MEMORIALS

Under clause 3 of rule XXII, memorials were presented and referred as follows:

By the SPEAKER: Memorial of the Legislature of the State of Wisconsin, memorializing the President and the Congress of the United States to enact legislation providing for the withdrawal of the Federal Government from the field of gasoline taxes; to the Committee on Ways and Means.

PRIVATE BILLS AND RESOLUTIONS

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

By Mr. ALBERT:

H. R. 5807. A bill for the relief of Mary Rose; to the Committee on the Judiciary.

By Mr. BAKER:

H. R. 5308. A bill for the relief of Emin M. Beynam; to the Committee on the Judiciary.

By Mr. BARTLETT:

H. R. 5809. A bill for the relief of Charles O. Ferry and other employees of the Alaska Road Commission; to the Committee on the Judiciary.

By Mr. BATES (by request):

H. R. 5810. A bill for the relief of Gennaro Tommolini; to the Committee on the Judiciary.

By Mrs. FRANCES P. BOLTON:

H. R. 5811. A bill for the relief of Mrs. Johanna Eckles; to the Committee on the Judiciary.

By Mr. CURTIS of Nebraska:

H. R. 5812. A bill for the relief of Burgal Lyden, and others; to the Committee on the Judiciary.

By Mr. DOWDY:

H. R. 5813. A bill for the relief of the Jacksonville Garment Co.; to the Committee on the Judiciary.

By Mr. FARRINGTON:

H. R. 5814. A bill for the relief of Caroline Rocky Young; to the Committee on the Judiciary.

By Mr. GWINN:

H. R. 5815. A bill for the relief of Carl Max Morgner; to the Committee on the Judiciary.

By Mr. KEOGH:

H. R. 5816. A bill for the relief of Mrs. Caridad Rosa Avila Leyva de Ernest; to the Committee on the Judiciary.

By Mr. LANTAFF:

H. R. 5817. A bill for the relief of Mrs. Amy Kasanof; to the Committee on the Judiciary.

By Mr. McCORMACK:

H. R. 5818. A bill for the relief of Dr. and Mrs. Ivan Pernar; to the Committee on the Judiciary.

H. R. 5819. A bill for the relief of Joseph Torbar; to the Committee on the Judiciary.

By Mr. McVEY:

H. R. 5820. A bill for the relief of Michael K. Kaprielyan; to the Committee on the Judiciary.

By Mr. MERROW:

H. R. 5821. A bill for the relief of Mrs. Hellen M. Sargent; to the Committee on the Judiciary.

By Mr. SMITH of Virginia:

H. R. 5822. A bill for the relief of Evanthia Demetrios Makrozonari; 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:

339. By Mr. UTT: Petition of George Gano, Fullerton, Calif., and 29 others urging support for H. R. 1227, which would ban advertising of alcoholic beverages over radio and television and interstate commerce; to the Committee on Interstate and Foreign Commerce.

340. By the SPEAKER. Petition of the Organization for the Defense of Four Freedoms of the Ukraine, Inc., New York, N. Y., relative to fully supporting the resolution introduced by Congressman SMITH of Wisconsin, relating to establishing normal diplomatic relations, including the exchange of ambassadors between the United States and the Ukraine; to the Committee on Foreign Affairs.

SENATE

THURSDAY, JUNE 18, 1953

(Legislative day of Monday, June 8, 1953)

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

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

O Lord, our God, in the quiet of this sacred moment dedicated to the things that are unseen and eternal, we come to Thee in the name of Him unto whom every knee must bow. At this daily shrine of the spirit we would be made aware of eternal realities and lifted out of our littleness by abiding values greater than ourselves.

Give us honest eyes to see the spiritual poverty that we try to hide from each other, but which we cannot hide from Thee, unto whom all hearts are open and from whom no secrets are hid. In this dismaying era, with all its darkness, we are deeply thankful for the things that cannot be shaken and for guiding lights of beauty and goodness and truth that no winds of violence can ever blow out. In the vast difficulties confronting the makers of peace for this ravaged earth, restore and strengthen and sustain our souls and lead us in the paths of righteousness for Thy name's sake. Amen.

DESIGNATION OF ACTING PRESIDENT PRO TEMPORE

The legislative clerk read the following letter:

UNITED STATES SENATE,
PRESIDENT PRO TEMPORE,
Washington, D. C., June 18, 1953.

To the Senate:

Being temporarily absent from the Senate, I appoint Hon. WILLIAM A. PURTELL, a Senator from the State of Connecticut, to perform the duties of the Chair during my absence.

STYLES BRIDGES,
President pro tempore.

Mr. PURTELL thereupon took the chair as Acting President pro tempore.

THE JOURNAL

On request of Mr. KNOWLAND, and by unanimous consent, the reading of the Journal of the proceedings of Tuesday, June 16, 1953, was dispensed with.

MESSAGE FROM THE HOUSE RECEIVED DURING RECESS

Under authority of the order of the Senate of June 16, 1953,

The following message from the House of Representatives was received by the Secretary of the Senate, on June 17, 1953:

That the House had agreed to the concurrent resolution (S. Con. Res. 25) favoring the granting of the status of permanent residence to certain aliens, with amendments, in which it requested the concurrence of the Senate.

That the House had passed the following bills, in which it requested the concurrence of the Senate:

H. R. 4329. An act for the relief of Huntington, McLaren & Co.; and

H. R. 5527. An act to authorize the employment in a civilian position in the Office of the Secretary of Defense of Lt. Gen. Graves Blanchard Erskine, upon retirement from the United States Marine Corps, and for other purposes.

ENROLLED BILLS SIGNED

That the Speaker of the House of Representatives had signed the following enrolled bills, and, under authority of the order of the Senate of the 16th instant, they were signed, on June 17, 1953, by the Vice President:

H. R. 1482. An act for the relief of Hildegard Schoenauer;

H. R. 3795. An act to adjust the salaries of officers and members of the Metropolitan Police force, and United States Park Police, the White House Police, and the Fire Department of the District of Columbia, and for other purposes; and

H. R. 4495. An act to amend the Universal Military Training and Service Act, as amended, so as to provide for special registration, classification, and induction of certain medical, dental, and allied specialist categories, and for other purposes.

HOUSE BILLS REFERRED DURING RECESS

The following House bills were each referred, on June 17, 1953, as indicated:

H. R. 4329. An act for the relief of Huntington, McLaren & Co.; to the Committee on the Judiciary.

H. R. 5527. An act to authorize the employment in a civilian position in the Office of the Secretary of Defense of Lt. Gen. Graves Blanchard Erskine upon retirement from the United States Marine Corps, and for other purposes; to the Committee on Armed Services.

MESSAGE FROM THE HOUSE

A message from the House of Representatives, by Mr. Chaffee, one of its reading clerks, announced that the House had agreed to the amendment of the Senate to the bill (H. R. 5312) to provide for the more effective prevention, detection, and punishment of crime in the District of Columbia.

The message also announced that the House had passed a bill (H. R. 2557) to amend the act of January 12, 1951, as amended, to continue in effect the provisions of title II of the First War Powers Act, 1941, in which it requested the concurrence of the Senate.

ENROLLED BILLS SIGNED

The message further announced that the Speaker had affixed his signature to the following enrolled bills, and they

were signed by the Acting President pro tempore:

S. 141. An act for the relief of Harry Ray Smith;

S. 712. An act for the relief of William R. Jackson; and

H. R. 5312. An act to provide for the more effective prevention, detection, and punishment of crime in the District of Columbia.

LEAVE OF ABSENCE

On request of Mr. CLEMENTS, and by unanimous consent, Mr. RUSSELL was excused from attendance on the sessions of the Senate today and tomorrow.

ORDER FOR TRANSACTION OF ROUTINE BUSINESS

Mr. KNOWLAND. Mr. President, I ask unanimous consent that immediately following the quorum call Senators may introduce bills and joint resolutions and transact such other business as is customary in a morning hour, under the usual practice of a 2-minute limitation on speeches.

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

CALL OF THE ROLL

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

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

Mr. SALTONSTALL. I announce that the Senator from Maryland [Mr. BEALL], the Senator from Ohio [Mr. BRICKER], and the Senator from New Hampshire [Mr. BRIDGES] are necessarily absent.

The Senator from Nebraska [Mr. BUTLER] and the Senator from New Hampshire [Mr. TOBEY] are absent by leave of the Senate.

The Senator from New York [Mr. IVES] is absent by leave of the Senate, having been appointed a delegate to attend the International Labor Organization Conference at Geneva, Switzerland.

The Senator from Wisconsin [Mr. WILEY] is absent on official business.

Mr. CLEMENTS. I announce that the Senator from Arkansas [Mr. FULBRIGHT] and the Senator from Georgia [Mr. RUSSELL] are absent by leave of the Senate.

The Senator from Tennessee [Mr. GORE], the Senator from New York [Mr. LEHMAN], the Senator from Rhode Island [Mr. PASTORE], and the Senator from North Carolina [Mr. SMITH] are absent on official business.

The Senator from Montana [Mr. MURRAY] is absent by leave of the Senate, having been appointed a delegate to attend the International Labor Organiztion Conference at Geneva, Switzerland.

The ACTING PRESIDENT pro tempore. A quorum is present.

EXECUTIVE COMMUNICATIONS, ETC.

The ACTING PRESIDENT pro tempore laid before the Senate the following letters, which were referred as indicated:

SUSPENSION OF DEPORTATION OF ALIENS

A letter from the Commissioner, Immigration and Naturalization Service, Department of Justice, transmitting, pursuant to law, copies of orders suspending deportation of certain aliens, together with a statement of the facts and pertinent provisions of law as to each alien, and the reasons for ordering such suspension (with accompanying papers); to the Committee on the Judiciary.

GRANTING OF STATUS OF PERMANENT RESIDENCE TO CERTAIN ALIENS

A letter from the Commissioner, Immigration and Naturalization Service, Department of Justice, transmitting, pursuant to law, copies of orders granting the applications for permanent residence filed by certain aliens, together with a statement of the facts and pertinent provisions of law as to each alien, and the reasons for granting such applications (with accompanying papers); to the Committee on the Judiciary.

LAW ENACTED BY LEGISLATIVE ASSEMBLY OF VIRGIN ISLANDS

A letter from the Assistant Secretary of the Interior, transmitting, pursuant to law, a copy of a law enacted by the Legislative Assembly of the Virgin Islands, entitled "Bill No. 55—Act To Amend 'Law Concerning Actions To Declare Void or Dissolve the Marriage Contract, and for Other Purposes' Approved December 29, 1944" (with an accompanying paper); to the Committee on Interior and Insular Affairs.

DISPOSITION OF EXECUTIVE PAPERS

A letter from the Acting Archivist of the United States, transmitting, pursuant to law, a list of papers and documents on the files of several departments and agencies of the Government which are not needed in the conduct of business and have no permanent value or historical interest, and requesting action looking to their disposition (with accompanying papers); to a Joint Select Committee on the Disposition of Papers in the Executive Departments.

The ACTING PRESIDENT pro tempore appointed Mr. CARLSON and Mr. JOHNSTON of South Carolina members of the committee on the part of the Senate.

PETITIONS AND MEMORIALS

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

By the ACTING PRESIDENT pro tempore:

A resolution adopted by the City Council of the City of Oakland, Calif., favoring the enactment of legislation to provide for the continuance of tolls on the San Francisco-Oakland Bay Bridge for the purpose of constructing additional crossings of San Francisco Bay; to the Committee on Public Works.

A telegram from the board of directors and the national council of the American Friends of the Middle East, New York, N. Y., embodying a resolution favoring the enactment of legislation to furnish 1 million tons of wheat to the starving people of Pakistan; ordered to lie on the table.

A resolution adopted by citizens of Estonian, Latvian, and Lithuanian descent, in Washington, D. C., protesting against Soviet acts of violence and genocide in the Baltic States; to the Committee on Foreign Relations.

REPORTS OF COMMITTEES

The following reports of committees were submitted:

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

S. 1569. A bill to amend the Independent Offices Appropriation Act, 1953, so as to provide for the investigation by the Civil Service Commission in lieu of the Federal Bureau of Investigation of persons receiving Atomic Energy Commission fellowships; without amendment (Rept. No. 443).

By Mr. SALTONSTALL, from the Committee on Armed Services:

S. 2128. A bill to further amend the Mutual Security Act of 1951, as amended, and for other purposes; with amendments (Rept. No. 444); and

H. R. 5527. A bill to authorize the employment in a civilian position in the Office of the Secretary of Defense of Lt. Gen. Graves Blanchard Erskine, upon retirement from the United States Marine Corps, and for other purposes; without amendment (Rept. No. 446).

By Mr. STENNIS, from the Committee on Armed Services:

S. 1806. A bill to amend the Navy ration statute so as to provide for the serving of oleomargarine or margarine; without amendment (Rept. No. 447).

By Mr. CORDON, from the Committee on Appropriations:

H. R. 4828. A bill making appropriations for the Department of the Interior for the fiscal year ending June 30, 1954, and for other purposes; with amendments (Rept. No. 445).

By Mr. GOLDWATER, from the Committee on Banking and Currency:

S. 1458. A bill to continue the effectiveness of the act of December 2, 1942, as amended, and the act of July 28, 1945, relating to war-risk hazard and detention benefits, until July 1, 1954; with amendments (Rept. No. 449).

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

S. 848. A bill to prescribe policy and procedure in connection with construction contracts made by executive agencies, and for other purposes; with amendments (Rept. No. 448).

TAX PROBLEMS OF SMALL BUSINESS—REPORT OF SELECT COMMITTEE ON SMALL BUSINESS (REPT. NO. 442)

Mr. HENDRICKSON. Mr. President, on behalf of the the Select Committee on Small Business, and as chairman of its Subcommittee on Taxes, I submit a report on the tax problems of small business. The report has been unanimously agreed to by the 13 members of our committee.

Since I feel that this document may be of interest to all of my colleagues in whose States there are numerous small businesses, I ask unanimous consent to

have printed in the body of the RECORD the 5 findings and recommendations of the Small Business Committee.

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

FINDINGS AND RECOMMENDATIONS

As a result of its hearings and studies in the field of the impact of Federal taxation on small business, your committee presents the following findings and recommendations to the Senate and to its tax-writing group, the Senate Finance Committee:

1. All of the testimony taken by the Senate Small Business Committee and all of the surveys it has undertaken show that the excess-profits tax is an inequitable, unjust levy, difficult of administration. This evidence underlined the desirability of calling upon the House Ways and Means Committee, the Senate Finance Committee, and the Treasury Department to propose alternate methods for replacing revenue lost by the termination of the excess-profits tax to the extent that they regard such revenue as absolutely essential. As a minimum alternative, an excess-profits-tax exemption for corporations earning under $100,000 seems indicated to your committee. Such an exemption would result in a relatively minor loss of revenue (it is estimated that firms earning under $100,000 pay less than 8 percent of the dollars raised by the excess-profits tax) and would bring the present $25,000 minimum figure to a more realistic level so far as small businesses are concerned.

Since the conclusion of your committee's investigation, however, President Eisenhower has sent a tax message to Congress in which he asked a 6-month extension of the excess-profits tax in the following words:

"Though the name suggests that only excessive profits are taxed, the tax actually penalizes thrift and efficiency and hampers business expansion. Its impact is especially hard on successful small businesses which must depend on retained earnings for growth. These disadvantages of the tax are now widely recognized. I would not advocate its extension for more than a matter of months. However, under existing circumstances the extension of the present law is preferable to the increased deficit caused by its immediate expiration or to any short-term substitute tax."

2. More reasonable policies on depreciation allowances should be the goal of congressional and Treasury Department action within the next year. Your committee feels that present Treasury regulations covering amortization of plant and equipment are unduly restrictive and adversely affect the new and growing company. Your committee recognizes that revenue losses might result from a reform of the depreciation schedule which would rule against its immediate adoption, but all the evidence at hand indicates that any such loss would be temporary and would be more than counterbalanced over a period of a few years. The Joint Committee on Internal Revenue Taxation and the Treasury Department should undertake comprehensive studies in this field at the earliest possible opportunity.

3. The business community should be given a set of easily understandable criteria which would be followed in enforcing section 102 of the Internal Revenue Code which deals with unreasonable accumulation of corporate profits. Your committee also recommends repeal of the provision of the 1938 Revenue Act which shifted the burden of proof of reasonableness to the taxpayer.

4. At the earliest possible date, the exemption from the surtax rate on corporate income should be lifted from the present $25,000 to $50,000 or $100,000. Your committee feels that the higher limit would allow a successful growing business in the small- or medium-size bracket to become an effective competitor to his larger rivals. An alternative proposal which has been suggested to the committee would be a method whereby tax credits might be given to firms for the first $25,000 or $50,000 which is reinvested in capital equipment.

5. The impact of death levies on many privately held small businesses all too often results in forced sales to competing firms in the same industry. Furthermore, the threat of inheritance and estate taxes provides a strong inducement for the principal owners of any such corporation to hedge against the possibility of death through such sellouts. At the present time your committee is not in a position to recommend specific reductions in these rates, but it does appear that further studies would indicate methods of administering and collecting estate taxes which would lessen this danger point.

ENROLLED BILLS PRESENTED

The Secretary of the Senate reported that on today, June 18, 1953, he presented to the President of the United States the following enrolled bills:

S. 141. An act for the relief of Harry Ray Smith; and

S. 712. An act for the relief of William R. Jackson.

BILLS AND A JOINT RESOLUTION INTRODUCED

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

By Mr. BARRETT:

S. 2152. A bill for the relief of Felipe Lopez Vasquez; to the Committee on the Judiciary.

By Mr. THYE:

S. 2153. A bill to authorize the transfer of certain property to the State of Minnesota, and for other purposes; to the Committee on Interior and Insular Affairs.

By Mr. CAPEHART:

S. 2154. A bill to authorize the extension of patents covering inventions whose practice was prevented or curtailed during certain emergency periods by service of the patent owner in the Armed Forces or by production controls; to the Committee on the Judiciary.

By Mr. CLEMENTS:

S. 2155. A bill for the relief of Christa Kunze and her minor daughter, Yvonne; to the Committee on the Judiciary.

By Mr. McCARRAN:

S. 2156. A bill for the relief of John Enepekides, his wife, Anna, and his son, George; to the Committee on the Judiciary.

By Mr. HUMPHREY:

S. 2157. A bill to permit deduction for income-tax purposes of certain expenses incurred by working mothers in providing care for their children while they are at work; to the Committee on Finance.

By Mr. DOUGLAS:

S. 2158. A bill for the relief of Helga Edith Kucera; to the Committee on the Judiciary.

By Mr. PURTELL:

S. 2159. A bill for the relief of Mrs. Elizabeth M. Casey; to the Committee on Finance.

S. 2160. A bill for the relief of the East Coast Ship & Yacht Corp., of Noank, Conn.; and

S. 2161. A bill for the relief of Cornelia Jean Seager; to the Committee on the Judiciary.

By Mr. ANDERSON:

S. 2162. A bill for the relief of Joan Casad Ellison; to the Committee on the Judiciary.

By Mr. HOEY:

S. 2163. A bill to authorize conveyance to the State of North Carolina of certain lands and improvements constituting the United States cottonfield station located near Statesville, N. C.; to the Committee on Agriculture and Forestry.

By Mr. MALONE:

S. 2164. A bill to amend the Tariff Act of 1930, and for other purposes; to the Committee on Finance.

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

By Mr. NEELY:

S. J. Res. 90. Joint resolution relating to the legal limits within which the import tax applicable to crude petroleum and residual fuel oil may be increased or decreased by the President; to the Committee on Finance.

AMENDMENT OF FEDERAL PROPERTY AND ADMINISTRATIVE SERVICES ACT OF 1949, RELATING TO LEASE-PURCHASE AGREEMENTS—AMENDMENT

Mr. MUNDT submitted an amendment intended to be proposed by him to the bill (S. 690) to amend the Federal Property and Administrative Services Act of 1949, as amended, to authorize the Administrator of General Services to enter into lease-purchase agreements to provide for the lease to the United States of real property and structures for terms of more than 8 years but not in excess of 25 years and for acquisition of title to such properties and structures by the United States at or before the expiration of the lease terms, and for other purposes, which was ordered to lie on the table and to be printed.

JURISDICTION OVER SUBMERGED LANDS OF OUTER CONTINENTAL SHELF—AMENDMENTS

Mr. HENDRICKSON (for himself and Mr. CASE) submitted amendments, intended to be proposed by them, jointly, to the bill (S. 1901) to provide for the jurisdiction of the United States over the submerged lands of the outer Continental Shelf, and to authorize the Secretary of the Interior to lease such lands for certain purposes, which were ordered to lie on the table and to be printed.

NOTICES OF MOTIONS TO SUSPEND THE RULE—AMENDMENTS TO INTERIOR DEPARTMENT APPROPRIATION BILL, 1954

Mr. CORDON. In accordance with rule XL, of the Standing Rules of the Senate, I hereby give notice in writing that it is my intention to move to suspend paragraph 4 of rule XVI for the purpose of proposing to the bill (H. R. 4828) making appropriations for the Department of the Interior for the fiscal year ending June 30, 1954, and for other purposes, the following amendment, namely: On page 26, after line 14, insert:

The Secretary of the Interior shall review all existing concession leases and contracts, and hereafter all new concession leases and contracts and all renewals of such leases and contracts shall be reviewed by the Secretary of the Interior and shall be entered into with qualified persons on the basis of competitive bids: *Provided*, That hereafter all awards of concession leases and contracts shall be reported by the Secretary of the Interior to the President of the Senate and the Speaker of the House of Representatives for transmission to the appropriate Committees.

Mr. CORDON also submitted an amendment intended to be proposed by him to House bill 4828, making appropriations for the Department of the Interior for the fiscal year ending June 30, 1954, and for other purposes, which was ordered to lie on the table and to be printed.

(For text of amendment referred to, see the foregoing notice.)

Mr. CORDON. In accordance with rule XL, of the Standing Rules of the Senate, I hereby give notice in writing that it is my intention to move to suspend paragraph 4 of rule XVI for the purpose of proposing to the bill (H. R. 4828) making appropriations for the Department of the Interior for the fiscal year ending June 30, 1954, and for other purposes, the following amendment, namely: at the proper place insert the following:

Provided further, That the succession of the Island Trading Company is hereby extended to December 31, 1956, and the time within which the amount of the reserve for Navy subsidies shall be paid into the Treasury as miscellaneous receipts, as required by the Interior Department Appropriation Act, 1953, is hereby extended to the said date

Mr. CORDON also submitted an amendment intended to be proposed by him to House bill 4828, making appropriations for the Department of the Interior for the fiscal year ending June 30, 1954, and for other purposes, which was ordered to lie on the table and to be printed.

(For text of amendment referred to, see the foregoing notice.)

Mr. CORDON. In accordance with rule XL, of the Standing Rules of the Senate, I hereby give notice in writing that it is my intention to move to suspend paragraph 4 of rule XVI for the purpose of proposing to the bill (H. R. 4828) making appropriations for the Department of the Interior for the fiscal year ending June 30, 1954, and for other purposes, the following amendment, namely: On page 2, line 15, insert:

The Secretary of the Interior is hereby authorized to negotiate a disposition of all real and personal property acquired by contract or otherwise out of or by color of appropriations in either the 1952 or 1953 Interior Department Appropriation Acts under the heading "Construction, Southeastern Power Administration" for the Clark Hill-Greenwood transmission facility to the Greenwood County Electric Power Commission, a public agency of the State of South Carolina, having first completed payments due on property so acquired. The disposition of such property shall be on such terms as will reimburse the United States and the proceeds therefrom shall be deposited in the Treasury as miscellaneous receipts.

When said disposition has been effected the unexpended balance of the appropriation made in the Interior Department Appropriation Act, 1952 (65 Stat. 248), under the heading "Construction, Southeastern Power Administration," and the unexpended balance of the appropriation made in the Interior Department Appropriation Act, 1953 (66 Stat. 445), under the same heading for the Clark Hill-Greenwood facilities, shall be covered into the Treasury as miscellaneous receipts.

Mr. CORDON also submitted an amendment intended to be proposed by him to House bill 4828, making appropriations for the Department of the Interior for the fiscal year ending June 30, 1954, and for other purposes, which was ordered to lie on the table and to be printed.

(For text of amendment referred to, see the foregoing notice.)

Mr. CORDON. In accordance with rule XL, of the Standing Rules of the Senate, I hereby give notice in writing that it is my intention to move to suspend paragraph 4 of rule XVI for the purpose of proposing to the bill (H. R. 4828) making appropriations for the Department of the Interior for the fiscal year ending June 30, 1954, and for other purposes, the following amendment, namely: On page 9, line 20, after "completed" insert:

Provided further, That the Secretary may transfer without exchange of funds to the Devils Lake Sioux Tribe of the Fort Totten Reservation, the East Side and Crow Hill day schools together with the lands on which they are situated whenever it is determined they are no longer needed for Bureau purposes.

Mr. CORDON also submitted an amendment intended to be proposed by him to House bill 4828, making appropriations for the Department of the Interior for the fiscal year ending June 30, 1954, and for other purposes, which was ordered to lie on the table and to be printed.

(For text of amendment referred to, see the foregoing notice.)

Mr. CORDON. In accordance with rule XL, of the Standing Rules of the Senate, I hereby give notice in writing that it is my intention to move to suspend paragraph 4 of rule XVI for the purpose of proposing to the bill (H. R. 4828) making appropriations for the Department of the Interior for the fiscal year ending June 30, 1954, and for other purposes, the following amendment, namely: On page 9, line 20, after "completed", insert:

Provided further, That the Secretary is authorized to purchase, without regard to the prohibition against the purchase of land from appropriations for Construction, Bureau of Indian Affairs, contained in this or any other act, not to exceed 1,500 acres of nonreservation lands in Arizona, and necessary rights-of-way and easements required for the enlargement of the Picacho Reservoir of the San Carlos Indian irrigation project, and approximately 5 acres of allotted Indian lands within the Yakima Indian Reservation, Wash., for use of the Wapato irrigation project.

Mr. CORDON also submitted an amendment intended to be proposed by him to House bill 4828, making appropriations for the Department of the Interior for the fiscal year ending June 30, 1954, and for other purposes, which was ordered to lie on the table and to be printed.

(For text of amendment referred to, see the foregoing notice.)

Mr. CORDON. In accordance with rule XL, of the Standing Rules of the Senate, I hereby give notice in writing that it is my intention to move to suspend paragraph 4 of rule XVI for the purpose of proposing to the bill (H. R. 4828) making appropriations for the Department of the Interior for the fiscal year ending June 30, 1954, and for other purposes, the following amendment, namely: On page 13, line 25, after "fund" insert:

Provided, That not to exceed $268,000 shall be available toward the emergency rehabilitation of the Dalton Gardens irrigation project, Idaho, to be repaid in full under conditions satisfactory to the Secretary of the Interior.

Mr. CORDON also submitted an amendment intended to be proposed by him to House bill 4828, making appropriations for the Department of the Interior for the fiscal year ending June 30, 1954, and for other purposes, which was ordered to lie on the table and to be printed.

(For text of amendment referred to, see the foregoing notice.)

Mr. CORDON. In accordance with rule XL, of the Standing Rules of the Senate, I hereby give notice in writing that it is my intention to move to suspend paragraph 4 of rule XVI for the purpose of proposing to the bill (H. R. 4828) making appropriations for the Department of the Interior for the fiscal year ending June 30, 1954, and for other purposes, the following amendment, namely: On page 13, line 25, after "fund" insert:

Provided further, That not to exceed $222,000 shall be available toward the emergency rehabilitation of the Avondale irrigation project, Idaho, to be repaid in full under conditions satisfactory to the Secretary of the Interior.

Mr. CORDON also submitted an amendment intended to be proposed by him to House bill 4828, making appropriations for the Department of the Interior for the fiscal year ending June 30, 1954, and for other purposes, which was ordered to lie on the table and to be printed.

(For text of amendment referred to, see the foregoing notice.)

Mr. CORDON. In accordance with rule XL, of the Standing Rules of the Senate, I hereby give notice in writing that it is my intention to move to suspend paragraph 4 of rule XVI for the purpose of proposing to the bill (H. R. 4828) making appropriations for the Department of the Interior for the fiscal year ending June 30, 1954, and for other purposes, the following amendment, namely: On page 13, line 25, after "fund" insert:

Provided further, That not to exceed $1,000,000 of the amount appropriated herein for the Missouri River Basin project shall be nonreimbursable representing that portion of the cost of Pactola Dam allocated to furnishing a water supply for the Rapid City Air Base.

Mr. CORDON also submitted an amendment intended to be proposed by him to House bill 4828, making appropriations for the Department of the Interior for the fiscal year ending June 30, 1954, and for other purposes, which was ordered to lie on the table and to be printed.

(For text of amendment referred to, see the foregoing notice.)

Mr. CORDON. In accordance with rule XL, of the Standing Rules of the Senate, I hereby give notice in writing that it is my intention to move to suspend paragraph 4 of rule XVI for the purpose of proposing to the bill (H. R. 4828) making appropriations for the Depart-

ment of the Interior for the fiscal year ending June 30, 1954, and for other purposes, the following amendment, namely: Page 28, line 7, after "U. S. C. 695–695c)" insert "; leasing and management of lands for the protection of the Florida Key deer."

Mr. CORDON also submitted an amendment intended to be proposed by him to House bill 4828, making appropriations for the Department of the Interior for the fiscal year ending June 30, 1954, and for other purposes, which was ordered to lie on the table and to be printed.

(For text of amendment referred to, see the foregoing notice.)

HOUSE BILL PLACED ON CALENDAR

The bill (H. R. 2557) to amend the act of January 12, 1951, as amended, to continue in effect the provisions of title II of the First War Powers Act, 1941, was read twice by its title, and placed on the calendar.

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

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

By Mr. FERGUSON:

Address entitled "What Makes America Great?" delivered by George E. Stringfellow before annual banquet of New Jersey League of Masonic Clubs, at Union City, N. J., last week.

By Mr. MAYBANK (for himself and Mr. JOHNSTON of South Carolina):

Address entitled "Preserving the Western Alliance," delivered by Hon. Bernard M. Baruch at centennial dinner of the Junior Order, United American Mechanics, at Philadelphia, Pa., on June 17, 1953.

Mr. ROBERTSON:

Addresses delivered at the unveiling of a bronze replica of the Declaration of Independence, presented to the University of Virginia on April 13, 1953.

By Mr. McCARRAN:

Address delivered by E. O. Sowerwine, vice president, Anaconda Copper Mining Co., before Copper and Brass Warehouse Association at Chicago, Ill., on April 27, 1953.

By Mr. JOHNSON of Texas:

New York Times dispatch dated June 9 from Karachi, Pakistan, relating to goodwill mission to Pakistan of Texas clubwomen.

By Mr. SCHOEPPEL:

Article by George Sokolsky in tribute to Senator TAFT, published in the Washington Times-Herald of June 18, 1953.

By Mr. SMITH of New Jersey:

Commencement address delivered by Senator SALTONSTALL at the United States Naval Academy, Annapolis, Md., June 5, 1953.

Commencement address delivered by Senator SALTONSTALL at Kenyon College, Gambier, Ohio, June 8, 1953.

By Mr. SALTONSTALL:

Address delivered by Richard L. Bowditch, president of the Chamber of Commerce of the United States, before the Greater Boston Chamber of Commerce on June 16, 1953.

By Mr. PURTELL:

Address entitled "Proclaim Liberty," delivered by Rabbi Morris Silverman, of Hartford, Conn., chairman of the Commission on Civil Rights of Connecticut, and broadcast over the radio on June 7, 1953.

By Mr. KEFAUVER:

Article entitled "A Congressional Code of Fair Conduct," written by Joseph L. Nellis, and published in the June-July issue of the Decalogue Journal.

Letter written by Mr. Lou Williams, of the Tennessee Conservation League, referring to the serious nature of the reduction voted by the House Appropriations Committee in the TVA budget of funds for resource development.

By Mr. LEHMAN:

Editorial discussing the recent address of the President of the United States at Dartmouth College, published in the St. Louis Post-Dispatch of June 15, 1953.

By Mr. HUMPHREY:

Editorials from the Polk County Tribune of Glenwood, Minn., and from the Farmers Union Herald of St. Paul, Minn., discussing farm prices.

By Mr. MARTIN:

Editorial entitled "The Flag We Honor," referring to Flag Day.

By Mr. SPARKMAN:

Article from Washington Post of June 18, 1953, on the subject of rising rates of interest.

IMMIGRATION REGULATION

Mr. McCARRAN. Mr. President, I hold in my hand the text of an editorial entitled "Immigration Regulation," which appeared in the June 15, 1953, issue of United Evangelical Action, official organ of the National Association of Evangelicals. I ask unanimous consent that this editorial may be printed in the body of the RECORD at this point as a part of my remarks.

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

IMMIGRATION REGULATION

We have repeatedly spoken our piece about immigration regulation in America. We have opened our columns to those who disagreed with us. After all the argument, we still stand where we did in the beginning—for the McCarran-Walter Act.

The new law may have its weaknesses, but no law will ever satisfy all the elements in our national life. This is the best one we have had to date. It is the only one which has been based on an intensive investigation and study of our entire complex immigration and naturalization system and which codifies in a comprehensive whole a program which will be for the best interests of the United States of America.

We have too many people in America who think of the immigration problem primarily in terms of their own special interests. Roman Catholics think of it in terms of how many recruits for their faith can be squeezed through Ellis Island. Jews want to swell their ranks. There are also many Protestant groups with a European background that have an appreciable anxiety about their brethren across the seas and want to see them given a haven of peace and liberty in America. They see the immigration problem primarily through hyperopic lenses. And then there are the Communists, the hyphenated Americans and a thousand educational, scientific, economic, and other special interests, each with some selfish ax to be ground by raising the barriers and admitting hordes of immigrants from turbulent Europe.

We need to evaluate our immigration policy from the American viewpoint. America has something which is valuable to the whole world. It must have or there would not be so many millions wanting to share it. That something must be preserved. A mawkish liberality and religiosity that blinds us to the dangers of an influx of subversives may actually rob us of all that is best in America and leave the world at large without the enlightened leadership it needs to solve its problems.

To get to cases prior to McCarran-Walter: Thousands of criminals became citizens because fingerprinting was abandoned. Thousands of totalitarian-minded DP's, far beyond our liberal quotas, unlawfully drifted across our borders to the north and south of us. Various administrative directives bypassed immigration laws and admitted scientists, musicians, artists, and professional men who were espionage agents in disguise. Wealthy refugees smuggled funds into America and cleaned up on the stock markets. Thousands misrepresented themselves as poor farmers, housemaids, Protestants, and whatnot to obtain sponsors and then repudiated their own word, their sponsors, and the country that befriended them. Communists headed smuggling agencies in many nations and successfully bootlegged thousands of immigrants through our borders only to become ready recruits in subversive organizations intent on destroying America. In this connection thousands of fictitious documents have been framed, perjury has been practiced, and fraudulent misrepresentation has flourished, often under the guise of religion. From 1920 to 1950 nearly 3 million of the 6 million immigrants admitted to the United States of America were Roman Catholics. So many Jews came in that half the world's Jews now live in America. Is this what we want?

We are not closing our gates to those who wish to come to America. We still have the most liberal immigration policy of any major nation in the world. At least 60 percent of total world immigration has come to the United States of America in the past 50 years. Canada ranks next as the greatest receiving country. With far more land to be occupied, Argentina received less than one-fifth as many immigrants as the United States of America. Brazil has been the destination for only 7 or 8 percent of world immigration. We are fully discharging our share of the world's responsibility for the overcrowded condition of Europe and parts of Asia.

Let us not allow ourselves to be duped into believing that the McCarran-Walter Act is not Christian. It is realistically Christian within an American pattern. If we give it a fair trial we may be able to preserve the American way of life and thereby the measurable Christian testimony of the Nation in the midst of a pagan world.

MESSAGES FROM THE PRESIDENT—APPROVAL OF BILLS

Messages in writing from the President of the United States were communicated to the Senate by Mr. Hawks, one of his secretaries, and he announced that on June 16, 1953, the President had approved and signed the following acts:

S. 117. An act 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;

S. 1307. An act to amend the act of December 23, 1944, authorizing certain transactions by disbursing officers of the United States, and for other purposes; and

S. 1739. An act to provide for continuation of authority for regulation of exports, and for other purposes.

EXECUTIVE MESSAGES REFERRED

As in executive session,

The ACTING PRESIDENT pro tempore laid before the Senate messages from the President of the United States submitting sundry nominations, which were referred to the appropriate committees.

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

EXECUTIVE REPORTS OF A COMMITTEE

As in executive session,

The following favorable reports of nominations were submitted:

By Mr. MILLIKIN, from the Committee on Finance:

Rae V. Biester, of Pennsylvania, to be Superintendent of the Mint at Philadelphia, Pa.;

Ross P. Buell, of California, to be Superintendent of the Mint at San Francisco, Calif.;

Arthur C. Carmichael, of California, to be assayer in the mint at San Francisco, Calif.;

Edwin A. Leland, Jr., of Louisiana, to be comptroller of customs, with headquarters at New Orleans, La.;

Jeremiah A. McGimsey, of Arizona, to be collector of customs for customs collection district No. 26, with headquarters at Nogales, Ariz.;

Theodore H. Lyons, of Louisiana, to be collector of customs for customs collection district No. 20, with headquarters at New Orleans, La.

Frank Abelman, of Michigan, to be collector of customs for customs collection district No. 38, with headquarters at Detroit, Mich.

EXECUTIVE REPORTS OF ARMED SERVICES COMMITTEE

Mr. SALTONSTALL. Mr. President, as in executive session, I report from the Committee on Armed Services the nomination of Mrs. Katherine G. Howard, of Massachusetts, to be Deputy Federal Civil Defense Administrator, and the nomination of Mr. Raymond Henry Fogler, of New York, to be Assistant Secretary of the Navy, together with other military nominations, and ask that they be printed on the Executive Calendar.

The ACTING PRESIDENT pro tempore. As in executive session, the nominations will be received and placed on the Executive Calendar, as requested by the Senator from Massachusetts.

Mr. SALTONSTALL. Mr. President, also as in executive session, from the Committee on Armed Services, I report 3,296 nominations ranging from colonel to second lieutenant in the Army. In order to save the expense of printing this large list of names on the Executive Calendar, and inasmuch as they have already appeared once in the RECORD, I request that they be ordered to lie on the Vice President's desk for inspection by any Senator, prior to their confirmation.

The ACTING PRESIDENT pro tempore. As in executive session, the nominations will be received; and, without objection, will lie on the desk, as requested by the Senator from Massachusetts.

THE CALENDAR

Mr. HENDRICKSON. Mr. President, I move that the Senate now proceed to the consideration of measures on the calendar to which there is no objection.

Mr. JOHNSON of Texas. Mr. President, as I understand, unanimous consent is required to proceed to the consideration of the calendar.

The ACTING PRESIDENT pro tempore. The Senator is correct.

Mr. HENDRICKSON. I ask unanimous consent that the Senate proceed to the consideration of the calendar.

The ACTING PRESIDENT pro tempore. What order of business is it desired to start with?

Mr. HENDRICKSON. Under a previous unanimous-consent agreement, we were to take up first three bills which were passed over at the previous call of the calendar, namely, Calendar Nos. 220, 274, and 293, which are, respectively, House bill 662, Senate bill 879, and Senate bill 1857.

The ACTING PRESIDENT pro tempore. Is there objection to the request of the Senator from New Jersey? The Chair hears none, and the clerk will state the first bill by title for the information of the Senate.

MR. AND MRS. JOSEPH W. FURSTENBERG—BILL PASSED OVER

The bill (H. R. 662) for the relief of Mr. and Mrs. Joseph W. Furstenberg was announced as first in order.

The ACTING PRESIDENT pro tempore. Is there objection to the present consideration of the bill?

Mr. McCARRAN. Mr. President, is this a call of the calendar?

The ACTING PRESIDENT pro tempore. It is.

Mr. McCARRAN. My understanding was—I may be in error—that we were to commence at the beginning of the calendar and go clear through it.

Mr. HENDRICKSON. No. We were to take up the call of the calendar at the point where we left off. In addition, there were three bills which were carried over by unanimous consent, namely, House bill 662, Senate bill 879, and Senate bill 1857.

Mr. McCARRAN. What is the request of the Senator with reference to those bills?

Mr. HENDRICKSON. By unanimous consent, those bills were carried over until the present call of the calendar.

Mr. McCARRAN. Are they on the present call of the calendar?

Mr. HENDRICKSON. They are on the present call of the calendar.

The ACTING PRESIDENT pro tempore. Is there objection to the present consideration of House bill 662?

There being no objection, the bill (H. R. 662) for the relief of Mr. and Mrs. Joseph W. Furstenberg was considered, ordered to a third reading, read the third time, and passed.

Mr. McCARRAN. Mr. President, will not these bills be taken up in regular order?

Mr. HENDRICKSON. They are being taken up in regular order.

Mr. KNOWLAND. Mr. President, my understanding is that the calendar is to be called from the point where we left off at the last call of the calendar. However, at the last call of the calendar, by unanimous consent of the Senate it was agreed that the three bills which have been mentioned, which I assume are the ones specified by our Calendar Committee, would be taken up as though they were on the new call of the calendar. That is the request of the Senator from New Jersey.

Mr. HENDRICKSON. That is the reason they have precedence over the remaining bills on the calendar.

Mr. SMATHERS. Mr. President, I did not realize that the Senate was considering Calendar No. 220, H. R. 662. I have been asked to object to the consideration of the bill, and I ask unanimous consent that the Senate may return to its consideration, in order that I may object and ask that it go over.

Mr. HENDRICKSON. Mr. President, may I suggest that the Senator from Florida withhold his request for a moment?

Mr. SMATHERS. I withhold the request.

The ACTING PRESIDENT pro tempore. Without objection, the vote by which House bill 662 was passed is reconsidered, and the bill is before the Senate.

Mr. HENDRICKSON. Mr. President, the Senator from New Jersey requests that the bill go over until the next call of the calendar. I make that unanimous-consent request.

The PRESIDING OFFICER. Is there objection? The Chair hears none, and the bill will be passed over to the next call of the calendar.

REGULATION OF LIFE INSURANCE IN THE DISTRICT OF COLUMBIA—BILL PASSED OVER

The bill (S. 879) to amend section 12 of chapter V of the act of June 19, 1934, as amended, entitled "An act to regulate the business of life insurance in the District of Columbia," was announced as next in order.

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

There being no objection, the Senate proceeded to consider the bill, which had been reported from the Committee on the District of Columbia with amendments, on page 1, at the beginning of line 7, to insert "Sec. 12"; in line 9, before the subhead, to insert "1"; at the beginning of line 10, to strike out "Sec. 12. (a)"; on page 2, line 3, after the word "foreign", to insert "or alien"; in line 17, before the subhead, to insert "2"; at the beginning of line 18, to strike out "(b) (A)" and insert "a."

The PRESIDING OFFICER. Without objection, the amendments are agreed to.

The additional amendments of the Committee on the District of Columbia to the bill will be stated.

Mr. SMATHERS. Mr. President, I wonder whether we could have an explanation of the bill.

The PRESIDING OFFICER. The Senator from Maryland [Mr. BEALL] is in charge of the bill.

Mr. SMATHERS. In view of the absence from the floor of the Senator from Maryland, I ask unanimous consent that the bill go to the foot of the calendar, so that it may be subsequently explained.

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

EXPEDITION OF JUDICIAL PROCEEDINGS FOR THE CONDEMNATION OF LANDS

The bill (S. 1857) to amend certain statutes providing expeditious judicial proceedings for the condemnation of lands for public purposes was announced as next in order.

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

Mr. HENDRICKSON. Mr. President, by request, I ask that the bill be passed over.

Mr. McCARRAN. Mr. President, will the Senator from New Jersey withhold his request?

Mr. HENDRICKSON. I gladly yield to the Senator from Nevada, and I withhold my request.

Mr. McCARRAN. Mr. President, Senators who heard this bill discussed on the last call of the calendar will recall that the purpose of the measure is to protect existing water rights in the arid States of the West, against possible adverse effect through condemnation of land by the Federal Government for dams and reservoirs.

As I explained when this bill was last before the Senate, the bill as introduced contained in several places phraseology, which unfortunately, was susceptible of interpretation in more than one way. Because of these faults, the bill was objectionable. However, I offered, and the Senate adopted, three clarifying amendments which eliminated these faults.

The bill as amended was ordered printed in the RECORD, so I know Senators are familiar with what the Senate did by way of amendment. As amended, the bill seems unobjectionable, and by the amendments its scope has been limited to its proper purposes. Enactment of this bill would simply guarantee that in a case where land, with or without appurtenant water rights, is taken by Federal condemnation, for dam or reservoir purposes, water rights in connection with other land on the same stream, whether upstream or downstream, may not be adversely affected; and the bill sets up machinery through which such other water rights on the stream may be adequately protected. The bill does not deny to the Federal Government the right to condemn any land which it needs. The bill does not deny the right to the Federal Government to condemn water rights. The bill grants only the same protection, with respect to condemnation actions for dam or reservoir purposes, that is already in the law with respect to Government use of streams for purposes of navigation.

This bill has been perfected by the Senate; I ask that the Senate now consider it.

RESISTANCE TO COMMUNIST OPPRESSION IN EUROPE

Mr. HUMPHREY. Mr. President, I rise at this time to address myself to what I consider to be a very significant development, namely, the brave and courageous resistance of the people of East Germany against their tyrannical bosses, the Communist leadership in the East German Government. I believe Congress ought to pay a well-deserved and appropriate tribute to these brave men and women, primarily workers in factories, shops, and mines, who have had the courage to resist the machine guns, the tanks, the troops, and the cruel treatment which the Communist police and leaders have meted out to them as they have fought against the oppression and tyranny which has gripped their country. The days of June 17 and 18, 1953, will live as days of glory and honor for East Germany in her struggle for liberation from communism.

I should also like at this time to pay tribute to the brave people of Czechoslovakia when the Communist government of that satellite state literally took away the life savings of the entire population, again the workers in the factories and shops and mines resisted and rebelled. The Communist government had to use force of arms to put down the rebellion. These brave people of Czechoslovakia have again demonstrated their love of freedom.

I think it should be noted also that in Bulgaria again brave and loyal people have demonstrated their courage by resisting their Communist oppressors. The spirit of liberty and independence has not been crushed. It lives on and gives strength to the people in these unfortunate lands.

The same situation is apparently true in the Ukraine, where the spirit of nationalism lives on. Reports from behind the Iron Curtain indicate that the Communist government in Russia has had to make great changes in the Ukraine in an attempt to placate the people, who are determined to have freedom.

The people of West Germany are taking on great burdens, as thousands of refugees stream over the boundary from the East German satellite.

It is our privilege and responsibility, Mr. President, to give a ray of hope to the people of Germany. They need our encouragement. They deserve our respect and assistance in their struggle for unification and freedom. Let us make clear to all Germany—yes to all nations under the Soviet yoke—that we stand with them as friend and ally. I suggest the following immediate program.

First, our Government should intensify its Voice of America program all through Central Europe. What we are doing now is so inadequate that it is almost a national disgrace. The Voice of America should be beamed as a ray of hope, day after day, into the minds and hearts and spirits of those brave people, particularly in Czechoslovakia, Poland, and Germany.

Mr. President, I further suggest that we step up our economic aid to West Germany, so the people of West Germany may better provide for the millions of refugees who are coming over the border.

This is a time for bold action.

I have heard a great deal said about seizing the initiative. If ever there was a time for our Government to seize the initiative that time is now, not a week from now or a month from now. We ought to have a definite policy and program, and we ought to move forward quickly.

I suggest that this is an appropriate time to approve the President's recommendation for the admission into this country of 240,000 refugee immigrants. The President has requested such legislation. Many of those immigrants who would be under a law of that kind would come from Germany. Many of them are political refugees. We would welcome them into our country as a freedom-loving people. By the passage of the proposed legislation, we would show the people of East Germany and West Germany that we are really on their side and that we want to help them.

Finally, Mr. President, this is no time to weaken our defenses. This is no time to cut down on our armed services. This is no time to cut down on our program for developing and strengthening NATO. It is no time for cutting down on our mutual-security program. We must be strong.

The Soviet Union understands one thing, and that is strength. We must be in a position to bargain from strength. Some of the troubles in the Soviet Union and the Soviet empire today are due to the fact that we have put on the pressure, that we have had the strength, and that we have shown in Korea and in Western Europe we are in earnest when we say we stand for the freedom of people everywhere and that our purpose is to defend the free world.

Mr. President, I believe our Government should immediately call for German unification and free elections. Let us seize the initiative. The people of Germany want unification, and they deserve it. The Government of the United States ought to demand throughout Germany free elections under international supervision, so there can be no skulduggery, and the elections can be properly policed to assure that they shall be free, clean, and honest.

In this regard, I submit and send to the desk a resolution reading as follows:

Resolved, That the Senate of the United States hereby expresses:

(1) Its profound admiration for the people of Germany in their resistance to Communist totalitarianism;

(2) Its sense that every effort be made by the Government of the United States to bring about the unification of Germany, so that a united Germany may take its place as an equal partner in the family of the democratic nations; and

(3) Its belief that the holding of free elections throughout Germany is the essential first step toward German unification.

Mr. President, it is fitting that the Congress, the people's voice, be heard on this question. I believe that our Government must proceed forthwith with a dynamic and bold policy. The fate of Western Europe may well depend on what happens in Germany. We must make sure that Germany joins with the West in defense of freedom.

The ACTING PRESIDENT pro tempore. Without objection, the resolution will be received, out of order, and appropriately referred.

The resolution (S. Res. 119), submitted by Mr. HUMPHREY, was referred to the Committee on Foreign Relations.

Mr. HENDRICKSON. Mr. President, I should like to observe that we are now in the midst of the call of the calendar, and I hope that from now on there will not be speeches which are not related to the measures on the calendar.

The ACTING PRESIDENT pro tempore. Of course, as the Senator from New Jersey knows, any Senator is entitled to speak for 5 minutes, under the rule, during the call of the calendar.

Mr. HENDRICKSON. I realize that; but, of course, the intention of the rule was that during the call of the calendar, speeches be directed to the measures on the calendar. In my mind there is no doubt about that.

EXPEDITION OF JUDICIAL PROCEEDINGS FOR THE CONDEMNATION OF LANDS—BILL PASSED OVER

Mr. HENDRICKSON. Mr. President, what measure on the calendar has now been reached?

The PRESIDING OFFICER. Senate bill 1857, Calendar No. 293, to amend certain statutes providing expeditious judicial proceedings for the condemnation of lands for public purposes.

Mr. HENDRICKSON. Mr. President, I regret sincerely that the Republican calendar committee must object, by request, to passage of the bill at this time.

The ACTING PRESIDENT pro tempore. Objection being heard, the bill will be passed over.

Mr. LANGER. Mr. President, I should like to make a motion to have the bill considered in the course of the regular business, some day next week. The bill has been on the calendar quite a while; and I should like to have it disposed of, if that is possible.

Mr. HENDRICKSON. Mr. President, I am quite sure the acting majority leader will agree to have that done. I suggest that the Senator from North Dakota communicate with the senior Senator from California [Mr. KNOWLAND] as soon as he returns to the floor.

INCORPORATION OF THE NATIONAL FUND FOR MEDICAL EDUCATION—BILL PLACED AT FOOT OF CALENDAR

The Senate proceeded to consider the bill (S. 1748) to incorporate the National Fund for Medical Education, which had been reported from the Committee on the Judiciary with an amendment on page 9, line 6, after the words "funds", to insert "Such reports shall not be printed as public documents."

The amendment was agreed to.

Mr. COOPER. Mr. President, I offer the amendments which I send to the desk and ask to have stated.

The ACTING PRESIDENT pro tempore. The amendments submitted by the Senator from Kentucky will be stated.

The LEGISLATIVE CLERK. On page 2, in line 25, and on page 3, in line 1, it is proposed to strike out "George Meany, Washington, District of Columbia;".

On page 5, in line 12, it is proposed to strike out "fourteen" and insert "thirteen."

On page 5, in lines 20 and 21, it is proposed to strike out "George Meany, Washington, D. C."

The ACTING PRESIDENT pro tempore. The question is on agreeing to the amendments of the Senator from Kentucky.

The amendments were agreed to.

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

Mr. LANGER. Mr. President, the bill, as amended, grants a Federal charter to an organization known as the National Fund for Medical Education.

The National Fund for Medical Education is a voluntary, nonprofit, New York membership corporation organized to interpret the needs of medical education to the American public; to encourage the advancement of medical training standards in the United States; and to preserve academic freedom in the medical schools and equality of educational opportunity, and to foster the training of a sufficient number of competent physicians to meet the Nation's health needs. The National Fund for Medical Education was established in 1949.

Funds received by this organization are allocated annually to the Nation's 79 medical schools, for unrestricted use in support of their teaching budgets in accordance with a grants policy approved by the fund's board of trustees.

This bill has the support of the American Medical Association and the Association of American Medical Colleges. The committee believes that the granting of a Federal charter to this organization is deserved, and therefore recommends favorable consideration of this bill, as amended.

I may say that the bill was reported unanimously.

Mr. SMATHERS. Mr. President, I have been requested to object to the bill. In view of the amendments which have been agreed to, I think possibly the person who requested that I object may be satisfied.

Therefore I ask that the bill be placed at the foot of the calendar until I have an opportunity to talk with the person who asked me to make objection.

Mr. COOPER. Mr. President, in view of the statement made by the Senator from Florida, I should like to make a statement regarding the purpose of the amendments.

The Senator from Ohio [Mr. TAFT], who is a sponsor of the bill, has proposed these amendments. The bill provides for 14 trustees. One of the trustees named was Mr. George Meany. Mr. Meany is unable to serve, or has resigned. The amendments I offered, which were agreed to, would reduce the number of trustees from 14 to 13, and would strike from the bill the name of Mr. George Meany.

Mr. SMATHERS. Mr. President, I ask that the bill, as amended, be placed at the foot of the calendar.

The ACTING PRESIDENT pro tempore. Without objection, the bill, as amended, will be placed at the foot of the calendar.

AMENDMENT OF ACT INCORPORATING THE AMERICAN WAR MOTHERS

The bill (H. R. 1434) to amend the act of February 24, 1925, incorporating the American War Mothers was considered, ordered to a third reading, read the third time, and passed.

AMENDMENT OF ACT INCORPORATING THE AMERICAN LEGION

The bill (H. R. 2113) to amend the act incorporating the American Legion so as to redefine (a) the powers of said corporation, (b) the right to use the name "The American Legion" and "American Legion," was considered, ordered to a third reading, read the third time, and passed.

GRANTING STATUS OF PERMANENT RESIDENCE TO CERTAIN ALIENS

The Senate proceeded to consider the joint resolution (H. J. Res. 238) granting the status of permanent residence to certain aliens, which had been reported from the Committee on the Judiciary with an amendment, on page 3, after line 13, to insert:

A–8021995, DeSamarjay, Anne Marie.
A–6769940, Ledecky, Jaromir Karl Josef.
A–7197690, Wolf, Jaroslava Nemejc.
A–6390541, Wolf, Vladimir Joseph.
A–6063012, Tomkins, Angelina Mijares Montilla.
A–6063013, Tomkins, Bertram Percival, or Herbert Tomkins.
A–6421949, Malaxa, Nicolae.
A–6964705, Kahane, Adam.

Mr. SMATHERS. Mr. President, may we have an explanation of the joint resodution? How many persons are involved?

Mr. LANGER. Mr. President, under various provisions of the immigration laws, the Attorney General refers to the Congress the cases of certain aliens in which he recommends adjustment of status of such aliens to that of permanent residence. The instant joint resolution consists of the names of 39 aliens that have heretofore been held by the committees for further investigation, but in which cases, on the basis of further study and investigation, it has been ascertained that the cases warranted approval.

However, since the time for congressional approval under the general immigration laws had expired, it was necessary that these cases be included in a joint resolution.

Mr. SMATHERS. Mr. President, does the Senator from North Dakota have available a list of the names?

Mr. LANGER. Yes. They are set forth in the joint resolution. Does the

Senator from Florida wish to have the names read?

Mr. SMATHERS. I should like to have that done, if the Senator from North Dakota does not mind.

Mr. LANGER. The names are as follows:

Alster, Israel.
Baczynski, Czeslaw Stanislaw.
Bayer, Bohuslav Joseph.
Bayer, George Otakar.
Bayer, Libuse Julia (nee Kvarda).
Wurczel, Afsi.
Wurczel, Rivca.
Banczyk, Andrzej Gregory.
Banczyk, Helena Stanislova.
Banczyk, Stanislaw.
Bocek, Frantisek or Frank.
Fogel, Samuel.

Mr. McCARRAN. Mr. President, I could not understand the pronunciation of the last name.

Mr. LANGER. Perhaps I have been reading the names too rapidly.

The other names are as follows:

Hodza, Fedor Andrej.
Hrubec, Zdenek.
Eichenholz, Izak.
Kase, Karel Aloys.
Korenblit, Abram.
Korenblit, Aron.
Pall, Francis Acatius.
Piotrowski, Jozef.
Radil, Bozena Barbara.
Radimska, Olga.
Saar, Walter Emil.
Salumaa, Eduard.
Stapinski, Julia.
Tychanowicz, Luduika (nee Zarenska).
Tychanowicz, Rudolph Marian or Wladyslaw Filip Lawicki.
Zysman, Ryfka E. (nee Hufnagel).
Brandes, Esther.
Simmons, Ryden Reddington.
Taylor, Lucille Jean Marie Guillent.
DeSamarjay, Anne Marie.
Ledecky, Jaromir Karl Josef.
Wolf, Jaroslava Nemejc.
Wolf, Vladimir Joseph.
Tomkins, Angelina Mijares Montilla.
Tomkins, Bertram Percival, or Herbert Tomkins.
Malaxa, Nicolae.
Kahane, Adam.

Mr. SMATHERS. Mr. President, I wish to make a comment.

The ACTING PRESIDENT pro tempore. The Chair inquires whether the Senator from North Dakota has satisfied the Senator from Florida.

Mr. SMATHERS. The Senator from North Dakota has satisfied me. I wish to commend him upon his linguistic ability.

The ACTING PRESIDENT pro tempore. The question is on agreeing to the committee amendment.

The amendment was agreed to.

The amendment was ordered to be engrossed and the joint resolution to be read a third time.

The joint resolution (H. J. Res. 238) was read the third time and passed.

CONSTITUTIONAL AMENDMENT RELATING TO THE TAKING OF PRIVATE PROPERTY

The Senate proceeded to consider the joint resolution (S. J. Res. 3) proposing an amendment to the Constitution of the United States relative to the taking of private property, which had been reported from the Committee on the Judiciary with amendments, on page 2, line 1, after the word "by", to strike out "law" and insert "act of Congress"; and after line 2, to insert:

SEC. 2. This article shall be inoperative unless it shall have been ratified as an amendment to the Constitution by the legislatures of three-fourths of the several States within 7 years from the date of its submission.

So as to make the joint resolution read:

Resolved by the Senate and House of Representatives of the United States of America in Congress assembled (two-thirds of each House concurring therein), That the following article is proposed as an amendment to the Constitution of the United States, which shall be valid to all intents and purposes as part of the Constitution when ratified by the legislatures of three-fourths of the several States:

"ARTICLE —

"The Executive power of the United States shall not be construed to extend at any time to any taking of private property other than in a manner prescribed by act of Congress."

SEC. 2. This article shall be inoperative unless it shall have been ratified as an amendment to the Constitution by the legislatures of three-fourths of the several States within 7 years from the date of its submission.

Mr. McCARRAN. Mr. President, this is a resolution proposing an amendment to the Constitution to prohibit the taking of private property without due process.

The proposed amendment would simply provide that—

The Executive power of the United States shall not be construed to extend at any time to any taking of private property other than in a manner prescribed by act of Congress.

I cannot believe that any Member of this body favors the taking of private property by Executive order without due process of law. Therefore, I cannot see why there should be an objection on the part of any Member of the Senate to Senate Joint Resolution 3.

Mr. SMATHERS. Mr. President, I should like to ask the Senator from Nevada to explain how the procedure under the proposed constitutional amendment would differ from that under which we are presently operating.

Mr. McCARRAN. Under the proposed constitutional amendment in an emergency an act of Congress could be passed authorizing the President to take private property. Such an amendment is desirable because of the situation which has resulted from the decision of the Supreme Court of the United States in the Steel case, in which there was a divided opinion. In other words, there was a dissent, and individual opinions were rendered by a number of Justices. So, question has arisen whether at some time in the future the Court might see fit to render a decision other than that laid down in the Steel case.

If the joint resolution were passed and the proposed amendment to the Constitution should be adopted, there would be placed in the hands of Congress the power to give the President authority to seize private property, but the President could not seize private property without due process of law, as was done in the Steel case.

Mr. FERGUSON. Mr. President, will the Senator from Nevada yield for a question?

Mr. McCARRAN. If I have the floor, I yield.

Mr. FERGUSON. I merely wanted to ask, in line with the question of the Senator from Florida, whether the proposed constitutional amendment, if adopted, would not determine the question of the right of the President to seize property without an act of Congress, to the extent that the question may have become clouded as a result of the dissenting opinion in the Steel case.

Mr. McCARRAN. That is correct. The Senator has touched the point exactly.

Mr. FERGUSON. For that reason, I favor the amendment, which would remove all doubt.

Mr. SMATHERS. May I inquire whether this joint resolution was reported unanimously by the Committee on the Judiciary?

Mr. McCARRAN. I am advised that it was so reported.

Mr. FERGUSON. Mr. President, will the Senator yield for another question?

Mr. McCARRAN. I yield.

Mr. FERGUSON. Am I correct in assuming that this proposed amendment to the Constitution, if adopted, will eliminate the question of the inherent power of the President to make seizures? It will make it clear, will it not, that the President has no such inherent power?

Mr. McCARRAN. It is the object of the joint resolution to make the situation very clear, and to dissipate the idea of inherent power which has been played with and toyed with.

Mr. FERGUSON. I have spoken on this question heretofore. I think the proposed amendment to the Constitution is well calculated to clear up the matter.

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

The amendments were agreed to.

The joint resolution (S. J. Res. 3) was ordered to be engrossed for a third reading, read the third time, and passed.

INCREASE OF AUTHORIZED APPROPRIATION FOR CONSTRUCTION OF EKLUTNA PROJECT

The bill (S. 2097) to increase the amount authorized to be appropriated for the construction of the Eklutna project was announced as next in order.

The ACTING PRESIDENT pro tempore. Is there objection to the present consideration of the bill?

Mr. HENDRICKSON. Reserving the right to object—and I had not planned to object—I wonder whether we might have an explanation of the bill. It appears from the committe report that the increase in the authorization is fairly justified, but that in the past there has been some treatment of the project which is subject to criticism. I wonder whether the Senator from Oregon could

tell us what the present situation is, and what the past situation has been.

