.

Mr. JOHNSTON of South Carolina. Mr. President, this well-written statement adequately points out the dangers in this new and major link in the chain of events that will ultimately completely and thoroughly destroy the Federal civil-service merit system.

I have no political ax to grind here, for I am firmly convinced these events will live to plague the Republican Party for many years to come. The only quote that can be appropriate is, "Forgive them, Father, they know not what they do."

I merely rise to call on the new Chief of State, President Eisenhower, to pay close attention to the activities of his Cabinet and staff. I can only assume that he is not aware of what is taking place. One only has to refer to his statements both before the election and quite recently to assure themselves that President Eisenhower could not possibly be aware of what his assistants are doing to the civil-service merit system.

In closing, I most certainly want to make this appeal to the various citizens' groups, such as the Citizens' Committee for the Hoover Commission Recommendations, the National Civil Service League, and others: Be as diligent and forceful with the new administration as you were with the old. Continue your effective fights for a more improved civil-service merit system or, at least, for maintaining the gains made under the Democratic administrations of the past 20 years.

I plead with you, please come out of hiding and let the new President know if you approve of the new orders affecting Federal employment.

I must offer my congratulations to the Members of the House of Representatives who yesterday voted down an amendment previously adopted by its Appropriations Committee. This amendment would have granted to certain heads of agencies authority to fire employees at will, without regard to veterans' preference or civil-service rules and regulations.

Mr. President, the action taken by the House is, in my opinion, a very encouraging sign; it was most encouraging when the House of Representatives took such conclusive action yesterday, by means of its vote.

Mr. HUMPHREY. Mr. President, will the Senator from South Carolina yield to me?

Mr. JOHNSTON of South Carolina. I am glad to yield.

Mr. HUMPHREY. Does not the Senator from South Carolina agree with me that, because of the difficult situation which arose in the House of Representatives, particularly as a result of the action of the House Appropriations Committee, we must exercise eternal vigilance if we are to protect at all the merit system in the civil service?

Mr. JOHNSTON of South Carolina. The Senator from Minnesota is correct.

Mr. HUMPHREY. Does the Senator from South Carolina also agree with me that one of the great bulwarks of honest and faithful Government service is the civil-service merit system?

Mr. JOHNSTON of South Carolina. There can be no question about that.

In that connection, I wish to refer to a statement made by General Eisenhower at the time when he was a candidate for the Presidency, and when he was speaking before the National Association of Letter Carriers, on September 1, 1952:

> No one could say I was fair if on the instant that the Republican Party went into power, I should authorize or condone any discharge of a hardworking civil-service employee.

Let me also refer to a statement made by General Eisenhower on September 25, 1952, at Frederick, Md.:

> The loyal efficient Federal employee—no matter where he is working—has nothing to fear from me.

Mr. HUMPHREY. Mr. President, will the Senator from South Carolina yield to me, for a further question?

Mr. JOHNSTON of South Carolina. I yield.

Mr. HUMPHREY. I believe the Senator from South Carolina would agree with me, would he not, that of course we would expect that any employee who was not faithful to his duty or who exhibited aspects of incompetency would be subject to dismissal; and would not the Senator from South Carolina also agree with me that certainly the administration should have the right to make any changes which might be necessary at the very highest levels of policy-making positions?

Mr. JOHNSTON of South Carolina. I agree that should be so.

Mr. HUMPHREY. Does the Senator from South Carolina also agree with me that when we come to the great body of what we call the civil service structure of our Government, the merit system cannot be tampered with without returning to what we call the system of "To the victor belongs the spoils," thus returning to patronage and politics in the Government service, which would be a great curse?

Mr. JOHNSTON of South Carolina. That is the danger when the merit system is tampered with.

Mr. HUMPHREY. If the Senator from South Carolina will further yield to me, let me say I believe it is about

time we paid appropriate tribute to our civil servants, who have been the target of much abuse during the years. Now that there has been a change of administration, I hope that attack on them will cease, and that those who have given faithfully of their time and energy to the Government of the United States in honorable employment will be recognized as the honorable citizens they are—as good, loyal American citizens who have fulfilled their duty with integrity and honor, and who therefore are worthy of the commendation of the Congress and of the respect of the general citizenship, rather than of attack and abuse.

Does the Senator from South Carolina agree with that general philosophy?

Mr. JOHNSTON of South Carolina. I agree with everything that has been said by the Senator from Minnesota, and I believe that every loyal, efficient, Federal worker should not be affected in any way by any change of administration, whether it be Democratic or Republican.

UTILIZATION OF LOCAL AND STATE COMMITTEES UNDER SOIL CONSERVATION AND DOMESTIC ALLOTMENT ACT

Mr. SPARKMAN obtained the floor.

Mr. HUMPHREY. Mr. President, will the Senator from Alabama yield to me at this time?

Mr. SPARKMAN. I yield.

Mr. HUMPHREY. Mr. President, I ask unanimous consent to introduce, out of order, a bill on which I shall comment later, inasmuch as the Senator from Alabama now has the floor.

The bill would require the Secretary of Agriculture in carrying out the provisions of the Soil Conservation and Domestic Allotment Act to continue to utilize the services of local and State committees established under such act, to require that the services of such committees be utilized in carrying out farm-price support and crop-insurance programs, and to provide for the election of such State committees by members of the county committees.

I merely say that the purpose of the bill is to protect what I consider to be one of the finest departments in American political and economic life, namely, the democratic, freely elected activities of the Production and Marketing Administration, which have done such a splendid job throughout the years.

I look with considerable concern upon the efforts being made to make over these committees into advisory groups, and, ultimately, I predict, to extinguish them or do away with them. I think that would be a blow to a sound agricultural program.

There being no objection, the bill (S. 1847) to require the Secretary of Agriculture in carrying out the provisions of the Soil Conservation and Domestic Allotment Act to continue to utilize the services of local and State committees established under such act, to require that the services of such committees be utilized in carrying out farm-price support and crop-insurance programs, and to provide for the election of such State committees by the members of county committees, introduced by Mr. HUMPHREY, was received, read twice by its title, and referred to the Committee on Agriculture and Forestry.

THE ADMINISTRATION'S TAKE-AWAY PROGRAM OF HARD CREDIT TERMS AND HIGH INTEREST RATES

Mr. SPARKMAN. Mr. President, much has been said about the give-away program that has been under way during the past 100 days.

What has been given away thus far is a little difficult for the citizen who has no way to know the details of his Government's day-by-day actions to grasp or to see concretely. It is to a large extent value which would have been realized or income that would have been earned at some future time. Or it might have been reflected in lower payments or lower prices to consumers at some future time, but which, because of the give-away program, will not be realized.

What I want to talk about now is something that is a lot clearer, easily understood, direct, and immediate. To be sure, it will have a tremendous effect in the future.

I would prefer to label this recent development as a take-away program. It is much bolder than any action the administration has taken to date. And yes, most unfortunately it affects our veterans—every veteran eligible to buy a home under the GI home-loan program—more than 13 million of them, and the number increases each day.

The take away is the decision of the administration to increase the interest rates on GI loans from 4 percent to 4½ percent—a decision made necessary by recent action of the Government in deliberately increasing the interest on Government bonds to 3¼ percent.

I said at the time—and events are proving me right—that the increase was more than was necessary, and that the deliberate raise to 3¼ percent would cost the people of this country billions of dollars.