Mr. CORDON. Mr. President, the Eklutna project is a hydroelectric project in Alaska, situated approximately 30 miles from Anchorage, Alaska. The Department of the Interior, through its Bureau of Reclamation, came before the Senate Committee on Interior and Insular Affairs with this proposition before there was any authorization of activity by the Bureau of Reclamation in the Territory of Alaska. The committee went into the matter rather fully and reached the conclusion that the peculiar situation within that area required some action in the form of the use of public funds to develop hydroelectric power, in order that the rapidly increasing population of the Anchorage and Palmer areas might have reasonably adequate service. The Bureau of Reclamation thereupon made its recommendation and submitted a report on this project, which involved driving a tunnel about 4½ miles in length through a mountain, and conducting water from a lake through the tunnel and through turbines in the hydroelectric project, for the purpose of generating electric power.

At the time the matter was presented to the Commitee on Interior and Insular Affairs, it was estimated that the total cost of the project would be in excess of $20 million—to be exact, $20,365,400. Predicated upon that estimate and the showing made, not only with respect to the present need for all the power which is proposed to be developed, but also for demands resulting from the potential growth of the area, which demands presently exceed even the power that would be available, the commitee recommended authorization of the project at the total estimated cost of $20,365,400.

Contracts were let, and the work was begun. Certain unforeseen difficulties arose, as a result of the tunneling. The soundings or the borings evidently had not been sufficiently adequate in the first instance. Certainly, the amount of the estimate was low, but contracts were let. When the request for further funds was made it was found that the original authorization of $20,365,000 was approximately exhausted, with the project only about 60 percent completed.

It then became necessary that drastic action be taken. The present Secretary of the Interior sent his Under Secretary, Mr. Tudor, to Alaska to look over the situation and to report. On the basis of his report, request was made by the Bureau of the Budget for permisison to ask for an increase in the monetary authorization to $33 million. It is now the estimate of the Interior Department, and I may say that the estimate is concurred in by Mr. Tudor, who is, himself, a distinguished construction engineer, that $33 million is a sound and firm estimate for the overall job, exclusive of certain necessary acquisitions of local power plants so that the entire project may be integrated.

With reference to such acquisition, tentative agreement has been reached to acquire the other facilities without the transfer of money, but by the use of the power to be developed, which will be paid for by the city, and the city will reimburse itself for the facilities which are to be turned over to the Department of the Interior.

There can be no question, Mr. President—and I think I should be very frank with the Senate—that the original estimate was hardly a sound "guesstimate." much less an engineering estimate. It was far too low.

The only point which has been advanced to the committee that sounds in reason is that there was a mistake made in estimating the higher cost of labor in that area as compared with that in the United States, the estimate used being 1.4, whereas the true estimate should have been 2.35. There were some incidental difficulties which always arise in engineering projects.

The committee feels, from the evidence before it, that the figure is a sound one. The necessity for the bill rests on the fact that the project is approximately 60 percent completed. Approximately $19 million has been spent, and it will take the balance of the $33 million to do the job. If the authorization is made, the appropriation can stand in the appropriation bill, but if it is not made, the item will be stricken from the bill.

Mr. HENDRICKSON. Will that amount indicated by the Senator from Oregon adequately complete the project?

Mr. CORDON. Yes.

Mr. HENDRICKSON. I thank the Senator.

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

Mr. CORDON. I yield.

Mr. SMATHERS. I should like to inquire whether there is any participation in the payment for this construction on the part of the government of the Territory of Alaska?

Mr. CORDON. None. The estimate is predicated upon the findings which have been reported to the committee which indicate a potential market adequate to repay the Government for its full investment of $33 million, with interest at current rates to the Government in 50 years.

The ACTING PRESIDENT pro tempore. Is there objection to the present consideration of the bill?

There being no objection, the bill (S. 2097) to increase the amount authorized to be appropriated for the construction of the Eklutna project was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted, etc., That section 6 of the act of July 31, 1950 (64 Stat. 382), is hereby amended by striking the figure "$20,365,400" and inserting in lieu thereof the figure "$33,000,000."

REGULATIONS FOR PREVENTING COLLISIONS AT SEA

The bill (H. R. 2456) to amend the act of October 11, 1951, authorizing the President to proclaim regulations for preventing collisions at sea, and for other purposes, was announced as next in order.

Mr. SMATHERS. Mr. President, I wonder if we may have an explanation of this bill.

Mr. POTTER. Mr. President, this is a simple bill. It is designed to correct two typographical errors which occurred in the bill passed by the Congress on October 11, 1951. The word "traveling" should be stricken out and the word "trawling" inserted. That error occurs in section 6 of the act of October 11, 1951, in the first line of that section.

The second typographical error is in connection with rule 11 (c) of section 6 in the use of the word "been" in the second line, which should be "be."

Mr. SMATHERS. I have no objection.

The ACTING PRESIDENT pro tempore. Is there objection to the present consideration of the bill?

There being no objection, the bill (H. R. 2456) was considered, ordered to a third reading, read the third time, and passed.

BROADCASTING OR TELECASTING OF PROFESSIONAL BASEBALL EXHIBITIONS—BILL PASSED OVER

The bill (S. 1396) to authorize the adoption of certain rules with respect to the broadcasting or telecasting of professional baseball exhibitions in interstate commerce, and for other purposes, was announced as next in order.

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

Mr. JOHNSON of Colorado. Mr. President, will the Senator from Kentucky withhold his request for a moment?

Mr. COOPER. Yes. The junior Senator from Illinois [Mr. DIRKSEN] requested me to ask that the bill be passed over.

Mr. JOHNSON of Colorado. If the Senator will withhold his objection, I should like to say to the acting majority leader that at a very early time I shall make an effort to have this bill considered. I hope to have the friendly cooperation and support of the acting majority leader in bringing this bill up at an early date.

Mr. HENDRICKSON. Mr. President, were the remarks of the Senator from Colorado directed to me?

Mr. JOHNSON of Colorado. Yes.

Mr. HENDRICKSON. Mr. President, I shall be very happy to discuss the matter with the majority leader and try to arrange to have the bill taken up in the regular order.

Mr. JOHNSON of Colorado. I thank the Senator.

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

AMENDMENT OF NATIONAL HOUSING ACT, AND SERVICEMEN'S READJUSTMENT ACT OF 1944, RELATING TO INTEREST RATES—BILL PASSED TO FOOT OF CALENDAR

The Senate proceeded to consider the bill (S. 1993) to amend the National Housing Act, as amended, and the Servicemen's Readjustment Act of 1944, as amended, with respect to maximum interest rates, and for other purposes, which had been reported from the Committee on Banking and Currency with

amendments, on page 1, after the enacting clause, to strike out:

That the first sentence of section 213 (d) of the National Housing Act, as amended, is hereby amended by striking "4 percent per annum" and inserting "4½ percent per annum in case of a mortgage subject to subsection (b) of this section, and 5 percent per annum in case of a mortgage subject to subsection (c) of this section."

And insert:

That the first sentence of section 213 (d) of the National Housing Act, as amended, is hereby amended by striking "4 percent per annum" and inserting "4½ percent per annum, except that individual mortgages insured pursuant to this subsection covering the individual dwellings in the project may bear interest at not to exceed 5 percent per annum."

On page 2, after line 8, to strike out:

SEC. 3. (a) Section 512 (a) (C) of the Servicemen's Readjustment Act of 1944, as amended, is hereby amended by striking "4 percent per annum" and inserting "the rate currently in effect from time to time pursuant to section 500 (b) of this title."

(b) Section 512 (b) of said act, as amended, is hereby amended by striking "4 percent" and inserting "4½ percent."

After line 16, to insert:

SEC. 3. Title III of the Servicemen's Readjustment Act of 1944, as amended, is hereby amended as follows:

(1) The last proviso of section 500 (b) is hereby amended to read as follows: *"And provided further,* That the Administrator shall from time to time, with the approval of the Secretary of the Treasury, prescribe by regulation the maximum rates of interest, not exceeding 4½ percent per annum, which may be charged on loans guaranteed under this title. Any rate or rates so prescribed may be varied if in the judgment of the Administrator such variation will be to the advantage of eligible veterans and will aid the achievement of the purposes of this title."

(2) By striking "4 percent per annum" from clause (C) of section 512 (a) and inserting "the rate currently in effect from time to time pursuant to section 500 (b) of this title" in lieu thereof.

(3) By amending the language of section 512 (b) which precedes the proviso to read as follows: "Loans pursuant to commitments made after the effective date of this enactment shall bear interest at such rate as may be then prescribed for guaranteed home loans, and in no event to exceed 4½ percent per annum and shall be subject to such requirements or limitations prescribed for loans guaranteed under this title as may be applicable."

(4) By striking out "June 30, 1953" from clause (C) of section 512 (b) and inserting "June 30, 1954" in lieu thereof.

(5) By striking out "June 30, 1953" from the first sentence of section 513 (a) and inserting "June 30, 1954" in lieu thereof.

(6) By striking out "June 30, 1954" from the third sentence of section 513 (c) and inserting "June 30, 1955" in lieu thereof.

(7) By striking out "June 30, 1953" from the first sentence of section 513 (d) and inserting "June 30, 1954" in lieu thereof.

So as to make the bill read:

Be it enacted, etc., That the first sentence of section 213 (d) of the National Housing Act, as amended, is hereby amended by striking "4 percent per annum" and inserting "4½ percent per annum, except that individual mortgages insured pursuant to this subsection covering the individual dwellings in the project may bear interest at not to exceed 5 percent per annum,".

SEC. 2. The first sentence of the last paragraph of sections 803 (b) and 908 (b) of said act, as amended, is hereby amended by striking out "4 percent" and inserting "4½ percent".

SEC. 3. Title III of the Servicemen's Readjustment Act of 1944, as amended, is hereby amended as follows:

(1) The last proviso of section 500 (b) is hereby amended to read as follows: *"And provided further,* That the Administrator shall from time to time, with the approval of the Secretary of the Treasury, prescribe by regulation the maximum rates of interest, not exceeding 4½ percent per annum, which may be charged on loans guaranteed under this title. Any rate or rates so prescribed may be varied if in the judgment of the Administrator such variation will be to the advantage of eligible veterans and will aid the achievement of the purposes of this title:".

(2) By striking "4 percent per annum" from clause (C) of section 512 (a) and inserting "the rate currently in effect from time to time pursuant to section 500 (b) of this title" in lieu thereof.

(3) By amending the language of section 512 (b) which precedes the proviso to read as follows: "Loans pursuant to commitments made after the effective date of this enactment shall bear interest at such rate as may be then prescribed for guaranteed home loans, and in no event to exceed 4½ percent per annum and shall be subject to such requirements or limitations prescribed for loans guaranteed under this title as may be applicable:".

(4) By striking out "June 30, 1953" from clause (C) of section 512 (b) and inserting "June 30, 1954" in lieu thereof.

(5) By striking out "June 30, 1953" from the first sentence of section 513 (a) and inserting "June 30, 1954" in lieu thereof.

(6) By striking out "June 30, 1954" from the third sentence of section 513 (c) and inserting "June 30, 1955" in lieu thereof.

(7) By striking out "June 30, 1953" from the first sentence of section 513 (d) and inserting "June 30, 1954" in lieu thereof.

The amendments were agreed to.

Mr. SMATHERS. Mr. President, this seems to be a good bill, but it is a very important one, and I wonder if we might have an explanation of its purposes.

Mr. COOPER. Mr. President, the senior Senator from Indiana [Mr. CAPEHART] is absent from the Chamber at the moment, and I ask that the bill go to the foot of the calendar. Perhaps we may have an explanation of it later.

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

ERECTION OF MEMORIAL TO SARA LOUISA RITTENHOUSE

The Senate proceeded to consider the joint resolution (S. J. Res. 37) to authorize the erection of a memorial to Sara Louisa Rittenhouse in Montrose Park, D. C., which had been reported from the Committee on Rules and Administration with an amendment, on page 1, line 6, after the word "to", to strike out "Sara Louisa Rittenhouse. The design of such memorial shall, prior to the erection thereof, be approved by the Commission on Fine Arts. No part of any expense incurred in connection with the erection of such memorial shall be borne by the United States" and insert "the memory of Sara Louisa Rittenhouse.

"SEC. 2. The site for the memorial shall be approved by the Secretary of the Interior and the National Capital Planning Commission. The design of the memorial, its adequacy and propriety for the site designated, the inscription on the memorial, and the plan for the treatment of the grounds connected with the site shall be approved by the Commission of Fine Arts, the Secretary of the Interior, and the National Capital Planning Commission. The memorial shall be erected and its site landscaped under the supervision of the Secretary of the Interior.

"SEC. 3. All funds necessary to carry out the erection of the memorial and the landscaping of its site shall be certified available to the Secretary of the Interior by the Georgetown Garden Club in time to permit the completion of such work within not more than 4 years after the exact site has been determined; and the United States shall be put to no expense in or by the erection of said memorial and the landscaping of its site."

So as to make the joint resolution read:

Resolved, etc., That the Secretary of the Interior is authorized and directed to grant to the Georgetown Garden Club permission to erect in Montrose Park, in the District of Columbia, an appropriate memorial to the memory of Sara Louisa Rittenhouse.

SEC. 2. The site for the memorial shall be approved by the Secretary of the Interior and the National Capital Planning Commission. The design of the memorial, its adequacy and propriety for the site designated, the inscription on the memorial, and the plan for the treatment of the grounds connected with the site shall be approved by the Commission of Fine Arts, the Secretary of the Interior, and the National Capital Planning Commission. The memorial shall be erected and its site landscaped under the supervision of the Secretary of the Interior.

SEC. 3. All funds necessary to carry out the erection of the memorial and the landscaping of its site shall be certified available to the Secretary of the Interior by the Georgetown Garden Club in time to permit the completion of such work within not more than 4 years after the exact site has been determined; and the United States shall be put to no expense in or by the erection of said memorial and the landscaping of its site.

The amendment was agreed to.

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

RESOLUTION PASSED OVER

The resolution (S. Res. 115) increasing the limit of expenditures for the Select Committee on Small Business was announced as next in order.

Mr. ELLENDER. Over.

Mr. THYE. Mr. President, I just heard the Senator from Louisiana request that the resolution go over. Will it go to the foot of the calendar so that it may be acted upon before the beginning of the new fiscal year? That is the reason why I rise, to ask whether it will go to the foot of the calendar and may be discussed at the conclusion of the calendar call.

The ACTING PRESIDENT pro tempore. Objection was heard.

Mr. HENDRICKSON. Mr. President, I ask unanimous consent that the resolution be taken up at the conclusion of the call of the calendar.

Mr. ELLENDER. Mr. President, I object.

The ACTING PRESIDENT pro tempore. The resolution will be passed over.

APPOINTMENT OR RETENTION OF CERTAIN FEMALE RESERVE PERSONNEL

The bill (S. 1492) to require the establishment of adequate provisions relating to the appointment or retention of certain female Reserve personnel with minor or dependent children, was announced as next in order.

Mr. SMATHERS. I have no objection to the consideration of the bill; but I should like to have an explanation of it.

Mr. HENDRICKSON. Mr. President, I am glad to give an explanation. I belive the bill to be one of the most equitable measures the Senate will have before it for consideration at this session of Congress.

Senate bill 1492 would amend the Armed Forces Reserve Act of 1952 by adding three new sections to the law. These sections would provide that present and former women members of the armed services would not be discharged or declared ineligible for appointment in the military services Reserves solely because of the fact that they become mothers or assume custody of minor children.

There is no existing law which expressly deals or treats with this problem. The cases which have been considered have been handled solely under regulations of the military services, and under the current regulations women are not eligible for appointment or enlistment in the Reserve components if they have minor or dependent children, and they are discharged mandatorily from the Reserves if they become mothers or assume custody of minor children.

I was chairman of a special subcommittee of the Committee on Armed Services which held extensive hearings for 2 days on the bill. The Senate may be assured that the bill was most carefully considered.

In effect, S. 1492 would provide the legislative guaranty that the birth of children or assumption of the care of minor children would not be the sole basis for denying women membership in the Reserve components. The Committee on Armed Services was of the opinion that the regulations excluding women from membership in the Reserves for these reasons, without considering any of the circumstances involved in each case, were arbitrarily unfair to the women affected, and, at the same time, deprived the Armed Forces of a source of very valuable personnel.

As a matter of fact, there were in attendance at the hearings a number of women who had served with great distinction in the last war and who are mothers. To me, as a former member of the Armed Forces, it would be shocking to exclude such women from the Armed Forces simply because they have assumed custody of minor children, either by reason of birth or otherwise. I do not believe they should be denied the right to serve their country in an emergency.

The bill was most carefully considered and was reported unanimously by the Committee on Armed Services.

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

Mr. HENDRICKSON. I yield.

Mr. SMATHERS. Is the Senator of the opinion that a woman who has served in the armed services and who now has the custody of a child is still in a condition to return to the armed services and be of benefit to the armed services?

Mr. HENDRICKSON. Indeed I am. As a matter of fact, the hearings clearly established that fact beyond any question of doubt.

Mr. SMATHERS. Did the Department of Defense give its approval to the proposed legislation?

Mr. HENDRICKSON. The Department of Defense did not give its approval, because it objected to some administrative features which would be imposed on the Department by the enactment of the bill. However, they are very minor administrative features. There appeared on behalf of the Department one witness who attempted to carry the burden of proof against the advantages of the bill.

Mr. SMATHERS. Can the Senator estimate the additional cost to the Armed Services if the bill should pass?

Mr. HENDRICKSON. The only expenditures involved as a result of enactment of the bill would be, first, the pay of the women who would enter active military service; and, of course, they would be entitled to that pay. Second, the bill provides for the payment of those who participate in reserve activities. I am assured that the overhead cost involved in maintaining the records of the personnel would be a very small item indeed, compared with the advantages of having these talented women available in the event of an emergency.

Mr. SMATHERS. Do I understand correctly that the bill does not in any way require the armed services to call back to active duty any of these women?

Mr. HENDRICKSON. It would not have that result. In effect, all the bill does is to say to the military that they shall establish satisfactory or reasonable regulations to cover the whole subject.

The ACTING PRESIDENT pro tempore. Is there objection to the consideration of the bill?

There being no objection, the bill (S. 1492) to require the establishment of adequate provisions relating to the appointment or retention of certain female Reserve personnel with minor or dependent children was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted etc., That the Armed Forces Reserve Act of 1952 is amended—

(1) by adding at the end of part III thereof the following new section:

"SEC. 305. The Secretary of the Army shall establish adequate provisions with respect to female Reserve officers, female former Reserve officers, Reserve enlisted women, and former Reserve enlisted women of the Army Reserve to insure (1) that such personnel shall not be declared ineligible for appointment or enlistment in the Army Reserve solely on the basis of having minor or dependent children, and (2) that such personnel shall not be discharged involuntarily therefrom solely because of the birth or assumption of care or custody of such children.";

(2) by adding at the end of part IV thereof, the following new section:

"SEC. 415. The Secretary of the Navy shall establish adequate provisions with respect to female Reserve officers, female former Reserve officers, Reserve enlisted women, and former Reserve enlisted women of the Naval Reserve, Marine Corps Reserve, and Coast Guard Reserve to insure (1) that such personnel shall not be declared ineligible for appointment or enlistment in the Naval Reserve, Marine Corps Reserve, and Coast Guard Reserve solely on the basis of having minor or dependent children, and (2) that such personnel shall not be discharged involuntarily therefrom solely because of the birth or assumption of care or custody of such children."; and

(3) by adding at the end of part VI thereof, the following new section:

"SEC. 604. The Secretary of the Air Force shall establish adequate provisions with respect to female Reserve officers, female former Reserve officers, Reserve enlisted women, and former Reserve enlisted women of the Air Force Reserve to insure (1) that such personnel shall not be declared ineligible for appointment or enlistment in the Air Force Reserve solely on the basis of having minor or dependent children, and (2) that such personnel shall not be discharged involuntarily therefrom solely because of the birth or assumption of care or custody of such children."

Mr. HENDRICKSON subsequently said: Mr. President, I ask to have printed in the RECORD a statement with reference to S. 1492.

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

STATEMENT BY SENATOR HENDRICKSON ON S. 1492

S. 1492 would amend the Armed Forces Reserve Act of 1952 by adding three new sections to this law. These sections would provide that present and former women members of our armed services would not be discharged, or declared ineligible for appointment in the Reserves of our military services, solely because of the fact that these women become mothers or assume custody of minor children. There is no existing law which expressly deals with this matter.

Under current regulations of the military services, women are not eligible for appointment or enlistment in the Reserve components if they have minor or dependent children, and they are discharged mandatorily from the Reserves if they become mothers or assume custody of minor children.

The junior Senator from New Jersey would like to add at this point that he was chairman of a special subcommittee which held hearings for 2 days on this bill, and the Senate may be assured that this bill was carefully considered.

What S. 1492, in effect, would do would be to provide the legislative guaranty that the birth or assumption of the care of minor children would not be the sole basis for denying women membership in the Reserve components. The Committee on Armed Services was of the opinion that the regulations excluding women from membership in the Reserves for these reasons, without considering any of the circumstances involved in each case, are arbitrarily unfair to the women involved and at the same time deprive the Armed Forces of a source of valuable personnel.

The committee received extensive testimony from women who were formerly mem-

bers of the Reserve components. Some testified that, except for the time usually required for maternity leave, the birth of their children would not have interfered with their continuation on military duty. Others, in the case of adopted children, testified that they would have continued their military service without any interference from the assumption of the custody of the children. In all cases, however, these women were discharged.

There are also those women in the Reserves who were not on active military duty who were discharged as reservists solely because of their becoming mothers. These women likewise testified that their children would not interfere with their Reserve activities.

I would like to emphasize that this bill does not say that these women must be retained even if they have children. It merely says that they may not be mandatorily discharged for this reason alone. The effect would be that the military services would have to consider the circumstances in each case.

FUNDS INVOLVED

The only funds which this bill involves would be (a) the pay of those women who would enter active military service because of the passage of this bill or (b) those who would be paid for participating in Reserve activities, and (c) the overhead costs involved in maintaining the records on these persons.

DEPARTMENT OF DEFENSE POSITION

The Department of Defense opposed this bill, apparently on the basis that since women who are mothers could not be involuntarily ordered to duty during a period of mobilization, they did not constitute a dependable part of the mobilization potential. This reasoning appears to ignore the fact that the women reservists with children who would remain on active military duty constitute a part of the actual military strength rather than any mobilization potential.

With respect to the mobilization potential argument, there would certainly be a portion of these women who would come in; whereas if they are all mandatorily discharged, there is no mobilization potential at all. It would certainly appear that the relatively small expense of maintaining the records and providing the necessary training programs would justify the retention of these women in the Reserve forces.

AMENDMENT OF FEDERAL CREDIT UNION ACT

The Senate proceeded to consider the bill (S. 1665) to amend the Federal Credit Union Act, which had been reported from the Committee on Banking and Currency with amendments, on page 1, line 3, after the enacting clause, to strike out:

That section 13 of the Federal Credit Union Act (12 U. S. C., sec. 1763) is hereby amended by inserting "(a)" after "SEC. 13." and by adding at the end thereof the following new subsection:

"(b) If at any annual meeting a dividend is declared under subsection (a) then upon recommendation of the board of directors a patronage dividend may also be declared at such meeting from the remaining net earnings. A patronage dividend shall be paid to members in proportion to the interest they have paid during the preceding fiscal year on loans made to them."

And insert:

That subsection (c) of section 11 of the Federal Credit Union Act (12 U. S. C., sec. 1761) is hereby amended by striking out "and," after the last semicolon and by inserting before the period at the end of the paragraph the following: "and, subject to such regulations as may be issued by the Director, authorize an interest refund to members of record at the close of business on December 31 in proportion to the interest paid by them during that year."

On page 2, line 14, after the word "the", to strike out "Federal Security Agency" and insert "Bureau of Federal Credit Unions"; so as to make the bill read:

Be it enacted, etc., That subsection (c) of section 11 of the Federal Credit Union Act (12 U. S. C., sec. 1761) is hereby amended by striking out "and," after the last semicolon and by inserting before the period at the end of the paragraph the following: "and, subject to such regulations as may be issued by the Director, authorize an interest refund to members of record at the close of business on December 31 in proportion to the interest paid by them during that year".

SEC. 2. Section 16 of the Federal Credit Union Act (12 U. S. C., sec. 1766) is hereby amended by adding at the end thereof the following new subsection:

"(f) Any officer or employee of the Bureau of Federal Credit Unions is authorized, when designated for the purpose by the Director of the Bureau of Federal Credit Unions, to administer oaths and affirmations and to take affidavits and depositions touching upon any matter within the jurisdiction of the Bureau of Federal Credit Unions."

The amendments were agreed to.

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

LABELING OF PACKAGES CONTAINING FOREIGN-PRODUCED TROUT

The bill (S. 2033) relating to the labeling of packages containing foreign-produced trout sold in the United States, and requiring certain information to appear on the menus of public eating places serving such trout was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted, etc., That section 301 of the Federal Food, Drug, and Cosmetic Act, as amended (21 U. S. C. 331), is amended by adding thereto a new paragraph as follows:

"(n) The sale, offering for sale, possession for sale or serving of trout produced outside the United States, its Territories, or possessions, in violation of section 408 of this title."

SEC. 2. Chapter IV of the Federal Food, Drug, and Cosmetic Act, as amended (21 U. S. C. 341 et seq.) is amended by adding at the end thereof a new section as follows:

"FOREIGN-PRODUCED TROUT

"SEC. 408. (a) No person shall sell, offer for sale, or possess for sale as food, in any place other than a public eating place, trout produced outside the United States, its Territories, or possessions, unless—

"(1) such trout is packaged;

"(2) each part of the contents of the package is contained in a wrapper; and

"(3) each such package and wrapper is clearly and conspicuously stamped or labeled to disclose in type or lettering not smaller than 20-point type the word 'trout' preceded by the name of the country in which such trout was produced.

"(b) No person shall possess in a form ready for serving or shall serve at a public eating place trout produced outside the United States, its Territories, or possessions, unless there appears on the menu of such eating place in clear and conspicuous type the word 'trout' preceded by the name of the country in which such trout was produced, or, if such eating place does not have a menu, a notice is displayed prominently and conspicuously in such eating place stating that '—— trout is served in this restaurant,' the blank space to be filled with the name of the country in which such trout was produced.

"(c) The requirements of subsections (a) and (b) shall be in addition to and not in lieu of any of the other requirements of this act.

"(d) As used in this section the term 'trout' means all species of trout fish, except Salvelinus namaycush (lake trout), belonging to the following genera: Salmo, Salvelinus, Cristivomer, Hucho, and Brachymystax."

SEC. 3. Nothing in this act shall be construed as authorizing the possession, sale, or serving of foreign-produced trout in any State or Territory in contravention of the laws of such State or Territory.

Mr. DWORSHAK. Mr. President, I ask unanimous consent to have printed in the RECORD an explanatory statement relative to Senate bill 2033.

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

STATEMENT BY SENATOR DWORSHAK ON SENATE BILL 2033

The purpose of my bill, S. 2033, is simple. It would merely require honest labeling of foreign trout sold and served in this country. It is in no way designed or intended to restrict the imports of foreign trout. It does not restrict or in any way limit such imports. It is not a tariff measure.

This bill was introduced after numerous complaints from all over the country were received that imported trout is being sold in the United States under various false labels, indicating that the imported product was in fact a domestic product. "Rocky Mountain trout," "Eastern brook trout," and even "Idaho brook trout," are terms used to describe the foreign product. My bill simply requires that imported trout be sold under honest labels. This will make it possible to eliminate unfair competition with American commercial trout growers who have already suffered considerable financial loss because of this deceptive practice. It is also appropriate to point out that foreign trout lacks the distinctive flavor and firmness of the domestic product. This is due to the difference in feeding methods.

Reports received on S. 626 and S. 1114, which were similar in objective to the pending bill, from the Departments of State, Interior, and Health, Education, and Welfare, generally were adverse.

The State Department contended that enactment of such legislation was in conflict with United Sates trade policies and commitments. This contention is simply not valid, because the legislation does not prevent the importation of foreign trout. To reemphasize, the bill simply requires honest labeling. It would seem entirely reasonable to require that foreign trout be sold for what it is—foreign trout.

The Department of Health, Education, and Welfare objected on the ground that there is already provision in the Food and Drug Act prohibiting removal or alteration of required labeling while an article is held for sale. That is true, however, only to the point at which the imported fish is removed from bulk containers and repackaged for sale in this country. Existing provisions of law are therefore not adequate.

There is no reason why, if the principle involved in the law cited by the Department has validity, it should not be extended to cover the whole situation.

The Department of the Interior report reflected the erroneous impression that the bill was designed to curb imports and stated that the measure would not serve that purpose. It stated also that the labeling requirement would raise the cost per pound of imported trout by only a few cents. Then it went on to say that "The present differential in wholesale price between domestically raised trout and the imported, hatchery-raised trout is around 40 cents per pound. Thus, the additional cost could be absorbed easily and the imported trout still would undersell domestically produced trout." That objection, if such it can be called, is an argument for the bill.

From the foregoing it should be convincingly clear that S. 2033 does no more than restore a fair basis for competition.

COMPACT RELATING TO HIGHER EDUCATION IN WESTERN STATES

The bill (S. 1515) granting the consent of Congress to certain Western States and the Territories of Alaska and Hawaii to enter into a compact relating to higher education in the Western States and establishing the Western Interstate Commission for Higher Education was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted, etc., That the consent of Congress is hereby given to any five or more of the States of Arizona, California, Colorado, Idaho, Montana, Nevada, New Mexico, Oregon, Utah, Washington, and Wyoming and the Territories of Alaska and Hawaii to enter into the following compact and agreement relating to higher education and creating the Western Interstate Commission for Higher Education.

The compact reads as follows:

"ARTICLE I

"Whereas the future of this Nation and of the Western States is dependent upon the quality of the education of its youth and

"Whereas many of the Western States individually do not have sufficient numbers of potential students to warrant the establishment and maintenance within their borders of adequate facilities in all of the essential fields of technical professional, and graduate training, nor do all the States have the financial ability to furnish within their borders institutions capable of providing acceptable standards of training in all of the fields mentioned above; and

"Whereas it is believed that the Western States, or groups of such States within the region, cooperatively can provide acceptable and efficient educational facilities to meet the needs of the region and of the students thereof:

"Now, therefore, the States of Arizona, California, Colorado, Idaho, Montana, Nevada, New Mexico, Oregon, Utah, Washington, and Wyoming, and the Territories of Alaska and Hawaii do hereby covenant and agree as follows:

"ARTICLE II

"Each of the compacting States and Territories pledges to each of the other compacting States and Territories faithful cooperation in carrying out all the purposes of this compact.

"ARTICLE III

"The compacting States and Territories hereby create the Western Interstate Commission for Higher Education, hereinafter called the Commission. Said Commission shall be a body corporate of each compacting State and Territory and an agency thereof. The Commission shall have all the powers and duties set forth herein, including the power to sue and be sued, and such additional powers as may be conferred upon it by subsequent action of the respective legislatures of the compacting States and Territories.

"ARTICLE IV

"The Commission shall consist of three resident members from each compacting State or Territory. At all times one Commissioner from each compacting State or Territory shall be an educator engaged in the field of higher education in the State or Territory from which he is appointed.

"The Commissioners from each State and Territory shall be appointed by the governor thereof as provided by law in such State or Territory. Any Commissioner may be removed or suspended from office as provided by the law of the State or Territory from which he shall have been appointed.

"The terms of each Commissioner shall be 4 years: *Provided, however,* That the first 3 Commissioners shall be appointed as follows: 1 for 2 years, 1 for 3 years, and 1 for 4 years. Each Commissioner shall hold office until his successor shall be appointed and qualified. If any office becomes vacant for any reason, the governor shall appoint a Commissioner to fill the office for the remainder of the unexpired term.

"ARTICLE V

"Any business transacted at any meeting of the Commission must be by affirmative vote of a majority of the whole number of compacting States and Territories.

"One or more Commissioners from a majority of the compacting States and Territories shall constitute a quorum for the transaction of business.

"Each compacting State and Territory represented at any meeting of the Commission is entitled to one vote.

"ARTICLE VI

"The Commission shall elect from its number a chairman and a vice chairman, and may appoint, and at its pleasure dismiss or remove, such officers, agents, and employees as may be required to carry out the purpose of this compact; and shall fix and determine their duties, qualifications and compensation, having due regard for the importance of the responsibilities involved.

"The Commissioners shall serve without compensation, but shall be reimbursed for their actual and necessary expenses from the funds of the Commission.

"ARTICLE VII

"The Commission shall adopt a seal and bylaws and shall adopt and promulgate rules and regulations for its management and control.

"The Commission may elect such committees as it deems necessary for the carrying out of its functions.

"The Commission shall establish and maintain an office within one of the compacting States for the transaction of its business and may meet any time, but in any event must meet at least once a year. The Chairman may call such additional meetings and upon the request of a majority of the Commissioners of three or more compacting States or Territories shall call additional meetings.

"The Commission shall submit a budget to the governor of each compacting State and Territory at such time and for such period as may be required.

"The Commission shall, after negotiations with interested institutions, determine the cost of providing the facilities for graduate and professional education for use in its contractual agreements throughout the region.

"On or before the 15th day of January of each year, the Commission shall submit to the governors and legislatures of the compacting States and Territories a report of its activities for the preceding calendar year.

"The Commission shall keep accurate books of account, showing in full its receipts and disbursements, and said books of account shall be open at any reasonable time for inspection by the governor of any compacting State or Territory or his designated representative. The Commission shall not be subject to the audit and accounting procedure of any of the compacting States or Territories. The Commission shall provide for an independent annual audit.

"ARTICLE VIII

"It shall be the duty of the Commission to enter into such contractual agreements with any institutions in the region offering graduate or professional education and with any of the compacting States or Territories as may be required in the judgment of the Commission to provide adequate services and facilities of graduate and professional education for the citizens of the respective compacting States or Territories. The Commission shall first endeavor to provide adequate services and facilities in the fields of dentistry, medicine, public health, and veterinary medicine, and may undertake similar activities in other professional and graduate fields.

"For this purpose the Commission may enter into contractual agreements—

"(a) with the governing authority of any educational institution in the region, or with any compacting state or territory, to provide such graduate or professional educational services upon terms and conditions to be agreed upon between contracting parties, and

"(b) with the governing authority of any educational institution in the region or with any compacting state or territory to assist in the placement of graduate or professional students in educational institutions in the region providing the desired services and facilities, upon such terms and conditions as the Commission may prescribe.

"It shall be the duty of the Commission to undertake studies of needs for professional and graduate educational facilities in the region, the resources for meeting such needs, and the long-range effects of the compact on higher education; and from time to time to prepare comprehensive reports on such research for presentation to the Western Governor's Conference and to the legislatures of the compacting States and Territories. In conducting such studies, the Commission may confer with any national or regional planning body which may be established. The Commission shall draft and recommend to the Governors of the various compacting States and Territories, uniform legislation dealing with problems of higher education in the region.

"For the purposes of this compact the word 'Region' shall be construed to mean the geographical limits of the several compacting States and Territories.

"ARTICLE IX

"The operating costs of the Commission shall be apportioned equally among the compacting States and Territories.

"ARTICLE X

"This compact shall become operative and binding immediately as to those States and Territories adopting it whenever five or more of the States or Territories of Arizona, California, Colorado, Idaho, Montana, Nevada, New Mexico, Oregon, Utah, Washington, Wyoming, Alaska, and Hawaii have duly adopted it prior to July 1, 1953. This compact shall become effective as to any additional States or Territories adopting thereafter at the time of such adoption.

"ARTICLE XI

"This compact may be terminated at any time by consent of a majority of the compacting States and Territories. Consent shall be manifested by passage and signature in the usual manner of legislation expressing such consent by the legislature and Governor of such terminating State. Any State or Territory may at any time withdraw

from this compact by means of appropriate legislation to that end. Such withdrawal shall not become effective until 2 years after written notice thereof by the Governor of the withdrawing State or Territory accompanied by a certified copy of the requisite legislative action is received by the Commission. Such withdrawal shall not relieve the withdrawing State or Terrtory from its obligations hereunder accruing prior to the effective date of withdrawal. The withdrawing State or Territory may rescind its action of withdrawal at any time within the 2-year period. Thereafter, the withdrawing State or Territory may be reinstated by application to and the approval by a majority vote of the Commission.

"ARTICLE XII

"If any compacting State or Territory shall at any time default in the performance of any of its obligations assumed or imposed in accordance with the provisions of this compact, all rghts, privileges and benefits conferred by this compact or agreements hereunder shall be suspended from the effective date of such default as fixed by the Commission.

"Unless such default shall be remedied within a period of 2 years following the effective date of such default, this compact may be terminated with respect to such defaulting State or Territory by affirmative vote of three-fourths of the other member States or Territories.

"Any such defaulting State may be reinstated by: (a) performing all acts and obligations upon which it has heretofore defaulted, and (b) application to and the approval by a majority vote of the Commission."

SEC. 2. The right to alter, amend, or repeal this act is hereby expressly reserved.

AMENDMENT OF NATIONAL SCIENCE FOUNDATION ACT OF 1950

The Senate proceeded to consider the bill (S. 977) to amend the National Science Foundation Act of 1950, which had been reported from the Committee on Labor and Public Welfare with an amendment, to strike out all after the enacting clause and insert:

That subsection (a) of section 16 of the National Science Foundation Act of 1950 is amended by striking out "not to exceed $500,000 for the fiscal year ending June 30, 1951, and not to exceed $15 million for each fiscal year thereafter" and inserting in lieu thereof "such sums as may be necessary to carry out the provisions of this act."

The amendment was agreed to.

Mr. SMATHERS. Mr. President, I wonder if we might have an explanation from the able senior Senator from New Jersey as to the purposes of the bill.

Mr. SMITH of New Jersey. The purpose of the bill is to carry out the intent of the Bureau of the Budget to consolidate, so far as possible, in the National Science Foundation, research in pure science as distinguished from applied science. This can be done only if the present limited ceiling of $15 million is removed from the law. It is proposed by the pending bill to amend the law so as to provide an open ceiling for such amounts as may be necessary to carry out the purposes of the act. This amendment has the full approval of the Bureau of the Budget, after a conference with Mr. Dodge and the Directors of the Foundation.

If the Senator from Florida wishes a further explanation, I can go into more detail.

Mr. SMATHERS. I should appreciate having the Senator give a little further explanation, if he is in a position to do so.

Mr. SMITH of New Jersey. The action along the line suggested was initiated at the instigation of Dr. Vannevar Bush, who was the head of all the Government's scientific work during the war. As a result of experience in the war with atomic energy work, and otherwise, he came to the conclusion that one thing that was needed with a consolidation of efforts in research in pure science. That was what led to the introduction of the National Science Foundation bill.

At that time Dr. Bush estimated that, under the circumstances, the cost of stimulating much needed basic research might reach $50 million or $60 million a year. He believed that in the long run money would be saved by consolidating this research in the new Foundation.

I believe this question was before Congress 2 or 3 years ago, and that there was extended debate on the subject. The National Science Foundation was established, with provision made for representatives on the Foundation from colleges all over the country, including land-grant colleges. A program was developed for the assignment of research projects to different institutions after hearings before the Foundation itself.

The Director of the Foundation is Dr. Alan Waterman, an eminent scientist. Mr. Chester Barnard, formerly head of the Rockefeller Foundation, accepted the chairmanship of the Board. He, Dr. Waterman, and other scientific colleagues are moving ahead with the whole program and are carefully carrying out the original purposes of the act.

The difficulty in the past has been that some Members of Congress have not fully understood the need for consolidating our Government's basic research efforts. Appropriations have been so limited that it was not possible for the Foundation to do the work for which it was originally created, namely, to bring together much of the basic research now being done in the Department of the Army, the Department of the Navy, and other agencies. Such centralization is necessary if we are to make economies in this expensive but critically important area of work. That was the only reason why we asked that the definite ceiling of $15 million be removed so that in consultation with the various departments and the Bureau of the Budget, funds and programs now carried on by other agencies of the Government could be transferred, in accordance with the President's policy of consolidation, to the National Science Foundation.

This year I think the appropriation asked for was $15 million. I understand that approximately $10 million has been tentatively approved. No more money is needed this year; but it is necessary to have the ceiling removed so that the Foundation's work can be expanded, as originally intended, and the very important research in pure science be put on a sound nationwide basis under the leadership of eminent scientists. I wish to emphasize that the removal of this ceiling would not increase total Federal expenditures in basic research. All it would do would be to permit consolidation of this work. As a matter of fact, such consolidation can be expected to result in savings from the standpoint of the overall Federal budget.

The original request was that the number required for a quorum be reduced. There are 24 members on the Board. There have always been present at the meetings more than a majority of the members. It was believed by some that it might expedite the work of the Foundation if a smaller number were required to form a quorum. However, we considered the work so important that we felt that the members of the panel should get together at regular intervals for the very important task of assigning research projects and assigning scholarships for young scientists among the various institutions. We rejected the request that a smaller number be required for a quorum, but we felt that removal of the ceiling from the authorization was necessary to enable the Foundation to design and carry out a program of the scope and dimension originally intended by Congress. I consider such basic research a vital part of our national health, welfare, and security.

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

Mr. SMITH of New Jersey. I yield.

Mr. SMATHERS. Would this bill in any way change the previous operations of the National Science Foundation?

Mr. SMITH of New Jersey. It would change its operations in the sense that research in pure science would tend to be concentrated in the Foundation, rather than having it scattered, with a little in one department and a little in another department.

The ACTING PRESIDENT pro tempore. The Chair reminds the Senator from New Jersey that his 5 minutes have expired.

Mr. SMATHERS. I thank the Senator from New Jersey, and commend him for his work in this field.

The ACTING PRESIDENT pro tempore. 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.

EXTENSION OF DURATION OF HOSPITAL SURVEY AND CONSTRUCTION ACT

The Senate proceeded to consider the bill (S. 967) to extend the duration of the Hospital Survey and Construction Act (title VI) of the Public Health Service Act, which had been reported from the Committee on Labor and Public Welfare with an amendment, on page 1, line 5, to strike out the word "five" and insert in lieu thereof the word "seven", so as to make the bill read:

Be it enacted, etc., That the first sentence of section 621 of the Public Health Service Act, as amended, is amended by striking out the word "five" and inserting in lieu thereof the word "seven."

The amendment was agreed to.

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

PERMISSION TO VETERANS TO SUSPEND OR DELAY THEIR PROGRAMS OF EDUCATION OR TRAINING

The Senate proceeded to consider the bill (S. 631) to permit veterans to suspend or delay their programs of education or training under the Veterans' Readjustment Assistance Act of 1952 in order to perform services as missionaries, which had been reported from the Committee on Labor and Public Welfare with amendments.

The first amendment of the Committee on Labor and Public Welfare was, on page 1, line 10, after the word "having", to insert "during the past 10 years."

The amendment was agreed to.

Mr. SMATHERS. Mr. President, I wonder if we may have an explanation of the bill. I see that the Senator from Utah [Mr. BENNETT], the author of the bill, is present in the Chamber.

Mr. BENNETT. Mr. President, this bill would enable returning Korean veterans to perform a traditional, full-time, unpaid, religious missionary service for their church without losing the educational benefits of the Veterans' Readjustment Assistance Act of 1952, commonly known as the Korean GI bill.

The Church of Jesus Christ of Latter-day Saints—commonly known as the Mormon Church—for many years has sent out young men as missionaries when they were about the ages of these returning veterans. However, the performance of this missionary work by the returning veteran involves such a delay in, or such an interruption of, his educational program that, under the requirements of the act as to time of initiation or allowed interruption, he loses his benefits under the act. There may be other churches with the same problem, but we know of no others.

First. The present act—section 212a—requires the veteran to initiate his education program within 2 years after his discharge or release from active service. This bill provides that up to 36 months time spent in missionary work as defined by this bill would be disregarded in applying this limitation on the time for initiating the program of education.

Second. The present act—section 212b—provides that the veteran cannot interrupt his education program for more than 12 months. This bill would provide that up to 36 months' time spent in missionary work as defined by this bill would be disregarded in applying this limitation on interruption of the program of education.

For more than 120 years the Church of Jesus Christ of Latter-day Saints has been sending out young men from 18 to 25 years of age as missionaries. Ordinarily they spend 2 to 2½ years in this service, unpaid and at their own expense, and return to establish themselves in other careers, since the church has no paid ministry. This is the accepted pattern of life for an orthodox and devoted member of the church.

When the Korean war began, there were approximately 3,000 young men in the missionary service of this church. Ordinarily they have been exempt from military service to perform this missionary work; however, in order to eliminate the conflict with the draft law for young men of this age, this exemption was voluntarily waived by the church, and it decided not to call as missionaries after January 31, 1951, any young men who were fit to be classified as 1–A. It asked them to serve their country first and then return to serve their church. That was before the present GI bill was written, and it was not known then that if such returning veterans were to perform the traditional missionary service they would lose the education benefits of this act. This makes it a difficult choice for the boys.

The purpose of this bill is to enable these boys to perform this missionary service without foregoing the benefits they may be entitled to under the act.

This bill does not extend the overall time for the receipt of benefits under the Veterans' Readjustment Act of 1952, nor does it extend the overall time under which the Veterans' Administration would be obligated to administer benefits under the act.

This bill would not result in any additional costs in benefits received or in the administration of the act.

Mr. SMATHERS. I thank the Senator. Will the Senator from Utah yield for a question?

Mr. BENNETT. I yield.

Mr. SMATHERS. Does the Senator believe that it would be constitutional to place in the bill a limitation which requires that a religious group which might be the recipient of the benefits of the bill must be a bona fide religious organization for 10 years?

Mr. BENNETT. The original bill did not contain such a limitation. The limitation was placed in the bill by the committee. The Senator from Utah would be perfectly willing to have that particular provision deleted, because it serves no purpose.

Mr. SMATHERS. Does not the Senator from Utah believe that that particular provision is discriminatory, in that some other religious group might spring up within 8 years, 7 years, or 5 years, which should be entitled to the same benefits under the bill as any other religious organization?

Mr. BENNETT. So far as the Senator from Utah is concerned, that provision may be stricken.

Mr. SMATHERS. Would the Senator be willing to allow the bill to go to the foot of the calendar, so that we may draft a proper amendment? I advise the Senator that the junior Senator from Florida will object to the bill with that provision in it.

Mr. SMITH of New Jersey. Mr. President, the question arose in the committee, and the fear was that unless there was some limitation to insure the bona fides of a religious organization, attempts might be made to take advantage of the law by those who are not really entitled to its advantages. I admit that a period of 10 years seems arbitrary; yet it seemed that there should be some limitation to take care of the important, bona fide religious organizations.

Mr. SMATHERS. Was there discussion in the committee as to how it would be determined what a bona fide religious organization is?

Mr. SMITH of New Jersey; No; that question was not discussed. The feeling was that if we should insert a time limit in the bill, it would at least require an organization attempting to claim the benefits of this provision to prove that it had been in existence for some time.

Mr. SMATHERS. Would not the Senator agree that if a bona fide religious organization should come into being 8 years or 7 years from the time this legislation was enacted, such bona fide religious organization and its members should have the same benefits as would members of religious organizations which had been in existence for longer than 10 years?

Mr. SMITH of New Jersey. I think the point made by the Senator is very reasonable, but it seems to me that we must guard against spurious, fly-by-night organizations coming into existence for the purpose of trying to take advantage of the law and obtaining a longer time within which to exercise GI rights.

Mr. SMATHERS. The Senator must recognize that when we enter the field of bona fide religious organizations, what might be considered by one person as a fly-by-night organization might not be so considered by another person. If the Senator from Utah would be willing to withdraw his amendment, I would be willing to withdraw my objection.

Mr. BENNETT. Would the Senator from New Jersey [Mr. SMITH], who is the chairman of the committee which reported the amendment, be willing to withdraw the amendment?

Mr. SMITH of New Jersey. So far as I am concerned, I am perfectly willing to delete the amendment and leave the bill as originally introduced. I am not sure that I have the authority to do so, but I am willing to do it.

Mr. SMATHERS. Mr. President, do I understand the Senator from New Jersey withdraws the amendment?

Mr. SMITH of New Jersey. I am willing to withdraw the limitation in the form of the amendment on page 1, line 10, if there is no objection, and I assume there will be none.

The PRESIDING OFFICER. The amendment has been agreed to. The Chair will entertain a motion to reconsider the vote by which the amendment was agreed to.

Mr. SMITH of New Jersey. Mr. President, I move that the Senate reconsider the vote by which the committee amendment, on page 1, line 10, was agreed to.

The ACTING PRESIDENT pro tempore. The question is on agreeing to the motion of the Senator from New Jersey [Mr. SMITH] to reconsider the vote by which the Senate adopted the amendment.

The motion was agreed to.

The ACTING PRESIDENT pro tempore. The question is on agreeing to the committee amendment. A negative vote will delete the amendment from the bill.

The amendment was rejected.

The ACTING PRESIDENT pro tempore. The clerk will state the remaining committee amendments.

The CHIEF CLERK. On page 2, line 10, after the word "until", to strike out "completion; and" and insert "completion"; and after line 10, to strike out:

"(3) shall be added to the 7-year period after discharge or release from active service in determining the expiration of the period of eligibility for education or training of such eligible veteran under section 213."

So as to make the bill read:

Be it enacted, etc., That section 212 of the Veterans' Readjustment Assistance Act of 1952 (66 Stat. 664, 38 U. S. C. 917) is amended by adding at the end thereof a new subsection as follows:

"(d) In the case of an eligible veteran who, after his discharge or release from active service, is engaged in performing full-time services as a missionary (either within or outside the United States) by a religious denomination or interdenominational mission organization having a bona fide organization in the United States, any period, not exceeding a total of 36 months, during which such eligible veteran is so engaged—

"(1) shall be added to the periods prescribed by subsection (a) within which such eligible veteran must initiate a program of education or training;

"(2) shall be disregarded in applying the provisions of subsection (b) which require an eligible veteran to pursue his program of education or training continuously until completion."

The amendments were agreed to.

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

PROHIBITION OF INTRODUCTION OR MOVEMENT IN INTERSTATE COMMERCE OF HIGHLY FLAMMABLE WEARING APPAREL AND FABRICS

The bill (H. R. 5069) to prohibit the introduction or movement in interstate commerce of articles of wearing apparel and fabrics which are so highly flammable as to be dangerous when worn by individuals, and for other purposes, was announced as next in order.

The ACTING PRESIDENT pro tempore. Is there objection to the present consideration of the bill?

Mr. MAGNUSON. Mr. President, reserving the right to object—and I shall not object—I believe the bill should be clarified in a certain respect.

Section 11 of the bill excludes from the provisions of the act any common carrier, contract carrier, or freight forwarder receiving the prohibited articles in the ordinary course of business.

As section 11 is worded, it might be construed to distinguish freight forwarders from other common carriers. I am sure that no such construction is intended. Three years ago a question arose as to the status of freight forwarders, and the Congress enacted Public Law 881 of the 81st Congress to clarify that status and make clear that freight forwarders are common carriers.

I would not want to have the wording of this bill cause any further confusion as to the common-carrier status of freight forwarders.

It is my understanding that the term "freight forwarder" was spelled out in the bill for the reason that there are certain activities, described as freight forwarding, engaged in, particularly at ports and in overseas shipping, which are not subject to regulation under the Interstate Commerce Act and which might not be embraced within the term "common carrier." To make certain that all such activities would be excluded from the act, the term "freight forwarder" was used, in addition to the term "common carrier."

I make this statement because I want it to be clear on the record that the use of the term "freight forwarder" in the bill is not intended to change or in any way affect the common-carrier status of freight forwarders, which was determined in the 81st Congress.

The ACTING PRESIDENT pro tempore. Is there objection to the present consideration of the bill?

There being no objection, the bill (H. R. 5069) to prohibit the introduction or movement in interstate commerce of articles of wearing apparel and fabrics which are so highly flammable as to be dangerous when worn by individuals, and for other purposes, was considered, ordered to a third reading, read the third time, and passed.

AMENDMENT TO THE CONSTITUTION RELATING TO THE MAKING OF TREATIES AND EXECUTIVE AGREEMENTS — JOINT RESOLUTION PASSED OVER

The joint resolution (S. J. Res. 1) proposing an amendment to the Constitution of the United States relative to the making of treaties and executive agreements was announced as next in order.

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

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

The PRESIDING OFFICER (Mr. BENNETT in the chair). A quorum is present.

Is there objection to the present consideration of Senate Joint Resolution 1, Calendar No. 408, proposing an amendment to the Constitution of the United States relative to the making of treaties and executive agreements?

There being no objection, the Senate proceeded to consider the joint resolution, which had been reported from the Committee on the Judiciary with an amendment on page 2, after line 5, to strike out:

SECTION 1. A provision of a treaty which denies or abridges any right enumerated in this Constitution shall not be of any force or effect.

SEC. 2. No treaty shall authorize or permit any foreign power or any international organization to supervise, control, or adjudicate rights of citizens of the United States within the United States enumerated in this Constitution or any other matter essentially within the domestic jurisdiction of the United States.

SEC. 3. A treaty shall become effective as internal law in the United States only through the enactment of appropriate legislation by the Congress.

SEC. 4. All executive or other agreements between the President and any international organization, foreign power, or official thereof shall be made only in the manner and to the extent to be prescribed by law. Such agreements shall be subject to the limitations imposed on treaties, or the making of treaties, by this article.

SEC. 5. The Congress shall have power to enforce this article by appropriate legislation.

SEC. 6. This article shall be inoperative unless it shall have been ratified as an amendment to the Constitution by the legislatures of three-fourths of the several States within 7 years from the date of its submission.

And insert:

"SECTION 1. A provision of a treaty which conflicts with this Constitution shall not be of any force or effect.

"SEC. 2. A treaty shall become effective as internal law in the United States only through legislation which would be valid in the absence of treaty.

"SEC. 3. Congress shall have power to regulate all executive and other agreements with any foreign power or international organization. All such agreements shall be subject to the limitations imposed on treaties by this article.

"SEC. 4. The Congress shall have power to enforce this article by appropriate legislation.

"SEC. 5. This article shall be inoperative unless it shall have been ratified as an amendment to the Constitution by the legislatures of three-fourths of the several States within 7 years from the date of its submission."

So as to make the joint resolution read:

Resolved, etc., That the following article is proposed as an amendment to the Constitution of the United States, which shall be valid to all intents and purposes as part of the Constitution when ratified by the legislatures of three-fourths of the several States:

"ARTICLE —

"SECTION 1. A provision of a treaty which conflicts with this Constitution shall not be of any force or effect.

"SEC. 2. A treaty shall become effective as internal law in the United States only through legislation which would be valid in the absence of treaty.

"SEC. 3. Congress shall have power to regulate all executive and other agreements with

any foreign power or international organization. All such agreements shall be subject to the limitations imposed on treaties by this article.

"SEC. 4. The Congress shall have power to enforce this article by appropriate legislation.

"SEC. 5. This article shall be inoperative unless it shall have been ratified as an amendment to the Constitution by the legislatures of three-fourths of the several States within 7 years from the date of its submission."

Mr. LANGER. Mr. President, in connection with the joint resolution, I may say that the committee was divided, by a close vote. I believe the joint resolution is of such importance that it should not be disposed of during the call of the calendar, but I hope it will be taken up some time next week.

Mr. BUTLER of Maryland. Mr. President, the Senator from North Dakota does not object to the committee amendment, does he?

Mr. LANGER. Oh, no.

Mr. BUTLER of Maryland. Then, Mr. President, the question now is on agreeing to the committee amendment, is it not?

The PRESIDING OFFICER. Yes; the question is on agreeing to the committee amendment. (Putting the question.)

The amendment was agreed to.

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

Mr. LANGER. Mr. President, there is a divided report on the part of the committee, and the joint resolution is of such great importance that in my opinion it should not be passed during the call of the consent calendar.

I respectfully ask that the joint resolution be passed over, but be set for consideration in the early part of next week.

Mr. HENDRICKSON. I suggest that the Senator from North Dakota take up this matter with the distinguished acting majority leader.

Mr. LANGER. Very well. The joint resolution should be considered very soon.

Mr. McCARRAN. Mr. President, in respect to Senate Joint Resolution No. 1, Calendar No. 408, let me say that I had the honor of joining with other Members of this body in introduction of Senate Joint Resolution 1, which would put an end to legislation and constitutional amendment by treaty or by executive agreement. I had the honor of joining with other members of the Committee on the Judiciary in reporting the joint resolution favorably to the Senate. This joint resolution should be approved by the Senate, and I am confident it will be approved by the Senate.

I wish to inquire now of the acting majority leader whether he has information as to the plans of the majority leadership in regard to permitting the joint resolution to come before the Senate for debate and vote at an early date.

Mr. HENDRICKSON. Mr. President, the distinguished acting majority leader, the senior Senator from California [Mr. KNOWLAND], is on the floor. I think it would be better to have him respond to the inquiry of the Senator from Nevada.

Mr. McCARRAN. Mr. President, I should like very much to have the Senator from California respond.

Mr. KNOWLAND. I did not understand the Senator's question.

Mr. McCARRAN. At what time in the near future can consideration by the Senate be given to Senate Joint Resolution 1, the so-called Bricker resolution?

Mr. KNOWLAND. I would say to the distinguished Senator from Nevada that I have been in touch with the Senator from Ohio [Mr. BRICKER]. As the Senator from Nevada knows, the report on the resolution has but recently been made available to the Senate, and I have invited the Senator from Ohio to appear before the policy committee at its next meeting, on Tuesday, at which time the matter relative to scheduling the resolution for consideration will be discussed by the policy committee.

Mr. McCARRAN. Mr. President, addressing myself to the Senator from California, the acting majority leader, I express the hope that the joint resolution may be considered at an early date. It is one which has had the attention of the entire country, and the entire country is behind it. It should be passed during the present session of the Congress.

The PRESIDING OFFICER. The joint resolution will go over.

AMENDMENT TO THE CONSTITUTION RELATING TO THE MAKING OF TREATIES AND EXECUTIVE AGREEMENTS—MOTION TO RECONSIDER

Mr. KNOWLAND subsequently said: Mr. President, I wish to enter a motion to reconsider the vote by which the Senate, in its consideration of Senate Joint Resolution 1, on the calendar call today, agreed to certain amendments. Under the rules of the Senate, as I understand the parliamentary situation, the Senate, having adopted the committee amendments today during the call of the calendar, would be foreclosed from making further amendments to any of the sections that were amended and agreed to today. I was one of the 55 or 60 sponsors of the joint resolution proposing the constitutional amendment, and I do not believe it is good legislative procedure to foreclose the Senate from further consideration of any other amendments which, in its judgment, it might desire to consider.

The PRESIDING OFFICER. The motion will be entered.

CIVIL-SERVICE APPOINTMENT OF PERSONS IN THE ARMED FORCES AFTER JUNE 30, 1950

The Senate proceeded to consider the bill (S. 1684) to facilitate civil-service appointment of persons who lost opportunity therefor because of service in the Armed Forces after June 30, 1950, and to provide certain benefits upon appointment which had been reported from the Committee on Post Office and Civil Service with amendments, on page 1, line 7, after the word "Act" to insert "as amended"; on page 2, line 4, after the word "received" to strike out "an" and insert "a probational"; in line 6, after the word "for" to insert "probational"; in line 19, after the word "person" to insert "as a result of such restored eligibility"; on page 3, line 4, after the word "was" to insert "probationally"; in line 11, after the word "separated" to insert "or relieved from active duty"; in line 19, after the word "separation" to insert "or relief from active duty"; in line 20, after the word "Forces", to strike out "or"; in line 21, after the word "continuing" to insert "for a period of not more than one year"; in line 22, after the word "separation" to insert "or relief from active duty"; in line 23, after the word "Forces", to insert "or (C) the date of enactment of this act, whichever is later"; after line 24, to strike out:

(b) This act shall not apply to any periods of service (including reenlistments) in the Armed Forces which commence or are voluntarily continued after the expiration of the authority to induct persons into the Armed Forces under the Universal Military Training and Service Act.

And insert:

(b) No person shall be entitled to the benefits of this act who—

(1) voluntarily continues service (including reenlistments) in other than a reserve component of the Armed Forces and who serves more than 4 years (plus any additional service imposed pursuant to law) or

(2) serves more than 4 years after the date of entering upon active duty, or serves beyond the date upon which he is able to obtain orders relieving him from active duty following 4 years of service, in the Armed Forces (other than for the purpose of determining his physical fitness) whether or not voluntarily, in response to an order or call to active duty.

And on page 4, line 21, after the word "his" to insert "probational", so as to make the bill read:

Be it enacted, etc., That (a) any person (1) who serves in the Armed Forces of the United States at any time after June 30, 1950, and prior to the expiration of the authority to induct persons into the Armed Forces under the Universal Military Training and Service Act, as amended, (2) whose name appears on any civil-service register after June 30, 1950, with respect to a position in the Government of the United States or in the municipal government of the District of Columbia, and (3) during whose service in the Armed Forces subsequent to June 30, 1950, another eligible standing lower on such list of eligibles received a probational appointment therefrom, shall be entitled to be placed on the original or appropriate successor register for certification for probational appointment.

(b) The Civil Service Commission is authorized and directed to place such persons on such original registers or appropriate successor registers with the same priority accorded persons entitled to the benefits of the act entitled "An act to provide benefits for certain employees of the United States who are veterans of World War II and lost opportunity for civil-service appointments by reason of their service in the Armed Forces of the United States," approved July 31, 1946 (Public Law 577, 79th Cong.), as amended.

(c) Upon the probational appointment of any such person as a result of such restored eligibility, he shall, for the purpose of determining (1) his rate of basic compensation, (2) his seniority rights, (3) in the case of a

position in the postal field service, his grade and time-in-grade, and (4) in the case of a position to which the Classification Act of 1949, as amended, applies, his within-grade step increases (including credit for that period of time not used in determining his rate of basic compensation), be held to have been appointed to such position as of the earliest date the Civil Service Commission finds, in accordance with section 1 (a) of this act, a lower ranking eligible was probationally appointed.

(d) No regular employee in the postal field service shall be reduced to substitute status by reason of the enactment of this act.

SEC. 2. (a) No person shall be entitled to the benefits of this act unless—

(1) he shall have been separated or relieved from active duty under honorable conditions from the Armed Forces;

(2) he is qualified to perform the duties of the position for which the register on which he is to be placed is established; and

(3) he makes application to be placed on such original register or appropriate successor register within 90 days after (A) the date of his separation or relief from active duty from the Armed Forces, (B) the date of the termination of hospitalization continuing for a period of not more than 1 year after his separation or relief from active duty from the Armed Forces, or (C) the date of enactment of this act, whichever is later.

(b) No person shall be entitled to the benefits of this act who—

(1) voluntarily continues service (including reenlistments) in other than a reserve component of the Armed Forces and who serves more than 4 years (plus any additional service imposed pursuant to law) or

(2) serves more than 4 years after the date of entering upon active duty, or serves beyond the date upon which he is able to obtain orders relieving him from active duty following 4 years of service, in the Armed Forces (other than for the purpose of determining his physical fitness) whether or not voluntarily, in response to an order or call to active duty.