In 1944, Congress, out of gratitude for our millions of servicemen, passed the GI bill of rights, and, as part of, it set up a program whereby a veteran could buy a home for himself and his family, and have the mortgage guaranteed by the Government. Over 3 million veterans have so far availed themselves of this opportunity and have established a wonderful record of repayment.

Millions of World War II and Korean veterans still hope to participate in this program. Any veteran, however, who buys a home under this program from yesterday on, will find it necessary to do 1 or 2 things—either pay up to $1,000 or more for the same house he has been getting, or take a house with 1 room less.

One-half of 1 percent sounds rather insignificant, but on a 25-year $10,000 mortgage a veteran will be required to pay $840 more in interest, or almost 10 percent of the original cost of his home.

Actually most veterans buy the best house they can afford on which they can meet the monthly payments. The effect of interest increase of one-half of 1 percent and the resultant overall cost will thus be reflected in a lower-priced home than the veteran would otherwise buy.

Construction costs are high. The veteran needs all the money he can get to pay for a more adequate home. The higher the charges for amortizing and carrying the mortgage, and so forth, the less adequate will be the home he can afford. As a matter of fact, the average veteran because of the high cost of homes has been forced all too frequently to crowd into houses too small for a growing family.

The interest increase, I repeat, will cost the veteran just about what an extra bedroom would cost, and will thus tend to perpetuate crowded living conditions.

The decision, then, of the administration to refinance the national debt at a much higher rate of interest—at least a 30-percent higher rate if the recent bond issue is indicative—which in turn brought about the increase in home mortgage rates, is just the same as taking away from the veteran, and other home buyers, that extra and often very necessary bedroom.

For the last few years approximately $3 billion in VA guaranteed loans were underwritten each year. Assuming that approximately the same amount of GI loans continues, the increase in the rate by ½ of 1 percent means an increase in the payments by veterans of $15 million annually. Thus it takes away $15 million each year from the veterans of our country.

Add to this amount the additional ¼ of 1 percent on the approximately $2 billion that purchasers of FHA insured homes will have to pay and the administration will have taken away $20 million annually from home buyers under these two programs alone. Since approximately $13 billion more in conventional loans are also underwritten each year, and the interest on these loans will also go up, one can judge just how many tens of millions of dollars will be taken away from home buyers each year as a result of the administration's high interest rate policy.

Many in the construction and mortgage industries have said with considerable justification that after the decision of the Treasury to issue a long-time debenture at 3¼, the interest rate on GI loans and FHA loans had to go up. On those, then, who made the decision to raise so sharply the interest rate on Government bonds rests primarily the responsibility for these added costs to the home buyer.

Actually, in my opinion, the increase in the interest rate on GI loans will only temporarily relieve the tight mortgage market. And, more important, it will further tighten the market for Treasury funds. With high yields on VA and FHA loans, mortgage investors will prefer them to lower yielding treasuries, municipals, and high grade corporates. This will force Treasury and others, in order for them to get their share of funds, to up their yields, and around and around it will go.

All types of Government credit needs, and Government insured mortgages, guaranteed loans, and other financing programs will compete with one another for higher and higher yields. Instead of

stability, under the present policy, there can be only instability.

This fact was pointed up by a short news item that appeared in the May 5 issue of the Washington Post, under a New York headline. The article pointed out that "marketable United States Government bonds dropped to record depths as dealers reported demand 'melting away.'" It stated that even the new 3¼'s were slightly below par.

The article further said that "securities dealers blamed the losses in bond prices on the Government-sponsored rise in interest rates and the continuing flood of new financing."

Mr. President, I may point out that in the news item which I hold in my hand it is stated that some of the Government bonds were selling for as low as 91$^{20}/_{32}$. It simply does not seem to me that we should be following a policy that pushes the value of guaranteed Government bonds down to such a low level as that.

I suspect there is some connection between the increase in home-mortgage rates and the further drop in Government bonds.

At any rate, we see the chain reaction of 3¼ bonds forcing an increase in home-mortgage rates, and that in turn forcing down the value of Government bonds.

As a leading authority in the field of GI home lending said to me yesterday, "I wonder if the GI will in the long run be able to get credit even at the new rate." In fact, I may add, the suggestion was made that perhaps now, with the interest rate increased, we find ourselves about where we were before, because the push upward to 3½ points was so great that, the first thing we know, the complaint will be made that money cannot be found even at the new rate of 3½ percent.

Those who will gain the most under these constantly rising rates are those who clip the coupons and own the mortgages. The home buyers, the taxpayers, and the consumers will foot the bill.

Indeed, the millions of people who have to have credit, who can least afford high interest costs, will be the ones hurt most.

Mr. President, the people I am talking about are the great masses of people on whom in the long run the economic well-being of the Nation depends. If they are reasonably well off, if they have reasonably adequate dollars with which to purchase goods and services, the economy will remain stable and those who know how to accumulate money will have better opportunity to do so. If, however, the cost of credit—credit, I repeat, without which these millions of business and family units cannot carry on their daily affairs—is to deprive them unnecessarily of dollars they need to run their businesses, to make their crops, to send their children to school, and to buy their clothing, food, and other necessities of life, there is bound to be, at the best, a serious economic recession, or, at the worst, a disastrous depression that would play havoc with both our domestic and foreign affairs.

While I intend primarily to talk about the adverse effect high interest rates will have on the home buyer, and especially on veterans, I am going to take just a moment to say a few words as to how the Government's deliberate policy of hard terms and high interest rates will affect other groups of our people.

First. Taxpayers will now have to pay additional millions of dollars for interest on the national debt. An increase of three-fourths of 1 percent on each billion refinanced—and that was the increase in the recent bond issue—will cost taxpayers of this country $7½ million each year. To refinance $100 billion of the national debt at the same interest-rate increase will cost the taxpayers of this Nation three-fourths of a billion dollars each year. While I recognize that all of the national debt cannot be refinanced immediately, refinancing at the same rate of interest of the total $265 billion that we owe—and almost entirely as a result of wars—would cost the taxpayers nearly $2 billion annually.

These unjustified costs will fall heaviest on the low- and middle-income groups—groups whose standard of living is already too meager.

Second. Then, look at the $330 billion of private debts. Charges on these debts are bound to increase even more than three-fourths percent. An upward adjustment of 1 percent alone on private debts will cost the consumers of this country $3,300,000,000 annually.

Everyone knows that most automobiles, refrigerators, television sets, furniture, and dozens of other items are bought on credit. To have to pay higher interest and carrying charges will simply mean in the long run the purchase of less and less of these goods.

A recent issue of the Wall Street Journal has this to say:

> The cost of on-the-cuff buying is heading higher. * * * Some of the biggest lenders of funds for installment purchases are quietly hiking their rates by at least one-half of one percentage point a year. * * *
>
> Here's what a hike of one-half of 1 percentage point means to a car buyer:
>
> Suppose he makes a downpayment of $1,000 on a $3,000 car. The $2,000 balance is to be financed over 24 months. The increase will boost his total interest charge from $220 to $240, or by more than 9 percent. His regular payments amount to around $93 a month, plus an extra fee for insurance.
>
> The installment buyer may also have to make a larger downpayment and pay off his loan in a shorter time than a few months ago. Many lenders have been tightening up on such terms.