SEC. 3. No person shall be entitled to any basic compensation by reason of the enactment of this act for any period prior to the date of his probational appointment in accordance with this act.

The amendments were agreed to.

Mr. SMATHERS. Mr. President, I ask the able Senator from Kansas [Mr. CARLSON] if he will explain the bill?

Mr. CARLSON. Mr. President, the provisions of S. 1684 will extend to veterans of the Korean conflict the opportunties and benefits which were accorded World War II veterans under Public Law 577 and various Executive orders. The benefits granted in the bill are parallel with those included in the Universal Military Training and Service Act.

This bill provides dual benefits to those persons serving in the Armed Forces between June 30, 1950, and the expiration date of the Universal Military Training and Service Act, as amended, providing they were on a civil-service register and their names were passed over by lower-ranking eligibles during this period.

First, it preserves and restores the eligibility of probational appointment of those who were on a civil-service register and eligible for probational appointment, and who lost opportunity for such appointment because of their service in the Armed Forces during this period.

The second benefit is that upon probational appointment, the veteran's rate of compensation, seniority rights, grade and time-in-grade and within-grade step increases shall be based and determined as if he were appointed the date the lower ranking eligible was probationally appointed.

Section 1 of the bill authorizes and directs the Civil Service Commission to place these veterans on an appropriate register with the same priority that is extended to World War II veterans.

Section 2 provides that a person qualifying for the benefits under the bill must be separated or relieved from active duty under honorable conditions. He must be qualified for the duties of the position for which the register is established, and the bill further provides that he must make application within 90 days after his separation, or termination of hospitalization after 1 year, and that if he serves over 4 years in the Armed Forces, or beyond the date on which he could have been relieved from active duty, then these benefits shall not be extended to him.

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

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

CONTINUATION OF PROVISIONS OF TITLE II OF FIRST WAR POWERS ACT, 1941—BILL PASSED OVER

The bill (S. 1237) to amend the act of January 12, 1951, as amended, to continue in effect the provisions of title II of the First War Powers Act, 1941, was announced as next in order.

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

Mr. THYE. Mr. President, reserving the right to object, I may say that my only reason for reserving that right is in order that I may offer an amendment to the bill. The amendment is similar to a bill which was introduced by 10 members of the Committee on Small Business, and which was referred to the Committee on Government Operations. That committee has not had an opportunity to consider the bill, because of other pressing duties. However, in a report submitted by that committee a year ago in connection with a similar legislative proposal, the committee endorsed the very amendment I am now proposing.

I have talked with the staff of the Committee on Government Operations. They tell me that, as a committee staff, they would have recommended favorable action on the bill I am now offering as an amendment. Unfortunately, however, the committee has not been able to consider the bill.

By way of explanation of the amendment I am offering, I may say that the information obtained through studies made by the Committee on Small Business is to the effect that the legislative history and the administration of Public Law 921 indicated that the Congress, in extending the law, expressed a twofold intent, namely, to provide military sources of supply by keeping defense suppliers in business, and to afford relief to suppliers subjected to heavy losses on fixed-price contracts. We found that the defense agencies were administering the law under regulations which allowed relief only in the case of essential contracts. That is the principal and specific reason for my desiring to obtain agreement to this amendment to the present provisions of title II of the First War Powers Act; namely, to make certain that small businesses which have suffered extreme hardships under a fixed contract will be given the same consideration as that which the defense authorities have accorded to the essential contractor.

Mr. President, I send the amendment to the desk. If the amendment is adopted, I shall then have no objection to the bill; otherwise, I shall have to object, until this question can be clarified and assurance given either that the Defense Department will conform to the intent of Congress in this matter or consideration given to legislation to make such procedure mandatory.

The PRESIDING OFFICER. The amendment will be received.

Mr. BUTLER of Maryland. This is a bill enactment of which has been recommended by the administration through the Department of Defense. The section of the First War Powers Act which is sought to be extended is contained in section 611 of title 50, War, appendix, United States Code, and reads as follows:

> The President may authorize any department or agency of the Government exercising functions in connection with the prosecution of the war effort, in accordance with regulations prescribed by the President for the protection of the interests of the Government, to enter into contracts and into amendments or modifications of contracts heretofore or hereafter made and to make advance, progress and other payments thereon, without regard to the provisions of law relating to the making, performance, amendment, or modification of contracts whenever he deems such action would facilitate the prosecution of the war: *Provided*, That nothing herein shall be construed to authorize the use of the cost-plus-a-percentage-of-cost system of contracting: *Provided further*, That nothing herein shall be construed to authorize any contracts in violation of existing law relating to limitation of profits: *Provided further*, That all acts under the authority of this section shall be made a matter of public record under regulations prescribed by the President and when deemed by him not to be incompatible with the public interest.

This section was further extended by section 2 of Public Law 921 of the 81st Congress until June 30, 1952. Since then it has been extended for varying periods of time, and the legislation presently under consideration provides for an extension until June 30, 1954. If not extended, the authority will expire on July 1, 1953.

The Department of Defense considers that it is absolutely essential that this legislation be further extended so as to enable them to operate under the present unsettled world conditions.

Mr. President, we know nothing of the amendment proposed by the Senator from Minnesota. It has not been referred to a committee for study.

This bill is in the nature of emergency legislation, Mr. President. The present law expires on the last day of this month, and if that happens it will very seriously interfere with our war effort. There are many situations in which we are unable to indemnify contractors, particularly with reference to flying planes into Korea. If the bill is not passed it will be necessary to stop some of the flights, thereby hampering the prosecution of the Korean war. I ask the Senator from Minnesota to let the bill pass. It is emergency legislation. We can have the committee consider the amendment and report it as a separate bill.

The PRESIDING OFFICER. The clerk will state the amendment offered by the Senator from Minnesota.

The LEGISLATIVE CLERK. It is proposed at the end of the bill to insert the following new section:

SEC. 2. Section 201 of the First War Powers Act, 1941, as extended by the first section of this act, is amended to read as follows:

"SEC. 201. The President may authorize any department or agency of the Government exercising functions in connection with the national defense, in accordance with regulations prescribed by the President for the protection of the interests of the Government, to enter into contracts and into amendments or modifications of contracts heretofore or hereafter made and to make advance progress and other payments thereon, without regard to the provisions of law relating to the making, performance, amendment, or modification of contracts whenever such action would facilitate the national defense: *Provided*, That nothing herein shall be construed to authorize the use of the cost-plus-a-percentage-of-cost system of contracting: *Provided further*, That nothing herein shall be construed to authorize any contracts in violation of existing law relating to limitation of profits: *Provided further*, That the functions exercised under this section shall be subject to the provisions of section 3 of the Administrative Procedure Act: *Provided further*, That all contracts entered into, amended, or modified pursuant to authority contained in this section shall include a clause to the effect that the Comptroller General of the United States or any of his duly authorized representatives shall have access to and the right to examine any pertinent books, documents, papers, and records of the contractor or any of his subcontractors engaged in the performance of and involving transactions related to such contracts or subcontracts. As used in this section, the term 'facilitate the national defense' shall be deemed to include, but without limitation thereto, the following:

"(1) obtaining continued operations by contractors engaged in national defense production;

"(2) affording relief to contractors incurring extreme financial hardships on fixed-price contracts due to factors beyond their anticipation or control; or

"(3) adjusting contracts to new conditions and circumstances, including those created by the acts, rules, orders, instructions, or determinations of Government departments and agencies.

This section shall also apply to a contractor who has suffered extreme financial hardship after June 24, 1950, regardless of the fact that final payment on the contract has been received prior to the enactment of this sentence or that relief has been denied prior thereto: *Provided, however*, That such a contractor must file an application for relief within 6 months after the date of enactment of this sentence."

Amend the title so as to read: "A bill to amend and extend until June 30, 1954, the provisions of title II of the First War Powers Act, 1941, as amended, and to prescribe standards for the implementation of such provisions."

Mr. THYE rose.

The PRESIDING OFFICER. The Chair would remind the Senator from Minnesota and the Senator from Maryland that under the rules they are entitled to only one speech.

Mr. THYE. Then, Mr. President, I object.

The PRESIDING OFFICER. Objection is heard, and the bill will be passed over.

CRIMES AND CRIMINAL PROCEDURE

The Senate proceeded to consider the bill (H. R. 3853) to amend title 18, United States Code, entitled "Crimes and Criminal Procedure," with respect to continuing the effectiveness of certain statutory provisions until 6 months after the termination of the national emergency proclaimed by the President on December 16, 1950.

Mr. McCARREN. Mr. President, I should like to invite the attention of Senators to the language beginning on line 11, page 2, of the calendar print of this bill, which reads as follows:

and acts of the kind giving rise to legal consequences and penalties under any of these provisions when performed during a state of war shall give rise to the same legal consequences and penalties when they are performed during the period above provided for.

What are the acts to which reference is made? What are the penalties which, if this bill shall be enacted into law, would be made applicable without regard to whether hostilities are continuing in any part of the world, with all the force and severity originally prescribed by the Congress during a period of war? What does the language mean?

Mr. BUTLER of Maryland. Mr. President, this bill was introduced at the request of the Department of Defense. It provides for the continuation of presently existing authority to impose the wartime penalty for convictions under the various espionage and sabotage statutes. For example, in time of war the death penalty applies in a case where a person delivers defense information with intent or reason to believe that it will harm the United States or benefit a foreign nation. In time of peace this is not an offense. This bill would make it an offense under present conditions and impose the wartime penalty.

Under the sabotage statutes the wartime penalty provided is up to 30 years' imprisonment or a fine of $10,000 or both, whereas in time of peace the penalty is 10 years' imprisonment or $10,000 or both.

Does that answer the Senator's question?

Mr. McCARRAN. No. Let me read the language again. What does this language mean?

Mr. BUTLER of Maryland. From what page is the Senator reading?

Mr. McCARRAN. Line 11, page 2, of the calendar print. I read:

And acts of the kind giving rise—

Listen to this language—

And acts of the kind giving rise to legal consequences and penalties under any of these provisions when performed during a state of war shall give rise to the same legal consequences and penalties when they are performed during the period above provided for.

Mr. BUTLER of Maryland. The proposed legislation is aimed at acts of espionage and sabotage—for example, destruction of war materials and the production of defective war materials.

Mr. McCARRAN. Are we passing a code without inquiring what the acts are, to be continued indefinitely with the same penalties as though a war were in progress? Does the Senate know what the acts are?

Mr. BUTLER of Maryland. We have been operating under this statute for periods beginning during World War II.

This is an extension of the authority to make the penalties applicable at this time, the same as if we were at war.

Mr. McCARRAN. I wish particularly to invite the attention of the Senator to this language:

And acts of the kind giving rise to legal consequences.

What kinds and what acts? How would we construe that language to a court? If we cannot construe it here and do not understand it, what is the use of passing the proposed legislation?

I now invite the Senate's attention to the two paragraphs beginning on line 17, page 2, of the calendar print of the bill, which read as follows:

Effective for the period above provided for, the words "conduct of war", as used in section 2151, are extended to include defense activities.

Effective for the period above provided for, the words "carrying on the war", as used in sections 2153 and 2154, be extended to include defense activities wherever they appear therein.

I should like to know what all that means. I ask the Senator from Maryland [Mr. BUTLER] whether these sections have the effect of changing a precise definition into an extremely broad and totally unprecise definition. More specifically, exactly what is sought to be accomplished by these amendments? What are the limits of the defense activities to which all the penal provisions of this chapter of the criminal code are now to be made applicable?

Mr. BUTLER of Maryland. Under the bill, I do not think there is any limit to the acts. It is the same as if a state of war existed.

Mr. McCARRAN. In other words, it goes on indefinitely, forever and ever?

Mr. BUTLER of Maryland. The bill terminates 6 months after the end of the emergency proclaimed by the President on December 16, 1950, but within that time the situation would be the same as if there were an actual state of war, and defense activities would be construed to be war activities.

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

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

The PRESIDING OFFICER. The bill will be passed over.

MESSAGE FROM THE HOUSE

A message from the House of Representatives, by Mr. Maurer, its reading clerk, announced that the House had passed a bill (H. R. 5690) making appropriations for additional independent executive bureaus, boards, commissions, corporations, agencies, and offices, for the fiscal year ending June 30, 1954, and for other purposes, in which it requested the concurrence of the Senate.

HOUSE BILL REFERRED

The bill (H. R. 5690) making appropriations for additional independent executive bureaus, boards, commissions, corporations, agencies, and offices, for the fiscal year ending June 30, 1954, and for other purposes, was read twice by its title, and referred to the Committee on Appropriations.

TEMPORARY ECONOMIC CONTROLS—CONFERENCE REPORT

Mr. KNOWLAND. Mr. President, there is at the desk a privileged matter, which I ask the Chair to lay before the Senate.

Mr. JOHNSON of Texas. Mr. President, will the Senator yield?

Mr. KNOWLAND. I yield.

Mr. JOHNSON of Texas. I assume it is the intention of the majority leader to move that the Senate proceed to the consideration of the conference report on the controls bill?

Mr. KNOWLAND. The minority leader is correct.

Mr. JOHNSON of Texas. It is my understanding that the parliamentary situation is such that the motion is not subject to debate.

Mr. KNOWLAND. The Senator is correct. That is why I am now yielding to him, so that he may make the observations which I understood he desired to make.

Mr. JOHNSON of Texas. Does not the acting majority leader, the Senator from California, think that, in fairness, the minority should have an opportunity to explain what the legislative situation really is, before the Senate proceeds to vote? Would the acting majority leader object to a unanimous consent request that the minority leader might proceed for 5 minutes?

Mr. KNOWLAND. No. Although the motion is not debatable, I ask unanimous consent that the minority leader may proceed for 5 minutes, to state his position and that of the minority.

Mr. JOHNSON of Texas. I understand that the motion has not yet been made and that, parliamentarywise, I could proceed for 5 minutes on some bill on the calendar. However, if there is no objection to the request, I merely wish to point out what the situation is.

Mr. KNOWLAND. The reason why I did not make the motion is that I had been informed in advance that the distinguished minority leader, recognizing that the motion was not debatable, desired some time. He asked for 5 minutes. Had he asked for 10 I would have yielded to him, because we are trying to cooperate. That was the reason why I did not press the motion at the time I suggested that the conference report be laid before the Senate.

The PRESIDING OFFICER. The report will be read for the information of the Senate.

The Chief Clerk read the report

(For text of conference report, see pp. 6691–6695 of House proceedings of CONGRESSIONAL RECORD for June 16, 1953.)

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

Mr. JOHNSON of Texas. Mr. President, has action been taken on the unanimous consent request?

The VICE PRESIDENT. Without objection, the unanimous consent request is agreed to, and the Senator from Texas is recognized.

Mr. McCARRAN. Mr. President, I raise the point of order that when unanimous consent is given to call the calendar, that consent cannot be disturbed, even by a privileged motion.

Mr. KNOWLAND. Mr. President, speaking to the point of order raised by the Senator from Nevada——

Mr. JOHNSON of Texas. Mr. President, I hope the time taken for this discussion will not come out of my 5 minutes.

Mr. KNOWLAND. I ask that the time required for the discussion on the point of order not come out of the time of the distinguished minority leader.

On the question of the point of order raised by the distinguished Senator from Nevada, I believe the Senator is in error. A conference report is always in order, except during a period when the Senate is voting or when a motion to adjourn has been made. I believe it is perfectly proper that the Consent Calendar be interrupted for consideration of a conference report, which is of the highest privilege.

Mr. McCARRAN. It has always been my theory, and it is now, that unanimous consent, is unanimous consent, and cannot be set aside by unanimous consent. A privileged question certainly cannot set aside unanimous consent.

The VICE PRESIDENT. The Chair is informed by the Parliamentarian that the only agreement was that the Senate would proceed to the consideration of the calendar of bills to which there was no objection. So far as the unanimous-consent agreement was concerned, there was no agreement to proceed to the conclusion of the calendar. Under the circumstances, the conference report can be brought up for consideration at this time.

Mr. JOHNSON of Texas. Mr. President——

The VICE PRESIDENT. The Senator from Texas is recognized for 5 minutes.

Mr. JOHNSON of Texas. Mr. President, I would not ask the Senate to indulge me for even this brief period except for the fact that I believe there is involved a very serious question, namely, the question of the relationship between the majority and the minority. From that standpoint, I think the action just taken by the distinguished acting majority leader is very unfortunate.

Mr. President, I desire every Senator, before he answers the rollcall on the motion to consider the conference report, to know what he is voting for. I do not know what is in the conference report; I do not know how many Senators know what is in the conference report. I did not know that the conference report would be brought up.

On last Tuesday the distinguished acting majority leader made a statement to the Senate, which appears at page 6637, and reads as follows:

> It is planned to take a recess from tonight until Thursday. On Thursday we will have a call of the calendar, and I hope that by Friday the printed hearings on the submerged lands measure will be available. If they are not available by Friday, we will take up miscellaneous and largely noncontroversial bills, and then go over until Monday.

The minority leader does not make the point that the distinguished acting majority leader gave any assurance that that would be the only business transacted, but I ask each Senator to turn to page 6637 of the RECORD, read that language, and see if he would not feel he would be justified in concluding that no controversial legislation would be brought up.

The conference report is so controversial that not one member of the minority would sign it. Why? That will be told to the Senate in detail during the debate on the merits of the proposition.

The acting majority leader told the Senate on Tuesday that he would move a recess of the Senate until Thursday; that on Thursday he would move a call of the calendar; that on Friday it was proposed to take up the submerged lands bill, but there would be no vote on it.

On Wednesday afternoon, at 5:20, he called my office. I was not present; I was in the House Chamber. This morning I called his office, and he was not present; he was attending a meeting of the Committee on Foreign Relations. However, the first information that the minority had that this controversial conference report would be brought up was at 5:20 yesterday afternoon.

I submit that if the majority of the Senate is going to legislate in that way, it is legislation by surprise; it is a patronage grab in the dark, without notice. It is legislation by steam roller.

I hope the day will never come, in connection with a measure so controversial as this—a conference report which none of the Democratic conferees would sign—when such a matter can be brought before the Senate, in the midst of a call of the calendar, by a motion which is not debatable. The only way the motion can be discussed is by virtue of the generosity of the acting majority leader in permitting us to have 5 minutes to explain our attitude on the report.

Mr. President, the conference report ought to go back to the conference committee. The conference report ought not to be adopted. However, that is not the question we are deciding now. The question is whether this procedure should be permitted. At 5 o'clock on Wednesday afternoon the membership

of the Senate is assured that the calendar will be called on Thursday, and that no votes will be had on Friday. Many Senators go to their respective States to fill engagements. Then the acting majority leader rises and says, "This is a privileged matter. We have our responsibilities. We are going to ram it down your throat."

I do not believe that a fair Senate, a just Senate, or any Senator who believes in fair treatment of his colleagues, will vote to proceed to the consideration of the conference report at this time.

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

Mr. KNOWLAND. Mr. President, will the Senator withhold his suggestion of the absence of a quorum so as to permit the acting majority leader to make a statement, in view of the statement made by the minority leader? I shall not require more than 5 minutes.

Mr. JOHNSON of Texas. Certainly.

Mr. KNOWLAND. Mr. President, I think the Senate is entitled to have all the facts in connection with this situation. The conference report is a privileged matter. I have carefully reread the statements made by the acting majority leader last Tuesday. There is nothing in them which, by the slightest implication, would indicate that no matter of controversy would be taken up in the Senate on Thursday.

We have the problem of completing our legislative program. I say that it is the duty of every Senator to be present in the Senate Chamber to transact business. All of us have engagements. I have had them myself. I have canceled many engagements in order to discharge my duties as a Senator.

The rules of the Senate provide that a conference report is a privileged matter. There is nothing in the statement of the acting majority leader on Tuesday which indicates that no matter of controversy would be considered on Thursday.

I invite the attention of Senators to the fact that there is an expiration date in connection with the Second War Powers Act. That date is the 30th of June. Next Monday will be the 22d day of June. If by chance the Senate should send the report back to the conference committee, the Second War Powers Act might expire, and we would suffer the loss of control of strategic materials, which the executive branch of the Government believes necessary for the security of the Nation.

Furthermore, I wish to point out that the conference report was considered yesterday in the House of Representatives. So far I know, it was considered without any advance notice, and by unanimous consent, including the consent of all the Democratic Members and the Democratic minority leader, as well as the Democratic members of the conference committee.

Mr. JOHNSON of Texas. Mr. President, will the Senator yield?

Mr. KNOWLAND. I yield.

Mr. JOHNSON of Texas. I am sure the Senator from California wishes to give the Senate all the facts. Will not the Senator also tell the Senate that the conference report is largely the House bill?

Mr. KNOWLAND. Yes. I assume that fact will be brought out in the explanation. I hope the time consumed by the question of the Senator from Texas will not be taken from my time.

I have read the debate in the House. If one looks at the CONGRESSIONAL RECORD of yesterday, on page 6758, he will see that the conference report was considered by unanimous consent. There was no objection. As soon as I received word that the House had acted by unanimous consent, immediately—within 5 minutes of that time—I personally attempted to get in contact with the distinguished minority leader. Our relationships have always been pleasant, and I intend to keep them pleasant. I immediately personally called him. He was not in his office. I instructed the Secretary of the Senate, acting for me, immediately to call the secretary of the minority, Mr. Johnston, and inform him what our program was. I was informed—and I believe I am correct—that at about 5:20 last night Mr. Johnston, the secretary of the minority, was able to get word to the distinguished minority leader.

I invite the attention of Members of the Senate to the fact that members of the minority are not foreclosed in the slightest degree, because once the procedure is taken to bring up for consideration the conference report, the report itself will be debatable. Members of the minority will not lose any of their rights in the presentation of their point of view. The distinguished Senator from Indiana [Mr. CAPEHART] will make a statement on behalf of the conferees. The conference report itself will be subject to debate, under the very broad rules of the Senate. There will be no limitation of debate on that subject, so members of the minority will not be foreclosed from a full, frank, and free discussion of their views. I certainly would object if there were any attempt to shut off discussion at any time. Members of the minority will have every opportunity to present their case.

This is a procedural matter. Acting on my responsibility as acting majority leader, I am trying to expedite the business of the Senate. Next week we shall have before us for consideration some very important legislation, including mutual-security legislation, the Interior Department appropriation bill, the submerged lands bill, and other measures. I am trying to expedite transaction of the business of the Senate, with the help of the Senate, so that we can get away at a reasonable time this summer.

I am merely asking that the Senate, in connection with a procedural matter, follow the motion of the majority leader to bring this question before the Senate. Then ample debate can be had.

I understand that the distinguished minority leader wished to suggest the absence of a quorum. As soon as a quorum is obtained, with the understanding that I shall not lose my right to the floor, I intend to make my motion.

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

The VICE PRESIDENT. The Secretary will call the roll.

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

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

The VICE PRESIDENT. A quorum is present.

Mr. KNOWLAND. I move that the Senator proceed to the consideration of the conference report on Senate bill 1081.

The VICE PRESIDENT. The question is on the motion of the Senator from California that the Senate proceed to the consideration of the conference report.

Mr. KNOWLAND and Mr. JOHNSON of Texas requested the yeas and nays.

The yeas and nays were ordered.

Mr. JOHNSON of Texas. Mr. President, a parliamentary inquiry.

The VICE PRESIDENT. The Senator will state it.

Mr. JOHNSON of Texas. I understand the question before the Senate is whether the Senate will proceed to the consideration of the conference report. Senators who wish to have the conference report taken up will vote "yea"; Senators who do not wish to have the conference report taken up will vote "nay." Is that correct?

The VICE PRESIDENT. That is the question before the Senate.

The yeas and nays have been ordered and the Secretary will call the roll.

Mr. BUSH. Mr. President, will the Chair state the question again?

The VICE PRESIDENT. The question is on the motion of the Senator from California to proceed to the consideration of the conference report. The Secretary will call the roll.

The legislative clerk called the roll.

Mr. SALTONSTALL. I announce that the Senator from Maryland [Mr. BEALL], the Senator from Ohio [Mr. BRICKER], and the Senator from New Hampshire [Mr. BRIDGES] are necessarily absent. If present and voting, the Senator from Maryland [Mr. BEALL], the Senator from Ohio [Mr. BRICKER], and the Senator from New Hampshire [Mr. BRIDGES] would each vote "yea."

The Senator from Wisconsin [Mr. WILEY] and the Senator from Illinois [Mr. DIRKSEN] are absent on official business. If present and voting, the Senator from Wisconsin [Mr. WILEY]

and the Senator from Illinois [Mr. DIRKSEN] would each vote "yea."

The Senator from Wisconsin [Mr. MCCARTHY] is unavoidably detained. If present and voting the Senator from Wisconsin [Mr. MCCARTHY] would vote "yea."

The Senator from Nebraska [Mr. BUTLER] and the Senator from New Hampshire [Mr. TOBEY] are absent by leave of the Senate. If present and voting, the Senator from Nebraska [Mr. BUTLER] and the Senator from New Hampshire [Mr. TOBEY] would each vote "yea."

The Senator from New York [Mr. IVES], is absent by leave of the Senate, having been appointed a delegate to attend the International Labor Organization Conference at Geneva, Switzerland. If present and voting the Senator from New York [Mr. IVES] would vote "yea."

Mr. CLEMENTS. I announce that the Senator from New Mexico [Mr. CHAVEZ], the Senator from Arizona [Mr. HAYDEN], and the Senator from Louisiana [Mr. LONG] are unavoidably detained.

The Senator from Arkansas [Mr. FULBRIGHT] and the Senator from Georgia [Mr. RUSSELL] are absent by leave of the Senate.

The Senator from Tennessee [Mr. GORE], the Senator from Rhode Island [Mr. PASTORE], and the Senator from North Carolina [Mr. SMITH] are absent on official business.

The Senator from Montana [Mr. MURRAY] is absent by leave of the Senate, having been appointed a delegate to attend the International Labor Organization Conference at Geneva, Switzerland. I announce further that if present and voting, the Senator from New Mexico [Mr. CHAVEZ], the Senator from Arkansas [Mr. FULBRIGHT], the Senator from Tennessee [Mr. GORE], the Senator from Arizona [Mr. HAYDEN], the Senator from Louisiana [Mr. LONG], the Senator from Montana [Mr. MURRAY], and the Senator from Rhode Island [Mr. PASTORE] would each vote "nay."

Mr. WELKER. Mr. President, I inquire how I am recorded.

The VICE PRESIDENT. The Senator from Idaho is recorded as having voted in the affirmative.

Mr. FERGUSON. Mr. President, I inquire how I am recorded.

The VICE PRESIDENT. In the affirmative.

Mr. BUTLER of Maryland. Mr. President, I inquire how I am recorded.

The VICE PRESIDENT. In the affirmative.

Mr. SCHOEPPEL. Mr. President, I inquire how I am recorded.

The VICE PRESIDENT. In the affirmative.

Mr. HENDRICKSON. Mr. President, I inquire how I am recorded.

The VICE PRESIDENT. In the affirmative.

Mr. MAYBANK. Mr. President, I inquire how I am recorded.

The VICE PRESIDENT. In the negative.

Mr. DOUGLAS. Mr. President, I inquire how I am recorded.

The VICE PRESIDENT. As voting in the negative.

Mr. KERR. Mr. President, I inquire how I am recorded.

The VICE PRESIDENT. In the negative.

Mr. HUMPHREY. Mr. President, I inquire how I am recorded.

The VICE PRESIDENT. In the negative.

Mr. JOHNSTON of South Carolina. Mr. President, I inquire how I am recorded.

The VICE PRESIDENT. In the negative.

Mr. MONRONEY. Mr. President, I inquire how I am recorded.

The VICE PRESIDENT. In the negative.

Mr. SMATHERS. Mr. President, I inquire how I am recorded.

The VICE PRESIDENT. In the negative.

Mr. HOLLAND. Mr. President, I inquire how I am recorded.

The VICE PRESIDENT. In the negative.

Mr. HENNINGS. Mr. President, I inquire how I am recorded.

The VICE PRESIDENT. In the negative.

Mr. EASTLAND. Mr. President, I inquire how I am recorded.

The VICE PRESIDENT. In the negative.

Mr. JOHNSTON of South Carolina. Mr. President, I ask for a recapitulation of the vote.

The VICE PRESIDENT. Will the Senator from South Carolina restate his request?

Mr. JOHNSTON of South Carolina. I ask for a recapitulation of the vote.

Mr. FERGUSON. Mr. President, a parliamentary inquiry.

The VICE PRESIDENT. The Senator from Michigan will state it.

Mr. FERGUSON. Can there be a recapitulation of the vote before the result is announced?

Mr. KNOWLAND. Mr. President, a point of order.

The VICE PRESIDENT. The Senator from California will state it.

Mr. KNOWLAND. Following the suggestion of the Senator from Michigan, I make the point of order that a recapitulation is not in order until the result of the vote has been announced.

Mr. JOHNSTON of South Carolina. Mr. President, I withdraw the request for a recapitulation.

The yeas and nays resulted, yeas 39, nays 39, as follows:

YEAS—39

Aiken	Flanders	Payne
Barrett	Goldwater	Potter
Bennett	Griswold	Purtell
Bush	Hendrickson	Saltonstall
Butler, Md.	Hickenlooper	Schoeppel
Capehart	Jenner	Smith, Maine
Carlson	Knowland	Smith, N. J.
Case	Kuchel	Taft
Cooper	Langer	Thye
Cordon	Malone	Watkins
Duff	Martin	Welker
Dworshak	Millikin	Williams
Ferguson	Mundt	Young

NAYS—39

Anderson	Ellender	Hill
Byrd	Frear	Hoey
Clements	George	Holland
Daniel	Gillette	Humphrey
Douglas	Green	Hunt
Eastland	Hennings	Jackson
Johnson, Colo.	Lehman	Morse
Johnson, Tex.	Magnuson	Neely
Johnston, S. C.	Mansfield	Robertson
Kefauver	Maybank	Smathers
Kennedy	McCarran	Sparkman
Kerr	McClellan	Stennis
Kilgore	Monroney	Symington

NOT VOTING—18

Beall	Fulbright	Murray
Bricker	Gore	Pastore
Bridges	Hayden	Russell
Butler, Nebr.	Ives	Smith, N. C.
Chavez	Long	Tobey
Dirksen	McCarthy	Wiley

The VICE PRESIDENT. On this vote the yeas are 39, and the nays are 39.

Under the Constitution, the President of the Senate, who has the right to vote in the case of a tie, casts his vote in the affirmative; and the motion to proceed to the consideration of the conference report is agreed to.

The question now is on agreeing to the report.

Mr. CAPEHART. Mr. President, the conferees met to resolve the differences between the House and Senate versions of Senate bill 1081.

Your conferees did their very best to retain the Senate version of the bill. However, when it became evident that the House conferees were just as determined to retain the features contained in the House version of the bill, it became necessary for the conferees to adopt a substitute for both the House and Senate versions.

Mr. LONG. Mr. President, will the Senator from Indiana yield?

Mr. CAPEHART. For what purpose does the Senator from Louisiana request that I yield?

Mr. LONG. I was not able to be in the Chamber at the time of the taking of the last vote. I understand it was a tie vote, and I should like to move to have the vote reconsidered.

The VICE PRESIDENT. Does the Senator from Indiana yield for that purpose?

Mr. CAPEHART. Mr. President, I refuse to yield.

The VICE PRESIDENT. The Senator from Indiana declines to yield for that purpose.

Mr. LONG. Then, Mr. President, as soon as I can obtain recognition, I shall move to have the last vote reconsidered.

Mr. CAPEHART. Mr. President, as I have just stated, it became necessary for the conferees to adopt a substitute for both the House and the Senate versions of Senate bill 1081.

NINETY-DAY FREEZE

Section 16 of the Senate version would have added a new title VIII to the Defense Production Act to provide a 90-day standby price, wage, and residential rent-freeze authority. This title was deleted by the House Banking and Currency Committee. An effort to restore this title on the floor of the House was defeated by almost a 2-to-1 vote.

As the Senate knows, the Senate Banking and Currency Committee by a 12–to–3 vote reported favorably a bill containing a proposed title VIII which authorized the President to invoke a 90-day freeze in the event of a grave national emergency. The House Banking and Currency Committee failed by only

two votes to reinstate this title as reported by your committee.

Before passing Senate bill 1081, the Senate adopted several amendments to title VIII. One of these amendments required a declaration of war or concurrent resolution by both Houses of the Congress before the President could invoke the freeze authority. In view of this amendment, the managers on the part of the House were of the opinion that the effectiveness of the title was so restricted as to make it inadvisable to include the title in the conference report. Consequently, in view of the adamant attitude on the part of the House managers, the Senate conferees receded on this point.

CONSUMER AND CONSTRUCTION CREDIT CONTROLS

Section 7 of the Senate version of the bill, dealing with standby consumer credit and real estate construction credit controls, is tied into the freeze authority. It therefore became necessary for your conferees likewise to recede on this point.

Mr. FERGUSON. Mr. President, will the Senator yield for a question at this time? I must leave the Chamber presently to attend a meeting of the Committee on Appropriations, of which I am a member.

Mr. CAPEHART. I yield.

Mr. FERGUSON. I should like to ask the Senator from Indiana, as the chairman of the committee handling the bill and now in charge of the bill, a question in regard to section 701 (c) of the bill. Section 701 (c) sets forth certain criteria that the administrator must follow in the event materials are allocated in the civilian economy. I note that in section 101 (b), which restricts controls in the civilian economy, the phrase "control the general distribution of" is used, rather than "allocate," as in section 701 (c). I should like assurance from the chairman that whenever the controls are invoked in the civilian economy, whether it be controlled materials plan, usage controls, end-use limitations, unit restrictions, or others, it would be incumbent on the administrator to follow the criteria set forth in section 701 (c).

Mr. CAPEHART. The answer is "Yes."

Mr. FERGUSON. I thank the Senator.

Mr. CAPEHART. Section 13 of the Senate bill provides for continuation of the Small Defense Plant Administration to June 30, 1955. The House version allows the SDPA to terminate on June 30, 1953, except for liquidation purposes. In place of SDPA the House amendment establishes a new Small Business Administration as an independent and permanent agency. Expanded powers are included in the House amendment, to enable this new agency to serve the needs of small businesses in times of peace as well as in time of accelerated defense activity. I should like to emphasize that point. The new Small Business Administration which is created is given the right in time of peace as well as in time of war, to make loans.

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

Mr. CAPEHART. I yield.

Mr. MAYBANK. In other words, the distinguished chairman of the committee, who so ably handled the Senate bill will agree that as between that bill and the House substitute, the Senate conferees did not get very far.

Mr. CAPEHART. The record speaks for itself. The Senate conferees agreed with the House conferees as to the House version.

Mr. MAYBANK. That is, the majority of the Senate conferees agreed.

Mr. CAPEHART. Yes; the majority agreed.

Mr. MAYBANK. The Senator speaks of the new Small Business Administration. I am glad the Senator made the statement he did, that it is a permanent organization, not connected with any war effort. Is that correct?

Mr. CAPEHART. That is correct. It is a permanent organization.

Mr. MAYBANK. There is an authorization of $250 million unconnected with the production act, and unconnected with any war emergency, is there not?

Mr. CAPEHART. I think $100 million is connected with the war effort.

Mr. MAYBANK. The Small Business Administration can do with the $100 million as it desires, can it not?

Mr. CAPEHART. That is correct.

Mr. MAYBANK. Is the Senator from Indiana able to advise the Senate who will have charge of that fund? I know how Senators felt on the subject, since the Senate committee originally approved an extension of the Small Defense Plants Administration for 1 year, upon the request of Mr. Flemming, who stated that he represented President Eisenhower. I asked Mr. Flemming, before the committee, "Do you represent the administration?" He replied that he did.

Mr. CAPEHART. I will come to that a little later.

Mr. MAYBANK. I am sorry I interrupted the distinguished Senator.

Mr. CAPEHART. No; that is perfectly all right.

Mr. MAYBANK. I know how hard the Senator has worked on this matter, and I know how hard he worked on the Senate bill. I should like to say, if the Senator will yield to me further——

Mr. CAPEHART. I yield.

Mr. MAYBANK. That last night on a television network from Philadelphia, Mr. B. M. Baruch made a statement in which, in substance, he commended the Senate committee for what it did. He said, "How wrong we were to leave everything wide open, with the world on fire." He did not speak of the $250 million for the Small Business Administration. That has nothing to do with the war, but it is a permanent organization. I ask the chairman, were any extensive hearings held in regard to it?

Mr. CAPEHART. We held hearings for several days on the Byrd bill to dissolve the Reconstruction Finance Corporation, as well as on several other bills—seven, as I recall—to create small-business agencies. I believe there were two bills introduced by the Senator from Alabama [Mr. SPARKMAN], one introduced by the Senator from Virginia [Mr. ROBERTSON], and, I think one or two introduced by the able Senator from Illinois [Mr. DOUGLAS]. There was also one introduced by the Senator from Minnesota [Mr. THYE].

Mr. MAYBANK. I merely wanted the RECORD clear. The distinguished chairman knows of my appreciation of his efforts in connection with the subject which, with the efforts of other Senators, resulted in reporting the Senate bill. We had no hearings, I may say, or at least no hearings of consequence, so far as small business was concerned, and merely wrote certain provisions into the measure. I believe the Senator will agree with me about that.

Mr. CAPEHART. In all fairness, I would have to say the Senate Committee on Banking and Currency conducted hearings for a few days on a bill introduced by the Senator from Virginia [Mr. BYRD], proposing to dissolve the RFC, and on 6 or 7 other bills.

Mr. MAYBANK. There were seven bills.

Mr. CAPEHART. One of the bills, that introduced by the Senator from Minnesota [Mr. THYE], was exactly the same as a bill introduced in the other body and made a part of the pending legislation by the House.

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

Mr. CAPEHART. I yield.

Mr. DOUGLAS. Is it not true that the Committee on Banking and Currency came to no conclusion about the respective merits of the various bills?

Mr. CAPEHART. That is correct.

Mr. DOUGLAS. Was it not the feeling that this subject should be handled as separate legislation rather than being tacked on as a rider to the defense production bill?

Mr. CAPEHART. I think the best answer to that is, that we did not add any of the bills to the Defense Production Act. However, I want to say that the chairman of the Senate Committee on Banking and Currency, who was also the chairman of the Senate conferees, in private conferences with conferees on the part of the House, as well as with other Members of the House, developed the fact that the House, on two previous occasions, had passed the particular legislation which is now in controversy. It was first passed as a separate measure, in the Hill bill, and then was passed again by writing it into the Defense Production bill.

It was impossible for the conferees to get them to recede, because the House had passed this particular bill twice, once as separate legislation, and once as a part and parcel of the Defense Production bill.

Mr. DOUGLAS. Would the Senator from Indiana, with his customary sincerity and frankness, therefore, say that he yielded unwillingly to the obstinacy of the House conferees and was really pressured by force majeure in accepting something which was inately distasteful to his nature?

Mr. CAPEHART. As one of the managers of the conference for the Senate, I did my very, very best to get the House conferees and the Members of the House to recede. We were instructed to do that. But I always know when I am licked.

Mr. DOUGLAS. Mr. President, will the Senator from Indiana further yield?

Mr. CAPEHART. I yield.

Mr. DOUGLAS. Would not the Senator welcome reinforcement from this side of the aisle, so that he might turn defeat into victory?

Mr. CAPEHART. I will not admit that. I will say to the able Senator from Illinois, that I feel the conferees did all they could do under the circumstances. The House had on two occasions passed the proposed legislation, and the best we could do was to agree to the conference report and bring it back for a vote of the entire Senate. I hope that within not to exceed an hour the Senate will either concur with the majority of the Senate conferees or instruct them to go back for a further conference. That is the Senate's privilege. My best judgment is that inasmuch as the House has passed this proposed legislation on two occasions, that body is not going to recede even though we ask for a further conference.

Mr. MONRONEY. Mr. President, will the Senator from Indiana yield?

Mr. CAPEHART. I yield.

Mr. MONRONEY. Will the distinguished Senator from Indiana advise the Senate whether the bill has the approval of the Bureau of the Budget?

Mr. CAPEHART. Yes; it has. I am reliably so informed. We have been informed that it has the approval of the President and of the Bureau of the Budget.

Mr. MONRONEY. When was the approval submitted? Was it during the hearings in the House committee?

Mr. CAPEHART. It must have been. I am certain of that. I shall read what the Assistant Secretary of Commerce had to say before the Senate Banking and Currency Committee when we were considering the so-called Thye bill, which is exactly the same as the bill we are discussing. Here is what he said:

> Authority to make loans to small business under certain safeguards should continue. This function should be located in the Small Defense Plants Administration, or successor agency, subject to general policy direction of a policy board including among its members the Secretaries of Treasury and Commerce. This authority would appear to lapse upon the enactment of S. 892, unless provision is made for its continuance.

Mr. MONRONEY. But he did not endorse the language of the bill which is now before the Senate.

Mr. CAPEHART. That statement did not particularly do so.

Mr. MONRONEY. When the bill was in the Senate, the Senate committee did not have a letter from the Bureau of the Budget on the particular bill which the Senate is now asked blindly to accept.

Mr. CAPEHART. Here is what Mr. Sheaffer further stated. I asked this question:

> The CHAIRMAN. Are you familiar with the bill that the House Banking and Currency Committee reported favorably a couple of days ago to the floor of the House?
>
> Mr. SHEAFFER. That is the bill similar to S. 1523?
>
> The CHAIRMAN. Did you testify in respect to that bill?
>
> Mr. SHEAFFER. Yes, sir.
>
> The CHAIRMAN. That is the so-called administration bill; is it?
>
> Mr. SHEAFFER. I believe that represents the thinking of the administration. * * *
>
> The CHAIRMAN. Then you recommend the dissolution of the RFC, and the setting up of a new agency?
>
> Mr. SHEAFFER. Yes, sir. * * *
>
> Senator BRICKER. What will be the functions of this new organization?
>
> Mr. SHEAFFER. The general functions would compare, to a degree, with the functions as now exercised by SDPA, with this exception: It will go into the servicing of small business on a peacetime basis, rather than maintaining strictly the procurement functions which principally motivated the SDPA.

Mr. SPARKMAN. Mr. President, will the Senator from Indiana yield?

Mr. CAPEHART. I shall be very happy to yield.

Mr. SPARKMAN. As a matter of fact, I should like to point out a discrepancy. First, I ask the distinguished Senator if it is not a fact that the Thye bill and the Hill bill, which were somewhat similar——

Mr. CAPEHART. I think they were almost identical.

Mr. SPARKMAN. They were almost identical to start with. It was those bills to which the Bureau of the Budget had given clearance, but somewhere along the way in the House committee a very significant amendment was added which changed entirely the make-up of the Small Business Administration by taking the policymaking power out of the hands of the Administrator and vesting it in the Secretary of the Treasury, the Secretary of Commerce, and the Administrator. But the Administrator is not even chairman of that group. That is a very significant change, and it is a change against which the small-business men of the country are violently protesting.

Mr. CAPEHART. I think the able Senator has made a correct statement, but I do not know why the small businessmen of the of the Nation should be opposed to it.

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

Mr. CAPEHART. I yield.

Mr. LEHMAN. Is it not a fact that the bill which was originally reported by the Banking and Currency Committee of the Senate was passed in committee by a vote of either 12 to 3 or 13 to 2?

Mr. CAPEHART. I think the vote was 12 to 3.

Mr. LEHMAN. Is it not a fact that the bill which is now before the Senate as a result of the conference report is completely different from the bill which was recommended by the committee which the distinguished Senator from Indiana heads as chairman and on which I have the honor of serving as a member?

Mr. CAPEHART. Of course the bill reported to the Senate was somewhat emasculated on the floor of the Senate before it went to the House. The House made many changes in it, including the elimination of the Small Defense Plant Administration and establishing a Small Business Administration to which they gave all the authority and the power which the Small Defense Plant Administration has had in the past, plus the fact that they gave the right to make loans up to $100,000, and made it a piece of permanent legislation.

Mr. LEHMAN. Mr. President, will the Senator from Indiana yield for another question?

Mr. CAPEHART. I yield.

Mr. LEHMAN. Is it not a fact that in the many hearings of the Banking and Currency Committee which extended over a period of several weeks, at least, the main concern of many members of the committee was to protect the interests of small businesses and to make it possible for them to get loans on equitable terms up to a reasonable amount, which, according to my recollection, was $100,000? Therefore, they established an independent agency under the supervision and administration of an admintrator. Now, we have a bill containing a proposal which would completely vitiate the very purpose which the members of the committee—and, I believe, the great majority of the Members of the Senate—had in mind. There is nothing in this bill which in any way safeguards the interests of small-business men or makes it possible for them to maintain their position, to get working capital and expansion capital where it is necessary to do so, particularly in the case of defense contracts.

Mr. President, in my opinion, this is a step backward. It is something about which we should all be very deeply aggrieved. It is so different from what we on the committee were voting for conscientiously. When I say "we," I am pleased to include wholeheartedly the distinguished chairman of the committee. Yet, Mr. President, we find that this conference report completely vitiates what we were trying to do and kicks small business in the face. It does not give small business a chance. I, for one, simply cannot see it.

Mr. CAPEHART. Mr. President, I shall have to disagree with the able Senator from New York. The bill which is now before the Senate is good legislation, so far as small business is concerned. As the able Senator from New York knows, 2 years ago, or longer ago than that, Congress established what was known as the Small Defense Plants Administration, and the Senator is familiar, as are other Senators, with its operations. The weakness of the Small Defense Plants Administration was that it could not make direct loans to small-business concerns. All it could do in respect to such loans was to recommend them to RFC, but it had no authority to force RFC to make any loans. We had testimony to the effect that they made a number of recommendations to RFC, but that RFC refused to make the loans.

The bill before the Senate retains every good feature of the old Small Defense Plants Administration. It does not change by one iota the authority of the Small Defense Plants Administration. It keeps all the virtues which that Administration had, but it makes one addition, which I think is very important: It gives to the Small Business Administration the right to make loans up to $100,000 to any small-business man

in the United States, whether in peacetime or in wartime.

So it cannot be said that the bill is not a good one for small business because it is. It gives the Small Business Administration the right to lend up to $100,000 to any small-business man in the United States. It is a good bill because it lodges in the Small Business Administration, a new agency, the right to make direct loans up to $100,000.

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

Mr. CAPEHART. I yield.

Mr. LEHMAN. Instead of the administration being in the hands of an administrator, as provided in the Senate bill, the pending bill provides as follows:

> There is hereby created the Small Business Advisory Board of the Small Business Administration, which shall consist of the following members, all ex officio: The Secretary of the Treasury, as Chairman; the Secretary of Commerce; and the Administrator.

We know that the Secretary of Commerce has already declared himself as being less than enthusiastic about the Small Business Administration.

Mr. CAPEHART. I think the Senator might well be wrong in that instance, because this provision, which is really the Hill bill or the Thye bill, as introduced in the Senate, was written by Mr. Sheaffer, Under Secretary of Commerce. He really wrote the bill.

Mr. LEHMAN. But I do not know that Mr. Sheaffer or the Secretary of Commerce has shown any particular enthusiasm for small-business plants.

Mr. CAPEHART. They wrote the bill, and they were the first sponsors of the proposed legislation.

Mr. LEHMAN. Among the powers which are given to the Small Business Administration is the power to grant or deny financial assistance. In other words, the Small Business Advisory Board, all ex officio, and none of them except the Administrator being really interested in the problem, have a right to deny any loan that may be sought by small business.

Mr. CAPEHART. The able Senator from New York is pointing out that under the old Small Defense Plants Administration, the Administrator himself was the chief executive officer; no one was over him. He did not even have an advisory group. In the proposed legislation, now under consideration, we have given the Small Business Administration, to use the new name, the right to lend up to $100,000. The proposed legislation would establish an advisory group, which would act only in an advisory capacity on general policies. The Secretary of the Treasury would be a member of that board, as also would be the Secretary of Commerce and the Administrator. The Secretary of the Treasury would be Chairman of the Board.

I presume that the objection of the able Senator from New York is that he feels that a board composed of the Secretary of the Treasury, the Secretary of Commerce, and the Administrator would result in the Cabinet officers outvoting the Administrator, and there would not be the independence the Senator would wish to see in such an agency.

Mr. LEHMAN. There would be complete veto power.

Mr. CAPEHART. Yes. I presumed that that was the Senator's position. I am not fearful of what he anticipates. I rather think that with respect to the affairs of any lending agency the Secretary of the Treasury, who is responsible for the money of the Government of the United States, ought to have something to say. He ought to know what is going on. He ought to be part and parcel of any advisory group that has to do with the spending of any sums of Government money.

The primary purpose of the House provision establishing a Small Business Administration is to consolidate and centralize small business programs in a single, permanent, independent agency with adequate powers to enable small business to make its maximum contribution to the economy. This will result in avoiding a duplication of functions, and waste of effort and expense on the part of the Federal Government. In order to accomplish these objectives, the Small Business Administration is empowered to make loans to small business; to enter into Government procurement contracts to be sublet to small business; to certify to Government procurement officers as to the capacity and credit of small business concerns; to undertake specific procurement contracts; and to provide technical and managerial aids to small business.

Moreover, the Small Business Administration is empowered to make an inventory of the productive facilities of small business useful for defense production. It will encourage the letting of subcontracts to small business by Government prime contractors. It will make recommendations to appropriate Federal agencies to insure that a fair and equitable share of materials goes to small business. And it will result in cooperation with Government procurement officials in order to attain the full use of the productive capacity of small business.

Senators will recognize, from the description of the authority and functions of the Small Business Administration, that in general these adhere closely to the authority and functions now possessed by the Small Defense Plants Administration. It will be recalled that the statutory authority for SDPA was first adopted by the Senate itself in 1951. Later, the same general provisions were approved by the House.

Speaking now in terms of the Defense Production Act of 1951, in 1951 the Senate included in its bill the title "Small Defense Plants Administration." That title was in the Senate bill which went to conference with the House. There was no such provision in the House bill, but the Senate included the Small Defense Plants Administration in its bill.

In the conference with the House, the House accepted the Small Defense Plants Administration feature of the Defense production bill. In other words, in that instance the case was somewhat reversed. The House accepted what the Senate had included in its bill with respect to small business. The House bill contained no provision with respect to small business. This time the House has eliminated the Senate provision for a Small Defense Plants Administration and has substituted a new agency, to be known as the Small Business Administration.

We are familiar with the activities of SDPA during the past 2 years. We are also aware that SDPA is a temporary agency whose powers are limited to encouraging small business to participate fully in the defense effort. It has no authority to encourage the maximum contribution of small business to the overall national economy. The conference report gives these additional needed powers to the Small Business Administration.

In order to centralize in one agency adequate powers to assist small business, the conference report gives the Small Business Administration authority to lend money to small business concerns for proper purposes when they are unable to obtain such funds from private financial institutions, either on a direct or participating basis. A limitation of $100,000, representing the Small Business Administration's share of a loan to a single borrower, is contained in the lending authority. This would appear to be an ample limit for the vast majority of small-business concerns. From the inception of RFC in 1932 through March 31, 1953, that agency has made 63,300 business loans. Ninety percent of these loans were in amounts of $100,000 or less.

It should be kept in mind that the Small Business Administration, which is given power to lend to small business, is limited in any individual loan to not more than $100,000.

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

Mr. CAPEHART. I yield.

Mr. WILLIAMS. What does the committee plan to do with the RFC in connection with loans in excess of $100,000?

Mr. CAPEHART. That is a question which the Congress itself will have to decide. We have before us at the moment in the Senate Committee on Banking and Currency a bill to dissolve the RFC. So far the committee has taken no action on that bill. We have held hearings, but we have taken no action.

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

Mr. CAPEHART. I yield.

Mr. WILLIAMS. Is it not a fact that approximately 90 percent of all the money which has been loaned in recent months has gone to business which has been identified as large business?

Mr. CAPEHART. I do not have the facts before me, and I have no positive information, but I think the Senator is correct.

Mr. WILLIAMS. If we are to restrict this program merely to small business loans, there is no need for continuing two lending agencies, is there?

Mr. CAPEHART. That is a matter for Congress to decide. I would hope that

we would wind up with one. Certainly we do not need two.

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

Mr. CAPEHART. I yield.

Mr. WILLIAMS. Does not the Senator think it would have been much better if, at the same time we established the new agency, we had killed the old one?

Mr. CAPEHART. The testimony before the Committee on Banking and Currency, from Mr. Humphrey, the Secretary of the Treasury, from the Secretary of Commerce, and from the head of the RFC, Mr. Cravens, and others, was to the effect that they were perfectly willing that the RFC be dissolved, provided some other agency were established to take care of small business. I do not think we have any testimony from any governmental witness to the effect that the RFC ought to be eliminated without some other agency being established to take its place.

Mr. WILLIAMS. Practically all the testimony which has been given in behalf of one of these agencies has been offered in the name of the small-business man. However, at the same time, the benefits have gone to the large-business man. The small-business man has been used as window dressing.

Mr. CAPEHART. The records show that since RFC was created in 1932, through March 31, 1953, 63,300 business loans were made. Ninety percent of them were in amounts of $100,000 or less.

Mr. WILLIAMS. How does the comparison stand if it is made in terms of dollar amounts?

Mr. CAPEHART. I suspect that on the basis of dollar amounts, the 10 percent of loans made to large business would be greater, in dollars, than the 90 percent of loans made to small business.

Mr. WILLIAMS. Does not the Senator believe that if the percentages were based upon the dollar value, they would be reversed, and that 90 percent of the dollar value would have gone to big business?

Mr. CAPEHART. I think we would both be guessing if we were to say "Yes" in answer to that question. However, there is no question that, in terms of numbers of dollars, the amount of loans to large businesses far exceeds the amount of loans to small business.

Mr. WILLIAMS. Let me say to the Senator from Indiana that I am not guessing as to the results of the past 15 months, because I have a report, from which I intend to read later, which shows that during the period in which Mr. McDonald was Administrator, more than 89 percent of all the money that was loaned went to businesses which were clearly identified as large businesses. I refer to loans of more than $100,000. More than 89 percent of all the money that was loaned during the 15-months' period went to large business.

I point out that during Mr. McDonald's term of office only about $35 million, in the entire 15-months' period, was loaned to small business.

The bill pending provides for an appropriation of $250 million for a 2-year period, as I understand.

Mr. CAPEHART. It would be a 1-year period. The fund would be a revolving fund. The language of the bill provides that there shall be appropriated not to exceed $250 million, which shall be a revolving fund. In other words, there could not be outstanding at any one time more than $150 million in loans.

Mr. WILLIAMS. As I understand, the proposed agency is to be established for 1 year. Is that correct?

Mr. CAPEHART. No. It will be permanent.

Mr. WILLIAMS. The $250 million would last, perhaps, for 8 years, at the rate at which loans are being made.

Mr. CAPEHART. I do not have any figures on that subject. I do not know. However, this is permanent legislation. I want to be fair with the Senator.

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

Mr. CAPEHART. I yield.

Mr. THYE. I had introduced a bill to create such Small Business Administration, which would take over the functions of the Small Defense Plants Administration. One question which concerns me very much is this: On page 5 of the conference report I find the following language:

(d) There is hereby created the Small Business Advisory Board of the Small Business Administration, which shall consist of the following members, all ex officio: The Secretary of the Treasury, as Chairman, the Secretary of Commerce, and the Administrator. Either of the said Secretaries may designate an officer of his Department, who has been appointed by the President by and with the advice and consent of the Senate, to act in his stead as a member of the Small Business Advisory Board with respect to any matter or matters.

I find that the Secretary of the Treasury is to be the Chairman of the Board. I believe that it would be far more advisable, from an administrative standpoint, and from the standpoint of prestige of the Small Business Administration, if the Administrator of the Small Business Administration were the Chairman of the Board, because that is his field. The Secretary of the Treasury has his field. That question concerns me very much.

The other point I wish to make is that any member of the Board may appoint someone else to represent him. So it is not a matter of having the Secretary of the Treasury and the Secretary of Commerce, whom we definitely know to be friendly to small business, as members of the Board. A Board member may designate someone else within his Department to represent him, someone with whom we are not acquainted and who might not be so acceptable to small business as the Secretary of the Treasury or the Secretary of Commerce.

Mr. CAPEHART. No one can be designated unless he has previously been confirmed by the Senate. In other words, the one designated would have to be an Under Secretary or Assistant Secretary, whose nomination had previously been confirmed by the Senate. Therefore we would know who he was.

Mr. THYE. I will agree that we would know who he was, in name, but we would not know him as we know the Secretary of the Treasury or the Secretary of Commerce. It seems to me that this agency might well have had as its chairman the Administrator of the Small Business Administration. In that respect the conference report differs somewhat from the provisions of the bill which I had introduced.

I was somewhat encouraged when the Senator from Indiana answered the Senator from Delaware [Mr. WILLIAMS] to the effect that the Small Business Administration is to be given permanent status. It is proposed that it shall extend beyond the life of the act which is being amended, namely, the Defense Production Act. The Defense Production Act is extended for a limited time.

Mr. CAPEHART. It is extended for 2 years.

Mr. THYE. However, the Small Business Administration will continue indefinitely, unless action is taken by Congress to abolish it.

Mr. CAPEHART. Title II of the bill we are considering is permanent legislation. The agency will continue until the act is repealed by the Congress. The bill calls for an appropriation of $250 million, which will be used as a revolving fund. From time to time the Congress can increase that amount or decrease it. However, the legislation is permanent.

Mr. THYE. We can foresee that the Administrator of this agency is to be so restricted in his administrative function that he will not even be privileged to make any move unless he consults the other two members of the Board.

Mr. CAPEHART. I cannot answer that question. The Senator's judgment is as good as mine. The House wrote this language. The Senate conferees accepted the language. There is no way of amending a conference report, as the Senator knows. We must either take the language or send the bill back to the conferees for further conference.

Mr. THYE. On all conference committees on which I have served, except with respect to items which were identical in the two bills, all matter concerning which there was a difference between the two bills would be subject to change. In such cases conference committees on which I have served have changed not only figures with respect to appropriations, but have changed language also.

Mr. CAPEHART. That is correct.

Mr. THYE. Certainly the Senator from Indiana does not intend to say that the Senate conferees had to accept what the House had provided. If that be the case, we should not consider the conference report, but vote to return it to the conference committee. Instead we should keep in mind what the Senate did in passing the proposed legislation.

Mr. CAPEHART. I believe the Senator from Minnesota misunderstood what I said. Perhaps I did not make myself clear. What I intended to say was we cannot amend the language in the conference report. The Senator from Minnesota knows we cannot amend the conference report. The conferees might have amended it, but they did not do it.

Mr. THYE. That is what I wanted to call to the attention of the Senator from Indiana when I understood him to say we could not change the report. If the chairman of the committee could not change it in conference, there is something strange and unusual going on, because I have seen the chairman act otherwise under similar circumstances in conference.

Mr. CAPEHART. Evidently I misunderstood the Senator from Minnesota, or he misunderstood me. What I thought he was suggesting was that we change the language in the conference report on the floor of the Senate.

Mr. THYE. Oh, Mr. President, we all know we cannot do that.

Mr. CAPEHART. We might have changed it previously; yes.

Mr. THYE. All we can do is vote to have it recommitted to the conference committee or accept it.

Mr. CAPEHART. The House had drawn up its version. The Senator from Minnesota is objecting to the fact that the Secretary of the Treasury would be the chairman of the advisory group, and the Senator is fearful that he will dominate the Administrator. Is that correct?

Mr. THYE. The Administrator is named by the President, and he heads the Small Business Administration. In determining policies, he would have only 1 voice against 2 other voices from 2 other Federal agencies. He would not be the chairman. Therefore, I am concerned that the Small Business Administrator will be at the command of and under the orders of two other Government departments, instead of being at the head of an independent Small Business Administration.

Mr. CAPEHART. In all fairness to the Senator from Minnesota and other Senators, I may say it could work that way. On the other hand, a chairman could also mismanage the new agency. It is a question of whom we would trust and in whom we would have confidence. When creating such an agency as this we must hope that the persons who are appointed to administer it will do the honorable and right thing. It is a question of whether we would have more confidence in the administrator acting as the chairman or the Secretary of the Treasury acting as the chairman.

Mr. THYE. When the Small Defense Plants Administration was conceived and first organized—and the same thought applies to the proposed reorganization—it was naturally felt when an administrator was selected he was selected on the basis of his background and understanding in the field of small business. However, if the person who is appointed by the President to be the administrator of the Small Business Administration is not privileged to serve as chairman, then he must answer entirely to the other 2 members who are serving with him, and those 2 other members are not primarily selected to represent small business. That is the concern I have in studying the conference report.

I know the problems confronting the Select Committee on Small Business, and I know that the committee gave a great deal of study to this question prior to the introduction of the bill. I appeared before the committee headed by the distinguished Senator from Indiana in support of the bill which I had introduced. I had hoped that the bill could be acted on by the committee and reported to the Senate so that it could come before the Senate on its own merits, instead of being written into a conference report, as has now been done, which we are forced to accept without modification or amendment or send it back to conference.

Mr. CAPEHART. The Senator is correct.

Mr. THYE. Therefore, I am concerned about it. I am trying to make certain that we develop a legislative history, so the record will show specifically the intent of Congress with reference to the Administrator of the Small Business Administration.

Mr. CAPEHART. Mr. President, let me say at this point that the purpose of a conference is to have the conferees of the two Houses do the best they can in an effort to try to get together and report back to the two Houses. The House conferees reported back to the House, and the House approved their action. We are reporting back to the Senate. If Senators feel that there are points in the pending legislation which ought to be further clarified, all they need to do is vote to recommit the report to conference, and we will do the best we can on a reconsideration of the report. If we cannot satisfy the Senate on the second conference, we will try a third time.

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

Mr. CAPEHART. I yield.

Mr. KNOWLAND. What would be the situation, in the Senator's judgment, if the 30th day of June came and went without legislation having been passed? Could the Senator give his opinion on that subject for the RECORD?

Mr. CAPEHART. I was going to say that the purpose of the conference and of submitting the conference report to the respective Houses was to give the Members and Senators an opportunity to vote on the report. If Senators feel the conferees can do a better job, they can vote to send the report back to conference.

I am glad the Senator from California is also interested, because I was about to say that most of the legislation covered by the conference report expires on June 30.

Unless we act between now and midnight of June 30 and the President signs the bill, there will be no legislation whatever giving the Military Establishment the right to all the materials they need. In my opinion, that would be quite chaotic, regardless of what an individual Senator's or an individual House Member's feelings at the moment may be concerning the report. Regardless of our feelings, we must take action.

It is important that we pass legislation extending many of the features of the Defense Production Act which expire at midnight on June 30. Let us not become all snarled up and place ourselves in such a position that there will be no legislation of this character at midnight on June 30.

Apropos of the point made by the Senator from Minnesota, is it not correct to say that the bill of the Senator from Minnesota established a committee of three persons, consisting of the Administrator, the Secretary of the Treasury, and the Secretary of Commerce in connection with the administration of small business?