So we see, Mr. President, that everyone is following the Government's lead of charging higher rates.

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

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

Mr. HUMPHREY. I saw recently in the Journal of Commerce an article containing a report of the three large consumer-credit organizations. Some of them—I believe two—are directly concerned with automobile purchases. What the Senator has said is verified by this article, which points out that the interest rate had already gone up, and that one large company, the General Motors financing group, had its highest year of earnings last year, but that, despite that, it raised its interest rate again this year; which, of course, will, as the Senator has pointed out, increase the size of the payments on a car, and will increase the total overall cost of an automobile. As the Senator has also suggested, it may very well result in a policy which will shorten the payment period, and thereby affect the market.

I think it should be further noted that at the present time the automobile industry has greatly overproduced, insofar as demand for automobiles is concerned, and the higher interest rates could have a serious effect upon consumer demand for this excess production.

Mr. SPARKMAN. I thank the Senator for his contribution. His statement is correct. I am glad he quoted from the Journal of Commerce. I have another quotation from that newspaper which I shall read a little later on.

I invite attention to the fact that my documentation is from newspapers, periodicals, and persons who certainly cannot be charged with being biased toward any New Deal or Fair Deal or easy-money condition. A minute or so ago I quoted from the Wall Street Journal. Only a few days ago that newspaper had a front page column in which it dealt with the problem of the increase in interest rates and what it would mean to people interested in buying houses, or buying goods and commodities, such as automobiles, refrigerators, and so forth, on time payments, as well as to other groups in our economy.

Mr. President, I said a little earlier that I felt that the increase had been too great. I am not condemning some increase in the interest rate on Government bonds. Perhaps it was necessary. I had the privilege of discussing the question with Mr. Randolph Burgess, and he said it was necessary to raise the rate of interest. At that time I told him I thought the Government had gone too far and too fast, and that certainly a lower rate should have been tried, and perhaps on a smaller scale. I believe that to be true.

I happened to be reading a newspaper a short time ago when I saw a headline as follows: "Two Economists Cite Depression Signs."

I am not here for the purpose of crying out that we are going to have a depression. I very seriously doubt that we shall ever have a deep depression such as we experienced in the 1930's. I believe the things we have done since the 1930's will shore us up against another depression such as that one, but we would not have to get into a great depression before great masses of people suffered.

The newspaper article to which I have referred tells about a program which originated in Washington last Sunday. I read from the article:

> Two economists agreed Sunday that peace will not inevitably bring depression although "there are real threats—we are in a shaky situation."

Mr. President, I was interested in knowing who those economists are. One was Mr. Leon Henderson, who is an outstanding economist, but, since he was connected with the New Deal administration, someone might say he is a New Deal economist.

I looked to see who the other economist was, and I found that it was Dr. Edwin G. Nourse. I think no one would call him a New Deal economist.

The article continues:

On that point, Nourse agreed, under questioning, that the increase to 3¼ percent in the interest rate on a recent billion-dollar-bond issue may have been a little too large.

As a matter of fact, Mr. President, I am sure that Dr. Nourse does believe it was too large, and I think the facts have indicated that it was too large, and that the impact it has created has been bad.

Another thing, Mr. President: It seems difficult for me to understand why the 3¼-percent bonds are already selling below par. At least, so the Washington Post reported yesterday. They are 7/32 below par. It does not seem reasonable that the very bonds themselves should have already fallen below par. What a tremendous effect it has had on other bonds.

A banker friend from Alabama who was in Washington not long ago called my attention to the fact that banks—I am speaking of the smaller banks such as are found in most of the towns in Alabama—have their reserve funds invested in Government bonds. He said that when a bond recedes to $95 from $100, as had happened at that time, the bank's reserves are weakened and they have no way of replacing them.

I read in the Washington Post this morning a column by Livingston in which he told of a couple of banks which were consolidating. They had figured out the value of the stock of each bank, but the stock of one bank had fallen 8 points because the depreciation of the bonds it held had carried down the value of its stock by that amount.

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

Mr. SPARKMAN. I yield.

Mr. GORE. Though I join with the distinguished junior Senator from Alabama in the hope that the policies we now see being inaugurated and put into effect will not have a seriously deflationary effect, is it not true that the policies which the distinguished Senator has just described are deflationary, and, furthermore, do they not come at a time when many signs indicate that we are already having deflationary conditions?

Mr. SPARKMAN. The Senator from Tennessee is exactly correct. I want to be sure that he and I are in agreement on one point. I did not say they would not have a deflationary effect. What I said was that I did not believe we were necessarily headed toward a depression. I am not trying to cause any scare, but the policies are deflationary and they are having a deflationary effect. I think there are conditions that must be watched very carefully and checked before a deflationary downward spiral sets in.

Mr. GORE. As the distinguished Senator from Alabama proceeded, I made some mental additions as to the estimated increased interest payments which various groups, including the taxpayers of the country, would have to pay as a result of this policy, and the best figure I could arrive at was more than $5 billion. Will not that decrease the amount of profit that business earns? Will it not reduce the purchasing power of the interest-paying people of the country? Are we not taking this amount of added interest—when I say "We," I mean the Government—is not the Government promoting a policy which takes from the interest-paying group these dollars and adds them to the earnings of those who have money?

Mr. SPARKMAN. Yes. I believe the Senator is correct. I think that is exactly what took place in the 1920's. I am going to say more about that a little later. It is rather strange that most people think of the depression as having started in 1929. That is when it started as to those who had been accumulating funds in the great money markets of the country, but the distinguished Senator from Tennessee, a great agricultural State, knows as well as I do that the depression which affected the farm people, the small-business people, and even the small bankers in the small towns, started in the early 1920's with a deflation policy which was put into effect at that time by the administration and the Federal Reserve System.

That is exactly what I am trying to caution against. Let us remember that and not let such a movement get started again. Of course the Senator is correct. I have not figured up everything. I gave 1 or 2 rough estimates a few minutes ago, and I certainly would not think $5 billion, if one takes into account all segments of society, would be far off the mark.

Another point to remember is that simply because the Government raises its rate of interest three-quarters of 1 percent or a half percent, or somewhere in between, since the rate varies as to the different issues or debentures or terms of the bonds, the interest rate in Tennessee or in some rural county in Alabama, at the local business house or bank, will not increase by the same amount. As a matter of fact, we know that will not be the case.

Mr. GORE. It is always more.

Mr. SPARKMAN. Yes it is always more. I dare say that if the Government increases its rate of interest, as it has on this issue of bonds, there would be a general increase in the rate of interest throughout the country of 1 percent.

Mr. GORE. Is it not a fact that nearly every bank in the country is now raising its interest rates in conformity with the monetary policies set by the Central Government?

Mr. SPARKMAN. Yes, and they are going further. The Wall Street Journal pointed that out. They are not only increasing their interest rates, but they are going to small-business firms and calling loans or tightening up on them. So the man who wishes to make a new loan will find not only that he will have to pay a higher rate of interest, but that he will have harder terms and a shorter period in which to repay the loan, or else he will not be able to borrow the money he has been accustomed to having.

The Wall Street Journal pointed that out in an excellent article published a few days ago. Small-business men in my State have told me that banks which have been furnishing them with funds for several years have called their loans; that under the new policy of tightening up of credit, the banks will not be able to carry them any more. Farmers in my section who have gone to banks to arrange for funds with which to meet the costs of raising this year's crops, which is a general custom in our section of the country, have found, first, that they are not going to get as much money as they did in the past; and when they purchase supplies, they find they must pay more for machinery and fertilizer, but have less money with which to pay for them. Furthermore, they are discovering it is necessary to pay higher rates of interest, and that they will not be able to borrow for as long a period.

Mr. GORE. Does the Senator from Alabama agree with me that we seem to have a strange penchant in this country for doing the right thing at the wrong time? Had a monetary policy of not exactly this kind, but one tendency in this direction, been put into effect at the beginning of the inflationary period, it might have served the country well. However, as the Senator from Minnesota has said, there is now an overproduction of automobiles, refrigerators, and television sets, while at the same time there are signs that farm prices and real incomes are falling. There are many such painful signs. When the economic indicators clearly show that we are no longer in an inflationary period, but that we have passed the peak, a deflationary policy is being put into effect which may have disastrous effects.

Mr. SPARKMAN. The Senator is correct.

Again let me suggest that if the Senator wishes to read a fairly interesting commentary on this subject, he should read the leading article in the current issue of the U. S. News & World Report. It brings out the point that inflation has gone and deflation has set in. It warns against letting deflation get too big a lead.

I am not making an unreasonable argument. I am simply arguing along the lines I have read and carefully analyzed in such publications as the Wall Street Journal, the U. S. News & World Report, and the Journal of Commerce, which have seen the signs and have pointed them out.

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

Mr. SPARKMAN. I yield.

Mr. GORE. Let us consider what increased interest rates will do to purchasing power when it comes right down to the case of a veteran who is back from the war, who desires to buy a home, who desires to buy an automobile, which he must have in order to earn a living, and who desires to furnish his home. I believe the Senator estimated that the cost of an average GI home would be increased over all by about $1,000.

Mr. SPARKMAN. In round numbers, about $1,000.

Mr. GORE. Is the Senator able to estimate how much the increased interest rates may advance the over-all cost of an automobile?

Mr. SPARKMAN. A few minutes ago I gave some figures from the Wall Street Journal which provided some idea, but I do not know what the over-all cost would be. The Wall Street Journal assumed a down payment of a thousand dollars on a $3,000 car. That was one item it pointed out.

Mr. GORE. That is a liberal assumption.

Mr. SPARKMAN. One item pointed out in the article was that the new system would require veterans to make a larger down payment. The writer of the article said:

> Assume a veteran buys a $3,000 car and pays $1,000 down.

That is a pretty sizable down payment.

Mr. GORE. Will this policy also increase the amount that veterans will have to pay down on their homes?

Mr. SPARKMAN. No; except as the additional interest charge is figured into the overall mortgage. However, I would say that the increase would not be very great. The amount he would pay down would not be very greatly increased.

Mr. GORE. Would it not increase the amount a veteran would have to pay down on a refrigerator for his home, unless the refrigerator were furnished with the house?

Mr. SPARKMAN. I would rather not try to figure those items in terms of dollars. I have said that we could expect harder terms all along the line.

Mr. GORE. Tight money.

Mr. SPARKMAN. A large down payment, a shorter time in which to pay the balance, and higher interest rates. As to the point which the Senator makes, certainly it will cost more to make the initial investment. It will slow down buying and slow down production. If allowed to run to the extreme, it will cause a great volume of unemployment. Of course, the purpose is to slow down buying.

Mr. GORE. I am attempting by my questions to show that this policy actually will curtail drastically the purchasing capacity of the average American citizen, who must depend upon credit to buy his home and his automobile and to furnish his home. If he is a small-business man, he must depend upon credit in order to operate his business. The Senator from Alabama knows, as I do, that a vast majority of businesses in the United States must borrow money to be used as operating capital.

Mr. SPARKMAN. The Senator is correct. That is one of the greatest problems with which the average small-business man is confronted.

Our friend, the able Senator from New Jersey [Mr. HENDRICKSON], could testify quite eloquently to that, because, as chairman of a subcommittee of the Committee on Small Business, he conducted hearings in various parts of the country, and he heard small-business men tell what their problems were. I think the Senator from New Jersey will agree that that is one of the leading problems.

Mr. GORE. I have high regard for our distinguished friend, the Senator from New Jersey. I do not believe he would endorse such a policy as we have been discussing.

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

Mr. SPARKMAN. I yield to the distinguished acting majority leader, the Senator from New Jersey.

Mr. HENDRICKSON. The hearings the Senator mentioned were conducted by the Subcommittee on Taxation of the Committee on Small Business, and they were very interesting and most enlightening. I wish to say that the big problem was taxes—high taxes—and that we did not find in any of those hearings any evidence that would reflect at all on this discussion.

Mr. SPARKMAN. I doubt if the Senator from New Jersey followed me very closely. We were talking about the credit problems confronting the small-business man. We were not talking about high interest rates at the time the hearings were held.

Mr. HENDRICKSON. The junior Senator from New Jersey is not subscribing to any of the policies being discussed in this colloquy.

Mr. SPARKMAN. I assure the distinguished Senator from New Jersey that I am not trying to pull him into this discussion. I know that he has the interest of the average small-business man at heart.

Mr. HENDRICKSON. I thank the Senator. I certainly have the interest of the small-business man at heart.

Mr. SPARKMAN. The Senator from New Jersey did a splendid job as chairman of the subcommittee.

Mr. HENDRICKSON. I also have at heart the interest of the average citizen.

Mr. SPARKMAN. I had the honor of serving as chairman of the committee, and I appointed the distinguished Senator from New Jersey as chairman of the subcommittee, even though he is a member of the opposite party. The Senator from New Jersey did an excellent job.

Mr. HENDRICKSON. I felt greatly honored to be appointed chairman of the subcommittee by the chairman of the parent committee, the distinguished Senator from Alabama.

Mr. SPARKMAN. It may be that we have established a precedent. As the Senator from New Jersey knows, the chairman of the committee this year bestowed upon me the honor of serving as chairman of the subcommittee. So perhaps we have established a real precedent, by making the committee truly bipartisan.

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

Mr. SPARKMAN. I yield.

Mr. GORE. I wish to associate myself with the generous remarks which the Senator from Alabama has made with respect to the distinguished Senator from New Jersey.

I wish to inquire of the Senator from Alabama if there is any evidence to show that money lending institutions, capital financing institutions, are in serious need of greater earning capacity. I know that it is very difficult to buy stock in any bank in any community of which I have intimate knowledge. I have read the indices of credit financing organizations throughout the country. Their earnings appear to me to be very large. Does the Senator know of any real need for a higher interest rate on the part of money-lending institutions?

Mr. SPARKMAN. Not so far as earnings are concerned; but let me say in all fairness that those who buy and exchange mortgages all say that they were having a very difficult time finding money to go into mortgages at the interest level which formerly existed. That was back when the interest on Government bonds was 2½ percent or thereabouts. When that rate is raised to 3¼, certainly mortgage money becomes more scarce. Why should a lending institution want to invest in a 4-percent mortgage, we will say, which it must service, and in connection with which it must pay out money in order to put it on its books, when it can buy Government bonds paying 3¼ percent interest and hold them, doing nothing but collecting the interest on them?