Mr. THYE. That is true only insofar as the granting of loans is concerned. It provided that the Secretary of the Treasury and the Secretary of Commerce would serve on the advisory board for that purpose.

What I have feared in connection with the conference report is that the identity of the Small Business Administration would be submerged in either the Department of Commerce or in the Treasury Department, because the chairmanship lies with the Treasury, and that provision would be written into the law. It is stipulated that the chairman shall be the Secretary of the Treasury.

I want to make certain that it is not the intent of the conference report that the identity of the Administrator of the Small Business Administration shall be lost. I want to be certain that when we have appointed a man to head the Small Business Administration he will be recognized as the Administrator, and that the other two members will be advisers to him, and will not dominate the Small Business Administration to a point where a small-business man has lost the services of an agency which was intended by Congress to look after the problems of small business.

Mr. BUSH. Mr. President, will the Senator from Indiana yield?

Mr. CAPEHART. I yield to the Senator from Connecticut.

Mr. BUSH. The matter just discussed does not seem to me to be of a very substantive character. There is to be a board, and the Administrator of the Small Business Administration is to be the important member. Whether or not he will actually preside at the meetings seems to me to be very inconsequential. When there is a ranking officer of the Administration present at a meeting, it does not seem to me inappropriate that he be the presiding officer, and it does not seem to me that as such he would necessarily exercise any greater influence on the proceedings than if he were sitting there under the chairmanship of another member.

Mr. THYE. My concern arose from the fact that it seemed that the Secretary of Commerce and the Secretary of the Treasury could name, from within their Departments, persons who would represent them, and those individuals may become very ambitious to take over the entire administrative functions of the Small Business Administration. That is my concern.

I want the RECORD to show that the intent of Congress is that the Office of Administrator of the Small Business Administration is established for the purpose of administering a governmental agency, and that the other two members of the committee are advisers, in-

sofar as they may aid in formulating a policy, but they are not the dominating factors in the Small Business Administration.

That is my concern, and I wish to be certain that I have an expression from the chairman of the committee that it is his understanding that the Administrator of the Small Business Administration will be the one to whom we will look as the Administrator of the Small Business Administration.

Mr. BUSH. Perhaps the distinguished chairman of the committee can give more assurance, but as one who has heard the testimony of a representative of the Administration in favor of the new director, who probably will be the Administrator of the Small Business Administration, and as one who has heard him discuss the philosophy of this whole question, I wish to say that it was my impression that the affairs would be conducted just as the Senator from Minnesota hopes they will be. That is my impression. I cannot give any more assurance than that, but that is my most definite impression.

Mr. THYE. The Senator is a member of the Committee on Banking and Currency, is he not?

Mr. BUSH. I am.

Mr. THYE. The RECORD is what is referred to generally in regard to the establishment of administrative policies of any agency, and I want the RECORD to be crystal clear on the question now being discussed.

Mr. MAYBANK. Mr. President, will the Senator yield for a moment?

Mr. THYE. I will yield, if the Senator from Indiana will permit me to do so.

Mr. CAPEHART. I yield to the Senator from South Carolina.

Mr. MAYBANK. There have been no hearings on the pending bill. The committee has not taken any action on it.

Mr. SPARKMAN. Mr. President, will the Senator from Indiana yield?

Mr. CAPEHART. I yield to the Senator from Alabama.

Mr. SPARKMAN. On the point the chairman of the Small Business Committee has been making, I know that if the legislative history is in contradiction to the plain language of the law, it amounts to nothing. It does not amount to anything what one says on the floor of the Senate explaining some matter if the law provides differently.

I wish to read to the Senator from the bill and then ask him if it does not provide very clearly that the proposed Board, consisting of the Secretary of the Treasury as the Chairman, the Secretary of Commerce, and the Administrator, shall run the Small Business Administration.

Mr. THYE. I got that understanding from the language I read.

Mr. SPARKMAN. It says:

> The Small Business Advisory Board shall establish general policies which shall govern the Administration in carrying out the powers, duties, and authorities conferred upon it by this title.

If that does not place the entire governing power in the three men rather than in the Administrator, I cannot understand the English language.

Mr. THYE. I agree that it does, and the Administrator of the Small Business Administration is only 1 of the 3 members.

Mr. SPARKMAN. Just one; he is not even the chairman of the board.

Mr. THYE. That is why I desired to make certain that it was the understanding of the conferees that the Small Business Administrator was the individual who would administer the affairs of the agency, and that the other two gentlemen were advisory to the Administrator.

Mr. SPARKMAN. The bill, as now framed, does not say that. It says they shall "establish the policies which shall govern."

Mr. THYE. In the bill I introduced there is no such delegation of authority.

Mr. SPARKMAN. That was not in the Senator's bill.

Mr. THYE. That is correct. In the bill I introduced, and in the testimony I gave before the Banking and Currency Committee, I specifically stated that the Board should be advisory on loan policies, but the bill provided that the Administrator would have the administrative functions; just as it is proposed there shall be an Advisory Board in the Department of Agriculture, which the Secretary of Agriculture advocates. I had in mind that the authoritative voice would be the Administrator of the Small Business Administration, and the Advisory Board would do what its name implies, advise the Administrator on loan policies.

Mr. SPARKMAN. Mr. President, will the Senator from Indiana yield further?

Mr. CAPEHART. I yield to the Senator from Alabama.

Mr. SPARKMAN. The Senator from Minnesota is exactly correct. He introduced a bill which made provision for a real Advisory Board, and that was also in the Hill bill when it was introduced. Let me say, by the way, that that was objected to on the floor of the House, but under the peculiar legislative situation prevailing, because the House had taken up the Senate bill and added this provision as an amendment, there was no opportunity in the House of Representatives to get a proper amendment to the bill, and, in view of the legislative situation, there was no opportunity to have agreed to a motion to recommit. So there has been no opportunity to write into the bill what the Senator from Minnesota wrote into his bill. Instead of having an Advisory Board to advise, the pending bill provides for what it calls an Advisory Board, but it is to govern.

Mr. THYE. I wish to commend the chairman of the committee for having brought in the report, because it does assure permanent life for the Small Business Administration. I have endeavored to make certain that such an agency would be created within the Government, and when my bill was introduced it was submitted for analysis to the American Enterprise Association, whose report is available.

Small-business people have not recommended such an advisory board as the conference bill now provides, with the Secretary of Commerce and the Secretary of the Treasury forming an official administrative majority, with the Chairman other than the actual Administrator of the Small Business Administration. That is the only objection I find to the conference report. I am afraid that it would deny the Administrator the right actually to administer the Small Business Administration in the manner in which he should be privileged to administer it. The Board should be advisory to him, rather than supersede him in authority and in administrative prestige by having the chairmanship lodged in someone other than the Administrator of the Small Business Administration.

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

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

Mr. LEHMAN. I know the desire of the Senator from Minnesota to make a legislative record concerning this matter which will satisfy him and will safeguard the interests of those whom we are trying to assist. But I do not think any legislative record can possibly accomplish that purpose. The Senator from Minnesota, when he was Governor of his State, appointed many advisory committees, who were to advise him. I did the same thing when I was Governor of my State. In many cases those advisory committees were very useful. But I do not think the Senator, then Governor of Minnesota, would have appointed any advisory committees, any more than would I, to be coequal with him in authority, or superior to him in authority, so far as administration was concerned. Yet that is exactly what is proposed to be done by this bill. I desire to read section 4, subparagraph (d). It reads:

> (d) There is hereby created the Small Business Advisory Board of the Small Business Administration, which shall consist of the following members, all ex officio: The Secretary of the Treasury, as Chairman, the Secretary of Commerce, and the Administrator.

It then goes on to say:

> The Small Business Advisory Board shall establish general policies which shall govern the Administration in carrying out the powers, duties, and authority conferred upon it by this title. Such general policies shall, among other things, provide the standards (1) for the granting and denial of financial assistance by the Administration, and (2) for the exercise of the powers enumerated in sections 207 (b) and (c). It shall also be the duty of the Small Business Advisory Board to periodically review the operations of the Administration and coordinate its functions with other activities and policies of the Government.

Mr. President, if that does not hamstring the Administrator in the performance of the duties which are meant to be assigned to him, then I certainly do not understand the English language. Here is an Administrator who is a member of a so-called advisory board—a minority member, not even the chairman. He will have to compete as a minority member with two Cabinet officers of far greater prestige and standing. In my opinion, there is no way by which he will be able to assert his authority or discharge his duties as administrator.

I have already said, but I desire to repeat, that, so far as I am concerned, by agreeing to the conference report we are deliberately kicking the small-business man in the teeth. He has no chance whatever We are simply taking from him the protection which I believe the Congress, or most of the Members of the Congress, have wished to give him.

Mr. CAPEHART. Mr. President, let me say that I certainly do not in any way want to deceive any Member of the Senate. There is no question that the Advisory Board as constituted by the language of the conference report makes the Secretary of the Treasury the Chairman of the Advisory Board and makes the Secretary of Commerce and the Administrator members. Each of them has equal responsibility, each has equal authority, other than the fact that the Secretary of the Treasury is the Chairman.

However, I do not agree, I cannot agree that this is particularly a bad provision. My opinion is that the Secretary of the Treasury and the Secretary of Commerce are just as much interested in small business as is the Administrator. I do not think we have any right to stand on the floor of the Senate to contend that the Secretary of the Treasury, or the Secretary of Commerce, is any more patriotic than the Administrator, or, conversely, that the Administrator is any more patriotic than either of the other two.

The Thye bill called for the creation of a Board which would have the same responsibilities and the same duties as the Secretary of the Treasury, the Secretary of Commerce, and the Administrator would have under the provisions of the conference report. It might be—I do not know—we might constitute a Board that would be more sympathetic to small business. Those are the chances we take, regardless of the kind of commission we create and regardless of whom we place on it. But if good, conscientious men are placed on the Board, men like the Secretary of the Treasury and the Secretary of Commerce, we may depend upon getting a good job done; otherwise, we may not.

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

Mr. CAPEHART. I yield to the Senator from South Carolina.

Mr. MAYBANK. I deeply appreciate the honest and frank expression of opinion by the distinguished Senator from Indiana. The point I tried to make was that, in conference, there was no discussion about the question of who would be what, or about what the Secretary of Commerce or the Secretary of the Treasury would do. Is that not correct?

Mr. CAPEHART. That is correct.

Mr. MAYBANK. This provision was placed in the bill, but no hearings were held on it.

Mr. CAPEHART. The reason was, the House had twice passed this particular proposed legislation.

Mr. MAYBANK. I am not speaking of that.

Mr. CAPEHART. They passed it once as a separate bill, known as the Hill bill, a bill which is now in the Senate Committee on Banking and Currency.

Mr. MAYBANK. I did not sign the report because there were no hearings on that bill.

Mr. CAPEHART. That is correct. Secondly, House made it a part of the controls bill. They had made up their minds that they were going to have this particular legislation, and there was nothing the Senate conferees could do but accept it.

Mr. MAYBANK. I agree with the Senator, that the House conferees refused to yield. Nevertheless, in conference there was no discussion whatever of the bill which was embodied in the report. Is that not correct?

Mr. CAPEHART. That is correct. We offered no amendment to it. That is an honest statement.

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

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

Mr. THYE. Mr. President, I see a great deal of benefit to the small-business man in this proposed legislation. I do not want to be misunderstood. I am not criticizing the entire conference report; far from it. But I want to make it positively certain that we do not lose sight of the fact that the President has appointed an Administrator of the Small Defense Plants Administration, and that that Administration will be superseded by the new Small Business Administration. In the bill I introduced, I provided for an administrator, with specific responsibility as an administrator. The board was to be advisory to him. I should have recommended for the board such men as the Secretary of Commerce and the Secretary of the Treasury. I would gladly have recommended that they be appointed as advisers to the Administrator of the Small Business Administration. But I would not have recommended that they be vested with power equal to that of the Administrator of the Small Business Administration, and then that one of them should supersede him by becoming chairman of the board.

I am not concerned about Mr. Weeks, Secretary of Commerce; I am not concerned about the present Secretary of the Treasury; but this legislation is permanent, and some day we might have a chairman and a member of the Board who would desire to assume great responsibilities and authority over the Small Business Administration; and if they succeeded, we would not need an administrator, we would need only someone who would carry out the orders of the other two members of the three-man board.

In my bill I provided for an advisory committee of three men, not specifically for a certain type of administrator, with the chairman required by law to be the Secretary of the Treasury, but not to supersede the Administrator in his functions. That is the point wherein my bill differed entirely from the provision in the conference report.

Mr. CAPEHART. The able Senator is 100 percent correct as to the difference between the bill which he introduced and the bill which we are considering at the moment.

Mr. SPARKMAN. Mr. President, will the Senator from Indiana yield?

Mr. CAPEHART. I yield.

Mr. SPARKMAN. I would remind the Senator from Minnesota that the advisory committee was to advise with reference to the loan policy of the agency, and certainly the controlling power was not to be given to the so-called advisory group, as provided in the conference report. I hope the distinguished Senator from Connecticut [Mr. BUSH] will listen to this, because he was speaking a few moments ago with reference to the matter.

There came to each Member of the Senate and to each Member of the House of Representatives an analysis which was not based on the conference report. It was based on the Hill bill as it passed the House. It is a very fine and objective analysis of the situation, published by one of the best small-business associations in the United States. There are many good small-business organizations in the United States. One of the best is the Small Business Association of New England. This association analyzes the Hill bill as it passed the House, and points out the fact that the original Hill bill and the original Thye bill had in them very sound and sane provisions with reference to an advisory committee, but that the Hill bill, as it passed the House, incorporated new language to which small business is strongly opposed.

If the Senator from Connecticut has not yet seen the analysis, I would suggest that he read it carefully, because it is a good objective analysis by a very fine and strong small-business association.

Mr. SPARKMAN subsequently said: Mr. President, earlier in the day, in connection with the discussion of the conference report, I referred to a report which had been sent to each Member of the House and of the Senate by the Small Business Association of New England. I ask unanimous consent that at that point in the RECORD there be printed the report of the Small Business Association of New England, together with a telegram which has come to me from Mr. A. Dudley Bach, president of that association, protesting against the conference report, advocating its defeat, and requesting continued hearings by the Senate Banking and Currency Committee on the whole subject matter.

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

JUNE 11, 1953.

To Members of the United States Senate and House of Representatives and Appropriate Committees:

A statement of the position of the Smaller Business Association of New England on the new Hill bill (H. R. 5141).

Today we received a copy of the new Hill bill, now H. R. 5141, creating a Smaller Business Administration, which purports to be merely an amendment to the old Hill bill (H. R. 4090). This, however, is in essence an entirely new bill. It bears little resemblance in its essential provisions for the operation of this agency, to those of the original House Hill bill, 4090.

Twelve of our directors made a trip to Washington, April 21, 1953, and appeared before the Select Committees on Small Business of the Senate and House, and discussed the provisions of the Hill bill (H. R. 4090) and the Thye Senate bill 1523, for 2 hours with each committee. Later on two witnesses from our association made a trip to Washington, May 19, 1953, to testify before the Senate Banking and Currency Committee on the SBA bill introduced by Senator Thye (S. 1523).

At these hearings we presented our views and suggestions for changes of certain provisions which, in our opinion, would substantially strengthen the bill. These suggestions were made after thorough discussion among our membership:

1. We have had 16 years of experience in just what kind of agency works best for small business. Every experience confirms our belief that small business needs to have an independent agency not in, or a part of, or controlled directly or indirectly by any other department or agency, and responsible only to the President. This we felt was the stated position set forth in both the original Hill bill in the House and the Thye bill in the Senate.

The only restriction on the complete independence of the smaller-business administrator was the provision that the SBA administration be "empowered to make loans or advances in accordance with general policies established by a small-business loan policy board made up of the Secretaries of the Treasury and Commerce and the administrator." This loan policy board in both the Thye and Hill bills was to concern itself with policies relating only to the financial authorities given SBA.

We agree that in order to carry out the fiscal policy of the Government, the loaning agencies should be coordinated, and that with this control over and check on the financial authority of the SBA, that there is no necessity for putting a limitation of $100,000 on loans. Any limitation as to amounts could well be left to the discretion of the Board.

We are certain that small business deserves to have a truly independent agency and that it should not be smothered in a welter of other divisions in a Government department. It should have the freedom, imagination, and authority to deal with the multitudinous problems of small business. The Department of Commerce formerly had such a division for small business, but never did much with it. Twice before, Congress has recognized the necessity for creating a special agency to do the job for small business by the creation of the Smaller War Plants Corporation in World War II, and the SDPA in the present defense mobilization. Both of these were created because it was found that the Department of Commerce did not do the job for small business.

We testified at three hearings on these bills and at their conclusion we felt that both the first Hill bill in the House and the Thye bill in the Senate would set up an independent, workable, effective agency to assist small business.

But—5 days after its passage, we received a copy of the new Hill bill, H. R. 5141. This bill, known as the Small Business Act of 1953, we studied and found it was an entirely new bill because of a so-called last minute amendment to strike out everything after "Be it enacted," and substitute, therefor, an entirely new bill with a setup not at all like that in the first Hill bill.

We can show you clearly by merely setting out exact quotes from the Hill bill, H. R. 5191 at the beginning of section 4 (a) and the other at the end of section 4 (d), both, bear in mind, from the same new Hill bill passed by the House Friday, June 5, that the 4 (d) completely contradicts and practically nullifies the provisions of section 4 (a).

Section 4 (a), page 20, line 18:

"In order to carry out this policy there is hereby created an agency under the name 'Small Business Administration' (hereinafter referred to as the Administration), which Administration shall be under the general direction and supervision of the President and shall not be affiliated with or be within any other agency or department of the Federal Government."

Section 4 (d), page 22, line 8:

"There is hereby created the Small Business Administration, which shall consist of the following members, all ex officio. The Secretary of the Treasury, as Chairman, the Secretary of Commerce, and the Administrator. Either of the said Secretaries may designate an officer of his Department, who has been appointed by the President by and with the advice and consent of the Senate, to act in his stead as a member of the Small Business Advisory Board with respect to any matter or matters. The Small Business Advisory Board shall establish general policies which shall govern the Administration in carrying out the powers, duties, and authority conferred upon it by the act. Such general policies shall, among other things, provide the standards (1) for the granting and denial of financial assistance by the Administration, and (2) for exercise of the powers enumerated in sections 7 (b) on page 28 (which embraces all its operating powers), and (c) it shall also be the duty of the Small Business Advisory Board to periodically review the operations of the Administration and coordinate its functions with other activities and policies of the Government."

We deeply deplore this attempt to "water down" the independence of SBA as we believe it will make it very difficult, if not impossible, for it to function effectively to carry out it's avowed purposes.

We, therefore, suggest that the Loan Policy Board be confined only to supervision of financial assistance to small business. The present setup, in Hill bill 5191 as set forth in section 4 (d), reduces the Administrator to the status of being merely one of a committee of three outvoted by Treasury and Commerce members of the Commission.

BOSTON, MASS., *June 18, 1953.*

Senator JOHN J. SPARKMAN,
Senate Office Building,
Washington, D. C.:

The Small Business Association of New England has gone on record as not favoring the new Hill bill, H. R. 5141, as presently constituted. We believe the Senate Banking and Currency Committee should complete its hearings and give full consideration to both the Hill bill and the Thye bill along with other proposed small business legislation before it. We feel any small-business agency must be independent, have adequate loaning power, and adequate authority to carry out the functions Congress assigns to it.

A. DUDLEY BACH,
President.

Mr. BUSH. Mr. President, will the Senator from Indiana yield?

Mr. CAPEHART. I yield.

Mr. BUSH. Since the Senator from Alabama has directed his remarks to me, I should like to comment, that the arrangement provided for in the bill which is now before the Senate, so far as the 3-man committee is concerned, does not seem to me to be dangerous, but rather very advantageous.

I think it is very fortunate that there are to be brought into the administration of the small-business organizations the talents of the Secretary of the Treasury and the Secretary of Commerce and some responsibility in connection therewith. They have expressed an interest in doing something constructive in connection with small business and loans to small business. I am not one who fears their general interest in the situation, nor am I one who fears they will dominate the Administrator, who is a man of their own choosing and a man of very substantial characteristics in his own right. He is a very fine, able, successful young man.

So, Mr. President, while I think the Senator from Minnesota is correct in wanting to have the RECORD clear, as he says, I believe the way the bill sets up the Small Business Administration is one of the advantageous things about it, and not one of the unfortunate things about it.

Mr. KENNEDY. Mr. President, will the Senator from Indiana yield?

Mr. CAPEHART. I yield.

Mr. KENNEDY. Mr. President, I was interested in what the Senator from Alabama [Mr. SPARKMAN] said about the small-business group of New England.

Does not the Senator from Indiana feel that the limitation in the bill of $100,000 on loans would affect work which is vitally important to small-business men?

Particularly is not that true when the majority of the loans recommended in past years were for more than $100,000?

Mr. CAPEHART. The loans recommended by SDPA had to do only with the war effort, whereas the new policy will be to make loans for both civilian purposes and war purposes. We hope we shall soon be finished with the war purposes. The House committee figured that $100,000 was sufficient. It might be a little short in respect to the war effort, but the war effort may well be on the way down. We hope so.

Moreover, title 302 of the Defense Production Act gives the right to loan any amount.

Mr. KENNEDY. We must assume that the economy of the country will remain sufficiently high so that even though the war emergency may pass small business may not be able to get loans anywhere else.

Mr. CAPEHART. If it had been left to my good judgment I would have made it $125,000 or $150,000. However, we had no choice. At the moment it is purely a matter of guessing. I suspect that the starting point of $100,000 is possibly as good an estimate as $125,000 or $150,000 would have been. It is simply a starting point. We shall have to learn from experience whether it is too much or too little. My best judgment is that it may be a little bit short, but I shall not quarrel with it at the moment, because the act can be amended.

Mr. KENNEDY. I think the Senate should consider the low limitation and the reaction of the small-business association of New England.

Mr. CAPEHART. It is my thought that the act can always be amended.

Mr. President, I have some further pages with reference to the Small Business Administration, but I think we have

covered the subject in our debate. I should like, however, to ask unanimous consent to have 3½ pages on the subject inserted at this point in the RECORD.

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

In order to centralize in one agency adequate powers to assist small business, the conference report gives the Small Business Administration authority to lend money to small business concerns for proper purposes where they are unable to obtain such funds from private financial institutions either on a direct or participating basis. A limitation of $100,000 representing Small Business Administration's share of a loan to a single borrower is contained in the lending authority. This would appear to be an ample limit for the vast majority of small business concerns. From the inception of RFC in 1932 through March 31, 1953, that agency has made 63,300 business loans. Ninety percent of these loans were in amounts of $100,000 or less.

Adequate safeguards are contained in the conference report to assure that the Small Business Administration will in no way compete with private financial institutions in making loans to small business.

In order to avoid duplication of effort, the conference report requires that RFC forward to SBA for processing all loan applications hereafter received from small business.

From appropriations authorized, an overall lending limitation of $150 million is prescribed. An additional $100 million is authorized for the Small Business Administration to take prime contracts from the Government and subcontract them to small-business concerns.

The Senate Banking Committee held rather extended hearings on the Hill bill (H. R. 5141) as reported from committee, and on the Thye bill (S. 1523). The Hill bill as reported by the House Banking Committee is identical with that bill as it passed the House, with the exception of a single word. The Hill bill as passed by the House is identical with title II of the substitute bill adopted by the conference.

Small-business problems and needs were gone into quite thoroughly during the hearings before the Senate Banking and Currency Committee on this very bill—S. 1081. Many witnesses appeared before the committee explaining the need for increased authority in the small-business agency. Many recommended direct lending authority. In fact, my recollection is that many witnesses at that time in effect endorsed wholeheartedly the very principles embodied in the Small Business Administration.

In addition, the Senate committee held several days of hearings on 7 or 8 bills to assist small business—May 20, 21, 22, 25, 26, and 27. One of these bills is the Thye bill, S. 1523. It is substantially the same as the Hill bill as passed by the House. All witnesses appearing for the administration were enthusiastic in support of the main features of the Thye bill and the Hill bill. Representatives of the Treasury, Commerce, RFC, and General Services testified in support of this legislation.

Chairman WOLCOTT of the House Banking and Currency Committee assured the conferees that he personally had obtained the approval of the White House for the Hill bill as passed by the House. Therefore, this bill has the wholehearted endorsement of the administration. It is an administration bill.

In summary, the majority of the Senate conferees decided to recede to the House position and accept title II of the conference report, which creates a Small Business Administration.

Mr. CAPEHART. Mr. President, another change was with reference to the definition of "national defense."

The conferees accepted the Senate definition of the term "national defense," with technical, clarifying changes.

ALLOCATIONS IN THE CIVILIAN MARKET

There was a slight difference between the Senate and House versions of the revised language proposed for section 701 (c) of the Defense Production Act, as amended. Both provide that if it becomes necessary in the future to allocate any material in the civilian market, consideration should be given to the then current competitive position of established businesses in determining the basis for allocating such material to them. The House version of the bill requires that in computing the then current competitive position of any such business, there be excluded the effect of Government controls. Such controls might result in the particular business having a different competitive position than would have been the case in the absence of such controls. The Senate conferees agreed to recede to the House position on this provision.

In so doing, there was no intention of affecting the remaining provisions of section 701 (c), as proposed to be amended by the conference report. In general, these provisions provide different base dates for computing future allocations in the civilian market, depending upon whether the particular material happens to be under allocation controls on July 1, 1953. If such controls are in effect on that date, future allocations must use a pre-Korean base date preceding June 24, 1950, with appropriate adjustments. If such controls are not in effect on July 1, 1953, future allocations take as a base date a representative period following June 30, 1953, with appropriate adjustments. In determining whether any particular material is subject to allocation control on July 1, 1953, within the meaning of the conference report, it is necessary to find that such control is in the nature of a full scale operating allocation control. This criterion would exclude such items as steel—other than nickel-bearing stainless steel, copper, and aluminum which will have been substantially decontrolled by July 1, 1953. Consequently, if it becomes necessary in the future to allocate any of such materials in the civilian market, the base date for allocation under the conference report would be a representative period following June 30, 1953, notwithstanding the fact that there may exist in the third quarter of 1953 certain limited and highly specialized controls over such materials.

DISTRIBUTION OF MATERIALS TO SMALL BUSINESS

In view of the termination of allocation of many materials for civilian purposes, the conferees in the statement of the managers on the part of the House expressed their hope that producers of such materials will continue to distribute their supplies so as to assure small users sufficient quantities to meet their current requirements.

PRODUCERS OF MINERALS AND METALS

A provision of the Senate bill sponsored by the junior Senator from Arizona [Mr. GOLDWATER] would have amended the definition of small business in the Defense Production Act by specifically including miners of strategic and critical minerals and metals among those who could qualify as small business concerns as long as they meet the criteria set forth in the act for small business concerns.

When a similar amendment was suggested to the Hill bill (H. R. 5141) in the House, assurance was given on behalf of the House Committee on Banking and Currency that such miners were as eligible as any other business to qualify as small business concerns. It was feared that by specifically naming certain classes of business which might qualify as small business, there would be a danger that other classes of business, similarly qualified, but not so named, might be excluded by implication. In order to make clear the intent of the conferees, a portion of the statement of the Managers on the part of the House was devoted to explaining why the proposed amendment was not incorporated in the bill. The statement of the Managers makes it perfectly clear that producers of strategic and critical minerals and metals stand on the same basis as any other business in their ability to qualify as small business concerns if they meet the necessary criteria contained in the bill.

I hope that is perfectly clear. I do not believe there is room for any misunderstanding whatsoever that small producers of metals and minerals, wherever found, if they come within the category of small business, will be entitled to secure reasonable loans from the new agency.

INFORMATION OBTAINED BY OPS

The Senate version of the bill would have continued for 2 years section 705 of the Defense Production Act. This section requires that confidential treatment be given to information supplied to OPS under that section if, at the time it is supplied, a request is made that such information be held confidential. The House version of the bill added an amendment which would result in all information supplied to OPS under section 705 which had not been made public by April 30, 1953, being treated as confidential. The House provision would have allowed disclosure of such information only to the Department of Justice, unless the President determined that withholding the information would be contrary to the interest of the national defense, in which event the information could be made public.

The substitute bill adopted by the conference includes the House provision with two amendments. The first amendment allows disclosure to the Congress or any of its authorized committees. The second amendment makes it clear that when disclosed to the Department of Justice, such information may be used to the extent deemed necessary in performing the functions of the Department of Justice. It was felt that some guaranty to safeguard this information against indiscriminate use should be written into the statute, in view of the fact that OPS has ceased to function as an operating agency. Nevertheless, there remains in the possession of the

executive department much information collected by OPS acting under section 705.

TERMINATION DATES

In general, the Senate bill extended for 2 years those provisions of the Defense Production Act which were to be extended. On the other hand, the House version of the bill extended for only 1 year such of these provisions as the House retained in its bill. In this matter the House receded and agreed to the Senate provisions.

The Small Business Administration, created under title II of the bill adopted by the conference, will be a permanent agency.

While the conference report represents a compromise of views on the part of the conferees, and may not wholly satisfy some of the conferees, I submit that the results reached represent an honest effort on the part of all conferees to attain an acceptable conclusion on all points in controversy between the two Houses. Naturally, there were differences of opinion even among conferees representing the same body.

However, as in all conferences, it was necessary to reach a compromise. In my opinion, the final result is the best bill that can be obtained from the conference between the two Houses. In view of the early termination of important defense-production powers, I recommend the immediate adoption of the conference report.

Mr. BUTLER of Maryland. Mr. President, will the Senator yield?

Mr. CAPEHART. I am happy to yield.

Mr. LONG. Mr. President, a point of order.

The PRESIDING OFFICER. The Senator will state it.

Mr. LONG. Is the Senator from Indiana yielding for a question, or is he yielding the floor?

Mr. CAPEHART. I am yielding for a question.

Mr. LONG. I desire to be recognized in my own right.

The PRESIDING OFFICER. The question is on agreeing to the conference report.

Mr. CAPEHART. I have not yet yielded the floor.

Mr. LONG. Is the Senator yielding for a question, or is he yielding the floor?

Mr. CAPEHART. I yield for a question.

Mr. LONG. I do not desire to ask a question; I simply wish to seek recognition in my own right, if the Senator from Indiana is prepared to yield the floor.

Mr. CAPEHART. I have only one more statement to make.

Mr. BUTLER of Maryland. I should like to make a 3-minute statement.

Mr. CAPEHART. Mr. President, I ask unanimous consent that, without my losing the floor, the Senator from Maryland may make a 3-minute statement.

Mr. LONG. Mr. President, I must object. I am seeking recognition. I have been waiting for about 2 hours, and I do not propose to take more than 3 minutes.

Mr. CAPEHART. Mr. President, I ask unanimous consent that the Senator from Maryland [Mr. BUTLER] may speak for 3 minutes, without my losing the floor, and that then the Senator from Louisiana [Mr. LONG] may have 3 minutes, without my losing the floor.

The PRESIDING OFFICER. Is there objection? The Chair hears none, and it is so ordered.

The Senator from Maryland is recognized for 3 minutes.

POLITICAL SITUATION IN THE PHILIPPINES

Mr. BUTLER of Maryland. Mr. President, recently on the Senate floor the Senator from North Dakota [Mr. LANGER] told us of a situation in the Philippines which deserves our attention, thought, and action.

The Senator pointed out that one of the principal issues in the current presidential election campaign in the Philippines is the allegation that American Embassy officials are interfering in the internal politics of that country. If these charges, which have been made by President Quirino himself and by other members of the incumbent Liberal Party, are true, we are indeed deserving of sharp criticism. If they are not true, we must make every effort to dispel the doubt which has been cast upon our democratic intent.

Personally, Mr. President, I am confident that our officials have not meddled in Philippine politics. But it would seem that they are inept in permitting these charges to assume the proportions of a major controversial issue in the Philippine campaign, and I agree with the distinguished Senator from North Dakota that it behooves us as a democratic nation to make our position of strict neutrality in Philippine politics clear beyond a shadow of doubt.

We have a particularly delicate role to play in the politics of the Philippines. As our former colony, they look to us for guidance and example. The world looks on with interest. Our enemies search for evidence of insincerity in our having granted the Philippines their independence. Asia, particularly southeast Asia, casts suspicious glances toward the West, for they remember all too well abuses of colonial authority by western nations. Our record as a colonial power was excellent. Our voluntary grant of independence to the Philippines was welcomed everywhere in the free world as evidence of the high ideals of American democracy.

We cannot afford to have a misunderstanding undermine our prestige as a proponent of democracy. We must understand that our generosity invites suspicion from some peoples who have always been exploited, and we must make extra effort to prove that we have no ulterior purpose.

Our own Nation was founded on the bedrock of self-determination of people. We have fostered that high principle at home and abroad since 1776. We must not let that record be tarnished by unfortunate misdeeds or by misunderstandings.

It is my understanding that several Senators from both sides of the aisle have become disturbed by this problem which has arisen in the Philippines, and plan to take some action to remedy the matter and express emphatically American policy of neutrality and noninterference in Philippine politics and sincere friendship for the government chosen by the Philippine people, whether it be the present one which is returned to office in November or a new one.

Let the Philippine people speak their minds with ballots, and let us offer our friendly assistance to the government of their choosing.

Mr. President, I have certain clippings of articles from American and Philippine newspapers which seem to show the extent of the problem, which I ask unanimous consent to have printed in the body of the RECORD following my remarks.

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

[From the New York Times of April 21, 1953]

UNITED STATES BIAS IS DENIED IN PHILIPPINE VOTE—FOREIGN SECRETARY FINDS NONE, BUT QUIRINO BACKERS SEE MAGSAYSAY FAVORED

(By Henry R. Lieberman)

MANILA, April 20.—The Secretary of Foreign Affairs, Joaquin M. Elizalde, declared in an interview today that there had been no official interference by the United States in Philippine election activities. He noted that Ambassador Raymond A. Spruance and his staff were now making every effort to keep Americans out of the heated Presidential contest here.

"It is a very difficult situation because you are in politics here from breakfast to dinner," Mr. Elizalde observed. "As of today, however, I have seen no case of any interference."

His comment followed a series of complaints by leaders of President Elpidio Quirino's Liberal Party that "some American officials" were partial to the presidential candidacy of Ramon Magsaysay, the former Defense Secretary. The open Liberal Party feud with the Embassy on this score last month has now abated, but Liberal leaders still cling to the belief that a number of Americans here are inimical to the President's candidacy.

Talks with key Liberal Party leaders, including Mr. Quirino and Eugenio Perez, Speaker of the House of Representatives, indicate the Liberals are not yet fully convinced of American neutrality in the forthcoming election. They make a distinction between the United States Government and individual Americans here who are favorably disposed toward Mr. Magsaysay, but occasionally the lines seem to get somewhat blurred.

"We are watching," said Oscar Castelo, the Secretary of Justice, who now also holds the post of Secretary of Defense. "We do not mind if you are pro-Magsaysay, but we do not want any campaigning."

He threatened to deport any Americans whom he found to be interfering.

"If we find the United States Government is interfering, either for the Liberals or the Nacionalista, we will denounce the United States in the United Nations," he added.

The background of these suspicions apparently include favorable notice Mr. Magsaysay has been given in the United States press, his obvious popularity with resident Americans, his defection from the Liberal Party and various individual comments and public actions regarded by the Liberals as having cast unwarranted reflections on the Quirino administration. There also are indications of Liberal fears that American money might be brought in to support the Magsaysay candidacy.

Meanwhile, all major political leaders—Liberals and Nacionalista alike—continue to talk about the necessity of close cooperation between the United States and the Philippines regardless of who is elected president next November.

There is an obvious sensitivity on both sides about all matters concerning Philippine sovereignty and there is a strong bipartisan sentiment favoring revision of the 1946 agreement governing present trade relations between the United States and the Philippines.

At the same time, however, one gets the impression that the United States retains a strong reservoir of goodwill in this country. A Philippine Government official put it this way.

"It is still a political asset in this country to have the United States on your side. That is what a lot of the commotion is about."

[From the New York Herald Tribune of March 9, 1953]

QUIRINO ASSERTS UNITED STATES WON'T PUSH LAND REFORMS—UNITED STATES OFFICIALS DEMUR, NOTE ENVOY HAS POINTED OUT VALUE OF MSA PROPOSALS

(By Homer Bigart)

MANILA, March 7.—President Elpidio Quirino said in an interview that he has demanded and received assurances that the United States will not intervene in the Philippine presidential campaign by pressing for land-tenure reform.

He said he has been told by American Ambassador Raymond A. Spruance that a controversial Mutual Security Agency report on land reform was "just one man's opinion," and is not to be regarded as an official policy statement.

President Quirino was particularly upset by a statement in the report that the United States might have to take "direct, expensive, drastic action" to save the Philippines from communism unless extreme poverty and political unrest among tenant farmers were alleviated.

LAND REFORM BIG ISSUE?

Land reform will be a major political issue if Ramon Magsaysay, who resigned last week as Defense Minister in Mr. Quirino's Liberal Party Cabinet, is nominated by the rival Nacionalista Party for President.

Mr. Magsaysay insists that agrarian reform offers the best means of uprooting discontent in the Provinces where the Communist-led Huk movement finds recruits. Mr. Quirino, while giving lip service to reform, has rejected American recommendations as suggesting collectivism.

American sources, later, gave a quite different account of the Quirino-Spruance conversation than was received by this correspondent from President Quirino.

MSA PLAN APPROVED

They said Ambassador Spruance not only approved wholeheartedly the contents of the MSA report but sent to Mr. Quirino a covering aide-memoire (memorandum) stressing its importance.

It was stated also that the Ambassador, after a close first-hand study of the problem, became convinced that oppressive farm rentals, exorbitant interest rates, and feudal practices under the land-tenure system are major incitements to rebellion and that he reminded Mr. Quirino pointedly of the keen interest of the United States in an honest election next November in the Philippines.

TWICE REMINDED QUIRINO

The controversial MSA report was almost completed when Ambassador Spruance arrived at Manila early last year. He personally submitted it to President Truman in August. Subsequently, when no action was taken by the Quirino government, he brought the matter to Mr. Quirino's attention on at least two occasions.

Written by Robert Hardy, who had been General of the Army Douglas MacArthur's land-reform expert in Japan, the report recommended government purchase of big, private landholdings which would be split up and sold to tenants as family-sized farms.

"The trouble with Mr. Hardy," President Quirino said, "was that he could not understand that our problem is different from Japan's. In Japan, all you had to do was to split up the Emperor's lands—the Government did not have to pay for it. But here you have to pay for the land, and we haven't got the money.

"Mr. Hardy must have thought this was still occupied territory."

OPPOSES RELEASING REPORT

Mr. Quirino said he felt obliged to tell Ambassador Spruance that the Hardy report "would severely affect" American-Philippine relations if made public.

Turning to politics, Mr. Quirino said Americans are being fed "systematic exaggerated publicity" about the achievements of Mr. Magsaysay.

"I build him up," Mr. Quirino said. "He got credit for things I personally directed. The Americans believe he reorganized the army. But the army was reorganized before he came in.

ARMY MORALE LIFTED

"Of course, with his new enthusiasm, ability and hard work, he was able to lift the spirit and morale of the army. But the capture of the Huk Politburo at Manila was possible because I turned over to Mr. Magsaysay the agent who provided all the information. But Mr. Magsaysay got all the credit. I was building him up.

"I knew he was going to resign and I just waited until he reached the end of his rope. As a matter of fact, I did not even read his resignation.

"There is nothing wrong about Mr. Magsaysay except that he is bewildered by the flattery and cajolery of the Nacionalistas. There is no danger of a coup. Mr. Laurel is just talking bloodshed as a scarecrow."

[Mr. Quirino was referring to Sen. Jose Laurel, the Nacionalista leader.]

"Personally, I don't think Mr. Magsaysay will get the Nacionalista nomination," Mr. Quirino added. "They just want to split the liberal party."

Mr. Quirino said he is confident he will head the liberal party ticket. He said Carlos P. Romulo, now Philippine Ambassador at Washington, is being considered for the liberal party nomination for vice president.

[From the New York Times of January 6, 1953]

PHILIPPINES ANGRY OVER UNITED STATES REPORTS—SECURITY AGENCY DATA ON RURAL CONDITIONS MAY BRING FORMAL PROTEST BY MANILA CONGRESS

MANILA, Tuesday, January 6.—The impatient rejection by President Elpidio Quirino of a Mutual Security Agency report on rural backwardness in the Philippines set off a congressional movement today for a formal protest to the United States Government. The suggested protest had obvious overtones of election year politics.

It was the second recent report of the Security Agency on rural conditions in the Philippines to arouse the ire of the Quirino administration. The first one, identified as the so-called Hardie report (after Robert S. Hardie, its author) on tenure reforms led to intimations in congressional quarters that the United States assistance program in the Philippines was infiltrated by Communist influences subversive of the Philippine Government.

Speaker Eugenio Perez of the Philippine House of Representatives suggested that the Philippine Government should be allowed to screen United States Government people sent on assistance programs. The suggestion has been ignored by United States officials here.

Since the Perez suggestion the Hardie report has been published in detail, revealing nothing interpretable as subversive or Communistic in character.

The second mutual security report now the subject of a threatened formal protest against United States "interference" with domestic affairs was prepared jointly by the United States Technical Mission and its Philippine Government counterpart, the Philippine Council for United States Aid.

Identified as the McMillan-Rivera report, it concludes that nearly half of the village residents of the Philippines today were worse off than 10 years ago.

The report said that the Philippine Government influence, except for schools, did not penetrate to the village (barrio) level, where 75 percent of Filipinos live, and that the Filipino barrio folk were virtually ruled by the cacques, or bosses, who control their lives and working conditions.

Such conclusions were naturally politically unwelcome to President Quirino's Administration and the Liberal Party, whose survival depends on the outcome of the national elections next November.

Mr. Quirino denied such conditions existed and affirmed his administration's constant concern for the underprivileged barrio people. Speaker Perez, in a statement to the press, called the McMillan-Rivera report malicious and said it was designed to undermine popular faith in the Government.

[From the New York Times of March 14, 1953]

SHUN MANILA POLITICS, AMERICANS ARE TOLD

MANILA, March 13.—United States Ambassador Raymond A. Spruance issued one of his rare public statements Thursday warning Americans in the Philippines to refrain from any kind of participation in the coming national elections or in election campaign activities.

It was more or less a routine statement, merely urging compliance with the law without reference to the violent political feeling over President Elpidio Quirino's bid for reelection against Ramon Magsaysay, his former Secretary of Defense, who resigned recently under political pressure and is expected to oppose him on the Nacionalista Party ticket. But it served to call attention to Washington's watchful attitude toward the election campaign, which gives signs of producing an explosive reaction from the politically excitable Filipinos.

Admiral Spruance called attention both to United States and Philippine laws bearing on such participation.

The statement was not believed to have been inspired by any noticeable tendency on the part of Americans here to intervene, but was rather a precautionary warning to let the Filipinos know how the United States stands on such matters. The 10,000 to 12,000 Americans residing in the Philippines probably are the largest American colony outside the United States.

[From the Chronicle, Manila, Philippines, of March 31, 1953]

LIBERAL PARTY SOLONS ACT TO OUST MEDDLERS—PEREZ, ALLAS SEEK DEPORTATION OF POLITICKING ALIENS

A Liberal Party-inspired move to deport local American residents found meddling in Philippine politics was started yesterday in the House of Representatives.

Representative Cipriano Allas, Liberal, of Pangasinan, filed a resolution yesterday seek-

ing the creation of a special congressional committee to conduct a secret investigation of the reported meddling.

Speaker Eugenio Perez said in Baguio last night that the Allas resolution will be given top priority in the House agenda should congressmen press for its immediate discussion.

Perez indicated that he may throw the full weight of his influence as president of the Liberal Party behind the resolution. Liberal Party congressmen who are with Perez in Baguio rallied behind the move.

Explaining his resolution, Allas said that he and his colleagues merely want to know who among the local American residents are meddling in Philippine politics.

Those found politicking, Allas said, will be recommended for deportation. Officials of the American Embassy meddling in local politics will be reported to Washington as persona non grata in the Philippines, Allas said.

Nacionalistas meanwhile found themselves doing the unfamiliar role of defending the local American Embassy from attacks of interference hurled by the Liberal Party leaders, including President Quirino.

In the 1946 and 1949 elections, the Nacionalistas, it will be recalled, hurled the same accusations against the American Embassy.

Reactions among Congress leaders on the move to ask for the recall of Spruance followed strictly the party line. Liberals are almost unanimously in favor of the move while Nacionalistas are against.

Speaker Perez said in Baguio that the controversy has reached serious proportions and may directly affect the election campaigns.

He said the issue could be easily raised against the Nacionalista Party in the campaign, adding that "the sovereignty of this country should be protected at all cost."

Allas indicated that his political bosses, the Liberal Party leaders, will throw the full weight of the administration behind his resolution in order to rid the country of foreign intervention.

Senators Claro M. Recto and Jose P. Laurel, Nacionalista Party leaders who have hitherto been branded as anti-Americans for their outspoken attacks against American foreign policy in the Orient, strongly defended the American Embassy against the President's accusations.

Quirino last Sunday accused American Ambassador Spruance and the American Embassy of meddling in local politics. The President's accusations were followed up by Speaker Eugenio Perez and Representative Diosdado Macapagal, Liberal Pampanga.

The President charged the Embassy with snubbing Liberal Party leaders at its recent dinner-conference in honor of Adlai E. Stevenson, during which local politics was reportedly discussed.

Senate President Eulogio Rodriguez, Sr., Nacionalista Party president, said last night that the charges hurled by the President are purely nonsense. He said that Ambassador Spruance "is the best American Ambassador ever to be assigned in the Philippines."

Rodriguez denied that only Nacionalista Party leaders were invited to the Stevenson dinner, as charged by President Quirino. He said he is definitely against the move to ask for the recall of Spruance.

Macapagal, in a statement last night, asked for a categorical comment from the American Embassy on widespread reports indicating its interference in the coming presidential election.

His statement follows in full:

"I wish to clarify that I have not made charges against the American Embassy. I have simply requested the Embassy to comment on widespread reports indicating its interference in the coming presidential election. If the Embassy does not indulge in such intervention, it should so state and clarify the reports in order to clear the atmosphere.

"Irrespective of partisan alignment, I call on all to expose and resist the interference of the United States Embassy under Ambassador Spruance in the conduct of our elections. Even if the Embassy interferes in favor of the Liberal Party and its presidential candidate, I will still fight it because foreign meddling in our polls, irrespective of the party or candidate favored, transgresses our sovereignty and makes a mockery of our independence."

(By Jose C. Nable)

BAGUIO, March 30.—Liberal congressmen today contemplated asking for the immediate recall of American Ambassador Raymond A. Spruance for alleged interference in Philippine politics.

Macapagal, who heads the foreign affairs committee in the Lower House, said he will personally file the resolution declaring Ambassador Spruance "persona non grata" to the Philippine Government. The resolution will be filed immediately upon the resumption of Congress sessions on April 6.

Speaker Eugenio Perez said the Macapagal resolution will be given priority in the House agenda should congressmen press for its immediate discussion.

Qualifying their stand on the proposed resolution, the congressmen, including Macapagel, indicated that a satisfactory explanation and clarification by Embassy officials on this matter would clear up the current misunderstanding. It may even prevent the pressing of the resolution any further.

United States Embassy officials were charged particularly with hiding in the Embassy vaults a reported agreement signed between Senators Jose P. Laurel, Claro M. Recto, Lorenzo Tanada and former Defense Secretary Ramon Magsaysay.

The Embassy is also charged with having ignored the Magsaysay statement to the effect that the American Government has lost confidence in the Quirino administration.

While the Embassy made it a practice to issue official communiques on lesser matters, it did not deny the Magsaysay statement, it was charged.

The controversy between the Embassy and administration leaders was described by congressmen as having reached "serious proportions" which may directly affect the election campaigns.

Speaker Perez admitted that the issue could easily be raised against the Nacionalistas in the course of the campaign, adding that "the sovereignty of this country should be protected at all costs."

[From the Philippine Herald, Manila, Philippines, of March 29, 1953]

HIT UNITED STATES "MEDDLING" IN PHILIPPINE ISLANDS POLITICS—MACAPAGAL DEMANDS EXPLANATION—MALACANAN RELEASES ARTICLE ACCUSING UNITED STATES EMBASSY, ARMY OF PLOT

A double-barreled attack was leveled yesterday at the American Embassy for alleged interference in local politics by boosting the candidacy of former Secretary Ramon Magsaysay.

The first blast came from Representative Diosdado Macapagal, Liberal, Pampanga, who demanded that the American Ambassador should either deny or clarify two reports tending to implicate the United States Embassy in certain political moves.

The second blast came from Malacañan which issued an official release under the letterhead of the "Office of the President" quoting in full an article in the Bataan magazine which attacked the United States Army and Embassy for pushing the election of a "man on horseback." The article was entitled: "Will There Be a United States Party in the Philippines?"

Macapagal charged that the United States Embassy was guilty of "interference by omission" because it failed to deny a report that a "secret agreement" entered into by Senators Jose P. Laurel, Claro M. Recto, Lorenzo Tañada, and Magsaysay was "being guarded in the vaults of the Embassy."

Macapagal also charged that the United States Embassy was guilty of "interference by omission" in failing to deny or correct Magsaysay's statement that the American Government has "lost confidence in the Quirino administration."

Macapagal made the charges in a signed statement released to the press last night. It was considered significant because Macapagal signed it as chairman of the committee on foreign affairs.

The statement follows in full:

"The silence of the American Embassy on two recent reports is disturbing. The first is the report that Senators Laurel, Recto, Tañada, and ex-Secretary Magsaysay have signed a secret agreement and that this document is being guarded in the vaults of the Embassy. The second is the statement of Mr. Magsaysay that the American Government has lost confidence in the Quirino administration.

"The United States Embassy has heretofore made or sought denial or clarification of less serious matters than these. The continued failure of the Embassy to make denial or clarification now may be taken as an undue interference with the political struggle going on in the country. Interference is done not only by commission, but by omission.

"We, therefore, ask the American Ambassador to clarify said reports with the same candor in which he owned the politically controversial contents of the Hardie report. The Embassy has recently called on the American officialdom and community to refrain in every way from the political situation. Such admonition will best find substance through a clarification of the aforesaid reports by the American Ambassador."

Indicating that the press statement was only the first step in the move to force a showdown with the United States Embassy, Macapagal told the Herald he plans to ask Liberal leaders to make a formal request for an explanation from the American Ambassador.

In Malacañan, reporters covering the President were surprised at what they termed an "out and out propaganda material" being issued officially by the press office. Although the release was marked "for background purposes," a Malacañan authority said it could be reprinted.

The Bataan article, according to the release, was airmailed to Malacañan from the States where the magazine is being published.

Besides attacking the United States Embassy and Army for building up the "man on horseback" the article also charged that American newsmen, magazines, and periodicals were unwittingly made tools by United States political plotters. The article did not mention any name, but it was clear that it was referring to Magsaysay.

The article follows in full:

QUESTION IS ASKED BECAUSE OF EFFORTS TO BUILD UP "A MAN ON HORSEBACK"—MANILA POLITICAL CIRCLES AGOG OVER ACTIVITIES OF PRO COLONEL CONSIDERED PUPPET PULLING FROM BEHIND THE SCENES—PROPAGANDA PATTERN FOLLOWED IN UNITED STATES EXPOSED

MANILA, February 25.—What started here as a wisecrack in political circles that aside from the Liberal and Nacionalista Parties, a third one is about to be born—an American Army Party organized to foist "a man on

horseback" on the Filipinos—seems to be taking shape. Whether it will continue operating from behind the scenes as it has so far done or whether it will dare show its hand is not known at this writing, but the arrival of its master mind who returned here a few days ago from Washington may precipitate some developments that may culminate in some sort of a political crisis.

It is an open secret here that a certain sector of the United States Army and some American officials, interested mainly in Pacific security, have been trying the last 2 years to build up a certain figure and prepare him to be a presidential candidate. For this purpose, a propaganda build-up was encouraged among some United States magazines and periodicals, and even the Pentagon was unwittingly inveigled into the attempt to boost the United States Army favorite.

SECURITY IN THE PACIFIC

Leading American publishers and publicists as well as newspaper correspondents were fed with materials about the so-called achievements of the United States Army fair-haired boy, and every effort was exerted to present him as a hero to the American public. Recently, as a result of the change in administration in the United States, a certain Army colonel rushed to Washington to direct a new propaganda spurt to influence the faces in Washington in favor of the man on horseback.

The propaganda pattern is clear as evolved by the PRO colonel: Main theme: United States security in the Pacific. How to achieve it: Elect as president of the Philippines the one who can best promote and defend United States security and interests. How to influence American opinion: Present President Quirino as a weak, corrupt chief executive. At the same time build up one of his cabinet members as a strong, honest, courageous official. Give this official all the credit for everything good in the Philippine Government and blame Quirino for all the faults and weaknesses of the administration. In other words, make of Quirino a villain, and of the United States Army pet a hero.

That is the pattern that was carefully evolved and followed. The American newspaperman is essentially and fundamentally fair. So when he arrives here in Manila he tries to get the facts. To get the facts he has to go to what he thinks are the accepted objective sources. These are the United States Embassy and the United States Army. He is not aware of any preconceived plan to build up a certain figure. And what he believes are the objective sources begin to give him their facts. Then he is subtly but effectively guided to get confirmation of the facts from Filipino sources known to be anti-Quirino. Finally, when he has been properly briefed in accordance with the pattern, an effort is made to make him interview President Quirino. Whatever Quirino tells him cannot efface the first impression created in his mind by the objective sources.

NEW PUBLICITY SCHEME

So when the United States elections came and a new administration was elected and it was evident that there would be changes in the Pentagon, the PRO colonel rushed to Washington in December and a new spate of organized publicity was started. Frank Pace, Dan Kimball, William Foster who had already been sold to the Army pet had been eased out. A new set has to be indoctrinated. New articles must be published presenting Quirino as a devil and the "man on horseback" as an angel. Hence, articles appearing in United States newspapers and magazines in December, January, and February.

That done, more maneuvering must be done from here. From Manila must come news about politicians trying to wreck the Army, news dispatches purporting to show that efforts to suppress the Huks are weakened by politicians envious of the Army pet, that communism is gaining ground in the Philippines, that United States security is thus endangered in the Pacific, and that the only man who can save the situation is the "man on horseback." All these must be cleverly and unobstrusively directed from behind the scenes. The Hardie report must be properly exploited against Quirino. The Supreme Court decision on emergency powers must also be transmitted to the United States in a manner that will show how tyrannical this man Quirino is. A statement must be written for the pet defending the military mind in order to project him to the attention of President Eisenhower.

Fortunately, we the unwary are beginning to wake up. We are beginning to see the outlines of a colossal effort to interfere in our domestic affairs and make a mockery of our national sovereignty. Whether the Nacionalistas as the opposition party are conscious of all these behind-the-scenes puppet-pulling and are encouraging it by such politically-clever statements of offer of withdrawal in favor of this or that candidate in order to take advantage of it when the opportune moment comes and thus win the election for the opposition by exposing it in all its Machiavellian significance, your correspondent does not know. He is inclined to believe that they know and are aiding and abetting it—for their comfort and subsequent victory at the polls.

TEMPORARY ECONOMIC CONTROLS—CONFERENCE REPORT

The Senate resumed the consideration of the report of the committee of conference on the disagreeing votes of the two Houses on the amendment of the House to the bill (S. 1081) to provide authority for temporary economic controls, and for other purposes.

Mr. LONG. Mr. President——

The PRESIDING OFFICER. The Senator from Louisiana is recognized for 3 minutes.

Mr. LONG. Mr. President, I ask unanimous consent that the limitation of 3 minutes upon my remarks be rescinded. I see no point in the restriction, since the Senator from Indiana [Mr. CAPEHART] is prepared to yield the floor.

Mr. CAPEHART. Mr. President, I desire to speak for 2 or 3 additional minutes, if the Senator from Louisiana will permit me to conclude.

Mr. LONG. I wish to make a motion when I obtain the floor.

Mr. CAPEHART. Will the Senator from Louisiana withhold his motion until I have finished?

Mr. LONG. Mr. President, I ask unanimous consent that I may be recognized at the conclusion of the remarks of the Senator from Indiana.

The PRESIDING OFFICER. Is there objection? The Chair hears none, and it is so ordered.

Mr. CAPEHART. I merely wish to say, in closing, that the proposed legislation establishes the Small Business Administration for the purpose of cooperating with, working for, and helping small business to the extent of helping it to secure war orders, helping it to finance war orders, and lending it money for civilian purposes. There is no limitation, except that it must be small business.

One of the points which is not found in this bill, but which is in the RFC Act, is a provision that a loan may not be made unless it is in the national interest. There is no such provision in the language of the pending bill. The proposed agency is a real, honest-to-goodness, small business administration, created for the sole purpose of helping small business, to the extent that any small-business man anywhere in the Nation may borrow up to $100,000. The agency proposed to be established is 100 percent in aid of small business. Let no one be deceived about that. It is a small-business agency, not only to help small business obtain war orders, but likewise to lend money to small businesses, up to $100,000.

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

Mr. CAPEHART. I yield.

Mr. MONRONEY. As the Senator says, the field is wide open. Would it include the financing of a hairdressing establishment?

Mr. CAPEHART. I should say that that would depend on the policy adopted by the Board. However, I see nothing in the bill which would prevent such a loan being made.

Mr. MONRONEY. I take it saloons would be eligible for loans?

Mr. CAPEHART. Yes, if that were in accordance with the policy adopted by the Board. The Board could eliminate saloons.

Mr. MONRONEY. But the bill as written would provide for the financing of saloons, hairdressing establishments, bowling alleys, or any other kind of enterprise.

Mr. CAPEHART. The bill would permit financing of any small business, up to $100,000. The Board would set the policy. It could include or exclude saloons. To be perfectly frank and honest, it could either finance them or not, as it saw fit.

Mr. MONRONEY. Let me ask the distinguished Senator if there is any provision in the bill for local bank participation, which is now the policy.

Mr. CAPEHART. There certainly is.

Mr. MONRONEY. Will the Senator show the junior Senator from Oklahoma where that language is to be found in the conference report? I have tried to find it, and I have been unable to do so. I do not find it anywhere in this hastily considered legislation.

Mr. CAPEHART. Immediate or deferred participation is part and parcel of the bill. I will find the language for the Senator in a moment.

Mr. MONRONEY. While the language is being looked up, I should also like to ask the distinguished Senator if it is not a fact that from a practical standpoint this proposed legislation came to the House not subject to any floor amendment. Therefore it was conceived under the gag rule in the House. It comes to the Senate without the opportunity to dot an "i" or cross a "t" or make any restrictions whatsoever. So what we actually have before us is probably the worst example of the way to legislate that could possibly be conceived. One committee of one House can generate legislation with respect to which no amendments can be offered when the bill comes to the floor of the House;

when it comes to the Senate, it comes under a gag rule, so that we cannot possibly amend or correct or improve the bill. We are expected to take it on faith.

Mr. CAPEHART. What does the Senator object to about the bill?

Mr. MONRONEY. In the first place, I do not think there is any safeguard whatsoever for the public, in the classification of loans that can be made. It is proposed to create a multi-million-dollar establishment, which the Senator says can finance saloons, hairdressing establishments, or anything else, whether needed or not. Anything can be financed by the new agency, which is an open end to the Federal Treasury. I have been unable to find any of the careful safeguards which in the past have consistently been placed in lending legislation. That was true when I was a member of the House Committee on Banking and Currency.

Mr. CAPEHART. Of course, the able Senator knows that, under the provisions of paragraphs (1), (2), and (3) on page 7, every conceivable effort must be exhausted to obtain a loan from private lenders before a borrower is eligible to make a loan under the terms of the bill. He must sign an affidavit that he was unable to obtain a loan from any other source. Moreover, he must furnish the Administrator with letters from the sources from which he tried to obtain a loan, and which turned him down. There are many safeguards in this particular bill that were not in the old RFC Act. But in all fairness I had to answer the Senator in the affirmative when he asked me if loans could be made for the financing of saloons or hairdressing establishments. I should say that such businesses could be financed by loans if the Board decided that it wished to make such loans. Saloons are legalized businesses. The same is true of any branch of the liquor business. A hairdressing establishment is certainly a very fine institution. At least all the ladies in the galleries think it is. Personally, I would have no objection to lending a little money to a widow who wanted to pretty up the hair of the girls in her particular town. I see nothing particularly wrong with that. I am not against small business. The Senator may be against the hairdressers if he wishes. I am not. I should like to lend them a little money.

Mr. MONRONEY. The point the junior Senator from Oklahoma is making is that with taxes at a record-breaking high, with defense demands pressing us so that we are compelled to impair the effectiveness of the Air Corps itself, the Senator is proposing to establish a multi-million-dollar chest without bothering to establish any safeguards whatsoever, from the standpoint of limiting such financing to enterprises which are in the public interest. The Senator has said that there is no regard for the public interest. No limitation is contained in the bill.

Mr. CAPEHART. I did not say that there was no regard for the public interest. I said that there was nothing in the bill which provided that we must take into consideration whether a loan is in the public interest, as was the case in connection with the RFC Act.

Mr. MONRONEY. Then there is no regard for the public interest.

Mr. CAPEHART. I can see that perhaps the able Senator is too frank, and is trying too hard to make certain that every Senator understands what is in the bill and what is not. I am trying to be factual and honest, and explain what is in the bill.

Mr. MONRONEY. The junior Senator from Oklahoma is asking—and I am sure the Senator from Indiana will give him the information—what provisions there are in the bill relative to local bank participation.

Mr. CAPEHART. If the Senator will turn to page 7, paragraph (1) reads as follows:

> No financial assistance shall be extended pursuant to (a) above unless the financial assistance applied for is not otherwise available on reasonable terms.

Mr. MONRONEY. The junior Senator from Oklahoma is well aware of the fact that if other credit is available the bill prohibits a loan. What the junior Senator from Oklahoma inquired about was the policy with respect to local bank participation. Historically that has been a part of other lending legislation. If a local bank were to take 10 percent of the loan and the Federal Government the remainder, the Federal Government would have the advantage of having the advice and servicing of the loan by the local bank.

Mr. CAPEHART. Let me read from the bill. I think we can clear up this question. I read from page 7 of the conference report:

> (1) No financial assistance shall be extended pursuant to (a) above unless the financial assistance applied for is not otherwise available on reasonable terms and all loans made shall be of such sound value or so secured as reasonably to assure repayment; no participation may be purchased unless it is shown that a deferred participation is not available; and no loan may be made unless it is shown that a participation is not available;
>
> (2) No loan or advance shall be granted under this title if the total amount outstanding and committed by participation to the borrower from the revolving fund established by this title would exceed $100,000, and no loan, including renewals or extensions thereof, may be made for a period or periods exceeding 10 years; except that any loan made for the purpose of constructing industrial facilities may have a maturity of 10 years plus such additional period as is estimated may be required to complete such construction;
>
> (3) In agreements to participate in loans on a deferred basis, such participations by the Administration shall not be in excess of 90 percent of the balance of the loan outstanding at the time of disbursement;

Mr. MONRONEY. Will the Senator from Indiana explain how that language provides for local bank participation? I followed the reading. I can see that there is a limitation on participation. However, I do not see any affirmative language on the subject of participation.