These people claim that they needed the increased interest rate before that time. Certainly if they needed an increased interest rate, when the Government increased its interest rate to 3¼ percent it made it absolutely unavoidable, I think, that interest rates on mortgages should be increased.

Mr. GORE. Was there any showing before the Senator's committee that there was real need, from the standpoint of earning capacity, for a higher interest rate on the part of the institutions lending money?

Mr. SPARKMAN. No. I would not put it on that basis, because money, after all, operates in competition. Their claim simply was that they could buy other securities which would be better for them than buying 4-percent mortgages.

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

Mr. SPARKMAN. I yield.

Mr. BRICKER. Was not the evidence clearly to the effect that there was no money available for these loans at the interest rate then prevailing?

Mr. SPARKMAN. Yes. I mentioned that a moment ago.

Mr. BRICKER. I merely wanted to keep the RECORD straight.

Mr. SPARKMAN. I should like to direct an observation toward the Senator from Ohio before he leaves. My point was if the argument was anywhere near valid then, it certainly became valid when Governments went up to 3¼, because it was virtually impossible, as I see it, to persuade a lending institution to invest money in a 4-percent mortgage when it could buy Government bonds paying 3¼ percent interest.

Mr. BRICKER. For a considerable time before that there had not been any money loaned in that field.

Mr. SPARKMAN. I mentioned that fact previously. The lenders had said that. That was the situation.

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

Mr. SPARKMAN. I yield.

Mr. LONG. This is a very difficult and complicated subject. Even though the junior Senator from Louisiana majored in economics in college, he finds it difficult fully to comprehend the subject.

Mr. SPARKMAN. I assure the Senator that he is not alone in that respect.

Mr. LONG. The Senator from Alabama has given us some idea as to the figures for public and private debt in this country. The figures for the national debt and private debt approximate $595 billion, I believe.

Mr. SPARKMAN. That is correct.

Mr. LONG. That does not include State debts, with which I am not familiar. However, the national debt plus private and corporate debts amount to approximately $595 billion.

Mr. SPARKMAN. That is correct.

Mr. LONG. Further to increase the complications, it is important to realize that there is not as much currency in circulation as there is debt. Does the Senator recall the figures as to approximately how much currency there is in circulation?

Mr. SPARKMAN. No. I wish very much that I might call upon the Presiding Officer [Mr. BUSH]. Undoubtedly he could tell us. However, the Senator from Alabama must say that at the present moment he does not know.

Mr. LONG. Generally speaking, however, I believe the banks are in a position to lend approximately $6 for every dollar of currency in circulation.

Mr. SPARKMAN. I have heard that relationship stated.

Mr. LONG. Of course, the amount of reserves which the banks are required to maintain has a substantial effect upon how tight credit is in this Nation; has it not?

Mr. SPARKMAN. That is correct.

Mr. LONG. Cannot the Secretary of the Treasury and the Federal Reserve Board, acting in cooperation, have a great influence on the interest rates?

Mr. SPARKMAN. That is correct.

Mr. LONG. Particularly as they affect bank reserves.

Mr. SPARKMAN. They can have a great influence on credit policies. It seems to me that the greatest influence on interest rates generally is the interest which the Government pays for its money. That is a pretty good barometer.

However, so far as credit policies are concerned, as the various Treasury examiners and Federal Reserve Board representatives go out to examine the accounts of various banks, they can tighten up. Perhaps they have been a little lax. The Federal Reserve System can tighten the requirements. It can increase reserve requirements, and it can increase the rediscount rate. There are many things it can do which affect the credit policy.

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

Mr. SPARKMAN. I yield.

Mr. LONG. Some time ago one of our ablest Members—one who is regarded generally as one of the soundest experts of this body in the fields of finance and business—told the junior Senator from Louisiana that, within reasonable limits, the Secretary of the Treasury could exercise an enormous influence over the interest rate on Government bonds and various other interest rates, provided the Federal Reserve Board was willing to cooperate with him. Does the Senator share that opinion?

Mr. SPARKMAN. I do not like to restrict it to interest rates, because interest rates and credit terms are tied together. Of course, the Treasury sets the interest rate on Government bonds by the amount that it agrees to pay on long-term securities. The interest on the last issue was the highest we have had in a long time, namely, 3¼ percent. That immediately carries up the interest rates throughout the country.

Mr. LONG. Up until a few months ago the Federal Reserve Board also exerted considerable influence.

Mr. SPARKMAN. I believe the Senator is referring to the open-market operations. They discontinued that practice approximately 15 or 18 months ago.

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

Mr. SPARKMAN. I yield.

Mr. LONG. Did not the open-market policies have the effect of holding down interest rates, while they were being used?

Mr. SPARKMAN. Yes; by holding up bond prices.

Mr. LONG. Yes.

Mr. SPARKMAN. In other words, if certain bonds threatened to sell below par, the Federal Rerserve, through its open-market policy, would step in and buy bonds, and thereby prop up the price of bonds, which made it unnecessary to pay a higher interest rate. I should like to say to the Senator I believe the Federal Reserve System and the Treasury should use their credit powers toward stabilizing the economy of the country, and sometimes they should be used, I think, in tightening credit. I am not arguing for loose credit.

Mr. GORE. At the right time.

Mr. SPARKMAN. I am arguing for a moderate handling of it and doing it in a timely way. By the way, on the question of timeliness I have a quotation from the Journal of Commerce, which says that it was not handled in a timely manner. I shall quote from the article a little later.

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

Mr. SPARKMAN. I yield.

Mr. LONG. The question which was troubling the junior Senator from Louisiana related to the ability of the Secretary of the Treasury and the Federal Reserve Board to make credit more freely available. The point was made on the floor of the Senate that the rise in the interest rate was due to the fact that there was perhaps a shortage of credit or a shortage of money. Is it not correct to say that the Secretary of the Treasury and the Federal Reserve Board have considerable powers which enable them to make credit more freely available?

Mr. SPARKMAN. Let me say, that, if I understand correctly, what the Treasury was trying to do in this particular case was to place these bonds in such a way that they would—shall I use the term "mop up" or "sop up"?—our excess spending power, rather than to handle them through banks, which in turn simply issue more currency and put more money into circulation.

I do not quarrel with the manner in which they handled the bond issue. I even think that probably it was necessary to increase the rate of interest a little bit. However, I think they increased it too much. I think there has been too much aggressiveness on increasing the interest rates. There was a great oversubscription of the bond issue. However, let me say in all fairness that one cannot always judge by that, because many brokers will ask for more bonds than they really want, in order to be certain to get the number they want.

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

Mr. SPARKMAN. I yield.

Mr. GORE. Is the Senator from Alabama aware of what has happened to State, county, and municipal bonds, and the interest rates on them?

Mr. SPARKMAN. I am aware of what will happen to them, if it has not already happened. I have not seen any issues which have been sold in the last few days. However, we all know that this is bound to carry them up, and our municipalities and other public bodies are certainly going to feel it very strongly.

Mr. GORE. I wish to assure the Senator from Alabama that it has already happened and that it has already had a very substantial effect upon the interest rate at which municipal, county, and State securities are now marketed.

Mr. SPARKMAN. I am certain that is true. The only reason I stated I did not know about it was because I had not found that any had been marketed since the interest rate had gone up. I know if any are marketed, it is bound to have a tremendous effect upon them, and it will cost plenty of money to handle the indebtedness, which nearly all of them will have to have in order to carry on their business.