Mr. CAPEHART. I refer the Senator to the language at the top of page 7: "and such loans or advances may be made or effected either directly or in cooperation with banks or other lending institutions through agreements to participate on an immediate or deferred basis: *Provided, however,* That the foregoing powers shall be subject to the following restrictions and limitations."

Mr. MONRONEY. Mr. President, as I read the provision, it nullifies any effective bank participation, and is proof of the charge I made earlier, namely, that it was the product of a gag rule in the House and that it is brought to the Senate under a gag rule. Therefore, no Senator can tell what he is passing on this afternoon.

Mr. CAPEHART. It is an attempt to make certain that there will be no waste of Federal funds. One cannot honestly criticize the measure for not containing proper safeguards. One can criticize it because of the way it was handled in the House, and perhaps for the way the provision was placed in the bill, as permanent legislation, when otherwise the bill contains semipermanent legislation. However, I do not believe one can criticize the bill itself as not being a good bill.

If Senators want to vote for small business, if they are in favor of helping small business, and if they want to have loans made to small business, my judgment is that it would be hard to write a better bill.

Mr. MONRONEY. The Senator does not tell the Senate, however, that if we refuse to buy the pig in the poke he, as chairman of the Committee on Banking and Currency, will lose interest in reporting a bill on small business.

Mr. CAPEHART. No. I am saying, as I frankly stated before, I hope every Senator will vote according to his conscience. If the Senate votes that the conference report should go back to conference for further consideration by the conference committee, I, as chairman of the committee, will be delighted to take it back, and I will do the best I can when it goes back to conference.

Mr. MONRONEY. The Senator will assure us, with his usual diligence and interest in small business, if this abortive effort at legislation fails, the door will not be closed to satisfactory small business legislation?

Mr. CAPEHART. I will assure the Senator that if the conference report is turned down the Committee on Banking and Currency will renew its hearings, as it intended to continue its hearings, and will consider the Thye bill, the Fulbright bill, the Byrd bill, the Sparkman bill, and the Douglas bill. We intended to do it. We held hearings for about a week, and we recessed because of more pressing business.

However, if the Senate rejects the conference report, we could, of course, go back to conference and perhaps reach an agreement with the House between now and June 30; but if no agreement should be reached before midnight of June 30, the Small Defense Plants Administration Act would likewise expire, and we would have no legislation whatever on the books helpful to small business.

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

Mr. CAPEHART. I yield.

Mr. THYE. Mr. President, in order that the RECORD may be clear as to my opinion, I share the expressed statement of the able and distinguished chairman of the committee that title II in general is a good provision. It does assure small business that it will have an agency from which it can obtain loans for what might be called participation in defense manufacturing, and that it will also have an opportunity to obtain loans in a situation in which it would need to come to the agency for assistance.

I recognize that such provisions are in the report. The only objection I had to the section pertaining to small defense loans was primarily that there was established a supervisory board which actually superseded the Administrator of the Small Business Administration and actually made him a clerk rather than an administrator.

If I can obtain the assurance of the chairman of the committee that it is not the intent of the Committee on Banking and Currency or of the conference committee to nullify the importance of the Administrator of the Small Business Administration, but that the other two members of the board will serve in an advisory capacity to him, I will vote for the conference report, because it is a step forward and assures small business that it will be protected.

Mr. CAPEHART. I am certain that that is the way it will work in practice, with the Secretary of the Treasury and the Secretary of Commerce acting in an advisory capacity, and that they will permit the Administrator to operate the agency. I am certain they will.

I am not, however, going to stand on the floor of the Senate and say something that is directly opposed to the way the language is written. The language provides that the Secretary of the Treasury and the Secretary of Commerce are equal managers with the Administrator so far as general policy is concerned. That language cannot be taken out of the measure. It is in the bill. Personally, I have no fear of it at all. If I find that the other two members of the Board are hamstringing the Administrator, we will immediately prepare an amendment to the act and endeavor to get it through Congress at the earliest possible moment, because I am just as much opposed as is the Senator from Minnesota to having the Administrator hamstrung by the Secretary of the Treasury and the Secretary of Commerce. I do not think they will hamstring him. I do not think they should. It is not the intention that they shall. It is the intention that they shall cooperate with him. The language, however, provides that the three of them shall be equal managers so far as general policy is concerned.

Mr. THYE. The assurance I wanted from the chairman of the committee was that they would not hamstring the Administrator, and that if they did hamstring him, the chairman of the Committee on Banking and Currency, with the approval of the committee, would give consideration to amending the act. With that assurance I can see no just reason to object to the conference report.

Mr. CAPEHART. Mr. President, in closing I wish to say that if the bill becomes law and the proposed agency is created, and loans up to $100,000 can be granted to the small business people of the United States, the Committee on Banking and Currency will certainly give consideration to the dissolution of RFC, if not immediately, at least by June 30, 1954. Personally I do not think we need 2 lending agencies or 2 RFC's. We certainly should eliminate one or the other.

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

Mr. CAPEHART. I yield.

Mr. THYE. I should like to say to the Senator that the whole purpose in the preparation of the bill which I introduced was to serve small business when RFC was abolished. I personally believe that RFC should be abolished and that was what I had in mind when I prepared the bill which I introduced. It has been my hope that RFC would be abolished. That is what I had expected the Committee on Banking and Currency would recommend, namely, that when it reported a bill on small business it would at the same time report a bill to abolish RFC.

Mr. CAPEHART. First, I wish to thank the able Senator from Minnesota for his help and in introducing the bill to which he has referred. I do not know whether I am forced to say, but I believe I should say that, the Committee on Banking and Currency had no opportunity to pass upon the Thye bill or on any of the other bills, because the House attached to the Defense Production Act the small-business bill. We had no choice in the matter but to accept it, though, of course, the Senate can decide this afternoon to instruct us to go back to conference and do something else.

Mr. LONG. Mr. President, unfortunately, the junior Senator from Louisiana was not present at the time of the vote on the motion to proceed to the consideration of the conference report.

I regret very much that the acting majority leader decided to bring up the report, because the impression I had from having been on the floor and engaging in the colloquy at the previous session of the Senate, was that no vote of any significance would be had during this weekend. At the time the colloquy occurred—and it appears at page 6638 of the RECORD of June 16—the junior Senator from Louisiana was rather distressed to hear the acting majority leader say that there would be no vote, because the junior Senator from Louisiana wanted to make a speech on the submerged lands bill on Friday, but he was afraid he would not have an audience to speak to, since many Senators who had commitments and plans in their States would probably have departed by then.

With regard to the conference report, some of us in the minority are cognizant of certain matters in the report, and have serious objections to some of its provisions.

Certain proposals had not previously been submitted to the Senate, and we had no knowledge of them. We had had no occasion to study them, although 1 or 2 of our Members, or perhaps a larger number, who had studied these proposals were strongly opposed to them. To the best of my knowledge, at least some of those Senators are not present at this time to advise us of their views on these matters.

If the shoe were on the other foot, and if the acting majority leader were now leading the minority, I am sure that, with his characteristic fairness, if on his side of the aisle some Members had strenuous objections to certain provisions and desired to be present when they were considered, he certainly would insist that adequate time be allowed, so as to enable them to be present and present their views and that the measure be handled in a more orderly way.

As a matter of fact, that was the entire tenor of the remarks of the acting majority leader when he proposed that the submerged lands bill be taken up. Point was made that the committee report was not available and the hearings were not available, and that the measure was a very important one. With the fairness which we so often see displayed by the acting majority leader, he said he would propose that the submerged lands bill be made the unfinished business, but that consideration of the bill would be resumed on Monday.

Mr. President, I agree that ordinarily a conference report is a routine matter which can quickly be brought up and disposed of. However, the pending conference report is not of that nature. This conference report has not received consideration by the Senate. It contains a proposal to create an agency to dispose of $250 million of Federal funds, and that proposal has not previously been considered on the floor of the Senate. Serious objections are raised to it.

I hope the acting majority leader will agree to have the conference report taken up on Monday, perhaps; and then I am sure there will be no objection on the part of Senators on this side of the aisle to having the conference report considered, and, as soon as the Senators who favor the report and the Senators who oppose the report can be heard, to have the vote taken on the report.

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

Mr. LONG. I yield.

Mr. KNOWLAND. I am not sure the Senator from Louisiana was in the Chamber when some of the earlier discussion occurred.

Again I wish to say, as I did earlier today, that a reading of the RECORD will show that the vote taken on Tuesday was on the question of making the submerged lands bill the unfinished business. In that bill the distinguished Senator from Louisiana is particularly interested. He is always very diligent in respect to all matters relating to public business.

I was attempting to give assurance to the distinguished Senator from Louisiana and to other Senators who had raised the question that unless the committee report and the hearings on that bill were available, it would not be taken up this week.

I was asked about that matter by both the minority leader and other Senators. Even before the Senator from Louisiana entered the Chamber, I said that that was my intention regarding the submerged-lands bill; and in order that the Senator from Louisiana might have an opportunity both to state his position and to ask questions, after consultation with the distinguished minority leader I suggested the absence of a quorum, so that no business would be transacted until the Senator from Louisiana was able to return to the Chamber from his office or from committee.

Again I wish to say that the normal and customary procedure has been to consider conference reports promptly.

This conference report was adopted by unanimous vote of the House of Representatives.

The acting majority leader, in moving to have the conference report taken up in the Senate, was acting entirely in keeping with the rules and precedents of the Senate. Discussion was not cut off in any way. No attempt was made to apply a gag rule. That is obvious, because there has been prolonged debate today. Of course, under the rules of the Senate, as the distinguished Senator from Louisiana knows as well as does any other Member of this body, there is no limitation to the discussion and debate on the conference report. So I think it is not fair to say that there has been gag-rule procedure in connection with this matter.

In serving in my present position, I have the responsibility of trying to have the business of the Senate transacted expeditiously.

With all due respect, I say again that Senators on the other side of the aisle and Senators on this side of the aisle must necessarily be absent at times. Some are sick. Some who are here today and tomorrow, may not be present on Monday and Tuesday. Therefore, so far as the equities are concerned, the number of Senators who may be inconvenienced by having this measure acted upon today may be even smaller than the number of Senators who would be inconvenienced by having the conference report acted upon on Monday or Tuesday.

Having known that the House of Representatives had, without objection, agreed to the conference report, and in view of my relationship with the distinguished senior Senator from Texas [Mr. JOHNSON], the able minority leader, for whom I have high regard and deep affection, in our normal procedure, as soon as I had the information about action on the conference report by the House of Representatives, and as soon as we had determined to move to have the conference report brought up, within less than 5 minutes' time I personally put in a call to the minority leader, to inform him of that decision. When I found that he was not then at his office, I immediately instructed the Secretary of the Senate and the Secretary for the majority to get in touch with Mr. Johnston, the Secretary for the minority, to inform him and to have him inform, late yesterday afternoon, the distinguished minority leader. No attempt was made to slip something before the Senate today, for consideration.

This morning the distinguished minority leader came to me and said he had received the message, and raised some objections to the proposed procedure. He told me his viewpoint, and I told him mine. I am not quarreling with him for taking the position he has taken.

Again I informed him that it was my intention to move to have the conference report considered today, but probably not until about 2 o'clock. In advance of 2 o'clock, I again informed the minority leader that at about 2 o'clock I was going to move the consideration of the conference report.

I shall continue to try, as I have always tried, to give due notice and to proceed on a reasonable basis.

Let me state the situation facing the Senate next week: On Monday we shall either have the submerged lands bill ready for consideration or we shall have one of the important appropriation bills ready for consideration.

Moreover, next week—and I want the Senate to be informed as far in advance as possible—there is scheduled for consideration the mutual security legislation, which probably will entail a considerable amount of debate. We probably shall have a second appropriation bill, and perhaps a third appropriation bill.

I am trying, as one Member of the Senate and as one who temporarily occupies this seat, to expedite the business of the Senate, so that the Senate can adjourn at a reasonable time this summer.

However, in the case of the conference report, there is a deadline. If it is the judgment of the Senate—and the matter is entirely one for the Senate to decide—that the conference report should be rejected, then, as the Senate knows, a further conference must be held on the measure.

If thereafter the conferees on the part of the House and the conferees on the part of the Senate could not agree, we could easily come to the 30th of June without having a conference report on this subject acted upon. In that case, the Defense Production Act would expire. The Senate would then be faced with the problem of passing a joint resolution which, in effect, would continue all the controls which now are on the statute books. That would bring up a very complex and complicated problem, for I doubt very much whether all Senators on the other side of the aisle would wish to be in the position of voting to continue all the controls. I think the general position of the Senate, at least, has been that only the controls which are essential to the defense needs of the Nation and to the control of strategic materials should be continued.

I make this statement in fairness to the Senator from Louisiana. So long as I occupy this seat, I shall always attempt to give the minority leader as much information as I have in regard to legislative matters which are to come before the Senate. I have done that ever since I have occupied this seat.

Under the circumstances, I feel that the duty of every Senator, as long as the Senate is in session, is to be in his seat in the Senate Chamber, in the absence of some major reason why he should be absent.

I myself have turned down literally hundreds of requests to make speeches at various places, for I have felt that the Senate has work to do, and therefore it seems to me that every Senator should be available.

Let me say that I hope that hereafter there will be no misunderstanding; I hope that every Senator will recognize that as the business of the Senate proceeds, as in the case of conference reports, Senators must be prepared to have such measures taken up as they reach the Senate from the House of Representatives.

Mr. LONG. Mr. President, if the acting majority leader had made on yesterday or the day before yesterday the declaration he has just made, those of us who are opposing having the conference report brought up at this time would not object, because we would have been on notice.

However, on Tuesday, when the acting majority leader moved to have the submerged lands bill, which deals with the Continental Shelf, taken up, that measure had just been reported from the committee. No committee report was available and no hearings were available. In fact, the hearings are still in the galley-proof stage. So there was simply nothing which the Senate could use in considering that measure. Yet a motion was made to make that bill the unfinished business.

Why was there not brought up some measure upon which the Senate could act, such as Senate Joint Resolution 1, which has been on the calendar for some time, or some other measure? I assume it was because nothing which demanded attention by the Senate was then pressing for action.

Mr. JOHNSON of Texas. Mr. President, will the Senator from Louisiana yield to me?

Mr. LONG. I yield.

Mr. JOHNSON of Texas. I simply wish to confirm what the acting majority leader has said about the relationship between the majority leader and the minority leader for the past 5 months.

I also wish to serve notice on all Senators that they can no longer depend on statements made in the RECORD to the effect that the calendar will be called on Thursday and that miscellaneous or noncontroversial bills will be brought up thereafter, on Friday. What happened was that when the acting majority leader was asked for a statement as to what the program would be, he said, "The calendar will be called on Thursday." He did not say, "And we may bring up a controversial conference report, or we may bring up some bill on which the Senate is highly divided." He said, "We will call the calendar."

"What else will we do?" He said, "We will take up some miscellaneous, noncontroversial bills."

Mr. KNOWLAND. Mr. President, I am sure the Senator will yield to me, and that he wants to be fair.

Mr. JOHNSON of Texas. Mr. President, the Senator yielded to me, and I do not yield the floor.

Mr. KNOWLAND. Very well.

Mr. JOHNSON of Texas. Mr. President, the acting majority leader said that, in the event hearings on the submerged-lands measure were not available until Friday—I am not attempting to quote his exact language—"we will take up miscellaneous and largely noncontroversial bills."

Mr. KNOWLAND. On Friday.

Mr. JOHNSON of Texas. Certainly, on Friday.

Mr. KNOWLAND. This is Thursday.

Mr. JOHNSON of Texas. The calendar was to be called on Thursday. The calendar contains some highly controversial measures. The Senator from California did not serve notice that he would call up a conference report on which the conferees were then meeting. I asked the Senator this morning to give us a reasonable length of time. But, no, the Senator said, "We have got to go through with it today."

So, Mr. President, every Senator on this floor may take judicial notice at this time of the fact that when the RECORD contains the statement that there will be a calendar call he may be confronted with controversial conference reports or anything else. I do not want the responsibility to be placed on the minority leader for the measures upon which Senators may be called upon to act.

For 5 months we have been able to depend upon the assurances and the agreements made and arrived at between the majority leader and the minority leader. I pled with the acting majority leader not to rely on notifying me at 5:20 yesterday afternon in my office, or rather, leaving a message, that at 12 o'clock today, this conference report would be ready for consideration, and that, during the day, he expected to have it considered. Why? Because some Senators had to keep engagements in their States, and were absent. They went with assurance that the calendar would be called on Thursday, and that, on Friday, there would be a general discussion of the submerged lands bill, if the hearings were available at that time, and if not miscellaneous noncontroversial bills would be considered. Mr. President, I submit that those Senators have been deceived.

Mr. KNOWLAND. Mr. President, will the Senator from Louisiana yield at that point? I ask it as a matter of personal privilege.

Mr. LONG. I will yield in a moment.

Mr. KNOWLAND. I would appreciate it if the distinguished Senator would permit me to make a brief statement, as a matter of personal privilege, at this time.

Mr. LONG. I will yield to the Senator. Mr. President, I ask unanimous consent that the Senator from California may address the Senate for 3 minutes, without prejudice to the rights of the junior Senator from Louisiana to the floor.

The PRESIDING OFFICER. Is there objection?

Mr. MORSE. Mr. President, reserving the right to object, I do not want the Senator from California to be limited to 3 minutes. I want to hear his statement. I am sure he will not speak at great length, but I want to hear him. I do not want him to be limited to 3 minutes. I ask the Senator from Louisiana to allow the Senator from California to reply to the Senator from Texas. The Senator from California is not going to speak very long.

Mr. KNOWLAND. I am sure my remarks will not extend for more than 5 minutes. They will occupy probably much less time.

The PRESIDING OFFICER. If there is no objection to the unanimous-consent request, the Senator from California may proceed.

Mr. MORSE. But, Mr. President——

Mr. LONG. I ask unanimous consent that the Senator from California may proceed, with the understanding that, at the conclusion of his remarks, the junior Senator from Louisiana will have the floor.

Mr. MORSE. Mr. President, I have a right to object, and I am objecting. I shall not object, if the Senator from Louisiana is willing to permit the Senator from California to make his reply to the Senator from Texas.

Mr. LONG. Mr. President, I withdraw the time limitation. I would simply ask that the Senator from California be permitted to proceed, reserving the right of the junior Senator from Louisiana to have the floor at the conclusion of the remarks of the Senator from California.

The PRESIDING OFFICER. Is there objection? The Chair hears none, and, the Senator from California may proceed.

Mr. KNOWLAND. Mr. President, to the best of my ability, I have given an explanation of the motivations of the acting majority leader in this matter. I desire to say to my friend from Texas that I personally resent the remark which he made that the Senate of the United States could no longer depend upon a statement which is made on the floor. I have not knowingly violated the statement which I made to the Senate, and I am sorry to hear the distinguished Senator from Texas make such a charge. In the 8 years I have served in the Senate of the United States I have kept my word, and I have attempted to the best of my ability to cooperate with the distinguished Senators on the other side of the aisle. In fairness to myself and to the RECORD, I feel that I should make my views known to the minority leader.

Mr. LONG. Mr. President, I do not fully subscribe to the views of my minority leader, nor with the views of the acting majority leader. I believe the acting majority leader did not say he was not going to bring up the conference report. Certainly, based on the RECORD, he did not say that he would not bring it up. On the other hand, I submit to any fair-minded Senator—and I believe that if the Senator from California, in calmer moments, would look at the RECORD, he would agree—that the inference of the statement made by the Senator from California was that we could expect that no controversial matters of such a nature as the pending conference report would be interjected during this weekend.

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

Mr. LONG. I yield for a question.

Mr. ROBERTSON. When the three Democratic members of the conference refused to sign the conference report, was not the acting majority leader put on notice that we were dealing with a highly controversial matter?

Mr. LONG. That is the opinion of the junior Senator from Louisiana.

Mr. ROBERTSON. Is it not a fact that this is a controversial bill, and that it is nothing but a rider on the Defense Production bill?

Mr. LONG. That is what it amounts to.

Mr. ROBERTSON. Is it not true that the bill, itself, is still pending before the Senate Committee on Banking and Currency, which has had no chance to hold any hearings on it?

Mr. LONG. That is correct.

Mr. ROBERTSON. Is it not true that the senior Senator from Virginia has a speaking engagement tonight; that the junior Senator from Virginia is to speak before the Bankers Association in the morning, and that the Senator from Georgia [Mr. RUSSELL] has left the city—all of us being under the impression that, since the Senate had been put on notice that the conference report needed to be looked into and carefully considered, we would not be expected on a day when it was stated that the calendar would be called, to debate it and to vote on it?

Mr. LONG. That is correct. Mr. President, I will make a motion in one moment. Before doing so, however——

Mr. JOHNSON of Texas. Mr. President, will the Senator yield for one brief observation, in order that we may conclude this discussion?

Mr. LONG. I yield for a question.

Mr. JOHNSON of Texas. The Senator from Texas did not mean to imply that he had received assurance from the acting majority leader that the conference report would not be brought up. He thought he received assurance that the calendar would be called on Thursday, and that, on Friday, the submerged lands bill would come up, provided the hearings were available; but that otherwise, the Senate would take up miscellaneous, noncontroversial bills. The Senator from Texas thinks the conference report goes beyond that statement.

Mr. LONG. That was the impression received by most of us. From page 6638 of the RECORD of June 16, the Senator from California [Mr. KNOWLAND] speaking, I read:

> Mr. KNOWLAND. The Senator may rest assured that the acting majority leader will always be glad to cooperate with Senators on both sides of the aisle in any reasonable arrangement. I had been informed that certain Senators from States which are also vitally interested had commitments the fol-

lowing weekend and that they hoped the bill would be out of the way by that time. So I am trying to accommodate both the Senator from Louisiana and other Senators who have an equal interest.

That, Mr. President, is not completely consistent with the statement which the Senator from California just made, to the effect that Senators should make their plans always to be in their seats and to be ready for a vote. Here is simply a case where an arrangement was made to accommodate certain Senators by not bringing up a piece of legislation the Senate was not prepared to consider thoroughly at the time, and the impression was given that other Senators could safely make their plans and fulfill commitments and arrangements they had made. Therefore, Mr. President, I move to reconsider the vote by which the Senate agreed to proceed to the consideration of the conference report on Senate bill 1081.

Mr. KNOWLAND. Mr. President, I move to lay on the table the motion of the Senator from Louisiana, and I suggest the absence of a quorum.

The PRESIDING OFFICER. The motion is not debatable.

The clerk will call the roll.

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

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

The PRESIDING OFFICER. A quorum is present.

The question is on agreeing to the motion of the Senator from California to lay on the table the motion of the Senator from Louisiana to reconsider the vote by which the Senate agreed to consider the conference report.

Mr. LONG and other Senators requested the yeas and nays.

The yeas and nays were ordered.

Mr. ROBERTSON. Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER. The Senator will state it.

Mr. ROBERTSON. What is the issue on which the Senate is called upon to vote?

The PRESIDING OFFICER. The question is on agreeing to the motion of the Senator from California [Mr. KNOWLAND] to lay on the table the motion of the Senator from Louisiana [Mr. LONG] to reconsider the vote by which the Senate agreed to proceed to the consideration of the conference report. The motion to table is not debatable. The yeas and nays have been ordered, and the clerk will call the roll.

The legislative clerk called the roll.

Mr. SALTONSTALL. I announce the Senator from Maryland [Mr. BEALL], the Senator from Ohio [Mr. BRICKER], and the Senator from New Hampshire [Mr. BRIDGES] are necessarily absent.

If present and voting, the Senator from Maryland [Mr. BEALL] the Senator from Ohio [Mr. BRICKER], the Senator from New Hampshire [Mr. BRIDGES], would each vote "yea."

I also announce that the Senator from Nebraska [Mr. BUTLER] and the Senator from New Hampshire [Mr. TOBEY] are absent by leave of the Senate.

If present and voting, the Senator from Nebraska [Mr. BUTLER] and the Senator from New Hampshire [Mr. TOBEY] would each vote "yea."

I further announce that the Senator from Wisconsin [Mr. WILEY] is absent on official business.

If present and voting, the Senator from Wisconsin [Mr. WILEY] would vote "yea."

The Senator from New York [Mr. IVES] is absent by leave of the Senate, having been appointed a delegate to attend the International Labor Organization Conference, at Geneva, Switzerland.

If present and voting, the Senator from New York [Mr. IVES] would vote "yea."

Mr. CLEMENTS. I announce that the Senator from New Mexico [Mr. CHAVEZ] is unavoidably detained.

The Senator from Arkanses [Mr. FULBRIGHT], and the Senator from Georgia [Mr. RUSSELL] are absent by leave of the Senate.

The Senator from Tennessee [Mr. GORE], the Senator from Rhode Island [Mr. PASTORE], and the Senator from North Carolina [Mr. SMITH] are absent on official business.

The Senator from Montana [Mr. MURRAY] is absent by leave of the Senate, having been appointed a delegate to attend the International Labor Organization Conference at Geneva, Switzerland.

I announce further that if present and voting the Senator from New Mexico [Mr. CHAVEZ], the Senator from Arkansas [Mr. FULBRIGHT], the Senator from Tennessee [Mr. GORE], the Senator from Montana [Mr. MURRAY], and the Senator from Rhode Island [Mr. PASTORE] would each vote "nay."

The yeas and nays resulted—yeas 41, nays 41, as follows:

YEAS—41

Aiken	Flanders	Payne
Barrett	Goldwater	Potter
Bennett	Griswold	Purtell
Bush	Hendrickson	Saltonstall
Butler, Md.	Hickenlooper	Schoeppel
Capehart	Jenner	Smith, Maine
Carlson	Knowland	Smith, N. J.
Case	Kuchel	Taft
Cooper	Langer	Thye
Cordon	Malone	Watkins
Dirksen	Martin	Welker
Duff	McCarthy	Williams
Dworshak	Millikin	Young
Ferguson	Mundt	

NAYS—41

Anderson	Hoey	Magnuson
Byrd	Holland	Mansfield
Clements	Humphrey	Maybank
Daniel	Hunt	McCarran
Douglas	Jackson	McClellan
Eastland	Johnson, Colo.	Monroney
Ellender	Johnson, Tex.	Morse
Frear	Johnston, S. C.	Neely
George	Kefauver	Robertson
Gillette	Kennedy	Smathers
Green	Kerr	Sparkman
Hayden	Kilgore	Stennis
Hennings	Lehman	Symington
Hill	Long	

NOT VOTING—14

Beall	Fulbright	Russell
Bricker	Gore	Smith, N. C.
Bridges	Ives	Tobey
Butler, Nebr.	Murray	Wiley
Chavez	Pastore	

The VICE PRESIDENT. The vote being 41 to 41, a tie, the Chair, in the exercise of his constitutional authority, votes in the affirmative, and the motion of the Senator from California [Mr. KNOWLAND] to lay on the table the motion of the Senator from Louisiana [Mr. LONG] to reconsider the vote by which the Senate agreed to proceed with the consideration of the conference report, is agreed to.

Mr. ROBERTSON. Mr. President, in a speech which we understood would consume 10 minutes, and finally wound up by consuming 2 hours, the distinguished chairman of the Senate Committee on Banking and Currency [Mr. CAPEHART] today in his peroration said, "Our committee had no chance to consider this bill." That was true. Then he said, "So there was nothing left for us to do but accept it."

That was what old Cato, in the Roman Senate, would have called a non sequitur. It does not follow that because the Senate Committee on Banking and Currency had no chance to discharge its legislative duties and functions, and because the Senate had no opportunity to consider hearings—there were none on the Senate side—or to give mature consideration to what was involved in the measure, all that was left for us to do was quickly, and without due consideration, to accept what the House had sent us as a rider on an entirely different kind of bill.

It surprises me, Mr. President, to see a party committed to economy, to a balanced budget, to a reduction of taxes, to a reduction in Government expenditure, and to stemming the trend toward paternalism, violating every single one of those promises in a single measure.

This bill is the equivalent of an appropriation of $250 million of borrowed money—because it comes out of the Treasury, which will have to borrow it. That much will be added to the prospective deficit now facing the country.

Mr. CHAVEZ. Mr. President, I wonder if my good friend from Virginia will yield to me for a moment.

Mr. ROBERTSON. I yield.

Mr. CHAVEZ. Due to unavoidable circumstances I was absent at the time the last vote was taken, and did not vote. I wanted to vote. I wonder if my good friend from Virginia will yield to me for the purpose of making a motion to reconsider the vote just taken?

Mr. ROBERTSON. I yield to my colleague.

Mr. CHAVEZ. Mr. President, I move that the vote by which the motion of the Senator from Louisiana [Mr. LONG] to reconsider the vote by which the Senate proceeded to consider the conference report was laid on the table be now reconsidered, because of the fact that I was not present, but was unavoidably detained, and because I wish to cast my vote on that question.

Mr. KNOWLAND. Mr. President, I object. I make the point of order that the motion to reconsider was laid on the table.

Mr. CHAVEZ. That is the point——

Mr. HOLLAND. Mr. President, I should like to be heard on that question, if I may. I invite the attention of the distinguished acting majority leader to the fact that the last vote was upon a motion to lay on the table. The acting majority leader did not permit a vote to come on the motion to reconsider. If he had done so, the point would be well taken; but since it was a motion to lay on the table, action taken on that motion is now subject to reconsideration. I ask for a ruling from the Chair to that effect.

The VICE PRESIDENT. Does the Senator from California desire to be heard?

Mr. KNOWLAND. Mr. President, I think the point is well taken, that this was not a vote on the motion to reconsider, but rather a vote on my motion to lay on the table the motion to reconsider. Under those circumstances I am inclined to believe that a motion to reconsider the motion to table would be in order.

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

The VICE PRESIDENT. The Secretary will call the roll.

The Chief Clerk proceeded to call the roll.

Mr. JOHNSON of Texas. Mr. President, a parliamentary inquiry.

The VICE PRESIDENT. The Senator will state it.

Mr. JOHNSON of Texas. Did the Chair rule after the acting majority leader, in effect, conceded the point of order? Did the Chair rule on the question?

The VICE PRESIDENT. The Chair did not make a ruling. The Chair was about to ask the acting majority leader whether he intended to withdraw the point of order.

Mr. KNOWLAND. Mr. President, I did withdraw the point of order; and then I suggested the absence of a quorum.

The VICE PRESIDENT. The rollcall will continue.

The Chief Clerk resumed and concluded the call of the roll, and the following Senators answered to their names:

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

Mr. KNOWLAND. Mr. President, during the call of the quorum I had an opportunity to examine the rules of the Senate. Because of the importance of the decision which the Senate is called upon to make I hope every Senator on the other side of the aisle, particularly the Southern Senators, will very carefully read the rules of the Senate. At page 17 of the rules, in rule XIII, it is provided:

> 1. When a question has been decided by the Senate, any Senator voting with the prevailing side or who has not voted may, on the same day or on either of the next 2 days of actual session thereafter, move a reconsideration; and if the Senate shall refuse to reconsider, or upon reconsideration shall affirm its first decision, no further motion to reconsider shall be in order unless by unanimous consent. Every motion to reconsider shall be decided by a majority vote, and may be laid on the table without affecting the question in reference to which the same is made, which shall be a final disposition of the motion.

Mr. President, I wish to be perfectly frank about it. That is the point of order which I originally had in mind, but at the time I did not have the rule before me. I believe it is a valid point of order. I do not believe any Senator can read the rule without recognizing that there has been a final disposition of the question so far as bringing the conference report before the Senate is concerned.

I do want to make the point of order, and I ask for a ruling by the Chair.

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

Mr. KNOWLAND. I yield.

Mr. ROBERTSON. Would the majority leader prefer to have a vote this afternoon without further extended debate? The junior Senator from Virginia would like to speak for about 3 minutes on the merits of the issue and have the conference report voted up or down. The House has acted on the conference report, and the Senate cannot move to recommit it. It can vote it up or down. If it is voted down it goes back to the conference. The conference committee may then see fit to submit a report in line with what the administration asks in the way of allocations, and there can be decided later the question of what kind of lending agency should be established. Bills relating to this subject are now pending before the Committee on Banking and Currency. Would the majority leader care to have a vote now?

Mr. KNOWLAND. A number of Senators on this side of the aisle desire to discuss the conference report. I want to settle these matters one at a time.

Mr. ROBERTSON. Does that mean that we will not vote today?

Mr. KNOWLAND. I desire to have settled the question whether action on a motion to lay on the table a motion to reconsider is under the rules a final disposition.

Mr. CHAVEZ. Mr. President, there is no Senator in this body for whose judgment I have greater respect than I have for the judgment of the Senator from California [Mr. KNOWLAND]. Nevertheless, I have made a motion, based upon a record vote of this body, to reconsider the vote by which the motion of the Senator from California to lay on the table the motion of the Senator from Louisiana was agreed to. There is nothing wrong with that. I have the greatest affection for the Senator from California, but I was absent when the vote was had. I want to do my duty in this body as much as any other Senator wants to do his duty. I did not vote on the motion.

All I ask is that the Senate reconsider the motion of the Senator from California to lay on the table the motion of the Senator from Louisiana [Mr. LONG].

I was not in the Chamber, Mr. President. Perhaps it is my fault that I was not present. Nevertheless I was not in the Chamber. I am now making a motion that the motion to table be reconsidered.

Of course, I do not know how the Senate will vote on the motion. Perhaps it will vote the way the Senator from California believes it should vote. That would not hurt my feelings. I feel, in all sincerity, that my motion is well taken, notwithstanding what the Senator from California has stated to the Vice President with respect to the rule. I believe I am in order in making the motion to reconsider the motion of the Senator from California to table the motion of the Senator from Louisiana. That is all I am asking for.

Mr. KNOWLAND. Mr. President, I renew my point of order that the action of the Senate was final.

Mr. MAYBANK. Mr. President, since the Senator from California has raised a point of order and has read from the rules, I wish to know whether the Chair is ready to rule.

The VICE PRESIDENT. The Chair is ready to rule.

The Chair has read the rule to which the Senator from California has referred, and the Chair is of the opinion that the language of the rule is clear; namely, that—

> Every motion to reconsider shall be decided by a majority vote, and may be laid on the table without affecting the question in reference to which the same is made, which shall be a final disposition of the motion.

The Chair does not believe any language could be less equivocal.

Therefore, the Chair sustains the point of order raised by the Senator from California.

Mr. ROBERTSON. Mr. President, in view of the fact that the acting majority leader has said there are, on his side of

the aisle, Senators who wish more maturely to consider and discuss the pending measure, and not to have it voted on this afternoon, I desire to ask unanimous consent that the Senate set the vote for 3 p. m. next Monday. That will give ample notice to Senators who are away, and will give all Members of the Senate an opportunity to read the limited hearings held by the House committee on this measure. No hearings have been held on it by the Senate committee, and not a single witness of a Government agency which would be involved was invited to testify on the issue at the House committee hearings. Senators should realize that at a time when we are committed to reducing the number of jobs in the Government service, it is now proposed that there be created a new group of jobs, in the interest, so-called, of small business, and to pay the administrator $17,500 a year, which is more than the salary of a Senator, more than the salary of a member of the Board of Governors of the Federal Reserve Board, more than the salary of the Chairman of the Federal Deposit Insurance Corporation, and more than the salary of the Comptroller of the Currency. Moreover, the administrator of the agency is to have 3 assistants, each at a salary of $15,000 a year, which is as large as the salary of a Senator. Furthermore, it is proposed to provide the new administrator with an indefinite number of so-called advisers, technicians, and experts, who would not be subject to civil service, and would be paid whatever salary the administrator wished them to receive.

Mr. KNOWLAND rose.

Mr. ROBERTSON. I yield to the acting majority leader. I hope he will make a friendly gesture.

Mr. KNOWLAND. Mr. President, in view of the statement made by the Senator from Virginia, because of our desire to accommodate all Senators, and since we have now had an opportunity to have discussion of the conference report, the text of which will be printed in the CONGRESSIONAL RECORD, along with the debate, and will be available to Senators, as the acting majority leader I would be willing to enter into an agreement to have the vote taken on Monday afternoon, at 2 o'clock, with the time preceding the vote to be equally divided between the proponents and the opponents.

Mr. ROBERTSON. Mr. President, I appreciate that friendly gesture, because it may save my life, for tonight I must drive into the mountains of Virginia.

So I accept the amendment of the Senator from California to my proposal.

Mr. CAPEHART. Mr. President, if the Senator from California will yield to me, let me say that in order to keep the record straight, I wish Senators would pay close attention at this time, because we try to be factual.

The Senate voted for a continuation of the Small Defense Plants Administration, with an Administrator to receive an annual salary of $17,500. The Senate voted for a continuation for 2 years of the Small Defense Plants Administration, with an authorization of an appropriation of $150 million.

The pending conference report eliminates the Small Defense Plants Administration and eliminates the Administrator of that Administration, at a salary of $17,500, and eliminates the authorized appropriation of $150 million.

So no new positions would be added as a result of adoption of the conference report, which provides for a new agency by name—the Small Business Administration—and there would not be a newly created administrator.

The appropriation authorized if the conference report were adopted, would be increased by only $100 million, not by $250 million, because the Senate has already authorized an appropriation of $100 million for this agency; and the conference report, if agreed to, would result in the addition of an appropriation authorization of only $100 million.

Let us keep the record straight. Let us not confuse the issue or create a belief that it is proposed that a new agency be established. It is true that the agency will be new in name, but at the same time we shall be eliminating an existing agency, one for which we already have authorized appropriations of $150 million. The provision in the conference report proposed to substitute for that authorization an authorization of an appropriation of $250 million, which will be an increase of only $100 million, not an increase of $250 million.

Furthermore, no new positions would be created.

Mr. ROBERTSON. Mr. President, a parliamentary inquiry.

The VICE PRESIDENT. The Senator from Virginia will state it.

Mr. ROBERTSON. Did I yield; and, if so, to whom, and for what purpose?

The VICE PRESIDENT. The Senator from Virginia has the floor.

Mr. MAYBANK. Mr. President, I understood that a unanimous-consent agreement was proposed.

Mr. ROBERTSON. Mr. President, while I have the floor—I shall yield in a moment—I ask, in keeping with the suggestion made by the distinguished acting majority leader, unanimous consent that the vote on the pending measure be taken on next Monday, at 2 o'clock, and that the acting majority leader may state the division of the time.

Mr. KNOWLAND. Mr. President, I would be willing to agree—of course, I can speak only for myself, but I would urge all Members of this side of the aisle to agree, also—to a unanimous-consent proposal along the line of the general suggestions made by the Senator from Virginia, namely, that when the Senate meets at noon on Monday next—and, in fact, it would be my proposal to have the Senate take a recess until Monday, at noon—the time be divided equally between noon and 2 p. m., so that there would be 1 hour for each side, with the vote to be taken at 2 p. m.; and with the hour for the opponents to be controlled by the distinguished senior Senator from South Carolina [Mr. MAYBANK], the ranking minority member of the Banking and Currency Committee; and with the other hour to be controlled by the distinguished senior Senator from Indiana [Mr. CAPEHART], the chairman of the Banking and Currency Committee.

Mr. JOHNSON of Texas. Mr. President, will the Senator from California yield for a question?

Mr. KNOWLAND. I yield.

Mr. JOHNSON of Texas. Does the acting majority leader anticipate that the usual routine business could be transacted for 20 or 30 minutes immediately after the Senate convenes on Monday?

Mr. KNOWLAND. I would prefer that the procedure on Monday be that which already has been suggested. After 2 o'clock there would be ample time for Senators to present routine matters for the RECORD.

So I prefer to have the Senate consider the unanimous-consent agreement which already has been proposed. Certainly we have tried to accommodate one another.

In view of some of the statements which have been made, I am inclined to believe that on Monday all Senators might feel a little better.

Under these circumstances, I shall be glad to agree to the proposed unanimous-consent agreement.

Mr. ROBERTSON. Is it proposed that the time to be allotted under the agreement begin at 12 o'clock on Monday?

Mr. KNOWLAND. Yes; immediately following a quorum call.

Mr. ROBERTSON. Mr. President, I renew my request for a unanimous-consent-agreement, as explained by the acting majority leader regarding the time available for debate and the division of the time.

Mr. CHAVEZ. Mr. President, will the Senator from Virginia yield one moment to me?

Mr. ROBERTSON. I yield two moments to the Senator from New Mexico. [Laughter.]

Mr. CHAVEZ. I should like to make a brief observation.

The Senator from Indiana has stated that there is a little confusion, and that there is no intention to create a new agency. We believe that is a correct statement. The only difference between Senators on this side of the aisle and Senators on the other side of the aisle is that under the pending proposal and the philosophy of the moment the Administrator would be paid $17,500, whereas Senators on this side of the aisle had proposed that the Administrator be paid $12,500.

The VICE PRESIDENT. Is there objection to the proposed unanimous-consent agreement?

Mr. HENDRICKSON. Mr. President, reserving the right to object, I should like to ask a question: What will happen to the remainder of the measures on the calendar in view of the fact that the calendar call which we began today has not been completed?

Mr. KNOWLAND. Under those circumstances, the call of the calendar

would still remain uncompleted. Perhaps following the disposition of the conference report on Monday, we might resume the call of the calendar, if other important proposed legislation is not then ready for action.

However, Mr. President, I wish to state that I desire to have Senators be on notice that if controversial matters, such as appropriation bills—if such bills can be considered controversial—or if the submerged lands bill, under the statement I previously made, or if other important measures are ready for action, we shall then proceed to act upon them.

Thereafter I would propose that the Senate resume the call of the calendar.

Mr. HENDRICKSON. I thank the Senator from California.

Mr. CHAVEZ. Mr. President, if the Senator from California will yield to me for a moment, I should like to say that I desire to get along with Senators on both sides of the aisle, and I think I generally do.

Some Senators on this side of the aisle, who will not be present on Monday, will certainly desire to vote on the conference report. I do not know how they intend to vote.

Therefore, will the Senator from California agree to amend the proposal, so as to have the vote taken on Tuesday, instead of Monday?

Mr. KNOWLAND. Mr. President, I should like to be able to accommodate the distinguished Senator from New Mexico, but it seems to me that in view of the very heavy schedule we have for next week, which may even require some night sessions, we should dispose of the conference report on Monday.

In view of all the statements which have been made, it seems to me that all Senators certainly will have ample notice, as a result of the articles which will be carried in the press and the notices which can be sent out by the minority and by the majority, so that there will be ample opportunity for Senators to be present on Monday.

Mr. CHAVEZ. The statement of the Senator from California is correct, but I have been told by Senators on the other side of the aisle that they would like to be free to attend to their private business, and therefore that they would prefer that the vote be taken on Tuesday, instead of Monday.

Mr. KNOWLAND. Frankly, I could not agree to that.

Mr. MAYBANK. Mr. President, reserving the right to object, I should like to ask the distinguished acting majority leader one question. We agreed to an hour for debate on each side. Would the acting majority leader suggest that a quorum call be had before that, or would he suggest that the Senate meet at 11 o'clock? I am anxious to see that each side has 1 hour.

Mr. KNOWLAND. What I would say in regard to Monday is that, if it were any other day, I would propose that the Senate meet an hour earlier; but I would be willing to say that, when the Senate meets at 12 o'clock, we will have a quorum call, the time not to be charged to either side; and that, following the quorum call, each side, as I previously indicated, will have 1 hour.

Mr. LANGER. Mr. President, reserving the right to object, I am not familiar with the conference report. I want to ask the distinguished Senator from California, does it or does it not abolish the Reconstruction Finance Corporation?

Mr. KNOWLAND. It does not abolish the RFC.

Mr. CAPEHART. Mr. President, I may say it has absolutely no reference to the RFC, in any respect. It does not abolish the RFC.

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

Mr. CAPEHART. Mr. President, I made a misstatement. It refers only to RFC by saying that RFC shall refer all small loans to the Small Business Administration.

Mr. SPARKMAN. I thank the Senator.

Mr. KERR. Mr. President, reserving the right to object, I should like to ask the distinguished majority leader whether, in view of the concession he has made with reference to the quorum call, and so forth, he would not be willing to agree that the vote would not start before 3 o'clock?

Mr. KNOWLAND. I may say to the distinguished Senator, it seems to me that we are very close to agreement.

Mr. KERR. That is the reason I ask the distinguished acting majority leader the question, because I happen to know that in 1 or 2 instances it would work quite a hardship for Senators to be here definitely by 2:30 instead of, perhaps, 3 o'clock. I can see no possible objection the distinguished Senator could have to amending the agreement so as to provide that the actual yea-and-nay vote will not start before 3 o'clock.

Mr. KNOWLAND. I will try—and I hope this will be the last modification of the suggestion—to accommodate the distinguished Senator from Oklahoma by consenting that the voting will not commence prior to 3 o'clock on Monday.

Mr. KERR. I thank the Senator.

The VICE PRESIDENT. Is there objection to the unanimous-consent request, as modified? The Chair hears none, and it is so ordered.

RECONSTRUCTION FINANCE CORPORATION

Mr. WILLIAMS. Mr. President, now that the pending question before the Senate is whether we shall establish another lending agency, I think it might be well, before the vote is taken, to examine what has been done under the old RFC.

Mr. Harry A. McDonald, the former Administrator of the Reconstruction Finance Corporation, in rendering his final report on Tuesday, April 28, 1953, for the 13 months in which he had served as the Adminstrator, included in his release the following statement:

> Between March 1952 and April 1953 the Reconstruction Finance Corporation made 2,001 loans in the amount of $334,479,000. * * * The vast majority of the loans made by the Reconstruction Finance Corporation are for less than $100,000 each and go to small business enterprises. In fact, in excess of 90 percent of the outstanding loans are under $100,000 each and almost all of the RFC loans have gone to enterprises clearly identified as small business.

It has always been politically popular to justify the existence or the need for a continuation of the Reconstruction Finance Corporation on the basis that their primary function was to serve the small businessman. However, their record of operations in this direction is not as good as Mr. McDonald, the former administrator, would have the public believe.

Upon reading this report, I directed an inquiry to Mr. McDonald under the date of April 30, 1953, asking for a breakdown of the $334,479,000 represented by the 2,001 to which Mr. McDonald referred.

On May 15, 1953, I received a report in which a list of all loans in excess of $100,000 had been compiled. In this list there are 310 loans representing 89 percent of all the money that was loaned during the 13-month period.

This report completely explodes Mr. McDonald's claim that the small businessman has been reaping the major benefits from the Reconstruction Finance Corporation. On the contrary, it shows that:

First. One of these loans was for $94 million and represented 28 percent of the total disbursements.

Second. Four borrowers received $169,365,000 or over one-half of the entire amount loaned during the 13-month period.

Third. Over 63 percent of all the money loaned during Mr. McDonald's 13-month term of office was represented by loans in excess of $1 million each and went to 36 borrowers.

In fact, of all the money loaned by the Reconstruction Finance Corporation under Mr. McDonald's administratorship, less than 11 percent went to the small-business man; for example, those borrowing less than $100,000.

This report definitely proves that the Reconstruction Finance Corporation has outlived its usefulness as an instrument to aid small business and clearly demonstrates that there is no need for the continuation of this discredited agency. If the Congress wishes to render the small-business man real assistance, the best way to do it would be through a more favorable consideration of the tax rates for the smaller corporations.

Mr. President, I am opposed to establishing another lending agency and most certainly oppose such action, while, at the same time, continuing the RFC.

I ask unanimous consent to have incorporated in the RECORD at this point a breakdown of each of all loans made in excess of $100,000 by the RFC between the period of March 1, 1952, and March 31, 1953.

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

Reconstruction Finance Corporation loan authorizations, Mar. 1, 1952, through Mar. 31, 1953

Name and location	Date approved	Amount approved	Legislative authority	Remarks
LOANS OVER $50,000,000				
San Manuel Copper Corp., Superior, Ariz	July 10, 1952	$94,000,000	Sec. 302 DPA	
LOANS $25,000,001 TO $50,000,000				
Detroit Steel Corp., Detroit, Mich	June 16, 1952	45,000,000	RFC Act	
Lone Star Steel Co., Dallas, Tex	June 4, 1952	8,574,799	Sec. 302 DPA	Represents increases in loan approved Jan. 12, 1951, from $23,425,201 to $37,000,000.
	Jan. 8, 1953	5,000,000	do	
LOANS $10,000,001 TO $25,000,000				
Public Utility District No. 1 of Pend Oreille County, Newport, Wash.	Mar. 28, 1952	16,791,000	RFC Act	Public agency loan.
LOANS $1,000,001 TO $10,000,000				
A. & P. Corrugated Box Corp., Lowell, Mass	Aug. 22, 1952	1,500,000	do	
Ashburn Peanut Co., Ashburn, Ga	Sept. 18, 1952	1,500,000	do	
Aviation Fuel Terminals, Inc., Goldsboro, N. C	July 28, 1952	1,087,500	Sec. 302 DPA	
Breeze Corp., Inc., Newark, N. J	Nov. 13, 1952	1,300,000	RFC Act	Canceled in full prior to disbursement.
Contra Costa Oil Depot, Martinez, Calif	Oct. 6, 1952	2,655,338	Sec. 302 DPA	
Couse Manufacturing, Inc., Newark, N. J	Nov. 17, 1952	1,275,000	do	
Eastern States Petroleum Co., Inc., Houston, Tex	Oct. 23, 1952	2,100,000	do	
East Coast Aeronautics, Inc., Mount Vernon, N. Y	June 16, 1952	1,300,000	do	Do.
Federal Motor Truck Co., Detroit, Mich	Sept. 9, 1952	3,000,000	RFC Act	
Fenn Manufacturing Co., Hartford, Conn	Dec. 11, 1952	1,250,000	Sec. 302 DPA	
Georgia Peanut Co., Moultrie, Ga	Sept. 29, 1952	2,000,000	RFC Act	
Huck Manufacturing Co., Detroit, Mich	Nov. 6, 1952	1,400,000	do	
Johns Hopkins University, Baltimore, Md	Mar. 28, 1952	1,400,000	Sec. 302 DPA	
Jonco Aircraft Corp., Shawnee, Okla	Dec. 30, 1952	1,200,000	do	
Clara Maass Memorial Hospital, Newark, N. J	Jan. 19, 1953	2,000,000	Sec. 409 FCDA	Civil defense loan.
McGlynn Hays Industries, Inc., Belleville, N. J	Mar. 23, 1953	1,183,800	Sec. 302 DPA	
Mid-South Refrigerated Warehouse Co., Memphis, Tenn	June 16, 1952	1,250,000	do	
Oregon Fibre Products, Inc., Pilot Rock, Oreg	Mar. 23, 1953	1,100,000	RFC Act	Loan approved Jan. 30, 1951, increased from $2,000,000 to $3,100,000.
Photoswitch, Inc., Cambridge, Mass	July 3, 1952	1,500,000	Sec. 302 DPA	
Sessions Co., Inc., Enterprise, Ala	Oct. 16, 1952	1,600,000	RFC Act	Canceled in full prior to disbursement.
South Water Machinery Co., Rockford, Ill	June 12, 1952	2,300,000	do	
Susquehanna Mills, Inc., New York, N. Y	Aug. 11, 1952	1,500,000	do	Do.
Village of Robbins, Cook County, Ill	Jan. 15, 1953	190,000	do	Public agency loan approved Jan. 15, 1951, increased from $945,000 to $1,135,000.
Virginia-Lincoln Corp., Marion, Va	Dec. 1, 1952	1,500,000	do	
LOANS $100,001 TO $1,000,000				
A. B. A. Tool & Die Co., Inc., Manchester, Conn	June 5, 1952	190,000	Sec. 302 DPA	
Ace Welding Service, Inc., Saugus, Mass	Dec. 11, 1952	175,000	do	Canceled in full prior to disbursement.
Adamas Carbide Corp., Harrison, N. J	Aug. 22, 1952	442,000	do	
Ahlberg Bearing Co., Chicago, Ill	Mar. 4, 1952	365,000	RFC Act	Do.
The Ahrendt Instrument Co., College Park, Md	May 5, 1952	200,000	Sec. 302 DPA	
Akin Products Co., Inc., Mission, Tex	June 5, 1952	300,000	RFC Act	Do.
Alaska Plywood Co., Juneau, Alaska	Aug. 18, 1952	600,000	Sec. 714 DPA	
Alma Canning Co., Alma, Ark	Nov. 13, 1952	250,000	RFC Act	
American Generator & Armature Co., Chicago, Ill	Apr. 14, 1952	225,000	Sec. 302 DPA	Do.
American Machinery Corp., Orlando, Fla	Apr. 17, 1952	300,000	RFC Act	
Do	May 12, 1952	500,000	Sec. 302 DPA	
Do	June 16, 1952	750,000	do	
American Tractor Corp., Churubusco, Ind	May 22, 1952	225,000	RFC Act	
The American Woodworking Co., West Haven, Conn	May 9, 1952	112,000	Sec. 302 DPA	
Anaconda Land Co., Great Falls, Mont	June 5, 1952	552,500	RFC Act	Do.
Anchorage Oxygen Corp., Anchorage, Alaska	June 2, 1952	125,000	do	
A. F. Anderson Iron Works, Chicago, Ill	Mar. 12, 1953	150,000	do	
Arcturus Manufacturing Corp., Venice, Calif	Apr. 3, 1952	240,000	Sec. 302 DPA	
Arlington Lumber & Plywood Corp., Arlington, Wash	Dec. 15, 1952	150,000	RFC Act	
Associated Iron & Metal Co., Oakland and Richmond, Calif	Apr. 29, 1952	335,000	do	
Barton Mills, Inc., Omaha, Nebr	Dec. 11, 1952	125,000	do	Do.
The Cryil Bath Co., Cleveland, Ohio	Apr. 17, 1952	950,000	Sec. 302 DPA	
Bellingham Canning Co., Bellingham, Wash	June 2, 1952	800,000	RFC Act	
Belock Instrument Corp., College Point, Queens, N. Y	Apr. 21, 1952	620,000	Sec. 302 DPA	Do.
Benson-Lehner Corp., Los Angeles, Calif	Jan. 26, 1953	187,000	do	
Bertie Peanut Co., Aulander, N. C	Oct. 30, 1952	600,000	RFC Act	Do.
Bishop Manufacturing Co., Carlisle, Iowa	Apr. 3, 1952	400,000	Sec. 302 DPA	
Bjorksten Reserach Laboratories, Inc., Madison, Wis	Oct. 2, 1952	120,000	do	
Bomac Laboratories, Inc., Beverly, Mass	Mar. 4, 1952	150,000	RFC Act	
R. H. Bouligny, Inc., Charlotte, N. C	Feb. 16, 1953	500,000	do	
Brooklyn Hospital Equipment Co., Inc., New York, N. Y	Sept. 15, 1952	125,000	do	
The Brundage Co., Kalamazoo, Mich	Mar. 4, 1952	120,000	do	
Brunswick Marine Construction Corp., Brunswick, Ga	May 12, 1952	120,000	do	Do.
Brust Tool Manufacturing Co., Chicago, Ill	Jan. 12, 1953	910,000	Sec. 302 DPA	
C. L. Bryant Corp., Cleveland, Ohio	June 5, 1952	250,000	Sec. 714 DPA	
Buehler Ltd., Chicago, Ill	Aug. 7, 1952	279,000	Sec. 302 DPA	
Buffalo Coal Mining Co., Inc., Anchorage, Alaska	May 28, 1952	425,775	do	
Wm. L. Burford & Co., Louisville, Ky	July 14, 1952	200,000	Sec. 714 DPA	
Butcher & Hart Manufacturing Co., Toledo, Ohio	Mar. 16, 1953	220,000	do	
The Buxbaum Co., Canton, Ohio	Feb. 9, 1953	175,000	do	
Callison & Sons, Seattle, Wash	Sept. 2, 1952	200,000	RFC Act	Do.
Calumet Heat Treating Corp., Chicago, Ill	Sept. 22, 1952	125,000	do	
Camfield Manufacturing Co., Grand Haven, Mich	Dec. 18, 1952	500,000	do	
Carlstrom Pressed Metal Co., Westboro, Mass	Mar. 26, 1953	155,000	Sec. 302 DPA	
Car-O-Green, Inc., Kansas City, Mo	June 26, 1952	300,000	Sec. 714 DPA	
Case-Swayne Co., Inc., Santa Ana, Calif	June 30, 1952	175,000	do	
Central Freight Lines, Inc., Waco, Tex	Apr. 29, 1952	370,000	RFC Act	Do.
Chandler Machine Products Co., Cedar Rapids, Iowa	May 22, 1952	145,000	do	
Chattanooga Welding & Machine Co., Inc., Chattanooga, Tenn.	Mar. 4, 1952	400,000	Sec. 302 DPA	
Chief Consolidated Mining Co., Salt Lake City, Utah	Apr. 14, 1952	120,000	do	
Forrest S. Chilton 3d Memorial Hospital Association, Pompton Plains, N. J.	Feb. 16, 1953	443,000	Sec. 409 FCDA	Civil defense loan.
Clark's Frozen Food Co., Temple City, Calif	Nov. 10, 1952	110,000	Sec. 714 DPA	
Cobell Supply Corp., Fort Worth, Tex	June 26, 1952	200,000	RFC Act	
Collins Engineering Co., Culver City, Calif	May 28, 1952	375,000	Sec. 302 DPA	Canceled in full prior to disbursement.
W. H. Compton Shear Co., Newark, N. J	Oct. 20, 1952	175,000	RFC Act	
Concrete Masonry Corp., Elyria, Ohio	Mar. 26, 1953	200,000	Sec. 714 DPA	
Do	do	160,000	do	
Consolidated Industries, Inc., Lafayette, Ind	May 28, 1952	732,600	Sec. 302 DPA	
Cooper Precision Products, Los Angeles, Calif	May 19, 1952	250,000	do	
Copper City Realty Co., Inc., Anaconda, Mont	Aug. 11, 1952	552,500	RFC Act	

Reconstruction Finance Corporation loan authorizations, Mar. 1, 1952, through Mar. 31, 1953—Continued

Name and location	Date approved	Amount approved	Legislative authority	Remarks
LOANS $100,001 TO $1,000,000—continued				
Cosmo Engineering Laboratories, Inc., Hackettstown, N. J.	Oct. 23, 1952	$135,000	Sec. 302 DPA	
James H. Craggs Construction Co., Ocala, Fla.	June 2, 1952	175,000	RFC Act	
Crawford Packing Co., Palacios, Tex.	Sept. 4, 1952	107,000	do	Canceled in full prior to disbursement.
Crenshaw Hospital, Los Angeles, Calif.	Mar. 26, 1953	150,000	do	
Cripple Creek Coal Co., Fairbanks, Alaska	Mar. 9, 1953	413,500	Sec. 302 DPA	
Cross Bros. Meat Packers, Inc., Philadelphia, Pa.	Aug. 25, 1952	350,000	RFC Act	
Frank J. Curran Co., Downers Grove, Ill.	May 9, 1952	250,000	Sec. 302 DPA	
Davenport Besler Corp., Davenport, Iowa	Sept. 9, 1952	400,000	RFC Act	Do.
Davis Mining Enterprises, Linden, Wis.	Jan. 8, 1953	220,000	Sec. 302 DPA	
W. A. Davis Milling Co., High Point, N. C.	Sept. 9, 1952	200,000	RFC Act	
Dayton Precision Manufacturing Co., Dayton, Ohio	Jan. 15, 1953	196,000	Sec. 302 DPA	
Detroit Chemical Works, Detroit, Mich.	Mar. 12, 1953	350,000	RFC Act	
Diamond Manufacturing Co., Wakefield, Mass.	Mar. 6, 1952	117,000	do	Do.
Dicco, Inc., Bakersfield, Calif.	Dec. 8, 1952	130,000	Sec. 714 DPA	
Dick Bros., Inc., Reading, Pa.	Dec. 18, 1952	359,000	do	
Direct Reproduction Corp., Brooklyn, N. Y.	Oct. 6, 1952	175,000	do	
Dismuke Tire & Rubber Co., Clarksdale, Miss.	July 21, 1952	250,000	do	
Dixie Paint & Varnish Co., Inc., Brunswick, Ga.	Dec. 4, 1952	150,000	RFC Act	
Doer Electric Corp., Cedarburg, Wis.	Mar. 10, 1952	150,000	do	Do.
Donalsonville Grain & Elevator Co., Donalsonville, Ga.	Sept. 16, 1952	800,000	do	
Druge Bros. Manufacturing Co., Oakland, Calif.	June 16, 1952	198,000	Sec. 302 DPA	
Dubuque Stamping & Manufacturing Co., Toledo, Ohio	Apr. 24, 1952	250,000	RFC Act	
East Georgia Peanut Co., Statesboro, Ga.	Sept. 16, 1952	600,000	do	
The Edenton Peanut Co., Edenton, N. C.	Nov. 6, 1952	500,000	do	
Ehrhardt Cooperage Co., Ehrhardt, S. C.	Aug. 29, 1952	105,000	do	
Electric Service Engineering Co., Joliet, Ill.	May 15, 1952	650,000	Sec. 302 DPA	
Ellis Trucking Co., Inc., Indianapolis, Ind.	May 1, 1952	717,500	RFC Act	Do.
James L. Entwistle Co., Providence, R. I.	Mar. 3, 1953	200,000	Sec. 302 DPA	
Era Tool & Engineering Co., Franklin Park, Ill.	Dec. 4, 1952	200,000	RFC Act	Do.
Excelsior Pearl Works, Inc., New York, N. Y.	Feb. 2, 1953	200,000	do	Do.
The F. R. L. Realty Co., Columbus, Ohio	Mar. 30, 1953	150,000	do	
Farm Fertilizers, Inc., South Omaha, Nebr.	July 17, 1952	126,000	do	
Farmers Gin Co., Inc., Edison, Ga.	Sept. 16, 1952	600,000	do	
Federal Industries, Inc., Detroit, Mich.	Mar. 4, 1952	110,000	do	
Feldco Loose Leaf Corp., Chicago, Ill.	Jan. 29, 1953	150,000	do	
Fenn Manufacturing Co., Hartford, Conn.	Apr. 14, 1952	350,000	do	
Do.	Oct. 20, 1952	600,000	do	
Do.	Dec. 8, 1952	700,000	do	
Forest Hills Foundation, Inc., New York, N. Y.	May 5, 1952	1,000,000	Sec. 409 FCDA	Civil defense loan.
Foster Beef Co., Manchester, N. H.	do	141,000	RFC Act	Canceled in full prior to disbursement.
Foster Freight Lines, Inc., Indianapolis, Ind.	Aug. 15, 1952	501,890	Sec. 302 DPA	
Fox Bros. Manufacturing Co., St. Louis, Mo.	Mar. 12, 1953	250,000	RFC Act	
France Packing Co., Philadelphia, Pa.	Oct. 9, 1952	425,000	do	
Franco-Italian Packing Co., Terminal Island, Calif.	Feb. 5, 1953	150,000	do	
Galesburg Soy Products Co., Galesburg, Ill.	Nov. 20, 1952	500,000	Sec. 714 DPA	
Garlynn Engineering Co., San Francisco, Calif.	Dec. 1, 1952	104,475	Sec. 302 DPA	
Garner Instrument Co., San Antonio, Tex.	July 10, 1952	150,000	do	
Garreau & Co., Inc., Newport, R. I.	Jan. 8, 1953	150,000	Sec. 714 DPA	
Gateway Engineering Co., Chicago, Ill.	Oct. 27, 1952	500,000	RCF Act	
The Gemco Engineering & Manufacturing Co., Inc., Glendale, Ohio.	Dec. 23, 1952	150,000	Sec. 714 DPA	
General Development Corp., Elkton, Md.	Dec. 15, 1952	135,000	Sec. 302 DPA	
General Machinery Co., Inc., and Hamilton Manufacturing Co., Inc., New Haven, Conn.	Mar. 31, 1952	125,000	Sec. 714 DPA	
General Products Corp., Union Springs, N. Y.	Feb. 2, 1953	170,000	do	
Georgia & Florida RR., Augusta, Ga.	Mar. 26, 1953	717,000	RFC Act	Railroad loan.
Globe Industries, Inc., Dayton, Ohio	Sept. 25, 1952	300,000	Sec. 302 DPA	
The Green Ball Bearing Co., Cleveland, Ohio	Nov. 6, 1952	140,000	RFC Act	
G. G. Greene Manufacturing Corp., Warren, Pa.	Jan. 26, 1953	300,000	do	
Guernsey Memorial Hospital, Cambridge, Ohio	Jan. 8, 1953	400,000	Sec. 409 FCDA	Civil defense loan.
Gussett Boiler & Welding, Inc., Canton, Ohio	Mar. 5, 1953	300,000	RFC Act	
Gustaveson, Inc., Kansas City, Mo.	June 16, 1952	120,000	Sec. 714, DPA	Canceled in full prior to disbursement.
H-S Engine Co., Billings, Mont.	Nov. 24, 1952	110,000	RFC Act	
Hanlon & Wilson Co., Wilkinsburg, Pa.	Jan. 12, 1953	375,000	do	
Hardel Plywood, Inc., Olympia, Wash.	July 8, 1952	210,000	do	
Harvey-Whipple, Inc., Springfield, Mass.	Aug. 4, 1952	500,000	Sec. 302 DPA	
Hastings Instrument Co., Inc., Hampton, Va.	July 3, 1952	275,650	do	Do.
Hayward Woolen Co., East Douglas, Mass.	June 26, 1952	200,000	do	Loan approved Sept. 27, 1951, increased from $500,000 to $700,000.
Do.	Dec. 18, 1952	200,000	RFC Act	
Hazelton Engineering Co., St. Louis, Mo.	Jan. 15, 1953	347,850	Sec. 302, DPA	
Headland Peanut Co., Headland, Ala.	Sept. 16, 1952	400,000	RFC Act	
Heckethorn Manufacturing & Supply Co., Littleton, Colo.	Apr. 17, 1952	800,000	Sec. 302 DPA	
Heidrich Tool & Die Corp., Detroit, Mich.	Apr. 29, 1952	1,000,000	RFC Act	
Hewitt Oil Terminal, North Charleston, S. C.	Mar. 31, 1952	432,000	Sec. 302 DPA	
The Hi-Shear Rivet Tool Co., Los Angeles, Calif.	Feb. 16, 1953	450,000	RFC Act	
Hightower Box & Tank Co., Birmingham, Ala.	Mar. 30, 1953	300,000	do	
Hobbs Manufacturing Co., Worcester, Mass.	Aug. 18, 1952	112,500	do	
Hodgson's, Inc., Athens, Ga.	Sept. 16, 1952	250,000	do	
Hogan Laboratories, Inc., New York, N. Y.	Feb. 14, 1952	250,000	Sec. 302 DPA	
Houston Peanut Co., Sylvester, Ga.	Oct. 30, 1952	400,000	RFC Act	
Hycon-Oedekerk & Ludwig, Pasadena, Calif.	Dec. 8, 1952	400,000	do	
Hyde Corp., Fort Worth, Tex.	Oct. 16, 1952	1,000,000	do	
Hydraulic Research Manufacturing Co., Burbank, Calif.	Dec. 30, 1952	485,000	Sec. 302 DPA	
Imperial Glass Corp., Bellaire, Ohio	Oct. 9, 1952	365,000	RFC Act	
Independent Plow, Inc., Neodesha, Kans.	Aug. 11, 1952	200,000	Sec. 302 DPA	
Industrial Steel Container Co., St. Paul, Minn.	June 19, 1952	142,943	RFC Act	Disaster loan. Canceled in full prior to disbursement.
Instrument Associates of California, Santa Monica, Calif.	Jan. 15, 1953	150,000	Sec. 302 DPA	
The Instruments Corp., Baltimore, Md.	Jan. 19, 1953	125,000	RFC Act	
Jacques Brass Specialties Co., Inc., Baltimore, Md.	Aug. 29, 1952	115,000	do	
Jonco Aircraft Corp., Shawnee, Okla.	Mar. 17, 1952	750,000	Sec. 302 DPA	
Kansas City Market Co., Inc., Kansas City, Kans.	June 26, 1952	125,000	RFC Act	Disaster loan.
Kansas Soya Products Co., Inc., Emporia, Kans.	June 10, 1952	125,000	do	
Kelley-Farquhar & Co., Tacoma, Wash.	Feb. 24, 1953	500,000	do	
Kelly Foundry & Machine Co., Elkins, W. Va.	Dec. 11, 1952	183,000	do	
Kenmore Metals Corp., Jersey City, N. J.	June 19, 1952	420,000	Sec. 302 DPA	
Kirkwood Machine & Manufacturing Co., Kirkwood, Mo.	Mar. 9, 1953	128,000	do	
Knox-Warrenton Co., Warrenton, Ga.	Dec. 15, 1952	225,000	Sec. 714 DPA	
Kolstad Canneries, Inc., Silverton, Oreg.	May 19, 1952	200,000	RFC Act	
Lake Shore Electric Manufacturing Corp., Cleveland, Ohio	Aug. 15, 1952	106,000	do	
Lamb Weston, Inc., Weston, Oreg.	May 19, 1952	1,000,000	do	
Lambert Tool Specialties Co., St. Louis, Mo.	June 26, 1952	200,000	Sec. 302 DPA	
Langley Corp., San Diego, Calif.	June 5, 1952	562,000	RFC Act	
Laris Painting, Inc., Green Cove Springs, Fla.	Aug. 4, 1952	267,000	Sec. 714 DPA	
Lawton Community Hotel, Inc., Lawton, Okla.	Mar. 16, 1953	700,000	RFC Act	
Linder Corp., Kensett, Ark.	Nov. 24, 1952	175,000	do	

Reconstruction Finance Corporation loan authorizations, Mar. 1, 1952, through Mar. 31, 1953—Continued

Name and location	Date approved	Amount approved	Legislative authority	Remarks
LOANS $100,001 TO $1,000,000—continued				
Louisville Builders Supply Co., Louisville, Ky	Jan. 19, 1953	$450,000	RFC Act	
Lovequist Engineering Co., Los Angeles, Calif	May 19, 1952	140,000	Sec. 302 DPA	Canceled in full prior to disbursement.
Luders Marine Construction Co., Stamford, Conn	July 28, 1952	125,000	do	Do.
Ludwig Honold Manufacturing Co., Folcroft, Pa	Apr. 21, 1952	124,000	RFC Act	
Macy & Co., Red Bluff, Calif	July 28, 1952	155,000	do	
Malanco, Inc., Blue Island, Ill	May 9, 1952	175,000	Sec. 714 DPA	Do.
Marine Steel & Welding Co., River Rouge, Mich	July 14, 1952	200,000	RFC Act	
Marks Oxygen Co., Augusta, Ga	Mar. 28, 1952	146,800	Sec. 714 DPA	
Marquardt Aircraft Co., Van Nuys, Calif	June 26, 1952	765,000	Sec. 302 DPA	
H. S. Martin & Co., Evanston, Ill	Sept. 22, 1952	500,000	Sec. 714 DPA	
Maryville and Goat Hill Water District, in Georgetown County, Georgetown, S. C.	Aug. 29, 1952	150,000	RFC Act	Public Agency loan.
Mason, Shaver & Rhoades, McKeesport, Pa	Sept. 29, 1952	400,000	do	
McCullough Industries, Inc., Birmingham, Ala	Apr. 3, 1952	387,000	do	
McGrath & Co., Inc., Stillwater, Minn	Apr. 14, 1952	150,000	Sec. 302 DPA	
McKoy-Helgerson Co., Greenville, S. C	Sept. 22, 1952	125,000	RFC Act	
Medley Manufacturing Co., Inc., Columbus, Ga	May 9, 1952	215,500	do	
Menominee Sugar Co., Green Bay, Wis	Apr. 14, 1952	200,000	do	
The Microtone Co., Inc., St. Paul, Minn	Mar. 9, 1953	580,000	Sec. 302 DPA	
Mid-Georgia Natural Gas Co., Conyers, Ga	Feb. 5, 1953	250,000	RFC Act	
Miller Dial & Name Plate Co., Los Angeles, Calif	July 17, 1952	300,000	Sec. 714 DPA	
J. W. Minder Chain & Gear Co., Los Angeles, Calif	Dec. 15, 1952	250,000	RFC Act	
Mississippi Chemical Corp., Yazoo City, Miss	Mar. 30, 1953	900,000	do	
Model Engineering & Manufacturing, Inc., Huntington, Ind	Mar. 4, 1952	170,000	Sec. 302 DPA	
Modern Metal Crafts Co., Inc., Philadelphia, Pa	July 14, 1952	120,000	do	Canceled in full prior to disbursement.
Modern Welding Co., Inc., Owensboro, Ky	Oct. 30, 1952	400,000	RFC Act	
Modesto City Hospital, Modesto, Calif	Feb. 16, 1953	250,000	do	
Modglin Co., Inc., Los Angeles, Calif	Aug. 25, 1952	250,000	do	Do.
Montana Electric Supply, Billings, Mont	June 23, 1952	120,000	do	
Morgan Steel Products, Inc., Cleveland, Ohio	June 12, 1952	110,000	do	
Mosow Screw Co., North Chicago, Ill	May 15, 1952	350,000	Sec. 714 DPA	
Moss Light Weight Aggregate Co., Memphis, Tenn	June 16, 1952	500,000	RFC Act	Do.
Munter Construction Co., Inc., Anchorage, Alaska	Mar. 23, 1953	150,000	Sec. 714 DPA	
New Town Water & Sewage Utility, Inc., Sanish, N. Dak	Mar. 4, 1952	150,000	RFC Act	
The North Adams Hospital, North Adams, Mass	Nov. 17, 1952	375,000	Sec. 409 FCDA	Civil Defense loan.
North Shore Hospital, Inc., Great Neck, Long Island	Mar. 28, 1952	750,000	do	Do.
North Star Enterprises, Anchorage, Alaska	Sept. 2, 1952	140,000	RFC Act	
Northern Supply, Anchorage, Alaska	Jan. 22, 1953	150,000	do	
Nuera Gear Co., Rochester, Mich	Feb. 26, 1953	186,000	do	
Robert J. Ohland Plumbing & Heating, Seattle, Wash	Feb. 2, 1953	150,000	do	
Oriental Foods, Inc., Los Angeles, Calif	July 21, 1952	200,000	Sec. 714, DPA	
The Wm. H. Ottemiller Co., Inc., York, Pa	Oct. 6, 1952	180,000	RFC Act	Canceled in full prior to disbursement.
J. A. Otterbein Co., Middletown, Conn	Mar. 17, 1952	150,000	Sec. 302, DPA	Do.
Pacific Grape Products Co., Modesto, Calif	May 22, 1952	1,000,000	RFC Act	
Pacific Tile & Porcelain Co., Paramount, Calif	Aug. 11, 1952	150,000	do	
Pacific Waxed Paper Co., Seattle, Wash	Oct. 30, 1952	200,000	do	
Pamco Corp., Lubbock, Tex	Nov. 17, 1952	800,000	Sec. 302 DPA	
Pascack Valley Hospital Association, Westwood, N. J	Mar. 5, 1953	600,000	Sec. 409 FCDA	Civil Defense loan.
J. C. Peacock Machine Co., Los Angeles, Calif	June 16, 1952	264,000	Sec. 302 DPA	
Peoria Consolidated Manufacturers, Inc., Peoria, Ill	Nov. 13, 1952	814,169	do	
Piquette Mining Co., Platteville, Wis	June 9, 1952	144,000	do	
Polston Flooring Manufacturing Corp., Lafayette, Tenn	Feb. 19, 1953	150,000	RFC Act	
Portland Copper & Tank Works, Inc., South Portland, Maine	Feb. 12, 1953	600,000	do	
Powers Manufacturing Co., Longview, Tex	Nov. 20, 1952	920,000	Sec. 302 DPA	
Precision Sheet Metal, Inc., Culver City, Calif	Mar. 28, 1952	425,000	RFC Act	Canceled in full prior to disbursement
Warner W. Price Co., Inc., Smyrna, Del	June 30, 1952	175,000	Sec. 714 DPA	
Red Diamond Mills, Inc., Cordele, Ga	Oct. 2, 1952	700,000	RFC Act	
Remler Co., Ltd., San Francisco, Calif	Oct. 27, 1952	1,000,000	Sec. 302 DPA	
J. W. Rex Co., Lansdale, Pa	Mar. 30, 1953	458,350	do	
Richter Spring Corp., Chicago, Ill	July 24, 1952	160,000	Sec. 714 DPA	
The Ric-Wil Co., Cleveland, Ohio	Jan. 12, 1953	600,000	RFC Act	
D. M. Rose & Co., Knoxville, Tenn	Dec. 11, 1952	165,000	Sec. 302 DPA	
J. Rubin & Co., Rockford, Ill	Aug. 29, 1952	140,000	Sec. 714 DPA	
Ruffe, Inc., Miami, Fla	Aug. 11, 1952	200,000	do	
Runnymede Mills, Inc., Tarboro, N. C	Nov. 24, 1952	150,000	RFC Act	
Russell Fork Coal Co., Inc., Praise, Ky	Mar. 30, 1953	430,000	do	
Russell-Stanley Corp., Woodbridge, N. J	Mar. 23, 1953	175,000	do	
Saginaw Transfer Co., Inc., Saginaw, Mich	Mar. 12, 1953	150,000	do	Do.
Salem Foundry & Machine Works, Inc., Salem, Va	June 19, 1952	150,000	Sec. 714 DPA	
Scherer Freight Lines, Inc., Ottawa, Ill	Jan. 19, 1953	350,000	RFC Act	
Scholle Chemical Corp., Chicago, Ill	Oct. 6, 1952	120,000	Sec. 714 DPA	
Seidelhuber Steel Rolling Mills, Inc., Seattle, Wash	Aug. 4, 1952	760,000	do	
Sekely Industrial Tool & Mfg., Inc., Salem, Ohio	Aug. 26, 1952	120,000	RFC Act	
E. B. Sewall Manufacturing Co., St. Paul, Minn	Apr. 3, 1952	150,000	do	
The Shallow Water Refining Co., Garden City, Kans	Mar. 23, 1953	1,000,000	do	
Sherman & Reilly, Inc., Chattanooga, Tenn	Mar. 20, 1952	300,000	Sec. 302 DPA	
Simmonds Aerocessories, Inc., Tarrytown, N. Y	Apr. 10, 1952	280,000	Sec. 714 DPA	Do.
Skydyne, Inc., Port Jervis, N. Y	Mar. 16, 1953	110,000	do	
Smith Canning & Freezing Co., Pendleton, Oreg	June 23, 1952	150,000	RFC Act	
Snellstrom Lumber Co., Eugene, Oreg	Jan. 22, 1953	700,000	do	
Sossner Tap & Tool Corp., New York, N. Y	Apr. 21, 1952	150,000	Sec. 302 DPA	Do.
Southeastern Metals Co., Inc., Birmingham, Ala	Jan. 19, 1953	425,000	RFC Act	
South Carolina State Ports Authority No. 1 Vendue Range, Charleston, S. C.	Dec. 30, 1952	400,000	do	Public agency loan.
South Water Realty Corp., Rockford, Ill	June 12, 1952	700,000	do	
Southern States Oil Co., Jacksonville, Fla	July 31, 1952	255,000	Sec. 302 DPA	
Southland Oil Corp., Savannah, Ga	Nov. 10, 1952	677,000	do	
Southwest Fertilizer & Chemical Co., El Paso, Tex	Aug. 22, 1952	312,083	RFC Act	
Stevens Industries, Inc., Dawson, Ga	Sept. 12, 1952	1,000,000	do	
Do	Nov. 20, 1952	500,000	do	
Stokerunit Corp., Milwaukee, Wis	Mar. 30, 1953	300,000	do	
T. S. C. Motor Freight Lines, Inc., Houston, Tex	Aug. 11, 1952	200,000	Sec. 302 DPA	Canceled in full prior to disbursement.
Talley Machine & Manufacturing Corp., Los Angeles, Calif	Mar. 16, 1953	210,000	Sec. 714 DPA	
Tech Laboratories, Inc., Palisades Park, N. J	Jan. 26, 1953	165,000	RFC Act	
Tennessee Aircraft, Inc., Nashville, Tenn	May 5, 1952	250,000	Sec. 302 DPA	
Do	Sept. 4, 1952	150,000	do	
Town of Beulaville, Beulaville, N. C	Oct. 9, 1952	125,000	RFC Act	Public agency loan.
The Water and Gas Board of the Town of Cherokee, Colbert County, Ala.	Aug. 25, 1952	140,000	do	Do.
Town of Columbiana, Shelby County, Ala	Apr. 24, 1952	285,000	do	Do.
Town of Courtland, Courtland, Ala	July 31, 1952	120,000	do	Public agency loan. Canceled in full prior to disbursement.
Town of Kure Beach, New Hanover County, N. C	Sept. 29, 1952	25,000	do	Public agency loan approved Mar. 12, 1951; increased from $190,413 to $215,413.

Reconstruction Finance Corporation loan authorizations, Mar. 1, 1952, through Mar. 31, 1953—Continued

Name and location	Date approved	Amount approved	Legislative authority	Remarks
LOANS $100,001 TO $1,000,000—continued				
Town of Leighton, Leighton, Ala.	July 17, 1952	$115,000	RFC Act	Public agency loan. Canceled in full prior to disbursement.
Town of Town Creek, Lawrence County, Ala.	June 30, 1952	110,000	do	Do.
Trumbull Bearings, Inc., Hartford, Conn.	July 8, 1952	459,000	Sec. 302 DPA	
Tycoon Tackle, Inc., Miami Springs, Fla.	Mar. 30, 1953	650,000	do	
Union Fishermen's Co-op Packing Co., Astoria, Oreg.	Feb. 12, 1953	125,000	RFC Act	
Usibelli Coal Mine, Inc., Suntrana, Alaska	July 3, 1952	250,000	do	
Varo Manufacturing Co., Inc. ,Garland, Tex.	May 22, 1952	200,000	do	
Vitro Chemical Co., Salt Lake City, Utah	July 14, 1952	850,000	Sec. 302 DPA	
Wadell Equipment Co., Garwood, N. J.	July 24, 1952	300,000	do	Canceled in full prior to disbursement.
Waltham Horological Corp., Waltham, Mass.	Apr. 24, 1952	285,000	do	
Warner Lewis Co., Tulsa, Okla.	May 12, 1952	103,000	RFC Act	Do.
Warner Machine Products, Inc., Muncie, Ind.	Apr. 14, 1952	225,000	Sec. 302 DPA	
Warrington Home Builders, Inc., Fort Walton, Fla.	May 5, 1952	246,120	RFC Act	Do.
Wells All-Steel Products, North Hollywood, Calif.	Aug. 22, 1952	143,135	Sec. 714 DPA	
The Wheland Co., Chattanooga, Tenn.	May 9, 1952	300,000	RFC Act	
F. A. Whitney Carriage Co., Leominster, Mass.	May 28, 1952	641,250	Sec. 302 DPA	Do.
Wien Alaska Airlines, Inc., Fairbanks, Alaska	Oct. 20, 1952	355,000	do	
Wire, Inc., Morton Grove, Ill.	Apr. 14, 1952	150,000	do	
Woburn Chemical Corp., Kearny, N. J.	Sept. 29, 1952	175,000	RFC Act	
York-Shipley, Inc., York, Pa.	do	250,000	do	
Total		297,699,527		

Mr. MARTIN. Mr. President, will the Senator from Delaware yield?

Mr. WILLIAMS. I yield.

Mr. MARTIN. Does not the Senator from Delaware believe that if we had more favorable tax provisions for small businesses, particularly incorporated businesses, it would do more to promote such businesses than would the opportunity to borrow money from the Federal Government?

Mr. WILLIAMS. I do. Unquestionably, the greatest assistance which the Government can give the small-business men is to give them more favorable tax consideration. Under existing rates, with the excess-profits tax, a small corporation earning $25,000 is taxed at 32 percent. For the next $1,000 the rate jumps to over 80 percent if that corporation has a small capitalization. That is unreasonable. I think some consideration should be given small business, but it should be done in a constructive manner. I certainly agree with the Senator from Pennsylvania that tax consideration is more constructive than is loaning more money.

Mr. MARTIN. For example, if we should eliminate income taxes on dividends, would not that be a greater help than to have the opportunity of securing loans from the Federal Government?

Mr. WILLIAMS. I do not know that that would exactly solve the problem to the extent to which I was speaking. It would be more helpful to the investors than to the corporations.

Mr. MARTIN. That is true, but is it not a fact that many small corporations are owned by only a few stockholders, and when those stockholders have to pay taxes on dividends, it amounts to double taxation, which is very detrimental to the expansion of small business?

Mr. WILLIAMS. I have suggested many times that the small corporations should be exempted from the application of section 102. It is acknowledged by the Treasury Department that practically all the revenue received by the Government under section 102 is from small corporations, because the tax attorneys employed by the large corporations can get around the provision. The statement has been made by responsible Treasury officials that the reason why that section is not being enforced with reference to large corporations is that the officials are afraid that if the question was taken to the Supreme Court it would be found unconstitutional. That certainly is a very weak argument for enforcing the section with reference to the small corporations and not against the large corporations. I think we must take care of it by either repealing the section in its entirety or exempting the small corporations.

Mr. MARTIN. Mr. President, the distinguished senior Senator from Delaware has again made what I think is a very valuable contribution.

Mr. SPARKMAN. Mr. President, will the Senator from Delaware yield?

Mr. WILLIAMS. I yield.

Mr. SPARKMAN. Mr. President, it is very good to have an exchange between two high ranking members of the Finance Committee. I should like to invite attention to the fact that the Senate Small Business Committee has filed a unanimous report recommending tax relief for small business, and I earnestly hope that when the matter comes before the committee, the committee will give most serious consideration to the recommendations.

Mr. WILLIAMS. Mr. President, I can assure the Senator that they will be given consideration by the Senator from Delaware, who has felt for some time that small corporations are not given equal consideration under our tax laws. I have sponsored amendments to our tax laws each time they were under consideration to achieve that purpose.

SENATOR KENNEDY, OF MASSACHUSETTS

Mr. MANSFIELD. Mr. President, an article with reference to the junior Senator from Massachusetts [Mr. KENNEDY] was published in the Saturday Evening Post of June 13, 1953. I have a few remarks to make on this subject, and I ask unanimous consent that at the conclusion of my remarks the story from the Saturday Evening Post be printed in the RECORD.

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

(See exhibit 1.)

Mr. MANSFIELD. Mr. President, the Senator from Massachusetts [Mr. KENNEDY] is one of the hardest working and most respected Members of the Senate. He has already made his mark because of his efforts in behalf of New England industry which is, in effect, a continuation of his interest in that region as manifested during his previous service in the House of Representatives.

The Senator from Massachusetts has had not only an interesting but a distinguished career as a public servant. A veteran of the Pacific in World War II, an author of note, a Member of the House and now a Senator, he is devoted to his work and to his country. His interests, while primarily concerned with Massachusetts, extend beyond that State's borders to New England and the country as a whole. Because of his drive, determination, and understanding, he has been of invaluable help to those of us who come from the West. While young in years, he is wise in experience, and he has given freely of his advice and counsel to many of his colleagues.

The Senate is extremely fortunate to have JOHN KENNEDY as a Member of this body. Massachusetts and the Nation can feel secure that he will look after their interests at all times and to the utmost of his great ability.

We are all proud of Senator KENNEDY because he has made his way to his present position through hard work, an understanding of the issues, and a devotion to duty excelled by none.

EXHIBIT 1

THE SENATE'S GAY YOUNG BACHELOR

(By Paul F. Healy)

JOHN FITZGERALD KENNEDY, the 36-year-old Democrat from Massachusetts, accomplished something unusual for a newcomer to the United States Senate this year: he excited open envy among his colleagues. KENNEDY appeared to be a walking fountain of youth. He is 6 feet tall, with a lean, straight, hard physique, and the innocently respectful face of an altar boy at High Mass. Senators less generously endowed were especially taken with his trade-mark—a bumper crop of lightly combed brown hair that shoots over his right eyebrow and always makes him look as though he had just stepped out of the shower.

Six years ago, when he started his first of 3 terms in the House of Representatives,

KENNEDY looked so young that he was mistaken by several other congressmen for a House page. In January of this year, when he tried to board the little subway car that runs between the Capitol and the Senate Office Building, KENNEDY was told by a guard to "stand back; let the Senators go first." KENNEDY, who is humbly obliging under such circumstances, retreated, and watched Senators who looked old enough to be Senators climb aboard.

Certainly, the residents of Washington's Georgetown section, where KENNEDY lives, had no basis for suspecting his political identity when he played touch football on the streets and playgrounds there every Saturday last winter and spring. The capital's most sophisticated neighborhood is geared more to the deportment of such other residents from Capitol Hill as, say ROBERT A. TAFT. A man of simple living habits, despite the fact that he rents a remodeled, Georgetown-type house, KENNEDY at the same time defies the gourmets in that area by sticking to a diet of milk and steak or lamb chops, followed by ice cream blanketed in chocolate sauce.

KENNEDY wears an air of imperturbable informality; he often seems to be at once preoccupied, disorganized, and utterly casual—alarmingly so, for example, when he solemnly addressed the House with his shirttail out and clearly visible from the galleries. Many women have hopefully concluded that KENNEDY needs looking after. In their opinion, he is, as a young millionaire Senator, just about the most eligible bachelor in the United States, and the least justifiable one. KENNEDY lives up to that role only occasionally, when he drives his long convertible, hatless, and with the car's top down, in Washington, or accidentally gets photographed with a glamour girl in a night club.

A surface impression of KENNEDY is that instead of being in the Senate he ought to be making one of those transoceanic voyages in his own sailboat, something he probably would be not at all averse to. But KENNEDY'S diffidence is deceptive. Basically a mature and responsible fellow, he possesses an inner fire which has enabled him to rise gallantly to the occasion whenever it was required. One of these occasions was when he set out to unseat the lofty Republican Senator Henry Cabot Lodge, Jr., against almost everyone's advice. KENNEDY last fall defeated Lodge by 69,060 votes, while General Eisenhower was carrying the State by 208,800 against Adlai Stevenson, and another Republican, Representative Christian Herter, was dealing a surprise defeat to Massachusetts' Democratic Gov. Paul A. Dever. Lodge as Ike's preconvention campaign manager, had presumably shared in the general's reflected popularity; nonetheless, he was the only so-called liberal Republican Senator to go down in the election.

Lodge had been outgeneraled, outworked and outnumbered, for KENNEDY was reinforced by a task force from his large and fabulous family. His comely mother and three attractive, long-legged sisters took the stump, while his younger brother, Robert, acted as campaign manager. They staged the longest and one of the most expensive and original campaigns Massachusetts has ever seen. A charming fellow himself, Lodge was faced with a formidable array of charm. The cosmopolitan, slightly madcap Kennedys for the first time harnessed together their remarkable energies and used them to pull votes. Lodge was helpless against their novel campaign devices, the most successful being a new kind of Boston tea party, which they used as a Kennedy road show.

Robert, who was recently out of the University of Virginia Law School, did his best to keep the family deployed strategically about the State, but he occasionally turned up on the platform Kennedyless. In one such instance, he delivered what must have been the shortest campaign speech in Massachusetts history.

"My brother Jack couldn't be here," Robert told the audience, "my mother couldn't be here, my sister Eunice couldn't be here, my sister Pat couldn't be here, my sister Jean couldn't be here, but if my brother Jack was here, he'd tell you Lodge has a very bad voting record. Thank you."

While two-thirds of the family took the field against Lodge, its head, Joseph Patrick Kennedy, a prominent and controversial figure in the world of politics, finance, and philanthropy, remained under the grandstand, lending advice and whatever other support was necessary. The only two Kennedys completely on the sidelines were Rosemary, a schoolteacher in Wisconsin; and Edward, the husky baby of the family who was then dong his hitch in the Army at a post in Germany. Originally, there had been nine Kennedy children. The oldest, Joseph, Jr., had died a hero's death as a Navy pilot in World War II and had a destroyer named after him. Kathleen ("Kick"), who married the Marquis of Hartington in England, was killed in a plane crash in 1948.

"JACK" KENNEDY'S type of appeal was perfect counterpoint for the glossy Lodge, who is now the United States chief delegate to the United Nations. He was the only Democrat in the State who was conceded a chance of besting him. At 50, Lodge was a skillful politician and a widely respected Senator. He was handsome, wealthy, and a Harvard man with an impeccable Massachusetts name and an excellent combat war record. But so was KENNEDY. And he had another, more elusive quality. He made people want to do something for him. He was "Nature Boy," with an Ivy League polish. It was said that during the campaign every woman who met KENNEDY wanted either to mother him or marry him. At first glance, he looked a little lonesome, and in need of a haircut and perhaps a square meal. One Boston woman who was told she was illogical in voting to put Eisenhower in the White House and KENNEDY in the Senate replied, "Ah, now, how could I vote against that nice lad?" An Eisenhower rooter who watched KENNEDY girl workers hand out pamphlets at the entrance to an Eisenhower rally was overheard asking, "What is there about KENNEDY that makes every Catholic girl in Boston between 18 and 28 think it's a holy crusade to get him elected?"

Yet, KENNEDY twice met Lodge on his own terms—on the rostrum—and coolly held his own. He seemed the less worried of the two. Not so glib or urbane as the seasoned Lodge, KENNEDY was well prepared both times, displaying a modest self-confidence. He did not really think he would win the election until he received favorable reaction to his performance in the second of their two debates, on the Keep Posted television forum, a month before the election. KENNEDY'S forensic manner is unhurried, direct, natural, and sincere, the kind that comes across most effectively in TV close-ups.

KENNEDY'S political savvy is the result of both heredity and environment. His paternal grandfather, Patrick Kennedy, was a State senator and a respected ward leader in Boston; two great-uncles were State senators; and another great-uncle, Charles Hickey, was mayor of Brockton. His maternal grandfather, and the most unforgettable character he ever met, was John F. ("Honey Fitz") Fitzgerald, a Congressman at the turn of the century and twice mayor of Boston. "Honey Fitz" was the George M. Cohan of Massachusetts politics. He popularized his theme song, Sweet Adeline, nationally, and also entertained political rallies by dancing everything from a jig to a waltz. He could orate, too, of course, one of his favorite themes being that the future of New England industry depended on everyone's getting back into long woolen underwear.

"Joe" Kennedy—as he is universally known—married Fitzgerald's pretty daughter, Rose, and set out to make millions as fast as they produced children. The children stopped at 9, but the millions didn't. Kennedy had the Midas touch. Red-faced, aggressive, and a shrewd plunger, his successful enterprises have included banking, shipbuilding, theater ownership, movie production, liquor importing and, most recently, purchase of Chicago's Merchandise Mart, the largest private office building in the world. He also took time out during the New Deal to be the successful Chairman of the Securities and Exchange Commission, Chairman of the Maritime Commission, and then United States Ambassador to Great Britain during the tense 1937–41 period.

The Kennedys lived first in Brookline, a conservative Boston suburb. John, the second child, was born there on May 29, 1917. He attended Brookline public schools and Choate Prep School; went to Harvard and graduated cum laude with a bachelor-of-science degree in 1940, besides making the swimming team and playing junior-varsity football. He had rounded out his education by taking a look at the radical theories of Prof. Harold Laski at the London School of Economics during 1935–36, and in knocking around Russia and middle Europe while his father was Ambassador.

Turned down by the Army because of some old football injuries when he tried to enlist in 1941, KENNEDY took strengthening exercises and wound up a year later as a motor-torpedo-boat skipper in the Navy. In August 1943 he earned the Purple Heart and the Navy and Marine Corps medal for his "extremely heroic conduct" in a dramatic episode in the mid-Solomons. KENNEDY'S boat was rammed and sliced in two by a Japanese destroyer one black night. When the boat sank, KENNEDY towed one wounded man to a small uncivilized island 3 miles away, by holding a strap of the man's Mae West with his teeth. According to the citation: "During the following 6 days, he succeeded in getting his crew ashore, and after swimming many hours attempting to secure food and aid, finally effected the rescue of his men."

Like his brothers and sisters, KENNEDY had learned to swim at an early age by being pushed off a pier into Nantucket Sound. For two decades the family and its friends have swarmed all over a shapeless, modernized 17-room house on the sound at Hyannis Port, on Cape Cod. The place, which is ideally equipped for their all-around interests, including a private movie theater, in the basement, an impressive library, tennis courts, a beach and four sailboats, became their most permanent address.

As they grew up and scattered, the Kennedys spent less and less time in the Boston area—they lived for one long stretch in Bronxville, N. Y.—but they are still identified with Massachusetts. They have been called by some the "first of the Irish Brahmins" and, by others, "High Irish," meaning the kind that send their sons to prep school and Harvard, their daughters to convent schools and themselves abroad. They expect the vote of every son of Erin, but they are mildly irked to find themselves still being socially stratified as Irish-Americans. "How long do we have to be here before we lose the hyphen?" they want to know. The Kennedys and Fitzgeralds have been native-born for three generations; Great-grandfather Kennedy landed here as far back as 1849. Actually, the Kennedys are more typically American than most Yankee bluebloods in their sense of humor, their competitive drive and their emphasis on health and outdoor exercise.

Senator KENNEDY is a total departure from the traditional concept of an Irish-American politico in his State, a fact which augurs well for whatever political future he might

someday have beyond Massachusetts' borders. KENNEDY not only reads books with hard covers—as many as 6 or 8 a week—he has written one. Back in 1940, after serving as his father's secretary in the London Embassy, he composed, Why England Slept, an analysis of why that country was militarily unprepared for World War II. The 23-year-old author was lauded by the critics for his perception and objectivity, and his book, surprisingly, hit the best-seller lists, though it was in no sense light reading.

Also unlike his Democratic colleagues, KENNEDY has a Harvard accent and wears neither his race nor his religion on his sleeve. He prides himself on his intellectual independence and at the same time tries to be unsentimental about erring "pols." In 1947, for example, he refused to sign a petition asking President Truman for clemency for James Michael Curley, Boston's perennial Democratic candidate, who was then doing 6 to 18 months for mail fraud. Curley was KENNEDY's predecessor as Representative of the 11th district, but KENNEDY felt he could not justify helping him get out of jail when he had turned down similar pleas from nonpolitical convicts. However, all other Democrats—and even some Republicans—in the Massachusetts delegation in Congress signed the petition, and Truman commuted Curley's sentence to the 5 months he had served.

Observers of the Lodge-Kennedy race now admire the manner in which KENNEDY set his strictly lone-wolf course and held resolutely to it, despite criticism of his somewhat amateur, family-style campaign from the pros. KENNEDY never gave up. His exterior nonchalance conceals a terrific will to win. All the Kennedys have great physical courage, and hate to lose. They were brought up to give that old college try, whether competing against Yale, Lodge, or another Kennedy. English girls had been amazed at the fierceness with which Eunice Kennedy had played field hockey at convent schools near London. Joe Kennedy has been known to banish some of the younger Kennedys from the dinner table when he discovered that they had horsed around and lost a sailing race. A Kennedy usually turns into a Captain Bligh the moment he steps into a boat.

Once, on the day of a scheduled race, Joe, Jr., and Jack were disgusted to find that their competitors wanted to cancel the contest just because the weather happened to be wild and stormy. The two Kennedys hopped into their boat and pushed out into the rough water, whereupon Jack jumped off the stern into the waves and Joe, Jr., single-handedly whipped the 21-foot boat about and returned to rescue him. Coming back to shore, the brothers called to their shivering rivals, "See? There's nothing to worry about."

Oddly enough, Jack, who is now being spoken of as the hardest campaigner Massachusetts has ever produced, never wanted to be a politician in the first place. He is not very gregarious. He has always liked to write, and, growing up, he had thought he would become a newspaperman. After being mustered out of the Navy with injuries in 1945, he covered the United Nations charter meeting and the Potsdam Conference for the International News Service. But Joe, Jr., who was more of the rugged extrovert and was groomed to be the politician in the family, had been killed in a volunteer mission over the English Channel, and Jack felt it was up to him to carry on the political tradition in the family. Besides, the war had made him more serious. As Joe Kennedy's son, he was suffering from a sense of security. Public life seemed to offer the largest possibilities for doing something worth while.

Thus he ran for the House in 1946, after winning the primary easily from a field of eight older and more experienced candidates. In the heavily Democratic 11th District, winning the nomination has always insured being elected, and KENNEDY had only token opposition from the Republicans. He did not even bother to campaign to get reelected in 1948 and 1950.

As for wanting to dislodge Lodge, there was a family reason for that. Back in 1916, Grandfather Fitzgerald had tried to unseat Lodge's grandfather, the famous Henry Cabot Lodge the first, and lost by 33,000 votes.

To plant the Kennedy name as solidly as Lodge's, statewide, KENNEDY realized he would have to wage a long and highly personalized campaign. In a sense, he really started campaigning not so long after he entered the House, in January 1947. He instructed his secretaries to make speaking dates only outside his district. Soon he began spending long week-ends in other parts of the State, addressing communion breakfasts, veterans' groups, women's clubs, commencement classes, and others regularly in need of guest speakers. In the 18 months before the election last fall, KENNEDY stepped up this pace and devoted a part of almost every week to roaring from one town to another in a battered old sedan, accompanied by Frank Morrissey, a Boston lawyer, who worked out the split-second schedule, and Robert Morey, who, as chauffeur, made sure that it was met. Morey, an ex-prizefighter, and the stocky Morrissey doubled as bodyguards whenever KENNEDY was in danger of being mobbed by hundreds of smitten high-school or college girls. The three drove from dawn to midnight daily, and by election time had covered all 351 cities and towns in Massachusetts.

On these trips, KENNEDY made a point of dropping in on the local rectories, Protestant as well as Catholic, and on any outstanding member of a local racial or religious group. KENNEDY also tramped up and down the assembly lines of factories, and climbed over fishing boats, in his search for potential votes. Everywhere he doggedly shook hands with everyone in sight. He proved he has no superior in the art of simultaneously grasping a stranger's palm and his first name, and opening up with a wide, warm smile.

In the spring of 1952, KENNEDY hired a high-priced press agent, Ralph Coghlan, former star editorial writer for the St. Louis Post Dispatch. The campaign proper started in June, a full 3 months before candidates in Massachusetts ordinarily clear their throats. By late May the far-flung Kennedys had begun to gather. From Chicago came beautiful Eunice, former executive secretary of the Justice Department's juvenile delinquency section and a social-service worker for the House of the Good Shepherd, who recently married socialite Robert Sargent Shriver, Jr., an assistant manager of the Kennedy enterprises. From Chicago also came the more reserved Jean, who had been working for her father in the Merchandise Mart, and from New York came sophisticated-looking Patricia, whose career is television production work. From Paris, where she was vacationing, came Mrs. Rose Kennedy, a small, svelte brunette with a gay laugh, who could pass for one of her daughters. The late John Boettiger, one-time son-in-law to the late President Roosevelt, exclaimed, upon being introduced to Mrs. Kennedy, "At last, I believe in the stork!"

It was a major test for the blithe and buoyant Kennedy. Joe Kennedy had set up individual million-dollar trusts so his children could choose careers without considering the need to earn money. In an attempt to inject some of his own business efficiency into their living habits, he also converted his New York office into a clearinghouse that could file family memorabilia and plot the up-to-date location of its servants, automobiles, passports, and so on. The Kennedys fly around the country like so many restless birds with alternate nests. Besides the Cape Cod home, there is a luxurious estate at Palm Beach, Fla., plus small apartments or houses available for overnight use the year around in Boston, New York, Chicago, and Washington. Under such conditions, the Kennedys find it hard to track their own itineraries from day to day.

A classic example of this occurred when one Kennedy girl telephoned long distance to the New York nerve center to ask seriously, "Where was I yesterday?" The office force did some research and the answer was relayed back, "You were in Westbury, Long Island." The carefree Kennedy sisters frequently report their personal jewelry as lost, strayed, or stolen. One Kennedy family friend believes he could make an easy living just following the girls around and picking up misplaced jewels valued well into five figures.

However, there was nothing haphazard about the way the Kennedy women pitched in to help brother Jack. First they pounded the pavements to help collect a record total of 262,324 signatures on his nominating petition—though only 2,500 were required by law. Every signer was considered a potential worker. Brother Robert defined the objective as "getting a great many people to do a small amount of work."

The Kennedys organized a statewide network of 286 Kennedy committee secretaries; if possible, the secretary selected for each town or community was in the 28-to-35 age bracket, a political novice, and well respected in his locality as a businessman, lawyer, doctor, undertaker, insurance man, and so on. Some 21,000 regular workers were organized under the secretaries, according to Robert, plus another 30,000 workers "who did something." The secretaries were handed directives which asked them, among other things, to "sell" KENNEDY by having workers make 2 telephone calls to every voting family within 30 days of the election.

Most of the workers were under 35 years old; a great many of them were female; and only a half dozen were paid for their services. A political writer who visited a Kennedy headquarters in Boston reported that KENNEDY's campaign "was in the hands of boys and girls." The vitality at every headquarters was tremendous.

The now-famous Kennedy tea party was a frank play for the women's vote through the Kennedy family charm. In each of 38 towns and other communities, engraved announcements were sent to a list of names that had been screened in advance to make sure all races, religions, political factions, and other blocs were represented. In some locations the tea was held in the most elegant local hotel and became a unique social event, for which many of the housewives outfitted themselves in fresh hairdos and new ensembles. In all, a total of some 60,000 women decided they could not afford to pass up an opportunity to meet the wife of the former ambassador to the Court of St. James', her three lovely daughters and her unmarried son. A few women got so carried away with the graciousness of the Kennedy receiving line that they concluded it by bussing the candidate on the cheek. Later, the guests, who almost always overflowed the ballroom or auditorium, gulped tea and small sandwiches and listened to Mrs. Kennedy and her son give brief, good-humored talks.

Another innovation was the Coffee With the Kennedys television program, which was used twice. Virtually, a captive audience was provided by having each of several thousand Kennedy women workers invite 4 or 5 friends to her home at the appointed hour on a certain morning to sip coffee and watch the show. It was an unrehearsed, homey little affair, in which the Kennedys chattered on a sofa, then invited the viewers to telephone the station—collect—any questions they wanted Jack to answer during the program.

In her first venture into actual politicking, Mrs. Kennedy was a natural. Ad libbing all the way, she turned in one of the great

maternal performances in television annals. One of her most appealing bits of business was displaying and explaining the indexed cards through which she was able to keep track of nine childen's vital statistics across the years—confirmation dates, vaccinations, tonsillectomies, childhood illnesses, and other milestones. Her eloquently moving account of her two sons' adventures in the war is said to have reduced to tears some of Massachusetts' most blasé citizens.

Mrs. Kennedy, who had been made a papal countess by Pope Pius XII for her "exemplary motherhood and many charitable works," also toured the Boston-area wards to address political rallies. Meanwhile, the three sisters were holding house parties and ringing doorbells to spread their brother's name. A Kennedy girl worker would invite a large group of her friends to her home for the house party, which consisted of a description of the candidate by one of his sisters, a movie showing him in action, and harmless refreshments. Eunice, Patricia, and Jean rang doorbells right through the hot summer months and during the fall. Two of them would choose a block known to be Democratic or independent, and work it from both sides of the street simultaneously. With a few dramatic exceptions, they were well received. After all, who but a "black Republican" would slam the door in the face of such wholesome glamour?

On election eve, when the Republicans were trying to save Lodge by whooping it up with Eisenhower in an all-star, televised musical show at the Boston Garden, the three sisters were operating in the Boston subway stations. Once, when Eunice buttonholed a subway rider and introduced herself as the candidate's sister, the skeptical stranger jerked his thumb toward his girl friend and barked, "Oh, yeah? Well, meet Margaret Truman."

There were no real issues splitting KENNEDY and Lodge. KENNEDY's slogan was: "KENNEDY will do more for Massachusetts." Lodge's writers went into a huddle and then countered with: "Lodge has done—and will do—the most for Massachusetts." Besides the fact that both were for Massachusetts, their voting records were not strikingly different, though KENNEDY's veered more to the left. KENNEDY's congressional bailiwick is a have-not district that includes 35 nationalities, taking in the north and west ends of Boston, East Boston, Charlestown, all of Cambridge and parts of Brighton and Somerville. He had voted accordingly on such issues as labor, housing, minimum wage, immigration, social security, and Federal controls. The CIO News box score shows that KENNEDY, in 57 votes on issues affecting the workingman, went "wrong"—in the CIO's view—just twice during his 6 years in the House.

KENNEDY, however, is almost recklessly forthright and free-wheeling in his public as well as private remarks on issues, and he resists any effort to tag him with an ideological label. He is annoyed by letters which chide him for not being a "true liberal."

"I'd be very happy to tell them I'm not a liberal at all," he said recently. "I never joined the Americans for Democratic Action or the American Veterans' Committee. I'm not comfortable with those people.

One critic accused KENNEDY of being a practitioner of popularism—in a willingness to give the people what they want in specific situations, while shunning the generalities of a liberal ideology. KENNEDY readily acknowledges that this may be the case. In any event, his political philosophy is still developing. Meanwhile, he disagrees amiably on most major issues with his father, who stands politically a little to the right of Senator TAFT, and expects his son to grow more conservative with the years.

In the House, KENNEDY had joined the Republicans frequently in voting to cut the nonmilitary budget, but he supported the main lines of the United States postwar policy in Europe. He has made a hobby of foreign affairs since he saw Europe from the keyhole of the London Embassy. His extensive travels abroad have greatly influenced his thinking, resulting in some criticism of the Democratic State Department for its China policies and for not requiring our North Atlantic Treaty allies to pull their weight. He prefers to travel alone, at his own expense, having found that he can learn more about a country that way than if he is officially escorted. He was the first Congressman to visit Indochina after the war started there.

KENNEDY made no great record in the House as an effective legislator. He was away most of the time, traveling abroad, campaigning for the Senate in Massachusetts or flat on his back with recurrences of the malaria he picked up in the Pacific.

The Kennedy-Lodge campaign finally came down to a question of who had the less embarrassing absentee record. KENNEDY waited for Lodge to charge that he had been absent and unrecorded on 179 out of 604 roll-call votes in the House; then he charged Lodge with being away on 45 out of 46 votes on economic controls questions in 1951 and 1952.

The biggest laugh of the campaign was over a begging letter from a Kennedy committee which started out: "Believe it or not, JACK KENNEDY needs money—" No one had any doubt that the Kennedy campaign was adequately financed. The six Kennedy committees reported to the State a total expenditure of $349,646, a new high for on-the-record spending by committees other than the Democratic and Republican State committees.

KENNEDY's father, mother, 2 brothers and 3 sisters contributed $5,000 each to the Kennedy committees, according to the official report, while the candidate kicked in $15,866 of his personal funds. (Under Federal law, a candidate for the United States Senate may spend up to $20,000 in a campaign, but there is no limit fixed for spending by political committees in his behalf, and no limit to the number of committees.) The Kennedys had the right kind of friends. Thirty-five of them were listed as contributors of $4,000 or more each.

In September Lodge had said publicly he was disturbed by reports that he was in a "battle to buy the senatorship." But Lodge was not running his campaign on a shoestring, either. Lodge also was taking up television time and billboard space. But there was no official breakdown on how much the Republicans spent on him. The Republican State committee reported that it spent a total of $1,058,501 on Lodge and all other GOP candidates, thus smashing its own previous spending record.

KENNEDY maintains that he would have been unable to compete with Lodge without his family bank roll. The prevailing opinion in Massachusetts, however, is that the money spent by and on KENNEDY was only one of several essential factors in his uphill victory. One factor is that KENNEDY himself turned the tide early by shrewdly getting a long jump on Lodge, who was busy campaigning in other places for Eisenhower's nomination during the first 6 months of 1952 and did not start his own campaign until mid-September. Lodge also could do nothing about KENNEDY and his handsome family's appeal to women, young people, and the Catholic Democrats, who, for some reason, had traditionally gone for Lodge. Yet another factor was the bloc of diehard Taft Republicans whom Lodge had alienated by fighting for Eisenhower's nomination. But it seems more probable that what KENNEDY did primarily was to hold the Democrats, who normally have the numerical edge in a presidential race in Massachusetts, in the face of the Eisenhower landslide.

In the Senate KENNEDY has settled down to work closely with a loosely organized group of northern and western Democrats who hope to establish a constructive minority record that will swing the masses of people away from the Republicans in 1954 or 1956. He is working harder than he ever did in the House.

Significantly, as a member of the Government Operations Committee under the chairmanship of Senator MCCARTHY, he has shied away from MCCARTHY's controversial investigating subcommittee. KENNEDY chose Senator MARGARET CHASE SMITH's relatively cloistered Subcommittee on Government Reorganization, which does not deal in personal reputations.

He also has made one innovation in the internal appearance of the Senate Office Building. He is the only Senator who customarily keeps wide open the outer as well as the inner doors of his office. Meeting the people is what put him in that office and he does not intend to hide out now.

ORDER FOR RECESS TO MONDAY

Mr. KNOWLAND. Mr. President, I ask unanimous consent that when the Senate concludes its business this evening, it stand in recess until 12 o'clock noon on Monday next.

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

ORDER AUTHORIZING COMMITTEE REPORTS, SIGNING OF ENROLLED BILLS, AND RECEIVING EXECUTIVE NOMINATIONS

Mr. KNOWLAND. Mr. President, I ask unanimous consent that during the recess of the Senate following today's session, committees may be authorized to submit reports, that the Vice President be authorized to sign enrolled bills and joint resolutions, and that the Secretary of the Senate be authorized to receive executive nominations.

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

FOREIGN TRADE AUTHORITY—FAIR TRADE NOT "FREE TRADE" WITH FOREIGN NATIONS BASIS OF FAIR AND REASONABLE COMPETITION

Mr. MALONE. Mr. President, I intend to introduce for the consideration of the Senate, and I may offer it later as a substitute for the proposed extension of the 1934 Trade Agreements Act, a bill similar to the one I submitted 2 years ago, the flexible import fee bill, to be administered by a foreign trade authority.

REESTABLISH CONSTITUTIONAL RESPONSIBILITY OF CONGRESS

The bill would regain for Congress its constitutional responsibility to regulate the foreign trade of the United States and to adjust the duties, imposts, and excises commonly known as tariffs or import fees.

CATCH PHRASES TO SELL AN IDEA

At this time I do not wish to undertake a detailed discussion of the bill or of the trade-agreements law, which was enacted in 1934, and which did not contain the words "reciprocal trade." That was a catch phrase invented by the "economic one worlders" to sell free trade to the American people. A similar slogan "trade, not aid," was more recently invented by that great, versatile operator,

the Chancellor of the Exchequer of Great Britain, Mr. Butler, to sell the United States and the people of the United States the theory that the more of their trade they gave away, the more trade they would have.

THE KEYNES THEORY

In passing, I might say that a few years ago, under another administration, the theory was sold to the people of the United States by Lord Keynes of England, or at least the people were cowed to the point where they went along with the idea, that the more the United States could get itself in debt, or the more it owed, the richer it would be. As a result, we now have a debt of $270 billion.

THE PRESIDENT, AN AGENT OF CONGRESS

However, Congress has thus far retained the ability to determine that it can regulate import duties and excise taxes, as the Constitution says it must do.

For 20 years Congress has continually kept that authority in the executive, in effect making the President of the United States the agent of Congress.

Most people doubt the constitutionality of such action, but the question has never been decided by the courts.

POINTS FOR CONSIDERATION

I wish to state a few points for the consideration of the Senate between now and the time the Senate begins consideration of the extension of the Trade Agreements Act of 1934.

ORGANIZED CAMPAIGN

During the past several weeks I have been increasingly concerned about what appears to be a persistent and well-organized campaign by certain influential newspapers, columnists, and editorial writers to intimidate individual Senators, and the Senate as a whole, in an effort to prevent us from playing our proper constitutional role in the field of foreign affairs.

SENATE ACCUSED OF USURPING AUTHORITY

Every time a Senator takes any action or makes any remark that is critical of the foreign policy these journalists advocate, the Senate is accused of usurping the constitutional prerogatives of the President and of the Department of State.

Every time the President or the Department of State makes a change in the policy or administration of foreign affairs, along lines advocated by the Senate or by individual Members, the President and the Secretary of State are accused of abdicating their constitutional responsibilities.

CONSTITUTIONAL RESPONSIBILITY

Under the Constitution, the Senate in particular and Congress as a whole have very definite and extremely important responsibilities in the field of foreign affairs. It is not my purpose to engage in a constitutional debate at this time as to what our specific responsibilities are. However, I earnestly hope that such a debate will materialize in the Senate before this session is adjourned. I believe such a debate, for a clarification of the issues, is an essential service that must be rendered to the public, which is being subjected to a constant barrage of distorted propaganda.

THE CONGRESS TO REGULATE FOREIGN COMMERCE

I wish to mention one very clear field of responsibility which the Constitution has specifically assigned to Congress in the field of foreign affairs, namely, the fixing of customs duties and the regulating of foreign commerce. Section 8 of the Constitution makes that point very clear.

EXECUTIVE USURPATION OF CONGRESSIONAL RESPONSIBILITY

I submit that the only abdication from constitutional responsibility in the field of foreign affairs has been by Congress in surrendering to the Executive the authority to fix customs duties and to regulate foreign trade. The only usurpation of prerogatives has been the continuing invasion by the Executive of the clearly assigned obligations of Congress in this field.

I might say, in passing, that that is the fault of Congress itself.

A STRONG-MINDED EXECUTIVE

In 1934 a strong-minded Executive prevailed upon a weak Congress to transfer to the President authority to fix duties, imposts, and excises, and to regulate foreign commerce.

THE PRESIDENT AN AGENT OF CONGRESS

In other words, it was an attempt to make the President an agent of Congress in carrying such regulations. Of course, any such attempt is preposterous on its face, but since the matter has never been questioned in the Supreme Court of the United States, Congress for 20 years has abided by such an arrangement.

RESTORE TO CONGRESS CONSTITUTIONAL RESPONSIBILITY

The most important clause in the substitute measure that I am introducing would restore to Congress its responsibility to regulate customs fees and foreign commerce, as provided by the Constitution. It does not give the President authority to regulate foreign commerce; it charges Congress with the constitutional responsibility of regulating foreign commerce.

The Foreign Trade Authority, which would be set up under this bill to succeed the present United States Tariff Commission, would report directly to Congress, and Congress, not the President or the State Department, would have the sole right to veto actions taken by the Foreign Trade Authority in revising tariff schedules.

FAIR TRADE—NOT FREE TRADE

The Foreign Trade Authority would supersede the Tariff Commission with the necessary latitude to continually adjust the flexible duties or tariffs on this basis of fair and reasonable competition. To establish fair trade not "free trade" with foreign nations.

I could cite volumes of data to support my contention that the tariff policies which our Government has pursued during the past 20 years could lead us to disaster.

NAMED "RECIPROCAL TRADE" TO DECEIVE THE PEOPLE

When the proposed extension of the 1934 Trade Agreements Act, named the Reciprocal Trade Agreements Act for the very purpose of deceiving the American people, including the workers and investors of the Nation, just the same as the slogan "trade, not aid," was invented for the same purpose.

A CONSPIRACY TO DESTROY THE WORKERS

Free trade and billions to foreign nations is a conspiracy to destroy the workingmen and small business of America.

I intend at a future time to cite many examples to support that statement. At this time, however, I shall be content with citing a single example, which I think is illustrative, and which has recently received widespread publicity.

"BUY AMERICAN" SUBSTITUTE FOR TARIFF

Unfortunately the public thus far has heard only one side of the case. Senators will recall the tremendous outburst of indignation from the advocates of "free trade" and one economic world when the Secretary of Defense invoked the "buy American" clause and rejected the low bid submitted by a British company for generating equipment for the Chief Joseph Dam, to be installed by the Army engineers.

The Secretary invoked the "buy American" clause since there was virtually no other protection to the workingmen and investors in that industry.

The Washington Post and other influential journals ran weekly editorials denouncing the administration for what they termed betrayal of our allies.

THE MORE MARKETS WE GIVE AWAY THE MORE WE HAVE

At this time I should like to read into the RECORD an article which appeared in yesterday's Journal of Commerce, which I believe illustrates why this body must carefully review our tariff policies in the regulation of foreign trade. In the Constitution of the United States our tariffs are called duties, imposts, and excises. We must also carefully review the widely ballyhooed program to greatly increase the flow of foreign goods into this market.

The Journal of Commerce of New York, on Wednesday, June 17, 1953, carried an article with a Pittsburgh dateline, from the Associated Press. The headline is "Foreign Bidders Called Job Threat." The subhead is "Westinghouse Reports Millions Lost to Firm by Federal Awards."

The article reads in part:

A Westinghouse Electric Corp. official told 8,000 employees at a mass meeting today that awarding of Government contracts to foreign firms is endangering the jobs of American workers.

John K. Hodnette, vice president in charge of the company's industrial products division, said foreign competitors often are able to underbid United States firms because of cheap labor.

REPORTS HEAVY LOSSES

Speaking at the unveiling of a giant new manufacturing building at Westinghouse's East Pittsburgh plant, Mr. Hodnette said the plant alone since January 1, 1952, "has lost more than $7 million worth of business and about a million man-hours of work" by factory employees on Government contracts given to foreign companies. On this business, he declared, the "United States Government has lost more than $1.8 million in taxes."

One million man-hours of work have been lost.

THE PUBLIC PUNCH DRUNK WITH FIGURES

The situation is becoming such that $7 million, $7 billion, or $7 thousand means very little to Congress. I am afraid the public has been beaten down to a condition in which it hardly recognizes the difference when these figures are mouthed by Members of Congress. They are punch drunk. But I think the people can still understand the meaning of 1 million man-hours of work.

MAN-HOURS OF WORK—TAXES

One million man-hours of work was lost by factory employees on Government contracts given to foreign countries.

"On this business," he declared, "the United States Government has lost more than $1.8 million in taxes."

That is an item which perhaps very few pay much attention to, because of the fact that we get our taxes elsewhere—through taxation of individuals, and through wartime taxes. The 11 percent emergency taxes are still in effect, as is the excess-profits tax; the Congress is considering extending it. There are all kinds of taxes, including up to 25 percent taxes on telephones, telegraph, transportation, women's handbags, and many other so-called emergency taxes which are still in existence. So we pay little attention to a loss of $1,800,000 in taxes resulting from awarding to the sweatshop labor of Europe a job which should go to American workers.

In passing I might say I am opposed to the extension of the excess-profits tax—I have introduced a bill to repeal the wartime taxes on communications, transportation, entertainment, women's handbags, and other necessities—and a bill to abolish individual emergency income taxes up to 11 percent.

I continue to quote from the article in the Journal of Commerce.

All told during that period, Mr. Hodnette said, the Government "has let 24 contracts for electrical equipment to foreign companies — contracts worth more than $13.5 million, representing 1.7 million hours of factory work lost to United States labor and worth $3.5 million in lost taxes," he added:

The equipment where foreign competition gives us a rough time is practically handmade, which means that wages usually make up half of our cost.

Mr. President, I am quoting from the statement of Mr. Hodnette, vice president of Westinghouse, to his 8,000 employees. This is not a political speech by Mr. Hodnette. He is trying to keep work for his men.

I continue to quote:

The average earned hourly rate in manufacturing in the United States is about $1.74. The average earnings of a Westinghouse worker are $2.10 an hour with the East Pittsburgh average even higher than that. Compare these rates: Switzerland 53 cents, England 43 cents, France 41 cents, Italy 31 cents.

FOREIGN WAGES ONE-SEVENTH TO ONE-TENTH

Those wages represent from one-seventh to one-tenth of our wages. A million man-hours of work lost. Understand, Mr. President, this refers to only one company in the United States. Thousands of companies are in trouble today because of this same policy which has been continued for 20 years. There has been emergency after emergency for 20 years, and we are still in a state of emergency. In certain cases in which industries would have been noticeably hurt, subsidies have been paid to keep them quiet.

Mr. President, we are like a man on a prolonged drunk. We are afraid to face the headache. He keeps it up until his bank cuts off the payment of his checks and his friends desert him. We are headed in that direction. We must face the condition.

If we are not willing to do so ourselves, when the result catches up with us there will be no avoiding it.

I continue to read from the article in the Journal of Commerce:

Mr. Hodnette told employees to write their Congressman and urge that something be done about foreign competition. He said:

"Our job is to tell Congress what is happening in the electrical industry and it's their job to do something about it. But nothing's going to be done if we don't tell them first."

WRITE YOUR CONGRESSMAN

I agree with that statement. I agree with Mr. Hodnette that not only should his employees write their Senators and Representatives, but every worker in the United States should do so.

METHODS OF PRODUCTION OFFER LITTLE

In that connection I wish to quote from the Monthly Digest of Business Condition and Probabilities, published by Stevenson, Jordan, and Harrison, Inc., management engineers. In their pamphlet for May 1953, they say:

As to many products which account for large-scale employment in this country, methods of production of similar products in foreign countries differ little from our methods and are equally efficient. The cost of raw materials used and the efficiency of workers may be about the same.

COST DIFFERENCES DUE TO WAGES PAID

The cost differences are due mainly to differences in wages paid. As is well known, rates of pay and living standards in the United States are considerably higher than are those of any other country.

Hourly earnings in various foreign countries as a percent of those in the United States in 1950, published in the February 1951 Monthly Labor Review of the United States Department of Labor, were as follows:

	Percent
Canada	65
Czechoslovakia, Denmark, Finland, Norway, Sweden, Switzerland, Great Britain	25 to 37
France, Germany, Hungary, Ireland	19 to 24
Austria, Netherlands	13 to 18

Rates of pay were even lower in Italy and in Japan and other Asiatic countries. A McGraw-Hill publication, How Factory Workers Live Around the World (July 1947) gave the following straight-time hourly rates of pay in April 1947 of screw-machine operators, converted to the exchange rate of American money at that time: Italy, 15 cents; China, 9 cents; India, 11 cents; the United States, $1.45.