Third. Most farmers must borrow money with which to make their crops and to modernize their farms. I have had reports from Alabama to California that farm loans are being tightened up, that terms are harder and interest rates are increasing, that farmers are becoming discouraged and are beginning to complain that this new policy of high interest rates and deflation will prove catastrophic to many of them.

In the face of declining incomes, the Government raised interest rates to 4 percent on Department of Agriculture Price Support Loans for farmers for their 1953 crops.

Farm prices dropped an additional 2 percent last month. In Alabama alone, cash income for the first 2 months of this year was $3½ million less than for the same period last year. It is admitted that farmers' incomes in 1953 will be the lowest since 1941. Yet, in spite of these concrete evidences of lower farm income, the administration persists in its policy of hard credit terms for farmers. Higher loan charges on crops may very well mean a greater cost to cotton, corn, wheat, and tobacco farmers, and indeed to all farmers.

And in spite of the fact that exports of farm crops continue to decline, the administration has raised interest rates to the highest ever charged on repayable loans made by the Export-Import Bank to foreign countries to enable them to buy our cotton, wheat, and other crops.

Some days ago, the Secretary of Agriculture pledged all-out effort to increase farm exports. I pledged at the time my full support and cooperation in his efforts. Yet, the first concrete move in

this field can only have the effect of discouraging farm exports.

Yes, Mr. President, the farmer is already beginning to feel the hardships caused by hard terms and high rates, and conditions will grow worse for him as time goes on if the administration insists on its program of deflation. The administration's new credit policy is absolutely certain to cripple such programs as REA, crop insurance, farm ownership, and farm housing.

Fourth. This new money policy will also impose an added burden on financing needs of municipalities, as was mentioned a few moments ago. Members of the Senate know that the towns and cities of this Nation have to float bond issues to maintain and modernize normal services such as schools, roads, water supply, and sewerage systems.

In the future, they will pay additional millions and millions of dollars to do so.

Fifth. Businessmen, Mr. President, particularly small-business men, will suffer because of this new policy of hard terms and high rates. Already small firms in Alabama have complained to me that they are finding it necessary to accept harder terms and to pay higher interest rates for needed capital. In fact, many of them are having their loans called.

I have urged, with partial success, a tax program that would lighten the load on small firms, and would thereby lessen the necessity for borrowing. Further tax modification would help immensely, but there would still be thousands of small firms that would need credit on reasonable terms and at reasonable interest rates. It is becoming increasingly difficult for them to obtain such credit.

All these groups—the taxpayer, consumer, businessman, farmer, municipalities—and especially those of low and moderate incomes and size will suffer, I repeat, if the administration continues to insist on its program of deflation.

I am not simply imagining this threat of deflation. I point to a significant article on the front page of the Journal of Commerce of May 4, 1953, in which there is a discussion of possible steps by the Federal Reserve System. The opening paragraph is as follows:

> Nearly everybody whose business is connected with the money market lately has been looking for signs of relaxation in the restraint the Federal System has been exerting on credit for almost a year and a half.

It does add:

> No sound basis yet exists for such expectations.

Later on in the article it has this to say.

Mr. President, I should like to direct this point to the attention of the Senator from Tennessee [Mr. GORE], since we were talking about it a few minutes ago. This article was published in the Journal of Commerce of May 4, 2 days ago.

> It is no secret that many of our central bankers believe that the latest hike in money rates by the commercial banks was exceedingly ill-timed coming in the midst of the Treasury's effort to place its new issue of 3¼-percent long-term bonds.

Mr. President, I shall not read the article at length. It refers to possible steps which the Federal Reserve System might take. It plays down the fact that they are likely to take these steps now. At least, it shows that they are already talking about them, because they realize that the situation is there, and that it is time to be thinking about it.

They talk about increasing interest rates to "mop up" excessive money. If carried too far or too fast that means deflation and if continued, will surely bring about a depression. Such policies as the administration is now following is what brought on the depresssion of the 1920's. Most people, in speaking of the depression, think about it as beginning in 1929. For the farmer, and the masses of people, it began in the early 1920's as a result of the deliberate policy of hard terms and high rates at the time.

It is said that an increase of interest rates will help stabilize the economy; that it will stop inflation. But how does it stabilize the economy and how does it stop inflation? It does so by decreasing the value and the amount of goods and services that homeowners, consumers, and taxpayers are able to buy. In a word, it will result in less consumption and less production than would otherwise be the case.

This might not occur immediately. As a matter of fact, in my judgment, the increase in interest rates on the amount of residential construction, for example, is likely to stimulate construction for a temporary period.

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

Mr. SPARKMAN. I yield.

Mr. GORE. The statement the Senator from Alabama has just made confirms the opinion which prompted my previous questioning of the Senator, to wit, that this policy will inevitably mean that the average American consumer will have less purchasing power. That will be a sure result of this policy.

The Senator from Alabama has just described as one of the purposes of the policy the mopping up of that purchasing power. There was a time—in fact, there have been two such periods, in recent years—when there was a danger from excess purchasing power. I wonder whether the Senator from Alabama thinks there is now a danger from excess purchasing power in the hands of farmers.

Mr. SPARKMAN. I know there is not. As a matter of fact, the farmers are, at this very time, going through a period of deflation. It may be mild, but it is there and it is real. I have talked to farmers, and I know what they found when they tried to finance this year's crop or when they went to purchase a tractor or a combine or some other piece of necessary farm machinery. They found they had to make larger down payments, and had less time in which to pay the balance, and had to pay a higher rate of interest—that the terms were harder and the interest rates were higher and the down payments were larger.

The same situation applies in the case of those who wished to borrow money from banks or when farmers made arrangements to purchase the fertilizer they needed for the year.

Mr. GORE. Mr. President, will the Senator from Alabama yield further to me?

Mr. SPARKMAN. I yield.

Mr. GORE. In whose pocket does the Senator from Alabama think this alleged excess purchasing power rests, this excess purchasing power which it is said must now be mopped up by means of high interest rates?

Mr. SPARKMAN. Of course I think that is the very thing that must be watched most carefully.

Let me say that I do not have the figures before me, but I have seen the figures which have been issued by the Federal Reserve System.

Let me also point out that our Joint Economic Committee has published, every month, a little leaflet, which I hope all Members of the Senate read, called "Economic Indicators."

I think it is a rather well-known fact that at this time and for several months past the lower-income groups have been going through what we might call a dissaving period; instead of saving money, they have been drawing out their savings and have been purchasing more goods on credit and have been piling up debts.

Of course, it is wise—perhaps through some kind of consumer control, if it could be properly administered—to handle that situation; but I am very much afraid that most of the purchasing power that is being "mopped up" by these deflationary measures is the purchasing power we need the most. In other words, it is the purchasing power of the farmer, who cannot produce the food and fiber the country needs unless he can obtain the machinery, the fertilizer, the seed, and the supplies he requires; and it is the purchasing power of the small-business man who, if this process is allowed to continue—and the danger is that it will be started and will be allowed to continue, in the way that occurred in the early 1920's, although I hope to goodness it will not be permitted in 1953——

Mr. GORE. Mr. President, I do not wish to press the point upon the distinguished junior Senator from Alabama——

Mr. SPARKMAN. Let me say that I believe I did not answer the question the Senator from Tennessee asked me. Of course, what happens——

Mr. GORE. The Senator from Alabama has answered very well, so far; but I should like to inquire whether he knows of any group in Alabama, the State he so ably represents, that has too much purchasing power in its pockets. He has eliminated the farmers and the small-business men and also the men and women who work by the hour, in the factories. What group in Alabama has too much purchasing power in its pockets—purchasing power which must be "mopped up" by the policy to which the Senator from Alabama has referred?

Mr. SPARKMAN. If I were put to the test right now, I could not name any group in Alabama that has too much purchasing power, because Alabama is made up primarily of persons in the relatively low-income brackets. In Alabama we do have some persons who have high incomes, but they are not in great numbers, as is true in areas of higher income. Alabama is one of the low-per-capita-income areas, I am sorry to say; and of course that situation is true of a great part of the Nation.

Mr. GORE. Lest the Senator from Alabama turn the question upon me, I wish to say quickly that I know of no segment of the population of Tennessee which has purchasing power in such dangerous excess proportions that it needs to be "mopped up" by higher interest rates.

Mr. SPARKMAN. I venture the assertion that such groups will not be found in areas where farming is the predominant occupation, because the farmers are the ones who have been hit the first and the hardest, as is usually true. If we measure the depressions of the past, we find that it was the farmer who was hit the first and the hardest.

By the way, I previously referred to an article appearing in this week's issue of the U. S. News & World Report. That article contains a diagram which shows the various groups which have been hit, and it shows how badly they have been hit. Every article on that subject that I have seen points out that the farmer is the one who has been hit the most, and is the one who will continue to be hit the hardest if these policies are continued. The farmer and the small-business man are the two who will feel the effect of these policies the most, if they are continued.

Mr. President, a moment ago I had said that an increase of interest rates will stop inflation, but will do so by decreasing the value and the amount of goods and services that homeowners, consumers, and taxpayers are able to buy—or, in a word, that it will result in less consumption and less production than would otherwise be the case. I said that must not occur immediately, and that as a matter of fact, in my judgment, the increase in interest rates in the case of residential construction, for example, is likely to stimulate construction for a temporary period. It will enable builders, who recently were unable to obtain VA and FHA financing—and there were many of them; I admit there was a backlog—to secure it, and they will put many more new housing units under way. Home buyers who could not get a GI loan should be able to get one now, but they will have to pay one-half of 1 percent more interest for it. As soon as this backlog is taken care of, I expect the real and lasting effect to take place.

Home buyers after that will more than ever be faced with the conditions described in the May 1 issue of U. S. News & World Report. The article to which I refer says:

> Debt, even on easy terms, is a growing burden that will feel heavier any time incomes shrink. Monthly payments on homes claim twice as big a share of the consumer's dollar as in 1944, about the same proportion as in 1939.
>
> This burden will grow with interest rates rising. People seeking new homes may find it harder to fit monthly payments into their budgets.

That is where the cut-down will come.

Later in the article this timely warning is given:

> On balance, the increase in rates could be an influence to slow the building boom.

Millions of veterans and other citizens very urgently need better housing. Many have not been able to afford the high payments required. They will be less able to meet the higher payments of the future.

Moreover, there are millions of American families that will buy a new home if they feel they are getting good value for their money. The increase in interest rates will result in less value for their money, and this is the real tragedy of the whole situation. We need about a million housing units each year if we are to meet our normal needs. I am not speaking of a building boom, but I am referring to what is necessary if we are to take care of our normal needs. The only way that a high volume of housing construction can be maintained in the long run is by increasing the value of the housing dollar and by reducing the level of prices and the cost of new homes. With the prices of housing going up, the demand for housing will begin to fall off, perhaps in 1954, and once that happens and real estate prices start to topple, no one can know where it will stop.

I think much the same logic applies in other fields of production and consumption.

A couple of weeks ago, according to the Wall Street Journal, a proposal was under consideration—in fact, it was indicated that the administration had about agreed to it—that would have permitted the VA rate to remain at 4 percent, but would have legally permitted a specified discount. The discount allowed would have, I am reliably informed, been up to 3 percent. Thus, assuming a mortgage sold for 97 rather than par, the effective yield on such a loan would have been 4.4 percent or approximately the new GI rate.

As the Wall Street Journal article pointed out, such a plan would have the advantage of continuing the 4-percent yield to lenders in areas where 4-percent money is still available, while allowing increased yields in sections where money happens to be tight. Thus, in Boston or New York, where it was possible to place a 4-percent loan at par, the lender or the veteran would still enjoy the advantage of a 4-percent loan. In Alabama or some other tight-mortgage area where no 4-percent loan could normally be placed, the loan could be placed at a discount.

Admittedly there are serious drawbacks to such a plan. It would appear to have the advantage, however, of flexibility and of forcing money into the more distant areas and allowing them to compete for mortgage funds which otherwise would stay close to home on mortgages which the institutions themselves can service. The problem of channeling mortgage money into the more distant areas of the country where the greatest expansion in population has been taking place has been one of the most difficult and continuing problems with which we have been confronted. It seems that the discount plan would have been one means of approaching its solution.

According to the same Wall Street Journal article, the veteran might also benefit from such a plan. It would depend on the extent to which the Veterans' Administration officers and appraisers were successful in not allowing the discount to be included in the appraised value. While it probably is true that in some instances the builder would be successful in passing on the discount in a higher price to the veteran, with good administration and with competition it might just as frequently be the case that the discount would not be passed on.

The point is that even if the Veterans' Administration were only 50 percent successful in its supervision, the veteran would still be the gainer.

With the rate increased, however, the veteran in the long run cannot possibly gain any benefit. The veteran in New York or Boston who could get a loan at 4 percent now has to pay 4½ percent. The same builder is still going to try to get the highest appraisal he can on a Veterans' Administration home, even if the interest rate is 4½ percent.

As soon as this plan of solving the tight VA loan situation became known, a great deal of pressure was executed to kill it. In fact, it was called legalized larceny. It seemed strange that this proposal should be labeled as larceny and unworkable by some of those who for the last 2 years had been making, selling, and buying VA mortgages at discounts, and who advocated in association conventions the very plan which I just outlined.

Why was it larceny and unworkable last week, and a good solution before that? The reason is simple. The high-rate bond issue made it possible to get the 4½-percent home mortgage rate, and still leave the possibility of premium in some areas.

The builder and mortgagee would always be sure of their full profits and fees. This would eliminate the possibility of the VA not including the discount in the appraised value and the builder being thus required to take a more modest profit or the mortgagee make a smaller fee.

With the higher interest rate prevailing in all areas, it still makes possible the continuation of the discount system and other undertable deals that have been going on, only now they would take place on top of the 4½-percent rate.

The remote areas of the country will still have to compete with New York and Boston, where the interest rate is also 4½ percent. The possibility—the prob-

ability, in fact—is that the discount practice will still continue, unless we take steps right now to prevent it.

If such a legalized discount system is, as it has been represented to be, legalized larceny, with interest rates at 4 percent, I submit that it certainly would be legalized larceny at 4½ percent. I therefore am sending to the desk an amendment to the Servicemen's Readjustment Act, which will make it a criminal offense to engage in such discounts or under-the-table practices in the making of VA guaranteed loans.