From wage data published in the Statistical Supplement of the International Labor Review of July 1952, converted to dollar value at current rates of exchange, it appears that in October 1951 male textile spinners earned per hour on an average in Belgium 42 cents, in West Germany 25 cents, in England 40 cents, in Holland 24 cents, in Sweden 57 cents, in the United States $1.30.

The people who think we can compete on such a basis say "Oh, with our methods of manufacturing and our machinery we can produce faster than they can with the same hours of work." Mr. President, those people are just 15 or 20 years behind the times.

MACHINERY AVAILABLE TO FOREIGN COUNTRIES

Not only is the up-to-the-minute machinery available to the people in Europe, but we paid for the machinery in the last 10 or 15 years, or a good part of it, so they can compete with American manufacturers and in the sale of the goods.

Of course, it is a well-known fact that the European countries are approximately 160 percent recovered over prewar. They sell their goods to the iron curtain countries and to Russia, and are now pounding at our door with the slogan, "Trade, not aid."

TRADE AND AID

What they really mean is trade and aid, as I have learned since I looked at the budget.

I quote further:

In the same period machinists were earning the equivalent of 28 cents an hour in Holland, 32 cents in Germany, 43 cents in Belgium, 86 cents in Sweden, and in the United States from $1.60 to $2.

REQUIRED READING FOR "ONE ECONOMIC WORLDERS"

I should like to quote one more paragraph from this very enlightening pamphlet, and I would recommend it as required reading for people who think we have better methods available to us in this country for manufacturing than do the people in European countries.

CAPITAL COSTS—COMPARISON

Cola G. Parker, president of Kimberly-Clark Corp., manufacturers of writing paper, is quoted in the Digest as saying:

The comparison of capital costs is equally disadvantageous to the American industry. Capital costs in Europe are less than half what they are here. Before the war, a typical paper machine cost in Norway or Sweden $350,000 to $400,000. The same machine cost here $1 million. Today, the discrepancy is even greater.

It is the same machine, Mr. President. Mr. Parker further said:

If tariffs on finished paper are eliminated, it is probable that there will be an immediate movement toward building new paper mills outside of the United States to make use of the pulp now exported.

We will then import the paper instead of the pulp (with resultant loss of many jobs). In the meantime, some 300 mills in this country will have to go out of business, unless they can develop their own pulp supply.

THE HODNETTE ARTICLE

Mr. President, I would like to interpolate the figures quoted in the Hodnette article. Mr. Hodnette estimates that the $7 million worth of business his firm lost to foreign competitors represented a million man-hours of labor. I am told by other sources in industry that this million-hours estimate is extremely conservative.

Nevertheless using this estimate, we can see it would cost the Westinghouse Corp. $2,100,000 for labor. It would have cost a Swiss company $530,000 for labor. The British company could purchase a million hours of labor for $430,000.

THE WORKERS SUFFER

That is the saving which the columnists and the people who want "free trade" and are in favor of "one economic world" are clamoring to effect at the expense of the workers of the United States.

DIFFERENCE IN LABOR COSTS

Mr. President, I think most of us here, at one time or another, have had some intimate personal contact with the forces of competition.

Are there any of us here who believes he could remain in this type of business very long if he were subjected to that kind of competition?

Of course, it is true that our great mass-production industries have developed production and merchandising techniques which enable them to pay wages many times those paid by their foreign competitors and still quote lower prices.

However, Mr. President, I would like to call to your attention the fact that some of our most vital industries do not respond to mass-production methods. The electrical-engineering industry, the specialized machine tool industry, the heavy-machinery industry, for the most part turn out tailormade products. The labor factor in these industries represents anywhere from 50 to 95 percent of the manufactured cost.

GOVERNMENT SHIPS PATENTS ABROAD

I should like to point out also that all of these industries have been under continued pressure, frequently outright coercion, by our Government to make their designs and patents and manufacturing know-how available to their foreign competitors. That has been a new development over the past 20 years.

They have even been pressured into sending their executives and engineers abroad to train executives and workers in American manufacturing methods.

At this point I should like to say that the fine advice, which Congress has financed, is unnecessary.

FOREIGN NATIONS TURN HONEST

All that these countries need to do is to turn honest and protect the integrity of the private investments. There will be no drought of capital to build industrial plants.

BUILD PLANTS WITHOUT MARKET

Instead, what do we do? We furnish the money to build a plant where there is no market, and use the money of the taxpayers of the United States to the point where the total runs up to nearly $80 billion in 1 year.

GET-RICH-QUICK METHOD

The get-rich-quick promotion in the mining business, a promoter in New York or some other place far from the mining fields, would finance a mill to be built in the desert or mountain area.

For that purpose he would obtain perhaps $100,000 or maybe $1 million. The mill would be built first. Then he would start looking for a mine. In the early days the mountain and the desert country was dotted with mills built in that manner, which lay dormant until a mine was located somewhere within the distance that the mill could be moved. Then the mill would be wrecked for junk, and would be hauled to the new location, and set up and operated there. That is exactly what would have to be done, as I pointed out on the floor of the Senate in 1948.

ARM RUSSIA AND BREAK OUR MARKETS

If more materials than the European market could absorb were produced, they would have to be sold to Russia or the Iron Curtain countries. The result would be to arm Russia, to break down the American standard of living, as a result of an avalanche into the United States of the products of sweatshop labor—or both.

At this time we are facing just that situation. I have predicted it there on the floor of the Senate.

Mr. President, I now ask unanimous consent to introduce, out of order, for appropriate reference, a bill to amend the Tariff Act of 1930, and for other purposes. The bill would create a foreign-trade authority to regulate foreign trade and to adjust the duties or tariffs on a basis of fair and reasonable competition—to establish fair trade with foreign nations.

I also ask unanimous consent that the bill be printed at this point in the RECORD, as a part of my remarks.

There being no objection, the bill (S. 2164) to amend the Tariff Act of 1930, and for other purposes, introduced by Mr. MALONE, was received, read twice by its title, referred to the Committee on Finance, and ordered to be printed in the RECORD, as follows:

Be it enacted, etc.—

DECLARATION OF POLICY

SECTION 1. It is declared to be the policy of the Congress—

(a) to facilitate and encourage the importation into the United States of foreign goods and products in quantities sufficient to supply the needs of the United States economy;

(b) to foster and provide for the export of the products of American industry and agriculture in quantities sufficient to pay for the needed imports;

(c) to develop and promote a well-balanced, integrated, and diversified production within the United States so as to maintain a sound and prosperous national economy and a high level of wages and employment in industry and agriculture;

(d) to provide necessary flexibility of import duties thereby making possible appropriate adjustments in response to changing economic conditions;

(e) to assure the accomplishment of these objectives by returning to and maintaining hereafter in the United States the control over American import duties now subject to international agreements.

RESTATEMENT OF EXISTING IMPORT DUTIES

SEC. 2. Title I, paragraphs 1 to 1559, inclusive, of the Tariff Act of 1930 are hereby amended by repealing the classifications and rates therein contained and substituting therefor the classifications and rates obtaining and in effect on June 12, 1953, by reason of proclamations of the President under section 350 of the Tariff Act of 1930 or otherwise.

FORMATION OF FOREIGN TRADE AUTHORITY

SEC. 3. Title III, part II, section 330, of the Tariff Act of 1930 is hereby amended to read as follows:

"SEC. 330. Organization of the Foreign Trade Authority.

"(a) Membership: The United States Tariff Commission shall be reorganized and reconstituted as the Foreign Trade Authority (hereinafter referred to as the 'Authority') to be composed of 6 directors to be hereafter appointed by the President by and with the advice and consent of the Senate. The original directors of the Authority shall be the same persons now serving as Commissioners of the United States Tariff Commission, each such person to serve as a director of the Authority until the date when his term of office as a Commissioner of the United States Tariff Commission would have expired. Thereafter the term of office of any successor to any such director shall expire 6 years from the date of the expiration of the term for which his predecessor was appointed except that a director appointed to fill a vacancy occurring for any reason other than the expiration of a term as herein provided shall be appointed only for the remainder of the term which his predecessor would otherwise have served. Directors shall be eligible for appointment to succeed themselves if otherwise qualified therefor. No person shall be eligible for appointment as a director unless he is a citizen of the United States, and, in the judgment of the President, is possessed of qualifications requisite for developing expert knowledge of tariff problems and efficiency in administering the provisions of this act. Not more than three of the directors shall be members of the same political party, and in making appointments members of different political parties shall be appointed alternately as nearly as may be practicable.

"(c) Chairman, Vice Chairman, and salary: The President shall annually designate one of the directors as Chairman and one as Vice Chairman of the Authority. The Vice Chairman shall act as Chairman in case of absence or disability of the Chairman. A majority of the directors in office shall constitute a quorum, but the Authority may function notwithstanding vacancies. Each director shall receive a salary of $15,000 a year. No director shall actively engage in any business, vocation, or employment other than that of serving as a director."

APPOINTMENT OF SECRETARY

SEC. 4, title III, part II, section 331 (a), of the Tariff Act of 1930 is hereby amended to read as follows:

"(a) Personnel: The Authority shall appoint a secretary who shall receive compensation in accordance with the Classification Act of 1949, and the Authority is hereby empowered to employ and, in accordance with the Classification Act of 1949, fix the compensations of such special experts, examiners, clerks, and other employees of the Authority as it may find necessary for the proper performance of its duties."

ADMINISTRATION OF TRADE AGREEMENTS

Section 5. Title III, part II, of the Tariff Act of 1930 is amended by adding at the end of section 331 the following new section:

"SEC. 331A. Administration of trade agreements

"(a) All powers vested in, delegated to, or otherwise properly exercisable by the President or any other officer or agency of the United States in respect to the foreign trade agreements entered into pursuant to section 350 of the Tariff Act of 1930 are hereby transferred to, and shall be exercisable by the Authority, including, but not limited to, the right to invoke the various escape clauses, reservations, and options therein contained, and to exercise on behalf of the United States any rights or privileges therein provided for the protection of the interests of the United States.

"(b) The Authority is hereby authorized and directed—

"(1) to terminate as of the next earliest date therein provided, and in accordance with the terms thereof, all the foreign trade agreements entered into by the United States pursuant to section 350 of the Tariff Act of 1930;

"(2) to prescribe, upon termination of any foreign trade agreement, that the import duties established therein shall remain the same as existed prior to such termination, and such import duties shall not thereafter be increased or reduced except in accordance with the Tariff Act of 1930, as amended by this act."

PERIODIC ADJUSTMENT OF IMPORT DUTIES

SEC. 6. Title III, part II, section 336, of the Tariff Act of 1930 is hereby amended to read as follows:

"SEC. 336. Periodic adjustment of import duties

"(a) The Authority is authorized and directed from time to time, and subject to the limitations hereinafter provided, to prescribe and establish import duties which will within equitable limits, provide for fair and reasonable competition between domestic articles and like or similar foreign articles in the principal market or markets of the United States. A foreign article shall be considered as providing fair and reasonable competition to United States producers of a like or similar article if the Authority finds as a fact that the landed duty paid price of the foreign article in the principal market or markets in the United States is a fair price, including a reasonable profit to the importers, and is not substantially below the price, including a reasonable profit for the domestic producers, at which the like or similar domestic article can be offered to consumers of the same class by the domestic industry in the principal market or markets in the United States.

"(b) In determining whether the landed duty paid price of a foreign article, including a fair profit for the importers, is, and may continue to be, a fair price under subdivision (a) of this section, the Authority shall take into consideration, insofar as it finds it practicable—

"(1) The lowest, highest, average, and median landed duty paid price of the article from foreign countries offering substantial competition;

"(2) Any change that may occur or may reasonably be expected in the exchange rates of foreign countries either by reason of devaluation or because of a serious unbalance of international payments;

"(3) The policy of foreign countries designed substantially to increase exports to the United States by selling at unreasonably low and uneconomic prices to secure additional dollar credits;

"(4) Increases or decreases of domestic production and of imports on the basis of both unit volume of articles produced and articles imported, and the respective percentages of each;

"(5) The actual and potential future ratio of volume and value of imports to volume and value of production, respectively;

"(6) The probable extent and duration of changes in production costs and practices;

"(7) The degree to which normal cost relationships may be affected by grants, subsidies (effected through multiple rates of export exchange, or otherwise), excises, export taxes, or other taxes, or otherwise, in the country of origin; and any other factors either in the United States or in other countries which appear likely to affect production costs and competitive relationships.

"(c) Decreases or increases in import duties designed to provide for fair and reasonable competition between foreign and domestic articles may be made by the Authority either upon its own motion or upon application of any person or group showing adequate and proper interest in the import duties in question: *Provided, however,* That no change in any import duty shall be ordered by the Authority until after it shall have first conducted a full investigation and presented tentative proposals followed by a public hearing at which interested parties have an opportunity to be heard.

"(d) The authority, in setting import duties so as to establish fair and reasonable competition as herein provided, may, in order to effectuate the purposes of this act, prescribe specific duties or ad valorem rates of duty upon the foreign value or export value as defined in sections 402 (c) and 402 (d) of the Tariff Act of 1930 or upon the United States value as defined in section 402 (e) of said act.

"(e) In order to carry out the purposes of this act, the Authority is authorized to transfer any article from the dutiable list to the free list, or from the free list to the dutiable list.

"(f) Any increase or decrease in import duties ordered by the Authority shall become effective 90 days after such order is announced: *Provided,* That any such order is first submitted to Congress by the Authority and is not disapproved, in whole or in part, by concurrent resolution of Congress within 60 days thereafter.

"(g) No order shall be announced by the Authority under this section which increases existing import duties on foreign articles if the Authority finds as a fact that the domestic industry operates, or the domestic article is produced, in a wasteful, inefficient, or extravagant manner.

"(h) The Authority, in the manner provided for in subdivisions (c) and (f) in this section, may impose quantitative limits on the importation of any foreign article, in such amounts, and for such periods, as it finds necessary in order to effectuate the purposes of this act: *Provided, however,* That no such quantitative limit shall be imposed contrary to the provisions of any foreign trade agreement in effect pursuant to section 350 of the Tariff Act of 1930.

"(i) For the purpose of this section—

"(1) the term 'domestic article' means an article wholly or in part the growth or product of the United States; and the term 'foreign article' means an article wholly or in part the growth or product of a foreign country;

"(2) the term 'United States' includes the several States and Territories and the District of Columbia;

"(3) the term 'foreign country' means any empire, country, dominion, colony, or protectorate, or any subdivision or subdivisions thereof (other than the United States and its possessions);

"(4) the term 'landed duty paid price' means the price of any foreign article after payment of the applicable customs or import duties and other necessary charges, as represented by the acquisition cost to an importing consumer, dealer, retailer, or manufacturer, or the offering price to a consumer, dealer, retailer, or manufacturer, if imported by an agent.

"(j) The Authority is authorized to make all needful rules and regulations for carrying out its functions under the provisions of this section.

"(k) The Secretary of the Treasury is authorized to make such rules and regulations as he may deem necessary for the entry and declaration of foreign articles with respect to which a change in basis of value has been made under the provisions of subdivision (d) of this section, and for the form of invoice required at time of entry."

AMENDMENT OF SECTION 337

SEC. 7. Title III, part II, section 337, of the Tariff Act of 1930 is hereby amended as follows:

(a) Subdivision (a) thereof by striking out the word "President" and substituting therefor the word "Authority".

(b) Subdivision (b) thereof is hereby repealed.

(c) Subdivision (d) thereof is hereby repealed.

(d) Subdivision (e) thereof is hereby amended to read as follows:

"(e) Exclusion of articles from entry: Whenever the existence of any such unfair method or act shall be established to the satisfaction of the Authority, it shall direct that the articles concerned in such unfair methods or acts, imported by any person violating the provisions of this act, shall be excluded from entry into the United States, and upon information of such action by the Authority, the Secretary of the Treasury shall, through the proper officers, refuse such entry."

(e) Subdivision (f) thereof is hereby amended to read as follows:

"(f) Entry under bond: Whenever the Authority has reason to believe that any article is offered or sought to be offered for entry into the United States in violation of this section, but has not information sufficient to satisfy it thereof, the Secretary of the Treasury shall, upon its request in writing, forbid entry thereof until such investigation as the Authority may deem necessay shall be completed; except that such articles shall be entitled to entry under bond prescribed by the Secretary of the Treasury."

(f) Subdivision (g) thereof is hereby amended to read as follows:

"(g) Continuance of exclusion: Any refusal of entry under this section shall continue in effect until the Authority shall find and advise the Secretary of the Treasury that the conditions which led to such refusal of entry no longer exist."

CONTINUANCE OF PERSONNEL, FUNDS, ACTIONS, AND SO FORTH

SEC. 8. Section 339 of the Tariff Act of 1930 is hereby amended to read as follows:

"SEC. 339. Effect of enactment.

"(a) All personnel, property, records, balance of appropriations, allocations, and other funds available (or to be made available) to the United States Tariff Commission shall be transferred to the Authority for use in connection with the exercise of its functions; and such transfer shall not operate to change the status of the officers and employees transferred from the Commission to the Authority. No investigation or other proceedings pending before the Commission at such time shall abate by reason of such transfer but shall continue under the provisions of this act.

"(b) Wherever in the Tariff Act of 1930, or in any other law, the terms 'United States Tariff Commission' or 'Commission' occur, such terms shall be construed to mean the 'Foreign Trade Authority' and the 'Authority', respectively."

REAPPLICATION OF SECTION 516 (O)

SEC. 9. Section 17, subsection (c), of the act of June 25, 1938, chapter 679, is hereby repealed.

STATISTICAL ENUMERATION

SEC. 10. Title IV, part III, section 434 (e), of the Tariff Act of 1930 is hereby amended to read as follows:

"(e) Statistical enumeration: The Chairman of the Foreign Trade Authority is authorized and directed to establish from time to time, after consultation with the Secretary of the Treasury and the Secretary of Commerce, a statistical enumeration of imported articles in such detail as he may consider necessary and desirable to effectuate the purposes of this act. As a part of each entry there shall be attached thereto or included therein an accurate statement giving details required for such statistical enumeration. The Secretary of Commerce is hereby authorized and directed to make such reasonable and proper digests from, and compilations of, such statistical data as the Chairman requests. In the event of a disagreement between the Chairman and the Secretary of Commerce, as to the reasonable

and proper nature of any request the matter shall be referred to the President whose decision shall be final."

REVISED TEXT OF TARIFF ACT

SEC. 11. The Authority, as soon as practicable, shall prepare and cause to be printed as a public document available for public distribution a complete revised text of the Tariff Act of 1930 as amended.

EFFECTIVE DATE

SEC. 12. This act shall take effect as of June 12, 1953.

ESTABLISH FAIR TRADE—NOT "FREE TRADE"

Mr. MALONE. Mr. President, the purpose of this bill is to establish fair trade, not free trade, with foreign countries. Fair trade should be the objective in our dealings with the other nations of the world. We should establish a fair trade basis for our labor and our investors.

DOMESTIC WOOL PRODUCTION

In that connection, I wish to read from a guest editorial which was published in the Denver Post of June 10, 1953. The editorial was written by Brett Gray. It reads in part as follows:

SHEEPMEN OBJECT TO DANGER OF "TRADE, NOT AID"

(By Brett Gray)

For some months it has been virtually impossible to pick up any large newspaper or a publication of national scope without seeing articles promoting an old theory under a new name. It matters not if we call it "trade, nor aid," "free trade," or "reciprocal trade," the theory takes a vicious bite out of the taxpayers' dollar. Those who propose "trade, not aid" and cry out against protecting even our most basic industries through tariffs can be classed into five groups.

Those whose foreign competition was destroyed by World War II or the economic effects thereof;

Those who are now protected by quotas or tariffs so restrictive as to be virtual embargoes;

Administration and congressional leaders who may be so frightened over secret things they know about the international situation that they dare not change trade policy or dare not tell the American public the whole truth;

Communists, leftwingers, and "pinks";

Those who, through incomplete information or ignorance, are blindly following the lead of others.

While most Americans think in terms of aid for many countries and while we are still fiddling away on such subjects as point 4 and mutual assistance, the British, the French, the Mexicans, the Japanese want to go back to trade. Actually, surprising developments are taking place in this good old-fashioned field, as, for instance, the important trading position developed by Mexico and the return of Japan to world markets. The British find that our involvement in the Korean war imperils their position as traders.

Mr. President, I believe the fifth classification includes 75 percent of the followers of this group.

MANUFACTURERS ESTABLISH BRANCH PLANTS

I wish to say that some of the manufacturers who, under tariff protection, have grown to such size and strength that they can construct plants in the low-wage countries and furnish the market there, ship their goods into this country and undersell the products produced under our standard-of-living wages.

Many of the plants were constructed under the loans the United States has made to Britain and under the operation of UNRRA, the Marshall plan, the ECA, the mutual-security program, point 4, and all the other programs with trick names that are thought up to keep ahead of the American public.

NAME CHANGED OFTEN ENOUGH TO FOOL PUBLIC

The name used for such a giveaway program is changed often enough to keep ahead of the public. The result is that from year to year, the general public of the United States has been willing to have this general socialistic giveaway program continued for another year.

Mr. President, I now read further from the guest editorial by Brett Gray, as published in the Denver Post of June 10:

Much of the world engaged in international trade with the United States was physically injured in World War II and the United States has usurped the markets of these countries. Thus, pinned between the horns of a world dilemma, we are faced on one side by overproduction of some items and on the other by the clamor of foreign countries who need to regain lost markets. They say in effect, that the United States must give up those markets she has usurped or accept imports in a sufficient volume to replace the trade lost. Since most of the countries crying out for American dollars lost much of their manufacturing industry, their chief exports must be in the nature of basic production. Unfortunately the United States is amazingly well supplied with her own basic production.

Therefore, many of the international trade deals made in recent years have been made at the expense of certain of our vital basic production industries.

Let us look at an example: Wool production in the United States in 1952 amounted to only 27 percent of our national consumption. Yet today approximately half of the 1952 domestic clip is surplus in the hands of the CCC purchased from the producer under the wool loan program at figures below the cost of production.

In other words, as a result of our free-trade policy, the wool used in the United States is imported, and the wool produced in the United States is placed in storage. The wool in the storerooms is just one clip ahead of the demand.

I read further from the guest editorial by Brett Gray:

In 1950 it cost us more than $8.50 to run a stock ewe for 12 months.

It cost the Australians less than $2. In 1952 it cost the United States producer from 35 to 45 cents to shear a sheep; it was done in Argentina for 6 cents. These are recognized figures; yet the administration, past and present, has not seen fit to give protection from this peon-standard-of-living competition. Add to this that South American countries used a subsidy system through currency manipulation which dumped millions of pounds of wool on the United States market. This subsidy varied from 35 to 58 percent of the value of the wool and made completely ineffectual the already low-tariff rate. The result—the United States sheepman is quitting business.

This would be unimportant from a national standpoint, because we sheepmen are small in numbers, were it not for the strategic importance of wool. Every military authority knows that a cold soldier cannot fight. No fiber can keep a soldier warm as well as wool. An additional supply of wool lies from 6,000 to 12,000 miles away and our military authorities have often referred to the unequaled size and efficiency of the Russian submarine fleet. Surely we are fools if we do not recognize that serious disruption of shipping lanes would be unavoidable in the event of a war and that an actual blockade of the United States is possible.

Is it then common sense to drive such an industry out of business because of trade not aid? Is it not time that we recognized that many of the trade-not-aiders are carrying that banner for selfish reasons.

The time may well come when the American public will look back with revulsion at those who sacrificed basic industries in the name of trade not aid. They may see the time when inadequately clothed and armed soldiers will die needlessly because H. R. 5495 slipped through Congress.

That is the renewal of the free-trade policy.

THREE-POWER CONFERENCE

Mr. President, on June 1, 1953, in the New York Journal of Commerce, George E. Sokolsky wrote a very interesting column. In part, he said:

When the heads of state of the three great powers meet in Bermuda in the middle of June, they will not limit their discussions to the Korean war. The biggest problem they will face is the dollar—the American dollar.

The British do not regard the Korean war as a war. To them it is a limited military action, as the American marines used to practice in Nicaragua and Haiti and such places. They have a similar problem in Malaya as the French have in Indo-China. So far as they are concerned, Korea should not interfere with the restoration of trade, so that the British can accumulate sufficient dollars to set themselves economically free from the United States.

I quote further:

Last December, leaders of the British Commonwealth met to discuss precisely this problem and they came up with the slogan "trade, not aid."

Mr. President, as early as November 10, last year, the junior Senator from Nevada called attention, in a statement to the press, to the fact that Richard Butler, Chancellor of the Exchequer of England, had invented that phrase; and, when Mr. Churchill came to the United States, he used the phrase.

"TRADE, NOT AID," "RECIPROCAL TRADE," "THE DOLLAR SHORTAGE"

We could go back further to show the invention of the reciprocal trade slogan—and all of these slogans, such as "The Dollar Shortage," "Reciprocal Trade," "Trade, Not Aid," are invented for the consumption of the American public.

Before the public has discovered what is behind them, or who invented them, or who profits by them, the United States Congress, urged to greater speed, has passed a law, and the President has signed it, giving them another $6 billion or $7 billion, and other extension of the free trade which divides the markets, the basis of the income of the United States of America with them. I read further:

The Commonwealth financial leaders agreed to increase the production of food, raw materials, and industrial commodities in the entire Commonwealth with the object of increasing the dollar earnings of sterling-using countries. They hope to reduce imports from the United States in order to decrease the outgo of American dollars.

EXPORT MORE GOODS TO UNITED STATES

In a word, the British want to increase the amount of dollars that come into their area, which can only be accomplished by exporting more goods to the United States and importing less from the United States.

Yet this great slogan is held out, Mr. President, to increase the trade of the United States with foreign nations. I read further:

While most Americans think in terms of aid for many countries and while we are still fiddling away on such subjects as point 4 and mutual assistance, the British, the French, the Mexicans, the Japanese want to go back to trade. Actually, surprising developments are taking place in this good old-fashioned field, as, for instance, the important trading position developed by Mexico and the return of Japan to world markets. The British find that our involvement in the Korean war imperils their position as traders.

STERLING BLOCK PUSHING RECOGNITION OF COMMUNIST CHINA

Of course, it should be well known that all the representatives of the commonwealth countries got together in England and decided that they will push for the recognition of Communist China by the United Nations.

Of course, I believe, and so stated on the floor of the Senate in 1951, that the State Department, at that time, had agreed to follow England in recognition of Communist China.

We raised so much objection in this country, that nothing was done at the time; but, after Mr. Acheson came back from his tour of Europe, and the Congress met in joint session to hear him, he talked for an hour; and in only one sentence did he say anything that the Congres had not heard 40 times previously.

Like the master of ceremonies in a night club, he led up to his important point, and then got away fast. He said, "We will not use the vote to prevent recognition of Communist China." That is what he said; and our present Secretary of State has never changed that rule.

THE TRUCE—THEN RECOGNITION OF COMMUNIST CHINA

So, Mr. President, as soon as we get the truce, the sterling bloc countries, without exception—France and all of our other so-called allies—will push us into recognition of Communist China and we will have them in the United Nations. Of course, it is the claim that will improve the United Nations.

THE SUCKER—THE FALL GUY

Mr. President, we are in the same position with the billions to Europe, and the trade not aid, the support of the United Nations and all of the other shenanigans including doing the fighting, and have been since the formation of the United Nations, as the fellow who comes in from the hills with a pocket full of uncashed checks.

He comes in from the mines, from the woods, the ranches, and is lured into one of the games that are open to him in almost any town.

Some of them are public games, but, more often, they are not public. A few drinks and he is in a poker game.

Mr. President, if he wakes up in time to see what is happening to him before all of his money is gone, and quits, the game is over, because he has the only new money in the game.

That is exactly what we have been doing since the formation of the United Nations.

To quote further from George Sokolsky's article of June 1:

And be it noted that trade has a very small conscience. It will flow wherever it can earn a profit even at the cost of lives. All countries want to trade with China and Russia and grow antagonistic because the United States is interfering with good markets.

The British sent their smartest economist, the Chancellor of the Exchequer, Richard Butler, to the United States to discuss this problem with the Eisenhower administration. One of the British objectives is the establishment of price arrangements with the United States—

Listen carefully, Mr. President—

Price arrangements with the United States so that we shall sell wheat, cotton, etc., at lower prices, while we buy rubber, wool, tin, and jute at high prices, thus providing a hidden aid.

Reading further:

Then the British also want a huge fund established, amounting to billions of dollars, to stabilize the British pound sterling so that it can more readily be converted into dollars. Such a fund could pump American dollars out of our reserve at Fort Knox into the European and Asiatic markets via London.

Thailand, for example.

LOSING OUR GOLD RESERVE

Mr. President, we have been losing our gold reserve steadily for several years. How? They—the European nations—take the Marshall plan money and buy gold from Fort Knox. I should like, just as an experiment, to see an American citizen try that sometime. But the countries of Europe do it. They often sell it at a higher price.

THE WORKERS FIRST TO LOSE

Again, in the Times-Herald in a recent column, Mr. Sokolsky said:

If all labor were equally paid for the same kind of work in all industrial countries, that is, if there were an economic "One World," there would be no need of any kind of protective tariff anywhere. If all currencies were stabilized so that transfer of goods could not be affected by the exchange of moneys, there would be no need for any kind of a protective tariff. And to make one further point, if no governments subsidized their industries, so that goods might be dumped into particular countries for political objectives, there would be no need of a protective tariff in any country on earth.

Mr. President, diverting at that point, as the junior Senator from Nevada has said many times on this floor—and he has been in all these countries—we pay more money in our unemployment insurance, in our social security, and in our industrial insurance than many of these countries pay in wages. What kind of competition is that. I read further:

Unfortunately none of these postulates stand up against the facts, particularly against the fact that, by American standards, all labor in Europe is sweated and in Asia is so cheap as to be almost unpaid. And to that must be added the existence of slave labor. Slave labor probably also is employed in Soviet China, which is now being industrialized.

I read further:

What is actually happening is that considerable American capital has been exported to European countries under ECA and by other means for the rebuilding of European industries. Also there are a number of American firms which have been establishing branches all over the world, manufacturing various commodities, some of which these Americans hope to export to the United States.

AMERICAN BANKERS EXPORT CAPITAL

Some American banks export capital from the United States to foreign countries with the hope of manufacturing goods for export to the United States.

This really involves a flight of American capital from the United States with the object of manufacturing goods, made by foreign sweated labor, at low-wage levels, to compete with American labor, receiving high wages and high-fringe benefits. I have not yet studied the relationship of this process of earning profits to taxes. That is a rather involved matter which will take a great deal of study.

A limited number of American firms can build worldwide economic empires. Most American business possess neither the capital nor the experience to engage in this type of enterprise.

Therefore, what is called small business in the United States continues to demand a protective tariff, while big business goes so far as to favor free trade. It was never before true in this country that big business favored free trade. Most American industries were built up by the protective tariff, which is also largely responsible for high wages and the high standard of living in this country. The change of attitude has come so suddenly that few understand the real reason until the entire subject is related to export capital and to the flight of some phases of American industry from American labor.

MUST STUDY ALL PHASES

This needs to be studied in all its phases to find a full explanation of the process and to relate it not only to the tariff, but to wage scale and to the American standard of living. The "flight from American labor" may be justified on economic grounds. Already there are signs that Western Germany and Japan are pushing into markets which, after the war, some Americans had hoped would be developed for American goods.

Sweated labor, producing the same commodities, will always undersell highly paid labor—particularly if the savings of mass production are practiced in both the cheap labor and high-priced labor countries. When American capital is exported, American management is also exported.

This is not a subject for high-pressure propaganda. It is one that needs to be investigated fully and honestly. It requires a statistical approach by an impartial body which seeks facts and will make the facts known in the national interest. I hit upon it because of my keen interest in the surprisingly sudden support of free trade by American big industry, which has always labored valiantly for a protective tariff. There must be a reason for the changed attitude.

EXPORTING SOCIALISM

Mr. President, Mr. E. F. Tompkins, in one of his articles in the New York Journal-American, entitled "Exporting Socialism," says, in part:

Mr. Clement Attlee, leader of British Fabianism—

That was organized nearly 50 years ago, Mr. President, and it finally took over Great Britain—

told the House of Commons last week that it is wrong "to blame all of this country's troubles on the United States."

Nonetheless, he criticized "the attitude" of the United States Congress "toward a wider open door for British exports." He was paraphrasing the new slogan, "Trade

Not Aid." By this slogan, British propagandists—abetted by some American internationalists—strive to abolish the remnants of our protective tariff system and to open our home market to unlimited competitive exports, while Britain retains the protective-tariff principle under the title of imperial preferences.

MARSHALL PLAN SUBSTITUTE

Actually, the proposal of "trade, not aid," has been devised as a substitute for the profligate program of foreign aid called the Marshall plan.

Under the Marshall plan, United States Treasury dollars were used to purchase goods which were presented to Socialist Europe.

That scheme is near its end. So we have "Trade, not aid," proposed as a device to let low-wage foreign countries sell in this country on a free-trade basis and use as they please the American dollars received.

The British will get the lion's share of such trade. And every dollar paid here for their goods will mean a dollar less, in our home market, paid to American producers.

There are highly informed sources in England itself who warn that the new scheme will not help Britain and will greatly harm America.

One of these is the publication of European Review. It notes that the American donations to Britain under the Marshall plan have really benefited "the Canadian farmers, to whom a large part of the American gift dollars have, in fact, been paid instead of to the American farmers whose taxes went to provide the funds required."

Mr. President, I addressed the Canadian Mining Congress in 1948. I at that time chided the people of Canada a little. They would not let Britain have their wheat until she could pay cash. I said, "You are just waiting for us to pass the Marshall plan so that the English will have the money to pay for your wheat."

It was not even a good joke. That was exactly what they were waiting for. It is to that matter that Mr. Sokolsky referred.

I read further:

"It is no longer possible," the Review says, "to pretend that the present volume of exports to Europe by America and Canada can continue, as the result of some effort or other on the part of Europe alone."

ONLY A PIPEDREAM

"It could continue on a genuine trading basis only if America chose to remove all her tariffs and if, in addition, the European currencies and the pound sterling were debased sufficiently to insure that a large volume of manufactured European goods could flood into America.

"Everyone knows that this will not happen, and indeed it might be very hard on the American manufacturers if it did.

"The pretense that the existing level of exports by America can genuinely be financed by a corresponding volume of imports—trade not aid—thus needs to be given up, for it is only a pipedream and one which is standing in the way of more realistic policies."

THE DOLLAR SHORTAGE

Mr. President, that dollar shortage was the greatest hoax ever perpetrated on the American people. It means, in the first instance, a shortage when we spend more money than we make, weekly, monthly, or annually. We have all been subject to such a dollar shortage. But there is another kind of a dollar shortage, and that is one where a nation places a price on their money higher than it is worth on the open market. No one except the Congress of the United States of America will pay such a price. No trader will pay it.

In 1948, when the British pound was worth $4.03, I was in Hong Kong. I laid down a 1-dollar bill on a bank counter and got $6.10 in Hong Kong money for it. I went to another place and laid down $16.40 of Hong Kong money and got a British pound for it—that made it worth $2.60, and no one was paying any more for it except the United States of America.

Mr. President, in another recent article Mr. Tompkins had this to say:

This British campaign for "trade, not aid" may be helping Soviet Russia to drive a wedge between the United States and our Western European allies. Under the slogan just quoted, the British seek to abolish the remnants of our protective tariffs. Their plausible argument is that Britain wishes to buy more of our goods, but cannot do so unless we adopt free trade, which Britain itself abandoned years ago, and buy more British goods.

At the same time, Britain is drumming up "trade, not aid" with our Communist foes.

Now, the only imported goods affected at all by our tariffs are competitive goods. These are produced in low-wage countries at lower costs than here. Consequently, unless the American producers have tariff protection, the foreign goods will undersell them in their home market.

That is happening, Mr. President.

This cheap competition will diminish our production, and even put some producers out of business.

I read an article on the wool business. Plenty of such dispatches can be read before the session adjourns.

I read further:

Hence it will destroy many American jobs. Furthermore, numerous concerns, which are dependent on tariff protection, are essential in national defense. Thus the Federal Government, having shorn away the tariffs, will have to keep such concerns in existence by subsidizing them at taxpayers' expense.

Mr. President, we wonder why we cannot lower taxes.

FEED $3 PER HUNDRED CORN—TO $20 PER HUNDRED CATTLE

One crop of wheat and corn in bins, and one crop of wheat and corn on the way, while we continue to import grain.

We are now about to appropriate money to build bins for another year's supply of corn and wheat.

Cows out on the ranges from western Kansas to the Pacific coast are selling for $18 to $20 a hundred, and the Govment is holding corn at $3. All that the feeders ask for is a recipe to feed $3 corn to $20 cattle. That is all they want. They do not want to furnish tax money to build more bins; the cattle are scattered all the way from western Kansas to the Pacific coast, getting thinner every day, and the bins of corn are scattered all the way from western Kansas east and getting thicker every day—and costing the taxpayer more money in subsidies.

EASY TO PAY SUBSIDY—LONG AS TAXPAYER HOLDS OUT

It is all very well to pay a subsidy, and it is very easy to do so, as long as the taxpayers' money holds out. But it is a good deal like shooting a man. It is easy enough to shoot him, but it is disposing of the body that turns up all the trouble.

I quote further from the same dispatch:

EUROPEAN COUNTRIES TRADING WITH COMMUNISTS

As for Communist trade, Great Britain is promoting it and soliciting it, along with other European and Asiatic countries.

I have made that very statement on the Senate floor many times since 1948. In 1949 I placed in the RECORD 96 trade treaties that the 17 Marshall-plan countries had with Iron Curtain countries and Russia. I thought it would shock the Senate and the people of the United States. It did not shock the people of the United States because no one published the information. It did not shock Senators, since they kept on voting money to build more European plants to sell more goods to Russia. The taxpayers of the United States, including the fathers of the kids who were later sent to Korea, paid for about three-fourths of the material used to kill their youngsters. It is not a pleasant thought.

The article continues:

The Herald Tribune's London report said "the trend toward more trade with China actually began several months ago."

The House of Commons has been officially informed that British exports to Red China in the first quarter of 1953 were 10 times as large as in the corresponding period of 1952.

The writer continued by saying that at a recent Geneva conference British delegates dickered with Russian representatives for more trade.

In another dispatch, on June 17, 1953, in the New York Journal-American, Mr. Tompkins said:

QUEER REALINEMENT

The propaganda that demands "trade not aid" for Europe and Asia has caused a queer realinement here.

Mr. President, I want you to notice the alinement on this question.

I continue to read from the dispatch by Mr. Tompkins:

Liberals want to continue the New Deal's Reciprocal Trade Agreements Act as a device for abolishing the protective tariff system. Tariffs, they say, enabling big business to exploit American consumers. Obviously, if that were true, big business should overwhelmingly favor high tariffs. Instead, we find the "trade, not aid" movement supported by such big business organizations as the National Association of Manufacturers, the United States Chamber of Commerce, the Committee for Economic Development and the Detroit Board of Commerce—an alinement of liberals with the so-called magnates whom liberals affect to despise.

On the other side of the argument enlightened labor leaders understand that labor is the real beneficiary of protective tariffs. So we find, in the new alinement, important labor organizations supporting the reasonable position of the American Tariff League in opposition to the liberal free traders who are supposed to be the friends of labor.

Further along in the dispatch, Mr. Tompkins said:

Another labor spokesman for tariff protection is Mr. J. C. Rich, editor of the Hat Worker, writing in the New Leader.

Further along, Mr. Tompkins says:

Mr. Rich rather derides the anointed saviors of the foreign economies.

"What they want," he asserts, "is for distress merchandise to be dumped here at bankruptcy rates, forced out from countries overseas by the poverty and misery with which those countries are still afflicted."

This spokesman regards the protective tariff system as an international wage-hour law, serving, as such, the same function as our domestic-labor legislation performs. And he does not believe an unprotected American market will benefit foreign workers much.

"It is," he concludes, "an economic fallacy to think that sweatshop production and sweatshop commerce will enhance the prosperity of a nation.

"If low wages could bring economic welfare to anyone, those low-wage regions of our own Nation should be the richest of our industrial areas.

"We know, however, that this is not the case."

In other words, free trade or low tariffs here will only drag American labor down without improving the standards of living of European and Asiatic labor.

PROFIT OUT OF SWEATSHOP LABOR; QUID PRO QUO—HOUR'S LABOR FOR AN HOUR'S LABOR

We need to get on a basis of quid pro quo in our trade, an hour's labor for an hour's labor. The only way that can be done is to take the profit out of sweatshop labor through a differential. Call it a duty, as the Constitution does; call it a tariff or an import fee, as we have come to call it; call it a cow; call it anything, so long as it is meant to symbolize the differential in cost of production of an article which is represented by a difference in the wage standard of living between the United States and abroad.

VESTED RIGHT IN SWEATSHOP LABOR

Then, when it is not possible to profit by sweatshop labor, when there is no incentive to profit by the use of such labor, American investors will not go to England, Africa, or other places and establish a vested right in sweatshop labor.

They will go there intending to pay a living wage standard. Let that standard continue to improve and eventually reach our own standard.

THAT DIFFERENTIAL IN COST OF PRODUCTION

Under the bill I have introduced, the Foreign Trade Authority that would be created would simply establish an organization that could let the flexible import fee, tariff, duty, or whatever it is desired to call it, represent the differential in cost due to the difference in wage standard of living between here and abroad, and permit foreign products to be brought into the United States on a basis of fair and reasonable competition. It would be fair trade with foreign nations, not free trade.

CONGRESS CONSTITUTIONAL RESPONSIBILITY

It must be remembered that it is the constitutional responsibility of the legislative branch, Congress, to regulate foreign commerce. We call it foreign trade, or trade with foreign nations.

It is the constitutional responsibility of Congress to adjust duties, imposts, excises, known as tariffs or import fees, on the basis of fair and reasonable competition.

In 1934 President Roosevelt prevailed upon Congress to make him the agent of Congress, and to grant him unlimited, and unrestricted authority, within the limits of the act, to trade all or any part of any American industry to foreign nations through manipulation of duties or tariffs, without regard to the difference in wage standard of living here and abroad.

REMAKE INDUSTRIAL MAP OF THE UNITED STATES

In effect, the President was given a green light as an emergency measure. The act is 20 years old, but it is still called an emergency measure in this law Congress continues to extend. The President was given a green light to remake and rearrange the industrial map of the United States.

TRAIN WORKERS TO DO OTHER WORK

What do the great Government economists say, the great brains that have come out of schools so far removed from the actual working industry that they could hardly distinguish it from a bale of hay?

They say, "Of course it will throw some people out of work. It will abolish some industries. But we will set up schools to train the workers to do something else."

WATCHMAKERS WILL BECOME BOILERMAKERS

Mr. President, what will the workers do? Will the miners from Utah and Montana become watchmakers? What will the people who are thrown out of work in the wool business do? Will they raise muskrats I suppose? What kind of industry can the people who are thrown out of the watchmaking industry tackle? I suppose they can become boilermakers.

AMERICAN WORKER AND SMALL BUSINESS ON WAY OUT

With our brains and know-how, with our machinery, our streamlined, assembly-line methods, where they are applicable, it is almost impossible to think of an industry in a foreign country which cannot use this 10-cent-an-hour to 40-cent-an-hour labor and bring the products back here and undersell the American worker and investor in his own market.

FAIR TRADE WITH FOREIGN NATIONS

So all I ask under the bill I have introduced today is fair trade with other nations. Let us equalize the difference in the rates of pay, efficiency, with a tariff, import fee, or duty, or whatever it may be called. Let us take the profit out of the sweatshop labor of Asia and Europe and make it advisable and feasible that foreign nations allow their living standards to rise, and not hold them down, so that the foreign producers profit by the difference between the low-cost labor which foreign nations can obtain to manufacture products and what the market will bear here.

DEBATE ANYONE ANYWHERE

I have been debating this question on the radio, on the television, on the Senate floor, on street corners, and, in fact, anywhere people will talk to me about it.

CONSUMER WILL NOT PROFIT

It is said that the American consumer is entitled to the lower-cost product.

BUY LOW-WAGE GOODS

We are told, "Let us buy it where it can be bought at the lowest cost," meaning where they have the lowest wages. Is that what we want? If it really worked that way we would not like it, but it does not work that way. The situation is like that involved in a price fight between two gasoline companies on opposite corners, a little company and a big company. When the little company is driven out of business the price goes back up to make up the losses or all the traffic will bear. So, when the wool business, the watch business, and other businesses are gone. other nations will take what the traffic will bear. We do not profit by that sort of operation.

CONGRESS REGAINS ITS CONSTITUTIONAL RESPONSIBILITY

Under the proposed legislation Congress would regain its constitutional responsibility to regulate foreign trade and to adjust the flexible duties, imposts, and excises, commonly known as tariffs and import fees, on a basis of fair and reasonable competition—fair trade, not free trade, with foreign nations.

NO HIGH TARIFF OR LOW TARIFF

Mr. President, it is not a question of a high tariff or a low tariff. It is a question of establishing trade with foreign countries on an equal man-hour basis—on a fair-trade basis. Many familiar slogans are used by the free traders when they see someone trying to protect an American worker.

It is said he is a high-tariff man, or that he wants to build a tariff wall around the United States. Let me tell the Senate the kind of wall I want to build. I want to build a wall which will bring the products of the sweatshop labor of Europe and Asia into this country on the basis of fair and reasonable competition, under our standard of living. That is what my bill would do—establish fair trade with foreign nations. It would establish fair trade with those people, and take the profit out of their sweatshop labor.

EQUAL ACCESS TO OUR MARKETS

What does that mean? It means that they would have equal access to our markets on an equal basis, so that our own workers and investors would compete with foreign producers on the basis of fair and reasonable competition, and compete with them for our own markets. In other words, they would have equal access to the American markets.

Have we ever heard of any other nation offering such a proposition to us? No; and we never shall. At least not in our time. We never shall hear of it unless we establish the criterion on a basis of fair and reasonable competition, and take the profit out of their sweatshop labor.

MANIPULATIONS OF MONEY EXCHANGE METHODS ADVANTAGE

A few weeks ago I presented to this body certain information and data on the exchange methods of Chile. Chile has seven different values for its pesos in terms of the dollar.

I placed them in the RECORD one day in my discussion of the proposed free trade on copper. I placed in the RECORD a statement showing just exactly the extent of each one of those exchanges, what they were used for. They are a matter

of record. Practically every other nation in the world is doing the same thing to Uncle Sam. It is a form of piracy.

NO NATION EVER KEPT A TRADE AGREEMENT WITH US

Let us take the incentive out of this kind of manipulation. No nation has ever kept a trade agreement with this Nation. They manipulate their currencies, and we float along on a bright colored cloud and do not know what is happening to us. We establish a peril point. What for? The Tariff Commission is asked at what point in tariff reduction an industry would be injured. That is a fair question. The Commission is fully capable of determining that point. It does so and gives the information to the State Department, which uses it. At the moment it is correct information.

TARIFF ON THEIR MONEY

Ten minutes after the trade agreement is signed, the other nation can establish a new value for its currency—a new higher value for the peso in terms of the dollar in South America or the pound in the sterling bloc countries—and the price of the pound or peso in terms of the dollar is raised. In effect, a tariff is placed on their money, and the peril point is out the window. But we have already signed the agreement. There can be no new peril point established. We want the tariff or duty to be flexible to correct abuses of this kind.

NATIONAL ECONOMY—NATIONAL DEFENSE

Let me reemphasize that these industries are not only vital to our economy, but absolutely vital to our national defense.

We are fast becoming dependent on the colonial nations of the world, 5 to 10 thousand miles away, for the minerals, fuels and other materials without which we cannot fight a war.

We close our own mines and shut down our own industries. We throw out of work our trained watchmakers and machinists and scatter them among the population.

WILLLING VICTIMS

We then become the willing victims of any nation big enough to have a submarine fleet and a system for stopping ocean traffic. Even our own national defense organization admits that Russia has such facilities.

PONDER THE QUESTION

In conclusion, I earnestly request that my colleagues in the Senate, during the time between now and the time when we take up the legislation which would extend the 1934 Trade Agreements Act, ponder well this question.

CONSIDERED CHATTELS

Do we wish to subject our industries and our workers to the kind of competition under which the workers are still mainly considered to be chattels?

ARE WE DISCHARGING OUR RESPONSIBILITY?

I also suggest that we ask ourselves whether we Members of Congress have discharged our obligations by delegating to the Executive the responsibilities which were clearly imposed upon us by the Constitution, which we have all sworn to uphold.

THE RESIGNATION OF MR. DONALD C. COOK AS CHAIRMAN OF THE SECURITIES AND EXCHANGE COMMISSION

Mr. JOHNSON of Texas. Mr. President, an able and courageous public servant has left the Government.

Only yesterday, Donald C. Cook stepped down from his position as Chairman of the Securities and Exchange Commission. He turned over his office to his successor, wished him Godspeed, and retired to private life.

For more years than I can remember, I have counted Don Cook among my closest and most valued friends. I know that I hold no monopoly in my esteem for Don Cook. It is a feeling shared by Senators on both sides of the aisle who have worked with him.

Far more important, however, is the fact that the American people can count Don Cook as a trusted and valued friend. He brought to the Government a concept of public service that can stand as a model for all time to come.

To Don Cook, a public office is a public trust—not an individual privilege. It is an opportunity to serve—and he has used that opportunity even though it meant considerable personal sacrifice.

I have known him as special counsel to the House Naval Affairs Committee; as Director of the Office of Alien Property; as Executive Assistant to the Attorney General; as Chief Counsel to the Senate Preparedness Committee; as Vice Chairman and then Chairman of the Securities and Exchange Commission.

To each post, he brought the same qualities—d e t e r m i n a t i o n, incisive thought, knowledge that was both broad and deep. In every instance, those qualities were exercised in the pursuit of two objectives—to improve the standards of Government service and to advance the public welfare.

As a public servant, Don Cook has been no time server. He tackled every job with energy and enthusiasm. He never confined himself to asking: "How can this job be done?" He always wanted to know: "How can this job be done better?"

Almost invariably, he would find a way to do the job better—quicker, more efficiently, more economically.

As chief counsel of the Senate Preparedness Committee he toiled day and night for no compensation other than the satisfaction that comes from service to our country.

He directed investigations; handled administration; spent sleepless nights poring over committee reports. Almost every evening, he left his office with his briefcase bulging with documents that had to be examined and studied before the next morning.

I am very proud of the record of the Senate Preparedness Committee. There is no man who contributed more to that record than Don Cook.

His achievements as chairman of the Securities and Exchange Commission are outstanding.

When he assumed the office, there were still remaining many major problems of corporate integration and simplification under the Public Utility Holding Company Act. Within a year, these problems had been solved.

When he took over the job, businessmen were groaning under the load of complicated paperwork necessary for SEC registration. Within a year, the registration statements had been simplified without the sacrifice of any protection that should surround investors.

Meanwhile, the Commission, under his direction, moved firmly and vigorously to act against those who would bilk the public through fraudulent devices in the sale of securities. Blue Sky operators received short shrift.

Don Cook submitted his resignation when the new administration came into office. President Eisenhower requested that he continue to serve until his successor could be selected and qualified.

The decision was a difficult one: It involved a continuation of financial sacrifice; a postponement of a badly needed rest. But Don Cook could never turn down a call to duty. He acceded to the President's request and stayed on for almost 4 months.

He has now retired. I do not know what the future holds for Don Cook. But I know it will be a future of even greater accomplishment and even greater honor.

Men of his caliber are rare. There is a demand for their services which cannot be ignored.

Whatever the future holds, however, he has already made a mark in public life that has been equalled by few and excelled by none. The Government and the Nation have been enriched by his services.

We are a fortunate people as long as we can call to duty men of the ability and integrity of Donald C. Cook.

STATEMENT BY MEMBERS OF THE CONTROL YUAN OF REPUBLIC OF CHINA RELATING TO ADMISSION INTO UNITED NATIONS OF COMMUNIST CHINA REGIME

The PRESIDING OFFICER (Mr. SCHOEPPEL in the chair), by unanimous consent, laid before the Senate a letter from the Chinese Ambassador, transmitting a statement adopted by the members of the Control Yuan of the Republic of China, relating to the admission of the Chinese Communist regime into the United Nations, which was referred to the Committee on Foreign Relations.

VOLUNTARY REPATRIATION—RESOLUTION OF MEMBERS OF THE CONTROL YUAN OF REPUBLIC OF CHINA

The PRESIDING OFFICER (Mr. SCHOEPPEL in the chair), by unanimous consent, laid before the Senate a letter from the Chinese Ambassador, enclosing a resolution adopted by the members of the Control Yuan of the Republic of China, relating to voluntary repatriation, which was referred to the Committee on Foreign Relations.

OBSERVANCE OF 50TH ANNIVERSARY YEAR OF CONTROLLED POWERED FLIGHT

The PRESIDING OFFICER. The Chair appoints the following six Members of the Senate as members of the Joint Committee on Observance of the 50th Anniversary Year of Controlled Powered Flight: The Senator from New Hampshire [Mr. TOBEY], the Senator from Massachusetts [Mr. SALTONSTALL], the Senator from Ohio [Mr. BRICKER], the senior Senator from North Carolina [Mr. HOEY], the junior Senator from North Carolina [Mr. SMITH], and the Senator from Massachusetts [Mr. KENNEDY].

PROPOSED BONNEVILLE CONTRACT

Mr. KEFAUVER. Mr. President, it has come to my attention that the Eisenhower administration is about to embark on an historic change of policy in regard to the distribution of power from Government dams. This change of policy is so important and will affect so many areas of the United States, including particularly the Tennessee Valley and the State of Tennessee, that I take this opportunity to urge the Secretary of the Interior and the President himself to examine this move more carefully before it is consummated.

According to information reaching me, the Secretary of the Interior has concurred in the drafting of a contract between the private utility companies in the Northwest and the Bonneville Power Administration, whereby power from this Government project, built by all the taxpayers, would be distributed through nine private utility companies.

It is my further understanding that this contract might serve as a pattern for other areas in the United States, including the Southwest Power Administration in Texas, Arkansas, and Missouri, and the area benefited by the great and farsighted Tennessee Valley Authority.

It is my information also that Dr. Paul Raver, Administrator for Bonneville Administration, is in the city of Washington, and is preparing to sign a contract with the private utilities. This contract may be signed sometime this week, possibly even today or tomorrow. Inasmuch as several billion dollars were spent by all the taxpayers of America to build Bonneville Dam, the Tennessee Valley dams, and various other power projects throughout the United States, I urge the Secretary of the Interior to withhold this action until the whole matter can be scrutinized and carefully considered by the appropriate committees of Congress.

I do not believe that Congress will favor a contract whereby a small group of utilities shall have the autocratic right to allocate power generated by the Government and paid for by all the taxpayers. Days, in fact weeks, of debate were spent in this body before it was decided to build Bonneville Dam and the Tennessee dams. Therefore, the allocation of their power should not be deeded away at the stroke of a pen in a few minutes.

I hold in my hand a copy of one of the most amazing contracts ever drawn up for execution by the United States Government. It is entitled "Power Sales Contract Executed by the United States of America, Department of the Interior, Acting By and Through the Bonneville Power Administrator, and Portland General Electric Co."

This is the contract which Secretary McKay proposes signing this week, or shortly. Although this contract is to be signed with the Portland General Electric Co., I am informed that it is a pilot contract and on page 5 I note that it is also to be extended to the following corporations: California-Oregon Power Co.; California-Pacific Utilities Co.; Idaho Power Co.; the Montana Power Co.; Mountain States Power Co.; Pacific Power & Light Co.; Portland General Electric Co.; Puget Sound Power & Light Co.; and the Washington Water Power Co.

I am also informed that this pilot contract, drawn up with the Portland General Electric Co., is the same identical contract to be applied to other power projects of the United States.

Mr. President, the contract is of such great importance, considering the time which has been given to determining congressional policy in this regard, that I ask unanimous consent that the draft of the contract of May 20, 1953, be printed in the RECORD at the end of my remarks.

The PRESIDING OFFICER (Mr. SCHOEPPEL in the chair). Is there objection? The Chair hears none, and it is so ordered.

(See exhibit 1.)

Mr. KEFAUVER. A study of this contract reveals some amazing provisions.

Section 4 (b), for instance, provides that private utilities may have an option on all the power produced by the Bonneville system and that no contracts may be let to private industry either to expand their existing requirements or to place new factories in this area until the exclusive option given to the private utilities is met. This gives a virtual veto power to the private utilities. They can decide whether industry can expand or not in their area. They can decide which factories shall grow and which shall be stifled.

I refer to some discussions between the Secretary of the Interior and others as reported in the newspapers. Particularly I have before me a letter written by the Secretary of the Interior, which was printed in Mr. Drew Pearson's column in the Washington Post, in which the Secretary of the Interior is reported as having said that that is not exactly the case, that utilities will not have the veto power. But, Mr. President, I think that section of the contract, namely, section 4 (b) substantially provides such a veto power. There are some slight modifications, but that is generally the provision.

I have in my hand and wish to insert in the RECORD, copies of protests made by very important industrial concerns in the Northwest, in which they protest the proposed contract on the ground that it would stifle their future. In this protest they state:

> The proposed utility contract expressly provides, under certain conditions, that Bonneville will not enter into agreement to supply firm power to an industrial customer without the consent of the private utility. The industrial customers of Bonneville Power Administration strongly believe it is contrary to the public interest to grant a veto right over the Government's sale of its own power.

In brief, industrial firms in the Northwest protest that a dam built by the Federal Government is now, in effect, surrendered to the private utilities under provisions whereby the utilities have a veto over the sale of Government power.

These companies are not exactly New Dealers. As far as I can see, they are not Democrats. They are staunch Republicans. Yet they protest, and quite rightly so, that when the Government generates power it is up to the Government to distribute the power, not hand it over to private individuals who shall have the right of veto over other private individuals.

These companies are conservative business organizations. They include such companies as the Aluminum Co. of America, the Reynolds Metals Co., the Kaiser Aluminum & Chemical Corp., the American Carborundum Co., and many other companies.

These companies, as I say, are not New Dealers. They include the Aluminum Corp. of America, one of the biggest concerns in the United States and organized by the late Andrew W. Mellon, secretary of the Treasury under Warren G. Harding, Calvin Coolidge, and Herbert Hoover. I think we all remember he was a Republican, and the company he directed protests vigorously against abrogation of the Government's right to distribute its own power from its own project. All of the companies protest to Secretary of the Interior McKay against the giving away of Federal power to private utilities.

Examining this contract further, we find that section 3 (b) provides that Bonneville will not make power available to publicly owned utility districts or municipalities for resale to new industrial consumers where such resale will increase the power taken by such public bodies in excess of 10,000 kilowatts a year.

This, Mr. President, appears to be in direct contradiction to the public preference clause in the Bonneville Power Act. It also appears to be in direct contradiction to the act of 1906, passed by another Republican administration, giving preference to municipalities and publicly owned utility districts.

Furthermore, this proposed contract provides, in effect, that the Bonneville Dam Administrator abrogates his present duty of fixing the resale of electric power. Under the law as passed by this body, the Administrator of Bonneville has the duty of seeing to it that resale rates are reasonable and nondiscriminatory.

In contrast, and in my opinion in direct violation of the law, this new contract provides that the Administrator can merely protest when he deems the resale rates fixed by the utilities to be unreasonable. When he protests, he cannot act until after he has given 4 years' notice. And only after 4 years can he terminate a contract with the private utilities. Furthermore, the private utilities can continue endless argument or

litigation by appealing to the United States district court.

This provision is inserted in the contract despite the fact that only Congress has the power to vest jurisdiction in a United States District Court. I have never felt it was possible to vest jurisdiction in a United States district court simply by providing for it in a contract between a member of the Cabinet or an official of a governmental agency and certain private utilities.

Of course, Mr. McKay says privately owned utilities will continue to be subject to full regulation by the public-utilities commissions of the States. Mr. President, the report of the Oregon Public Utilities Commission, in connection with certain surcharges, and certain reports in connection therewith which have been received recently from the State of Oregon, do not indicate that that would be the kind of regulation which would always be in the public interest.

I submit that the national guide for regulation of power in the United States has been set in the Congress of the United States. It was set first in 1906, during a Republican administration. I have before me, and I wish I had the time to read it, the first Reclamation Act, I believe. It is the Reclamation Act of 1906, which gives preference to municipalities and public bodies in the distribution of power generated at Federal Government installations. This policy has also been recognized in various other acts which have been passed by Congress from time to time.

Section 9 of the Reclamation Act of 1939—title 43, United States Code, section 387—contains a preference clause. The 1944 Flood Control Act—section 16, United States Code Annotated, section 440—contains a preference or preferential clause. Section 10 of the TVA Act contains a preferential clause for municipalities and cooperatives.

The same general pattern was reemphasized and reset, after thorough debate in the Congress, during a Democratic administration, under Franklin D. Roosevelt. I submit that this pattern should not be changed by the stroke of the pen of one man, the Secretary of the Interior, without proper debate and proper investigation by the Congress.

Mr. President, the public power policy of the United States has been debated at great length in Congress. It has been established by Congress after a great deal of consideration by the appropriate congressional committees. Great statesmen, such as the late Senator Norris, of Nebraska, and the late Senator Hiram Johnson, of California, played a strong part in the determination of this program, back in the days when the public-power policy was first established.

Certainly the policy should not now be changed by means of a contract entered into, without full debate, full consideration, and full information to the public as to what is contained in the contract, and particularly inasmuch as the contract which is proposed between the Bonneville Administration and certain private electric power companies would establish a pattern for the disposition of power from other publicly owned dams in all parts of the United States.

I urge that the Secretary of the Interior delay entering into the contract until Congress can have full information and until the policy which would result from the contract can be considered by Congress.

After all, Mr. President, the policy was made by Congress. If the policy is to be changed, it should be changed by Congress.

In my opinion it certainly would be a tragic mistake for private utilities to have veto power over the amount of electricity which could be obtained by public bodies and cities. I think it would also be a tragic mistake if private utilities were to have veto power over the amount of the electricity which one industry or another could receive from generators at dams owned by the Federal Government.

I believe the Senate Committee on Interior and Insular Affairs should immediately look into this problem. It should ask the Secretary of the Interior to submit to it his proposed program, in order that the program might be considered, first, by the committee; next, by the Senate; and, finally, by the entire Congress.

I do not have the privilege of serving on that committee. However, if the committee does not look into the matter on its own initiative, I believe a resolution calling for such an inquiry should be submitted and should be considered by the Senate before the contract is signed.

Mr. President, a few minutes ago I referred to a protest by certain large corporations against the signing of the contract. The protest is set forth in a letter dated June 9, 1953. I ask unanimous consent to have the letter printed at this point in the RECORD.