Before the rate was increased everybody in the building and mortgage industry who talked to me said that an increase to 4½ percent would solve all problems.

Now that the rate is increased, I do not see how anyone can advocate the continuation of discounts and under-the-table deals.

I know that it will be difficult to find out whether these practices are being carried on, and to get sufficient evidence to convict, but I do think that Congress should show by the best means at its disposal just how much it is opposed to discounts and other illegal payments of money in the making of VA loans. Those who engage in such practices, now that the interest rate is adequate, should be penalized in the same way as those who commit other felonies.

Now, when there is no justification for such discounts and under-the-table deals, is the time to insure against them before they once again become a part of the system. To accomplish this I am asking permission to introduce out of order a bill which I send to the desk for appropriate reference.

I ask unanimous consent to have the bill printed at the end of my remarks, and also to have printed as a part of my remarks a very short article entitled "United States Bonds Sink to New Low," published in the Washington Post of Tuesday, May 5, 1953, an article to which I have made reference in the course of my remarks.

The PRESIDING OFFICER. Without objection, the bill will be received and appropriately referred, and the bill and the article will be printed in the RECORD.

The bill (S. 1848) to further amend the National Housing Act, introduced by Mr. SPARKMAN, was received, read twice by its title, referred to the Committee on Banking and Currency, and ordered to be printed in the RECORD, as follows:

Be it enacted, etc., Public Law 475, 81st Congress, as amended, is further amended by designating section 504 thereof as section 504A, and by adding a subsection B to read as follows:

"Whoever, for the purpose of obtaining the guarantee on insurance of a loan under the National Housing Act, as amended, or the Servicemen's Readjustment Act of 1944, as amended, makes a certification pursuant to subsection A hereof, knowing it to be false, shall be punished by a fine of not more than $10,000, or by imprisonment for not more than 2 years, or both; and the guarantee or insurance thereon shall be void except as against a holder who shall have acquired the loan for value without knowledge that a false certification has been made by the originating mortgagee."

The article ordered to be printed in the RECORD is as follows:

UNITED STATES BONDS SINK TO NEW LOW

NEW YORK, May 4.—Marketable United States Government bonds dropped to record depths today as dealers reported demand melting away.

Declines of half a point and more were frequent in the Treasury list. Intermediate and long term issues were especially vulnerable. The new 3¼s lost 7/32 at 99 22/32 bid. Victory 2½s fell a half point at 91 20/32 bid and bank-eligible 2½s of 1967–72 were off 18/32 at 91½ bid. This is a record 3.07 percent interest yield on the latter issue.

The Treasury's 2⅜s of 1958 at 97 20/32 bid, a 2.82 percent yield for the 5-year paper. The 2½s of 1958 were off 10/32 at 98 12/32 bid, a 2.7 percent yield.

Securities dealers blamed the losses in bond prices today on the Government sponsored rise in interest rates and the continuing flood of new financing.

EXECUTIVE MESSAGES REFERRED

As in executive session,

The PRESIDING OFFICER (Mr. BUSH in the chair) 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.)

RECESS

Mr. HENDRICKSON. I move that the Senate take a recess until tomorrow, May 7, at 12 o'clock noon.

The motion was agreed to; and (at 5 o'clock and 47 minutes p. m.) the Senate took a recess until tomorrow, Thursday, May 7, 1953, at 12 o'clock meridian.

NOMINATIONS

Executive nominations received by the Senate May 6, 1953:

TREASURY DEPARTMENT

Catherine B. Cleary, of Wisconsin, to be Assistant Treasurer of the United States.

IN THE ARMY

The officers named herein for appointment as Reserve commissioned officers of the Army under the provisions of the Armed Forces Reserve Act of 1952 (Public Law 476, 82d Cong.):

To be major generals

Maj. Gen. Leo Martin Boyle, O266202, Illinois National Guard, to date from November 24, 1952.

Maj. Gen. Harold Gould Maison, O141515, Oregon National Guard, to date from November 24, 1952.

Maj. Gen. Hal Lowndes Muldrow, Jr., O250319, Oklahoma National Guard, to date from November 24, 1952.

To be brigadier generals

Brig. Gen. Claude Thomas Bowers, O183291, North Carolina National Guard, to date from November 24, 1952.

Brig. Gen. James Francis Cantwell, O396657, New Jersey National Guard, to date from March 9, 1953.

Brig. Gen. George Samuel Cook, O251434, Washington National Guard, to date from November 24, 1952.

Brig. Gen. Frederick Alvin Daugherty, O337212, Oklahoma National Guard, to date from November 25, 1952.

Brig. Gen. Frank Dunkley, O240437, Kansas National Guard, to date from January 1, 1953.

Brig. Gen. Frank Edwin Fraser, O222901, Arizona National Guard, to date from November 25, 1952.

Brig. Gen. Edward Foster Griffin, O198652, North Carolina National Guard, to date from November 24, 1952.

Brig. Gen. Orland Gerrard Hunt, O280504, Washington National Guard, to date from November 25, 1952.

Brig. Gen. Otto Kerner, Jr., O358530, Illinois National Guard, to date from November 24, 1952.

Brig. Gen. Reginald Alfred Maurer, O180740, Massachusetts National Guard, to date from November 24, 1952.

Brig. Gen. Henry William McMillan, Jr., O323208, Florida National Guard, to date from November 24, 1952.

Brig. Gen. Charles Coudert Nast, O298840, New York National Guard, to date from November 24, 1952.

Brig. Gen. Brainard Edwin Prescott, O294210, New York National Guard, to date from November 25, 1952.

Brig. Gen. Maxwell Cook Snyder, A242582, Florida National Guard, to date from November 24, 1952.

Brig. Gen. George Weaks Trousdale, O189048, Louisiana National Guard, to date from December 1, 1952.

HOUSE OF REPRESENTATIVES

WEDNESDAY, MAY 6, 1953

The House met at 12 o'clock noon.

The Chaplain, Rev. Bernard Braskamp, D. D., offered the following prayer:

Almighty and eternal God, we rejoice that daily Thou art seeking to strengthen and sustain us with a reassuring sense of Thy presence, Thy peace, and Thy power.

May every thought of our mind now be brought into a glad and willing obedience to the spirit of our blessed Lord.

Hear us in His name. Amen.

The Journal of the proceedings of Tuesday, May 5, 1953, was read and approved.

RECESS

The SPEAKER. Pursuant to House Resolution 199, the Chair declares the House to be in recess for the purpose of holding memorial services as arranged by the Committee on House Administration.

Accordingly (at 12 o'clock and 3 minutes p. m.) the House stood in recess, to meet at the call of the Speaker.

MEMORIAL SERVICE PROGRAM, MAY 6, 1953

Prelude, sacred selections (11: 30–12)_____
United States Army Band
Presiding officer_____The Speaker
Hon. JOSEPH W. MARTIN, JR.
Invocation_____The Chaplain
Rev. Bernard Braskamp, D. D.
Quartet, Have Thine Own Way, Lord (Stebbins) _____
Hon. J. FRANK WILSON, Hon. PRINCE PRESTON, Hon. OREN HARRIS, and Hon. J. PERCY PRIEST.
At the piano_____Hon. FRANCES P. BOLTON
Representative from the State of Ohio
Scripture reading and prayer__The Chaplain