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

LETTER TO BPA ADMINISTRATOR RAVER FROM INDUSTRIAL USERS OF BONNEVILLE POWER

Dr. PAUL J. RAVER,
Bonneville Power Administration,
Portland, Oreg.:

Pursuant to our meeting of June 1 the following industrial customers of the Bonneville Power Administration submit herewith a statement in respect to a proposed contract between the Bonneville Power Administration and the Portland General Electric Co. The enclosed statement is endorsed and supported by the following companies: Aluminum Co. of America, Carborundum Co., Electro-Metallurgical Co., Harvey Machine Co., Inc., Kaiser Aluminum & Chemical Corp., Keokuk Electro-Metals Co., Pacific Carbide & Alloys Co., Pacific N. W. Alloys Co., Pennsylvania Manufacturing Co. of Washington, Rayonier, Inc., Reynolds Metals Co., Victor Chemical Works.

These companies have invested over $500 million in the Pacific northwest, and they have provided this region with a new basis for its economy. Together they purchase more than 99 percent of all power now being supplied by Bonneville to industry.

Representatives of the above companies will continue to explore this problem, seeking a solution more satisfactory to the various interests involved and better safeguarding the development of the northwest.

Very truly yours,

C. S. Thayer, Aluminum Co. of America; John L. Bergman, Carborundum Co.; N. L. Krey, Kaiser Aluminum & Chemical Corp.; Glen E. More, Pennsylvania Salt Manufacturing Co. of Washington; E. J. Appel, Reynolds Metals Co.; F. M. Anablen, Victor Chemical Works.

Mr. KEFAUVER. Mr. President, attached to the letter is a statement by these industrial power users. The statement sets forth their reasons for protesting against the signing of the contract. I ask unanimous consent to have the statement printed at this point in the RECORD, as a part of my remarks.

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

STATEMENT BY INDUSTRIAL POWER USERS OF NORTHWEST

The industrial customers of Bonneville Power Administration, as an organized group, voice most emphatic objection to a proposed power contract between the Bonneville Power Administration and Portland General Electric Co. It is understood that this contract would serve as a pattern for similar contracts with other private utilities. The proposed contract represents a departure from the historic policy of Bonneville Power Administration of encouraging the development of industry in the Northwest by direct sale to industrial customers. The proposed contract instead sets up drastic limitation upon the sale of power by Bonneville to new industry or for the expansion of existing industry.

The proposed arrangement worked out between Bonneville and the private utility companies without consultation with industry or the public would erect such barriers in the way of supplying power to Bonneville's industrial customers as to make it virtually certain that new basic industry will be unwilling to establish itself in this area and that such basic industry already here will be unable to grow and expand.

There can be no doubt of the tremendous contribution made to the Northwest by the investment of many hundreds of millions of dollars of private capital in the basic industries of this area. By their basic nature these industries contribute uniquely to the support of all segments of the Northwest economy, particularly through sustained payrolls, tax revenues and their expenditures for goods and services.

Continuing investments of a similar nature will, to an increasing extent, contribute to the economic well-being of the Northwest provided such investments are encouraged, not limited.

The proposed utility contract expressly provides, under certain conditions, that Bonneville will not enter into agreement to supply firm power to an industrial customer without the consent of the private utility. The industrial customers of Bonneville Power Administration strongly believe it is contrary to the public interest to grant a veto right over the Government's sale of its own power.

The proposed agreement lacks any semblance of equity. Industry should at least be permitted to share in additional power from new Federal hydro developments after a reasonable amount of such power has been provided the private utilities.

Such sharing of power is provided for in contracts already in force between Bonneville and five Northwest private utilities. No possible benefit can accrue to this region from an arrangement which would retard further industrial growth. All groups in

this region should unite in urging the authorization and construction of additional generating facilities in this area, but in the meantime it is not in the public interest for any one group to have first claim on all of the power available in excess of the requirements of the public agencies which at present enjoy a preferential allotment under the Bonneville Act.

EXHIBIT 1

POWER SALES CONTRACT EXECUTED BY THE UNITED STATES OF AMERICA, DEPARTMENT OF THE INTERIOR, ACTING BY AND THROUGH THE BONNEVILLE POWER ADMINISTRATOR, AND PORTLAND GENERAL ELECTRIC CO.

This power sales contract, executed ----------, 1953, by the United States of America (hereinafter called "the Government"), Department of the Interior, acting by and through the Bonneville Power Administrator (hereinafter called "the Administrator"), and Portland General Electric Co. (hereinafter called "the purchaser"), a corporation organized and existing under the laws of the State of Oregon, witnesseth:

Whereas the purchaser is a privately owned public utility engaged in the generation of electric energy and its distribution to rural and domestic consumers and others in the Pacific Northwest; and

Whereas the purchaser and each of the other private utilities hereinafter specified desires to purchase its firm-power requirements from the Government; and

Whereas the Administrator is authorized to dispose of electric energy generated at various Federal dams in the Northwest in accordance with the Bonneville Project Act, approved August 20, 1937, as amended, pursuant to Executive Order No. 8526, dated August 26, 1940, and the following orders of the Secretary of the Interior: No. 1994 (dated September 26, 1944), No. 2115 (dated October 16, 1945), No. 2563 (dated May 2, 1950), and No. 2663 (dated September 15, 1951); and

Whereas the Administrator desires to make available to each of said private utilities its firm-power requirements but the supply of firm power available for disposition by the Administrator is now, and will be for several years, insufficient to accomplish that purpose; and

Whereas the parties hereto recognize that it will be necessary to enter into agreements from time to time during the term hereof supplementing the provisions herein contained; and

Whereas the parties hereto have executed an exchange agreement (designated as Contract No. Ibp–5975), which establishes an exchange energy account and points of delivery, and provides for measurement and scheduling arrangements and other matters; and

Whereas the parties hereto on October 30, 1951, executed a power sales contract (designated as Contract No. Ibp–8604), which provides for the sale of electric energy to the purchaser, and the parties desire to terminate said contract: Now, therefore, the parties hereto, subject to all the provisions of said Bonneville Project Act, as amended, mutually covenant and agree as follows:

1. Rescission of contract: Said Contract No. Ibp–8604 is hereby rescinded effective at 12 p. m. on September 15, 1953, but all liabilities accrued thereunder shall be and are hereby preserved; but this agreement shall not terminate the exchange agreement (designated as Contract No. Ibp-5975) and the provisions of this contract shall not be deemed to preclude the execution by the parties of an agreement for sharing of excess steam costs for any period.

2. Term of contract: Subject to the other provisions contained herein, each of the provisions of this contract shall be effective for the term commencing at 12 p. m. on September 15, 1953, and ending at the expiration of 20 years from 12 p. m. on the date upon which this contract is executed.

3. Definitions and explanation of terms: As used herein:

(a) The term "private utilities" shall include the following corporations: The California Oregon Power Co.; California-Pacific Utilities Co.; Idaho Power Co.; the Montana Power Co.; Mountain States Power Co.; Pacific Power & Light Co.; Portland General Electric Co.; Puget Sound Power & Light Co.; and the Washington Water Power Co.

(b) The term "public agency requirements" for any period in the term hereof shall mean the amount of electric energy, as estimated by the Administrator, which reasonably will be required to supply the requirements in excess of the capability of their own hydroelectric generating facilities of all public bodies, cooperatives, and Federal agencies to be supplied by the Government during such period, directly over the Government's facilities or by transfer over other facilities: *Provided, however,* That in making such estimate for any period specified in section 7 (a) (1) hereof the Administrator shall not, without the purchaser's consent, include therein the amount of firm power required by any public body or cooperative, either for service to any new industrial customer, or for additional service to an existing industrial customer, if such service is reasonably expected to result within a period of any 1 year in an increase of 10,000 kilowatts or more in what would otherwise be the largest contract demand, if any, but if none, in the largest measured demand, of such public body or cooperative during such year;

(c) The term "industrial requirements" for any period in the term hereof shall mean the number of kilowatts of firm power shown for such period in the industrial requirements schedule in effect during such period as provided in section 4 hereof;

(d) The term "minimum energy supply" for any period shall be the number of kilowatt-hours of electric energy shown for such period in the minimum energy supply schedule in effect during such period as provided in section 5 hereof;

(e) The term "available supply of energy" for any period shall be the number of kilowatt-hours of electric energy, as estimated by the Administrator but not less than the minimum energy supply for such period, which will be available for his disposition during such period, under water conditions equal to those of the minimum water year of record, after supplying public agency and industrial requirements, any requirements under agreements providing for the delivery or exchange of power pursuant to storage, exchange, or transfer arrangements or under existing contracts with private utilities or renewals of such contracts, but in making such estimate the Administrator shall give due regard to any geographical preference then provided by law;

(f) The term "available supply of peaking" for any month shall mean the smallest of the 30-minute integrated demands, as estimated by the Administrator, at which the Government will be able to deliver electric energy during such month after supplying the requirements specified in subsection (e) of this section;

(g) The term "firm power requirements" of each of the private utilities for any contract year shall mean the number of kilowatts obtained by subtracting from the largest computed demand (as defined in section 2.3 of exhibit F attached hereto) of such private utility for such year, the amount of reserve generating capacity taken into account in calculating such computed demand;

(h) The term "Supply Schedule" for the first contract year shall mean the Supply Schedule for 1953–54 contained in exhibit C attached hereto, and for each contract year thereafter shall mean the Supply Schedule prepared in accordance with the provisions of section 6 (d) hereof, and made applicable to such year as provided in section 6 (f) hereof;

(i) The term "billing limit" for any month in any contract year shall mean the number of kilowatts specified after such month in column 3 of the supply schedule for such year;

(j) The term "schedule of steam generation" for the first contract year shall mean the schedule of steam generation for 1953–54 contained in exhibit C attached hereto, and for each contract year thereafter shall mean the schedule of steam generation prepared in accordance with the provisions of section 6 (d) hereof, and made applicable to such year as provided in section 6 (f) hereof;

(k) The term "total peaking resources available to the private utilities" for any half-hour shall mean the total integrated demand at which electric energy can be supplied to the private utilities during such half-hour, under water conditions equal to those of the minimum water year of record (1) by all the generating facilities of the private utilities; (2) under all contracts (including contracts with the Government, other than this contract and the similar contracts with the other private utilities) which provide for the delivery of firm power to any of the private utilities; and (3) by any other resources available to the private utilities such as generating facilities of industrial consumers, generating facilities in the Dominion of Canada, resources through other interconnections, and fuel-fired generating facilities of: public bodies, cooperatives, and Federal agencies other than the Department of the Interior;

(l) The term "total minimum peaking requirements of the private utilities" for any month shall mean the largest of the total 30-minute integrated demands of the systems of such utilities during such month remaining after use of the total peaking resources available to the private utilities for such half-hour;

(m) The term "net reduction in load" which occurs as the result of a disposition of any portion of the distribution system of any of the private utilities shall mean the number of kilowatts obtained by subtracting from the maximum 30-minute integrated demand of such portion of such distribution system during the 12 months preceding such disposition (or for the period such electric energy was delivered if less than 12 months), the maximum 30-minute integrated demand, as determined by the Administrator, at which electric energy could be supplied under water conditions equal to those of the minimum water year of record by any generating facilities included in such disposition.

4. Industrial power requirements and supply:

(a) Each industrial-requirements schedule which takes effect hereunder shall remain in effect thereafter until the next numbered schedule takes effect hereunder. Industrial Requirements Schedule No. 1, attached hereto as exhibit L, shall take effect upon execution of this contract. A new industrial-requirements schedule shall be submitted to the private utilities by the Administrator as soon as it is reasonably practicable after he determines that the industrial-requirements schedule then in effect must be changed as the result of—

(1) The termination of any contract specified in such schedule, or a change in the contract demand for firm power (not including temporary reductions of contract demand in accordance with the terms of the contract) specified for such contract in such schedule, if such termination or change is to be effective before such contract expires according to such schedule;

(2) The extension of the term of any contract specified in such schedule (either by amending or supplementing such contract or replacing it with a new contract for an additional term); or

(3) The sale of firm power to an industrial consumer or industrial consumers, if the contract or contracts of sale are not

included in such schedule and are authorized by the terms hereof.

The Administrator shall specify in such new schedule a list of the then existing contracts which have been, or are to be, executed by the Government and industrial consumers, together with the expiration date thereof and the contract demand or contract demands therein stated. Such new schedule shall be attached hereto and take effect hereunder when submitted to the private utilities.

(b) Except as it is otherwise provided in subsection (c) of this section, the Government will not, without the purchaser's consent, hereafter enter into any agreement which will require it to make firm power available to industrial consumers other than as specified in Industrial Requirements Schedule No. 1, during any period in the term hereof, if the Government has not agreed to supply the purchaser's firm power requirements during such period.

(c) The provisions of this contract shall not be deemed to prohibit the Government from entering into any agreement which—

(1) Changes any of the terms of any contract specified in the industrial requirements schedule then in effect (either by amending or supplementing such contracts or replacing it with a new contract), if such change does not either extend the term or increase the contract demand for firm power as specified in such contract;

(2) Extends the term of any contract specified in the industrial requirements schedule then in effect (either by amending or supplementing such contract or replacing it with a new contract), if such contract was entered into by the Administrator for the purpose of carrying out any geographical preference in the use of electric energy as provided by law;

(3) Provides for the sale of electric energy to any industrial consumer at any time, if such agreement is entered into by the Administrator for the purpose of carrying out any geographical preference in the use of electric energy as provided by law; or

(4) Extends the term of any contract specified in Industrial Requirements Schedule No. 1 (either by amending or supplementing such contract or replacing it with a new contract), if such agreement provides that the Government will reduce its obligation to supply firm power under the contract so extended to the amount specified in subsection (d) of this section at all times when the amount of electric energy generated by the purchaser's fuel-fired generating facilities exceeds the amount specified in the schedule of steam generation: *Provided, however,* that such reduction will be made only to the extent that the industrial consumer named in the contract so extended is then able to obtain from other suppliers firm power at the average cost per kilowatt-hour of all electric energy then being generated by fuel-fired generating facilities for service to firm power customers of the private utilities.

(d) The reduced amount of firm power to be made available to each of the industrial customers listed in exhibit L, attached hereto, upon extension of the term of their contracts as specified in said exhibit L shall be determined as provided in exhibit M which is attached hereto and hereby made a part of this contract.

(e) The Government will not, without the purchaser's consent, make more than 20,000 kilowatts of interruptible power available to any industrial consumer, during any day of the period referred to in section 7 (a) (1) hereof, if the Administrator determines that as a result thereof (1) the Government will not have available for delivery to the purchaser during the remainder of the month, the purchaser's electric energy requirements, determined in accordance with section 7 (b); or (2) the Government would not be able to supply to the private utilities during the remainder of the contract year their electric energy requirements in excess of the estimated amount obtainable by them from the resources specified in section 3 (k) hereof.

The Administrator will normally curtail deliveries of interruptible power to industrial consumers during short peak periods when necessary to avoid placing in operation, for a short period, any fuel-fired generating plant normally on cold standby.

5. Minimum energy supply and generator schedules:

(a) Each minimum energy supply schedule and each generator schedule which takes effect hereunder shall remain in effect thereafter until the next numbered schedule takes effect hereunder. Minimum energy supply schedule No. 1, attached hereto as exhibit A, and generator schedule No. 1, attached hereto as exhibit B, shall each take effect upon execution of this contract.

(b) A new minimum energy supply schedule shall be submitted to the private utilities by the Administrator as soon as it is reasonably practicable after he determines that the amounts shown in any minimum energy supply schedule then in effect must be changed as the result of—

(1) Changes in the generator schedule then in effect hereunder,

(2) Changes in the industrial requirements schedule then in effect hereunder,

(3) Service by the Government to any public body or cooperative for any distribution system, or portion thereof, hereafter disposed of to such public body or cooperative, by any of the private utilities,

(4) The purchase, acquisition, or exchange of electric energy by the Administrator from other suppliers,

(5) Any changes in the amount of water, electric energy, or storage capacity, or in the discharge of water from a storage reservoir, used or to be used for the purpose of irrigation, navigation, or flood control, or for any other purpose permitted by law, or,

(6) The expiration of 5 years, as required by applicable law, after written notice is given to the purchaser that in the judgment of the Administrator a part of the electric energy purchased hereunder is likely to be needed to satisfy the requirements of public bodies and cooperatives.

The Administrator shall specify in such new schedule his estimate of the amount of electric energy which will be available for disposition by him to the private utilities during each storage drawdown period in the remainder of the term of the contract: *Provided, however,* That for the purpose of making such estimate the term of each contract specified in the industrial requirements schedule then in effect shall be deemed to expire at the time of expiration of this contract regardless of the expiration date shown in such schedule. Such new schedule shall be attached hereto and take effect hereunder when submitted to the private utilities.

(c) A new generator schedule shall be submitted to the private utilities by the Administrator as soon as it is reasonably practicable after he determines that changes in the then existing generator schedule are necessary because of changes in the capability of the Government's system. The Administrator shall prepare such new schedule to conform with such changes, and the new schedule shall be attached hereto and take effect hereunder when submitted to the private utilities.

6. Submission of required information.

(a) At least 90 days before the beginning of the second contract year and of each contract year thereafter, the Administrator will give written notice to the purchaser specifying—

(1) the available supply of energy and peaking, respectively, as defined in section 3 (e) and 3 (f), for each month in such year; and

(2) his estimate of the firm-power requirements, as defined in section 3 (g), of each of the private utilities for such year.

(b) At least 90 days before the beginning of the second contract year and of each contract year thereafter, the purchaser will give written notice to the Administrator specifying—

(1) the estimated total minimum peaking requirements for each month in such year of the private utilities, as defined in section 3 (l) hereof, and the total peaking resources available to the private utilities, as defined in section 3 (k) hereof, taken into account in estimating such requirements;

(2) the portion allocated to the purchaser for each month in such year of such total minimum peaking requirements of the private utilities as so estimated: *Provided, however,* That the total amount to be so allocated for any month shall not be less than 60 percent of the largest of such total minimum peaking requirements during such year; and

(3) a distribution among the months of such year, but not exceeding 20 million kilowatt-hours for any month, of 125 million kilowatt-hours which is the amount of fuel-generated electric energy to be utilized by the private utilities before the Government would be required to supply electric energy to the purchaser pursuant to section 7 (a) (3) hereof: *Provided, however,* That if any portion of the distribution systems or any fuel-fired generating facilities of the private utilities are disposed of to any public body or cooperative, the above amounts will be reduced by the larger of: (A) The ratio of the maximum 30-minute integrated demand of such portion of such system during the 12 months preceding such disposition to the sum of the maximum 30-minute integrated demands of the private utilities for the same period, or (B) the ratio of the peaking capability of such fuel-fired generating facilities to the sum of the peaking capabilities of the fuel-fired generating facilities of the private utilities immediately before such disposition.

(c) If the purchaser notifies the Administrator, within 15 days after a notice is given pursuant to subsection (a) of this section, that the purchaser disagrees with the Administrator's estimate of any amount mentioned in subsection (a) (2), or if the Administrator notifies the purchaser, within 15 days after a notice is given pursuant to subsection (b) of this section, that he disagrees with the purchaser's estimate or distribution of any amount mentioned in said subsection (b) (1) or (b) (3) as specified in said notice, the estimate or distribution of such amount which is to be used to prepare the supply schedule, schedule of steam generation, and supplemental agreement (hereinafter referred to) for the ensuing contract year shall be such amount, if any, as is agreed upon by the parties hereto, but if such amount is not agreed upon within a period of 15 days after notification of the disagreement, the amount thereof determined by arbitration in the manner provided in section 32 of exhibit G attached hereto within 30 days after the expiration of said 15-day period shall be so used. If the purchaser's estimate of the total minimum peaking requirements of the private utilities mentioned in said subsection (b) (1) is changed as aforesaid, the purchaser will, within 5 days thereafter, give written notice to the Administrator specifying another allocation in accordance with the provisions of subsection (b) (2).

(d) If the available supply of energy specified in any notice given pursuant to subsection (a) of this section is insufficient to enable the Government to supply the total estimated firm power requirements of the private utilities (determined as provided in subsection (a), or if necessary pursuant to subsection (c), of this section) for the ensuing contract year, the purchaser will give

to the Administrator, at least 60 days before the beginning of such year, written notice of allocation specifying therein the portions of the available supply of energy and peaking, respectively, to be made available to it during each month in such year. If such a notice of allocation is not so given for any contract year, or if the sum of the amounts specified by the private utilities exceeds the available supply of energy or peaking, respectively, the Administrator shall advocate the amounts which are to be made available to the purchaser and the other private utilities during each month in such year and, at least 45 days before the beginning of the ensuing contract year, shall give to each of the private utilities written notice of the amounts allocated to it. If the purchaser disagrees with the Administrator's allocation of such amount, he may submit such allocation for reconsideration by a disinterested arbiter chosen by mutual agreement of the private utilities. If the arbiter, at least two (2) days before the beginning of the ensuing contract year, gives the Administrator written notice of a revised allocation of amounts which in the aggregate do not exceed the available supply of energy or peaking, the arbiter's allocation shall be final. If such notice is not given, the Administrator's allocation shall be final.

After allocation to the purchaser (pursuant to the first paragraph of this subsection) of portions of the available supply of energy and peaking, respectively, for each month in such contract year, and after allocation to the purchaser (pursuant to subsection (b), or, if necessary, pursuant to subsection (c) of this section) of a portion of the total minimum peaking requirements of the private utilities for each month in such year, the Administrator will prepare the supply schedule for such year, which shall specify after each month in such year, (1) in columns 1 and 2 thereof, the portions of the available supply of energy and peaking, respectively, so allocated to the purchaser for such month; and (2) in column 3 thereof, the larger of: (A) the portion of the total minimum peaking requirements of the private utilities so allocated to the purchaser for such month, or (B) the number of kilowatts specified after such month in column 2 of such supply schedule.

After distribution among the months of such year (pursuant to subsection (b), or, if necessary, pursuant to subsection (c) of this section) of the amount of fuel-generated electric energy to be utilized by the private utilities, the Administrator will prepare the schedule of steam generation for such year which shall specify such distribution.

(e) If the available supply of energy and peaking specified in any notice given by the Administrator pursuant to subsection (a) of this section is sufficient to enable the Government to supply the total estimated firm power requirements of the private utilities for the ensuing contract year (determined as provided in subsection (a), or if necessary pursuant to subsection (c), of this section) no supply schedule will be prepared for such year, but the purchaser's estimated firm power requirements for such year, as so determined, shall be the purchaser's contract demand for such year.

(f) Prior to the beginning of the second contract year and of each contract year thereafter, the Administrator will, except as it is otherwise provided in subsection (g) of this section, prepare a supplemental agreement to be submitted to the parties hereto which shall make applicable to such contract year either the supply schedule or contract demand for such year, the schedule of steam generation for such year, and such other terms as have been agreed upon by the parties hereto.

(g) If the Administrator gives written notice to the purchaser in accordance with this subsection (g), the purchaser's contract demand for each month in the contract years specified in the notice shall, subject to section 7 (c) and 8 (d), be an amount which is equal to the larger of (1) the purchaser's largest measured or computed demand (as defined in sections 2.2 and 2.3, respectively, of exhibit F attached hereto) during the 12 months' period ending on the last day of such month, or (2) 80 percent of the largest contract demand of the purchaser during the period of 5 years ending on the last day of such month.

The Administrator shall not give written notice to the purchaser under this subsection (g) unless he gives a similar notice to each of the other private utilities and three or more contract years are specified in the notice. If such a notice is given, the subsections of this section 6 preceding this subsection (g) shall not apply with respect to the contract years specified in such notice.

7. Sale of power and amount sold:

(a) Subject to the other provisions contained herein, the Government will make available to the purchaser at one or more of the points of delivery described in, and subject to the applicable terms and provisions of, said contract No. Ibp–5975, and the purchaser shall purchase from the Government:

(1) during each month in each contract year for which the available supply of energy is insufficient to enable the Administrator to supply the total estimated firm power requirements of the private utilities for such contract year as provided in section 6 (e) hereof, the number of kilowatt-hours of electric energy specified after such month in column 1 of the supply schedule for such year; and such electric energy will be made available during such month as requested by the purchaser except that the Government will not be obligated to deliver such electric energy during any half-hour in such month at an integrated demand for such half-hour which is in excess of the number of kilowatts specified after such month in column 2 of such supply schedule;

(2) during each other contract year firm power in the amount of the purchaser's contract demand for such year determined as provided in section 6 (e) hereof; and

(3) during any day of the months referred to in subdivision (1) of this subsection, such amounts of electric energy (in addition to the amount specified after such month in column 1 of the supply schedule for such year) not exceeding (except as may be otherwise mutually agreed by the parties hereto) the amount specified in subsection (b) of this section, as the Administrator determines is available for disposition by him during such day after providing for public agency and industrial requirements; and such electric energy will be made available as requested by the purchaser except that the Administrator may restrict the integrated demand at which electric energy will be delivered under this section during any half-hour to such amount as he determines is necessary for proper operations, but such amount shall not be less than the number of kilowatts specified after such month in column 2 of the supply schedule for such year.

(b) The amount of electric energy referred to in subsection (a) (3) of this section shall be the number of kilowatt-hours obtained by subtracting from the total number of kilowatt-hours of electric energy required by the purchaser to supply the demands on its system during such day, the sum of the following kilowatt-hours which are usable to supply such demands during such day:

(1) the number of kilowatt-hours of electric energy which could be generated under prevailing water conditions by the hydroelectric generating facilities of the purchaser taking into account storage of water necessary for load protection;

(2) the number of kilowatt-hours of electric energy which the Government is obligated to make available to the purchaser pursuant to subsection (a) (1) of this section;

(3) the number of kilowatt-hours of electric energy, if any, which the Government is obligated to make available to the purchaser pursuant to all other firm-power contracts executed by the parties hereto;

(4) the number of kilowatt-hours of electric energy, if any, which suppliers other than the parties hereto are obligated to make available to the purchaser pursuant to firm power contracts;

(5) the number of kilowatt-hours obtained by multiplying the ratio of the purchaser's billing limit to the sum of the billing limits of the private utilities then in effect, by the larger of: (A) all additional hydroelectric energy acquired by the private utilities from others, or (B) all additional hydroelectric energy obtainable by the private utilities from others at a cost not in excess of the rate specified in Bonneville Wholesale Energy Rate Schedules H–3, a copy of which is attached hereto as exhibit K; and

(6) such part of the number of kilowatt-hours of electric energy shown after the appropriate month in the schedule of steam generation for such year as is specified by the Administrator: *Provided, however,* That the amount so specified by the Administrator shall not exceed the capability of the purchaser's station L: *Provided further,* That the total of the amounts so specified by the Administrator for the private utilities for any month shall not exceed the amount shown after such month in such schedule of steam generation.

(c) If the purchaser disposes of any portion of its distribution system after the Government has become obligated to supply the purchaser's firm power requirements, the purchaser's contract demand then in effect shall be reduced by the net reduction in load as defined in section 3 (m) hereof, at the request of either party. If the Government becomes obligated to supply the purchaser's firm power requirements during any contract year and any customer or customers terminate service by the purchaser and commence to take service from a public body or cooperative, during such period, the purchaser's contract demand then in effect shall be reduced by such amount as is agreed upon by the parties, upon request of the purchaser, but if the parties fail to agree the matter will be settled by arbitration as provided in section 32 of exhibit G attached hereto.

8. Payment for power sold:

(a) Subject to the other provisions contained herein, the purchaser shall pay the Administrator for the electric energy made available hereunder during each month in each contract year specified in section 7 (a) (1) hereof at the rate of (1) one-twelfth of $17.50 (which is the rate specified in Bonneville Wholesale Power Rate Schedule C–4, a copy of which is attached hereto as exhibit D) per kilowatt of billing demand for energy for such month, determining as provided in subsection (b) or (c) of this section, and (2) $0.75 (which is the demand charge specified in Bonneville wholesale power rate schedule F–4, a copy of which is attached hereto as exhibit E) per kilowatt of billing demand for peaking for such months, if any, determined as provided in subsection (c) of this section.

The purchaser shall make the payments required by this subsection in accordance with the terms of the general rate schedule provisions (effective April 1, 1948, as amended, which are attached hereto as exhibit F) to the extent that they are not inconsistent with this subsection.

Sections 15 and 16 of the general contract provisions attached hereto as exhibit G shall apply to any changes in the amounts specified in this subsection and said exhibits D and E until December 19, 1959.

The purchaser shall pay the Administrator for the electric energy made available hereunder during each month in the remainder of the term hereof commencing on December 20, 1959, at the rate specified in any rate schedule available at the end of such month under new contracts for service of the class, quality, and type provided for herein, and in accordance with the terms thereof and the general rate schedule provisions incorporated or referred to in such rate schedule: *Provided, however,* That if more than one rate schedule for such service is available at the end of such month, the purchaser shall determine which of the several rate schedules shall then apply hereunder: *Provided, further,* That if a rate in excess of the rate in effect on December 19, 1959, becomes effective hereunder pursuant to this subsection (a) the purchaser may, by giving written notice to the Administrator at any time within 60 days from the time such increased rate becomes effective, terminate this contract at such time after said notice is given as is therein specified.

(b) If deliveries of electric energy to the purchaser during any month in any contract year specified in subsection (a) of this section are not restricted by the Administrator to an amount which is less than the amount specified in section 7 (b), and if there is no restriction by the Administrator of the integrated demand at which electric energy is delivered to the purchaser during any half hour in such month to an amount which is less than the billing limit (as defined in sec. 3 (i) hereof) for such month, the billing demand for energy for such month shall be the billing limit for such month, and there shall be no billing demand for peaking for such month.

(c) If deliveries of electric energy to the purchaser during any month in any contract year specified in subsection (a) of this section are restricted by the Administrator to an amount which is less than the amount specified in section 7 (b), or if the integrated demand at which electric energy is delivered to the purchaser during any half hour in such month is restricted by the Administrator to an amount which is less than the billing limit for such month:

(1) the "billing demand for energy" for such month shall be the number of kilowatts determined (by using the energy delivered at scheduled demands equal to or less than the billing limit) in the manner illustrated in detail by the calculation attached hereto as Exhibit I, and graphically illustrated by the chart attached hereto as Exhibit J; and

(2) the "billing demand for peaking" for such month shall be not less than the excess of the number of kilowatts specified after such month in column 2 of the Supply Schedule for such year over the billing demands for energy for such month, but otherwise shall be the smallest of: (A) such billing demand for energy, (B) the excess of the billing limit for such month over such billing demand for energy, or (C) the excess over such billing demand for energy of the smallest number of kilowatts to which the integrated demand for any half-hour is so restricted during such month pursuant to said section 7 (a) (3).

(d) Subject to the other provisions contained herein, the purchaser shall pay the Administrator for the firm power made available hereunder during each contract year specified in section 7 (a) (2) hereof at the rate specified in said exhibit D and in accordance with the terms thereof and the terms of said exhibit F.

If a contract demand is not in effect hereunder during the immediately preceding contract year, all measured and computed demands during such immediately preceding year shall be disregarded in determining the billing demand under said exhibit F.

If additional "generating capacity (including assured capacity purchased or leased from others)" becomes available to the purchaser during any contract year specified in section 7 (a) (2) hereof, as the result of additional storage or otherwise, and such additional generating capacity was not included as a part of the purchaser's total generating capacity in determining the purchaser's firm-power requirements for such year pursuant to section 6 hereof, and if the purchaser has notified the Administrator of its intent to acquire such additional generating capacity at least two (2) years before it becomes available to the purchaser:

(1) the purchaser's contract demand for such year shall be reduced, effective when such additional generating capacity becomes available to the purchaser, by the amount of such additional generating capacity less such reserve as is mutually agreed upon, or as is determined by arbitration in the manner specified in section 32 of exhibit G attached hereto, if the parties do not agree on such reserve; and

(2) all measured and computed demands of the purchaser prior to such reduction shall, for the purpose of computing the charges due hereunder for each month after such reduction, be reduced by the amount of such reduction.

(e) The amount by which the purchaser's 30-minute system load exceeds the load which could have been carried by the purchaser's generating capacity will be calculated for each of three periods in each month:

(1) in accordance with the provisions contained in section 2.3 of said exhibit F;

(2) in accordance with the principles and procedures to be followed in the calculation of computed demand, a copy of which is attached hereto as exhibit H and made a part of this contract; and

(3) by using as the "reserve generating capacity" (mentioned in clause "(b)" of said section 2.3 of said exhibit F) such percentage of the entire capacity of the purchaser's generating facilities as is mutually agreed upon, or as is determined by arbitration in the manner provided in section 32 of exhibit G, attached hereto, if the parties do not agree on such reserve.

The largest of the three amounts so calculated shall be the purchaser's "computed demand" for such month.

(f) In addition to the amounts to be paid by the purchaser pursuant to subsections (a) or (d) of this section, and as an adjustment for the diversity in the flow of electric energy at the several points of delivery, the purchaser will pay, for each month in the term hereof and at the time the payment for such month under subsection (a) or (d) is due, $0.01185 per kilowatt of billing demand for energy and billing demand for peaking for such month, or the purchaser's contract demand, if any, in effect during such month.

If changes in conditions hereafter occur which affect the diversity in the flow of electric energy at the several points of delivery, the charge specified in the immediately preceding paragraph shall be changed to conform with such changes in conditions. If the parties do not agree as to what constitutes such a change in conditions or on the change to be made in such charge, the matter will be settled by arbitration in the manner provided in section 32 of exhibit G attached hereto.

(g) If the Government delivers electric energy to the purchaser during any half-hour in any month specified in subsection (a) of this section at an integrated demand for such half-hour which is in excess of the billing limit for such month, the number of kilowatt-hours represented by such excess (i. e., one-half of such excess integrated demand) shall be deemed to be excess energy and shall be credited to the Government in the exchange energy account established by said contract No. Ibp-5975. Any dump or emergency energy delivered hereunder, determined as provided in section 14 of exhibit G attached hereto, shall also be credited to the Government in such exchange energy account.

(h) Pursuant to section 5 of exhibit G attached hereto, the purchaser will prepare and deliver to the Administrator within 10 days after the end of each month of each contract year specified in section 7 (a) (2) hereof, such information as may be required to enable the Administrator to calculate the purchaser's computed demand for such month.

The purchaser will also prepare and deliver to the Administrator within 10 days after the end of each month during which deliveries are restricted as provided in section 8 (c) of each other contract year a tabulation showing for each hour in such month the integrated demand on the purchaser's system, including all deliveries for the account of the Government, the integrated demand at which electric energy is delivered to each utility which is not dependent upon the purchaser for the major part of its electric energy requirements, and the amount of uncontrolled energy in each hour, which shall be the sum of the following:

(1) The amount of electric energy generated during such hour by all the purchaser's hydroelectric generating facilities from streamflows which it is estimated would otherwise be wasted;

(2) the amount of electric energy generated during such hour by such generating facilities from storage water withdrawn from the purchaser's reservoirs which it is estimated would otherwise be wasted;

(3) the amount of electric energy delivered to the purchaser during such hour and which is generated by other suppliers by using water owned by the purchaser in storage reservoirs of such suppliers and which it is estimated would otherwise be wasted;

(4) the amount of electric energy generated during such hour by stream-generating facilities of the purchaser which are being operated for a spinning reserve;

(5) the amount of electric energy delivered to the purchaser during such hour pursuant to firm purchase obligations other than that contained herein; and

(6) the amount of electric energy delivered to the purchaser during such hour by the Government to replace the electric energy delivered by the purchaser pursuant to the terms of any transfer agreement of the parties hereto.

If the Administrator does not agree that any amount, shown in the information submitted pursuant to this subsection, is correct and the parties do not thereafter agree to such amount, the matter shall be settled by arbitration in the manner provided in section 32 of Exhibit G attached hereto.

9. Power factor: It will not be practicable to measure the average power factor at which electric energy is delivered to the purchaser hereunder because of the interconnection of the systems of the various privately owned utilities in the Northwest, and for billing purposes it will be assumed that electric energy has been delivered to the purchaser hereunder at an average power factor of 0.85 or more. However, during the contract years specified in section 7 (a) (1) hereof, the purchaser will use due diligence so to operate its system as to be capable of supplying its own requirements of reactive power and will do so to such extent as is consistent with the operation of the interconnected systems of the region. If the purchaser fails to supply its entire requirements of reactive power, as determined by tests made under maximum load conditions, during any period specified in said section 7 (a) (1), the Government shall not be obligated to supply the entire amounts of electric energy therein stated, but shall be obligated to supply during such period only such part thereof as is reasonably practicable (in view of the Government's obligations to

deliver electric energy to other purchasers under the then existing conditions).

10. General provisions: The general contract provisions (GCP form POU–8), attached hereto as exhibit G, are hereby made a part of this contract, except that section 16 of said exhibit G shall be applicable only until 12 p. m. on December 19, 1959.

11. Resale rate regulation:

(a) The purchaser shall deliver to the Administrator schedules of all its rates and charges for electric service now in effect and such alterations and changes therein as may become effective, and the Administrator shall keep them on file in this office.

(b) If the Administrator is supplying the firm power requirements of the purchaser and determines that its rates are not reasonable and nondiscriminatory, he may negotiate with the purchaser to agree on changes. If no agreement is reached, the Administrator may cancel the contract on 4 years' notice. Upon receipt of cancellation notice by the Administrator, the purchaser shall have the right to have the action of the Administrator reviewed by the United States District Court for the District of Oregon, to determine if such rates and charges are in fact unreasonable and discriminatory.

12. Resale to other utilities:

(a) The purchaser will not sell electric energy to utilities not dependent on the purchaser for the major part of their electric energy requirements, except the electric energy generated in the purchaser's fuel-fired electric generating plants in excess of the amount generated for its own use, and except electric energy generated in the purchaser's hydroelectric plants as follows:

(1) During the months of April, May, June, and July of each year, electric energy generated from the excess of the current streamflows over those required: (A) to refill the purchaser's reservoirs on a schedule which will assure that each reservoir will be full on or before August 1 of such year, without depending on purchases of electric energy other than firm power, and (B) to generate the electric energy requirements of the purchaser's system not exceeding the equivalent of the average assured capability of the purchaser's hydroelectric plants during the period embracing all other months of the year; and

(2) During each other month of such year, electric energy generated from streamflows in excess of streamflows in the corresponding month of the 12 months' period commencing July 1, 1936, and from any accumulation of such excess streamflows then in storage in the purchaser's reservoirs or elsewhere.

(b) The amount of any electric energy sold by the purchaser in accordance with subsection (a) of this section during any month specified in section 7 (a) (2) hereof will be disregarded in determining the purchaser's 30-minute system load to be used in computing the charges due hereunder for such month.

(c) No part of the electric energy sold by the purchaser in accordance with subsection (a) of this section shall be delivered at such time as to increase the purchaser's maximum system demand for any month in the term hereof unless it is otherwise agreed by the dispatchers of the parties hereto.

(d) The purchaser will furnish to the Administrator, in accordance with section 5 of exhibit G attached hereto, such information as he requests and which is reasonably required to determine whether or not the purchaser is complying with the provisions of this section.

(e) If the purchaser delivers to any such utility during any month in the term hereof any electric energy other than energy available for such resale in accordance with subsection (a) of this section, the amount of electric energy so delivered shall be deemed to have been supplied by the Government to the purchaser and shall be credited to the Government in the exchange account established by said contract No. Ibp–5975.

(f) The inclusion of this section is not intended to have the effect of interfering with the construction of new generating facilities by the purchaser. Accordingly, it is the intention of the parties hereto to negotiate in good faith for the modification of this section if such modification is reasonably necessary to aid in the financing by the purchaser of additional generating facilities.

13. Joint studies and negotiations:

(a) Representatives of the parties hereto will collaborate in joint studies from time to time to forecast the power requirements of the purchaser to be supplied hereunder and to plan the facilities required to assure the most efficient mutual operations.

(b) If any statute (including the Bonneville Project Act), Executive Order, or order of the Secretary of the Interior, which applies to the disposition of any electric energy amended at any time during the term hereof, by the Administrator is promulgated or amended at any time during the term hereof, the parties hereto, at the request of either, shall negotiate in good faith to amend this contract to conform it with the applicable statutes and orders as they exist after such amendment.

(c) If any power sales contract hereafter executed by the Administrator and any other customer contains more favorable terms or provisions than those contained herein, the parties hereto, at the request of the purchaser, shall negotiate in good faith to amend this contract to incorporate herein such more favorable terms or provisions: *Provided, however,* That this subsection (c) shall not be deemed to require the Administrator to negotiate regarding the inclusion of any provision which he determines cannot be performed by the Government, or which in his opinion would be inconsistent with any other contract or with the statutes, rules and regulations governing the disposition of electric energy by him.

14. Approval of contract: This contract shall not be binding upon the parties hereto until it has been approved by the Secretary of the Interior, and until the rates and charges herein contained are approved by the Federal Power Commission, but when so approved shall be effective as of 12 p. m. on the date this contract is executed.

In witness whereof, the parties hereto have executed this agreement in several counterparts.

UNITED STATES OF AMERICA,
DEPARTMENT OF THE INTERIOR,
By ----------
Bonneville Power Administrator.
PORTLAND GENERAL ELECTRIC CO.,
By ----------

The PRESIDING OFFICER. Does the Senator from Tennessee yield the floor?

Mr. KEFAUVER. I do, Mr. President.

RECESS TO MONDAY

The PRESIDING OFFICER. Pursuant to the order previously entered, the Senate now stands in recess until 12 o'clock noon, on Monday next.

Thereupon (at 7 o'clock and 37 minutes p. m.) the Senate took a recess, the recess being, under the order previously entered, until Monday, June 22, 1953, at 12 o'clock meridian.

NOMINATIONS

Executive nominations received by the Senate June 18 (legislative day of June 8), 1953:

SUBVERSIVE ACTIVITIES CONTROL BOARD

Harry P. Cain, of Washington, to be a member of the Subversive Activities Control Board, for a term of 3 years, expiring August 9, 1956. (Reappointment.)

OFFICE OF EDUCATION

Lee Mohrmann Thurston, of Michigan, to be United States Commissioner of Education.

UNITED STATES MARSHALS

Emerson Ferrell Ridgeway, of Florida, to be United States marshal for the northern district of Florida, vice Edgar W. Scarborough, resigning.

William W. Kipp, Sr., of Illinois, to be United States marshal for the northern district of Illinois, vice Thomas P. O'Donovan, deceased.

DEPARTMENT OF THE NAVY

CHIEF OF THE BUREAU OF AERONAUTICS

Rear Adm. Apollo Soucek, United States Navy, to be Chief of the Bureau of Aeronautics in the Department of the Navy for a term of 4 years.

IN THE NAVY

Vice Adm. Felix B. Stump, United States Navy, to have the grade, rank, pay, and allowances of an admiral while serving as commander in chief, Pacific, and commander in chief, United States Pacific Fleet.

Rear Adm. Thomas S. Combs, United States Navy, to have the grade, rank, pay, and allowances of a vice admiral while serving as a fleet commander.

William A. Gureck, midshipman (Aviation), to be an ensign in the Navy.

Floyd W. Emanuel (Naval Reserve Officers' Training Corps), to be an ensign in the Navy, subject to qualification therefor as provided by law.

The following-named (Naval Reserve Officers' Training Corps) for permanent appointment to the grade of second lieutenant in the Marine Corps:

Lewis W. Jarman
Carl Schwartz

The following-named (Army Reserve Officers' Training Corps), for permanent appointment to the grade of second lieutenant in the Marine Corps:

Richard C. Meichel
Albert R. Saunders, Jr.
Walter W. Shorter

The following-named officers for permanent appointment to the grade of second lieutenant in the Marine Corps:

Francis O. Affeld IV	Walter J. Henderson
James F. Aycock	Robert J. Henley
Leo P. Bailey, Jr.	John D. Hissong
Andrew D. Beach	Joseph D. Jackson
Kenneth H. Berthoud	Franklin H. Jones, Jr.
George E. Bivens	Therin H. Jones
George E. Blackstone, Jr.	Albert W. Keller
	Milton C. Kramer
Robert D. Boles	Alphonse A. Laporte, Jr.
James J. Brennan	
Henry M. Bridges	Eugene H. McCauley, Jr.
Larry R. Butler	
Wiley R. Cable	Robert H. Meier
Raymond A. Carey	Raymond O. Miller
Howard E. Carr, Jr.	Edward B. Moore, Jr.
David D. Centola	Vern E. Mushett
Larry P. Charon	James K. O'Rourke
Willard E. Cheatham	Donald P. Ostlund
Richard L. Coughlin	Elmer S. Payne
Albert L. Cull	Charles H. Phelps, Jr.
Will C. Cuppy, Jr.	Bernard P. Phillips
Roland H. Dean	George W. Pinfield, Jr.
Clyde S. DeLong, Jr.	
George J. DeLong	Walter S. Pullar, Jr.
Robert P. Dore	James P. Riseley, Jr.
Herbert W. Drescher	Morris G. Robbins
Norman B. Fear, Jr.	Richard T. Roberts
Gerit L. Fenenga	Duncan J. Robertson
Harold J. Field, Jr.	Edward R. Root
Harlan C. Flinner	Alfred W. Ruete, Jr.
John W. Florence	Robert L. Ryan, Jr.
Lester M. Fulcher	Edward J. Schaub
William M. Galloway	Jack E. Schlarp
Robert B. Gantt	Robert H. Schultz
Bronislaus A. Gill	Mitchell J. Serven
John P. Gillen	Leonard G. Severin
Michael J. Gott	Alan E. Skagerberg
Thomas E. Graney	Donovan C. Strickland
John G. Gray	

Billy D. Thornbury
William L. Threlfall
Donald B. Townsend
Joseph A. Urban
Kenneth D. Vanek
Robert E. Wander
Jay H. Wenrich
Willard J. Woodring, Jr.

The following-named officers to be lieutenants (junior grade) in the Chaplain Corps in the Navy:

Martin J. Doermann
Gordon H. Griffin

The following-named to be ensigns in the line in the Navy, subject to qualification therefor as provided by law:

Frederick J. Blum III
Lawrence Boncer
Robert T. Carterette
Arthur W. Cooley
Douglas L. Crinklaw
Walter C. Deal, Jr.
Charles C. Denman, Jr.
William W. Ferguson
Robert K. Fisher
Gordon W. Friedel
Harvey E. Gardner
Charles E. Gibbs, Jr.
Halbert G. Gillette
John R. Goodrich
John P. Hall
Rodney V. Hansen
Albertlea Hanson
Paul R. Heise
Nathan S. Henderson, Jr.
Ray A. Hobgood
William T. Hollenbach
Malcolm L. Huffman
Allen S. Jefferis
Alfred G. Kelley, Jr.
Jerry D. Lafferty
Ernest E. Laib, Jr.
Clarke E. Lantz
Joseph J. McGovern
Jack V. McKee
George R. Mead
Stuart T. Meredith
Richard L. Perkins
William F. Reilly
James H. Reynolds
Dale G. Schuster
Herman A. Seeba
Conard L. Seymour
George C. Simpkins
James H. Smith
Joseph J. Wachtel
James B. Wheeler
Ralph T. Williams

Austin E. O'Toole, to be ensign in the line (Aviation) in the Navy, subject to qualification therefor as provided by law.

The following-named to be ensigns in the Supply Corps in the Navy, subject to qualification therefor as provided by law:

Ernest B. Coleman
George V. Hemmert
William J. Hodges
Alva F. Jordan, Jr.
Nelson S. Larson

The following-named officers for permanent appointment to the grade of first lieutenant in the Marine Corps:

John E. Baxter
William W. Campbell
Robert W. Cooney
Orie E. Cory
Thomas M. Elliott
Olin V. Hoffman, Jr.
Robert L. Kletzker
Thaddeus Kolankiewicz
Herbert V. Lundin
Fredic Massena
Paul G. McClanahan
Russell W. McNutt
Wilfred C. Nicholas
Owen L. Owens
Albert R. Pytko
James B. Seaman
Luther S. Smith, Jr.
Russell E. Tanner
William T. Wallace
David Y. Westling
Charles F. Whitehead, Jr.

John R. Collin, officer, for permanent appointment to the grade of second lieutenant in the Marine Corps.

The following-named to be ensigns in the line in the Navy, for limited duty only, classification "deck," subject to qualification therefor as provided by law:

Lynn R. Clark
Donald H. Dowds
Bernard A. Duffy
Kenneth N. Holt
James W. Hodges, Jr.
Paul E. Kane
William R. Knapp
Charles N. Osborne
James C. Peeler
Raymond B. Prell
John L. Preston
Jack M. Reid
Clarence H. Smitter
Harris E. Steinke
Edward C. Walshe, Jr.

The following-named to be ensigns in the line in the Navy, for limited duty only, classification "ordnance," subject to qualification therefore as provided by law:

Robert E. Byrnes
Joseph M. Callaghan
Claire V. Chesley, Jr.
Eugene A. Culver
Elmer C. Froewiss
Roy E. Lanphear
Clovis K. McDonald
James H. Manion
Edward K. Markley
William E. Medinger
Andrew T. J. Nutter
Joseph Pestcoe

The following-named to be ensigns in the line in the Navy, for limited duty only, classification "administration," subject to qualification therefor as provided by law:

Paul F. Bodling, Jr.
Kermit E. Dearman
John F. Elmore, Jr.
Edward V. English
Boyce "D" Evans
James J. Holian
John S. Hoover
Harry E. Howell
Gayle Ramsey
Douglas I. Smiley
John D. Thomas
David W. Williams
James B. Williams

The following-named to be ensigns in the line in the Navy, for limited duty only, classification "engineering," subject to qualification therefor as provided by law:

Robert C. Alexander
Donald L. Alldredge
Leonard F. Bathel
Jack G. Belton
James K. Berger
Walter J. Blasczak
Paul E. Camplin
Edwin B. Clark
Albert E. Ferguson
Allen W. Helmandollar
John R. Henley
Elbert R. Holland
Llewellyn E. Jalbert
Robert E. Kutzleb
Donald A. Langer
William B. Latham
Arthur J. Meacham
Carroll K. Mitchell
Robert D. Morris
Irvin R. Moss
Gordon F. Murphy
James C. Schasteen
David H. Stewart
Jacob L. Van der Goore

The following-named to be ensigns in the line in the Navy, for limited duty only, classification "hull," subject to qualification therefor as provided by law:

Leonard "C" Ash
William A. Bullock
George R. Cammer
Alexis N. Charest
John G. Dolan
Edward C. Fitzpatrick
Thomas M. Moran

The following-named to be ensigns in the line in the Navy, for limited duty only, classification "electronics," subject to qualification therefor as provided by law:

George E. Bein
Albert Chisum, Jr.
Thomas G. Clinton
Fayne E. Curtis
Dion G. B. deBit
Forrest J. Godfrey
Robert W. Goodreau
Frederick M. Hollen
John H. Larsen
Stanford E. Lichlyter
William A. Meador
Harold L. Olsen
Charles F. Skillman
Orville A. Smullen, Jr.
Wilmer E. Walker

The following-named to be ensigns in the line in the Navy, for limited duty only, classification "aviation operations," subject to qualification therefor as provided by law:

Roy L. Judd
James D. Mullins
John A. O'Shea, Jr.
Henry L. Wittrock

The following-named to be ensigns in the line in the Navy, for limited duty only, classification "aviation ordnance," subject to qualification therefor as provided by law:

John C. Thomas
George H. Waters

The following-named to be ensigns in the line in the Navy, for limited duty only, classification "aviation engineering," subject to qualification therefor as provided by law:

Robert J. Brunskill
Robert T. Check
Walter J. Davis
Edmund F. Foley
Billy D. Jamison
Virgil J. Lemmon
Merle E. Mills
Richard G. Rieken
Walter P. Schmidt
John J. Snee
Donald C. Walrath
Harry H. Williamson, Jr.
William F. Wright, Jr.

The following-named to be ensigns in the line in the Navy, for limited duty only, classification "aviation electronics," subject to qualification therefor as provided by law:

Leonard B. Crane, Jr.
William T. Dickson
Ralph L. Gordon
Frederick E. Groenert
Grant "W" Miller

The following-named to be ensigns in the Supply Corps in the Navy for limited duty only, subject to qualification therefor as provided by law:

James L. Avary
Purnel L. Collicott
William I. Davidson
Delbert L. Faust
Alfred J. Furnweger
Walter F. Merrick
Bayard A. Taylor, Jr.
Harry M. Volkmann
Lee Wood, Jr.

The following-named to be ensigns in the Civil Engineer Corps in the Navy, for limited duty only, subject to qualification therefor as provided by law:

Loney L. Blough
Oscar F. Parrish, Jr.
William C. Pinch

IN THE MARINE CORPS

The following-named officers of the Marine Corps for permanent appointment to the grade of colonel:

Michael S. Currin
Leonard K. Davis
Elmer T. Dorsey
Earl A. Sneeringer
Merlyn D. Holmes
Lewis J. Fields
Harvey S. Walseth
Bruce T. Hemphill
Edward P. Pennebaker, Jr.
Wallace M. Nelson
Leonard F. Chapman, Jr.
John E. Weber
Gallais E. Matheny
Herman Nickerson, Jr.
Richard H. Crockett
George A. Roll
Floyd R. Moore
Marshall A. Tyler
Marvin H. Floom
Richard E. Thompson
Willard C. Fiske
Robert C. Walton
Stanley W. Trachta
Carey A. Randall
Ronald B. Wilde
William S. McCormick
William J. Van Ryzin
Albert F. Metze
Joe C. McHaney
Gould P. Groves
Donn C. Hart
Wilmer E. Barnes
Kenyth A. Damke
Raymond L. Murray
John S. Oldfield
Kenneth A. Jorgensen
Alexander B. Swenceski
Hoyt Mcmillan
Peter J. Negri
Frank P. Hager, Jr.
Elmer E. Brackett, Jr.
William T. Fairbourn
Custis Burton, Jr.
Clayton O. Totman
Bruno A. Hochmuth
Thomas F. Riley
Frederick P. Henderson
Donald J. Decker
Michael Sampas
Frederick E. Leek
William R. Wendt
Robert A. McGill
James M. Clark
Peter J. Speckman
Roy L. Kline
Odell M. Conoley
Louie C. Reinberg
William W. Buchanan
Jack Tabor
Joseph N. Renner
William R. Collins
Norman VanDam
Herbert H. Williamson
John C. Miller, Jr.
Charles S. Todd
Thomas S. Ivey
Joseph L. Winecoff
William G. Robb
Ralph L. Houser
Robert C. Burns
Arthur A. Chidester
Reed M. Fawell, Jr.
Arthur J. Davis
Wendell H. Duplantis
Joseph R. Little, Jr.
Lawrence H. McCulley
Fenwick N. Reeve
Alexander A. Vandegrift, Jr.
George W. Hays
"A" "E" Dubber
Paul R. Tyler
Edmund M. Williams
Philip W. John
Harold B. Meek
Rathvon M. Tompkins
Charles M. Nees
Glenn D. Morgan
George B. Bell
Andrew B. Galatian, Jr.
Frederick R. Dowsett
Elby D. Martin, Jr.
Richard W. Wallace
John H. Masters
Harrison Brent, Jr.
William F. Kramer
Louis B. Robertshaw
William D. Roberson
Maynard M. Nohrden
Richard Rothwell

The following-named officers of the Marine Corps for permanent appointment to the grade of lieutenant colonel:

John B. Sweeney
Grant S. Baze
Harry S. Popper, Jr.
William T. Bray
Quintin A. Bradley
George D. Webster
Carl M. Johnson
George F. Vaughan
Henry S. Campbell
David M. Danser
James G. Brady
Harry W. Edwards
James P. Rathbun
Arthur J. Rauchle
Edward J. Doyle
Wilbur R. Helmer
Paul H. Millichap
Edward P. Dupras, Jr.
Louis C. Griffin
Houston Stiff
James E. Herbold, Jr.
John S. Hudson
Meryl F. Kurr
Webb D. Sawyer
Samuel L. Grigsby
Winston E. Jewson
James T. Kisgen
Robert A. Campbell
George E. Moore
Donald E. Noll
Edward R. Gilbert
William P. Oliver, Jr.
Maxie R. Williams
Peter I. Olsen
Harry D. Pratt
Theodore A. Demosthenes
Sherman W. Parry
Frank A. Long
Robert T. Neal

Richard G. Warga
Kenneth N. Hilton
Joseph C. Missar
Charles E. Dobson, Jr.
Raymond C. Portillo
Edward G. Roff, Jr.
Walter M. Caulfield
Arnold W. Harris
Stanley M. Adams
John P. Wilbern
Raymond G. Coyne
Leonard D. Reid
Milton G. Cokin
Howard E. Wertman
Sidney J. Altman
Harry O. Buzhardt
James A. Feeley, Jr.
John R. Spooner
Joseph H. Elliott, Jr.
James T. McDaniel
Robert P. Keller
Donald H. Sapp
Richard M. Caldwell
Alan J. Armstrong
Robert E. Cameron
Foster C. LaHue
Donald S. Bush

The following named officers of the Marine Corps for permanent appointment to the grade of major:

David W. Schumaker
George E. Jerue
Thomas A. Manion
Don W. Galbreaith
Edward E. Hammerbeck
Mitchell O. Sadler
James R. Barbour
Raymond J. Fening
Ephraim Kirby-Smith
Paul R. Nugent
John Lemay, Jr.
Thurman L. Perkins
Murray M. Staples
Corbin L. West
Richard C. Peck
Richard F. Dyer
Joseph R. Motelewski
Francis I. Fenton, Jr.
Mitchell Paige
Neil M. Hansen
John V. Huff
Joseph C. Fegan, Jr.
John D. Curd
Julius F. Koetsch
Neely D. Butler, Jr.
Robert "F" Foxworth
Theodore R. Boutwell
Emmett O. Anglin, Jr.
William I. Taylor
Edwin J. Hernan, Jr.
Earle P. Carey
Robert D. Morris
Robert E. Brant
Emmett R. Hiller
Leo B. Shinn
Frederick C. Dodson
Nicholas L. Shields
Russell E. Corey
Hoyt C. Duncan, Jr.
Edward R. Messer
Franklin J. Harte
Louis L. Ball
David W. Banks
Richard C. Smith
Edward H. Pesely
Nels E. Anderson
William O. Cain, Jr.
Richard L. Moore
Leslie E. Brown
Jay W. Hubbard
William F. Lane
Wilbur J. Buss
Richard C. Bryson
John M. Barclay
Bruce F. Williams
Walter E. Stuenkel
Charles J. Dyer
William J. Zaro
Rufus B. Thompson, Jr.
William M. Graham, Jr.
William P. Nesbit
Roland H. Makowski
Edward H. Greason
James P. Young, Jr.
William H. Clark
Harry L. Givens, Jr.
Frank R. Berrar
Frederick W. Baker, Jr.
Charles H. Greene, Jr.
Ray O. Larsen
Edward L. Fossum
Adolph J. Honeycutt
Gale B. Gibson
Herbert A. Robinson
Claude R. LaPlant
Richard A. Brenneman
David E. Lownds
Gilbert D. Bradley
Robert M. Krippner
William K. White
Joseph E. LoPrete
Ralph H. Pratt
William P. Vaughan
Benson A. Bowditch
Albert S. Dooley, Jr.
Clyde S. Stewart
Wesley W. Hazlett
Wiley A. Green
Anthony R. Nollet
Marion C. Dalby
Floyd G. Phillips
Harold L. Honnold, Jr.
John E. Cosgriff
Walter A. Petersen
Theodore J. Horner
Charles "E" Cornwell
Robert M. Ervin
Dennis D. Nicholson, Jr.
Richard N. Aufmann
William T. Westmoreland, Jr.
Peter J. Mulroney
Paul C. Scofield
Francis P. Wilson
William E. Antley, Jr.
Eric R. Haars
Charles E. Walker
Thomas N. Greene
Jack R. Jones
Maximillian N. Brinkman
Albert L. Williams
Quentin V. Earl
John J. Meek
Francis X. Rudenauer
Leslie F. Fultz
Lloyd L. Willis
Gordon Matthew
Herbert E. Ing, Jr.
Jerome D. Gordon
Eugene L. Hamon
Thurston B. Stidham
William D. Heier
Phillip C. Delong
Edwin A. Harper
John J. Reber
Robert A. Strieby
Lionel D. Hastings
Zigmund J. Radolinski
William G. MacLean, Jr.
Ralph H. Lewis
Summerfield M. Taylor, Jr.
Frederick "E" Hughes
John F. Coffey
George E. Kittredge, Jr.
William F. Fry
John Mesko
Anthony J. Castagna

The following-named officers of the Marine Corps for permanent appointment to the grade of major for limited duty:

Ronald J. Nourse
Ben Sutts
Howard H. Parker
Harold M. Tupper
Frank J. Cermak
Frank C. Sheppard
William B. Richards

The following-named officers of the Marine Corps for permanent appointment to the grade of captain:

Joseph S. Heitzler
Arthur T. Hill
Richard H. Fairchild
Wilbourn Waller
Edward A. Koster
Joseph J. Kelly
Eldon C. Stanton
Thomas A. James
Leo R. Jillisky
Howard Wolf
Arthur F. Shupe
Eugene M. Oster
Wayne R. Johnson
James R. Jones
Jack K. Knocke
Byron J. Melancon
Clarence M. Hurst
Rex A. White
Max F. Brumfield
Joseph O. Compton, Jr.
Patrick D. Boyle
Arthur W. Latta, Jr.
Fred F. Eubanks, Jr.
Adlin P. Daigle
Francis K. Tomlinson, Jr.
George Kuprash
Frank S. Crawford
James Leon
Ted J. Foster
William D. Watson
Donald H. Edwards
Ray Connelly
Kenneth G. Hadcock
Nelson E. Brown
Harold L. Green
Lloyd F. Childers
James W. Smith
Billie "E" Loos
John Browne
John P. Baden
Herman L. Mixson
William G. Carter
Gerald C. Armstrong
George L. Davis, Jr.
William H. MacCormack
Breen G. Lansford
Richard P. Greene
William G. Joslyn
Ben C. Porter
John S. Alexander
William A. Mazzarella
Joe B. Crownover
Dene T. Harp
Eugene W. Gleason
John E. Quay, Jr.
Francis W. Vaught
Paul G. Graham
Edgar F. Remington
John E. McVey
John L. Scott
Drury W. Wood, Jr.
Elbert F. Price
Thomas L. Cobb
Ted H. Collins
Gordon R. Squires
Joseph W. Krewer
John J. Murphy
Robert D. Slay
Richard W. Benton
Harold F. Keller
Robert L. Parnell, Jr.
McDonald D. Tweed
James B. Turner, Jr.
Loren W. Calhoun
Daniel A. Casey, Jr.
William F. Harrell
Harvey L. Jensen
Truman Clark
Vincent J. Marzelo
Thomas H. Nichols, Jr.
Louis J. McGowan
James S. McAlister
Thomas W. Clarke
Joseph A. Nelson
Rocco D. Bianchi
Robert V. Anderson
William L. Hall
Charles H. Watkins, Jr.
Chester M. Lupushansky
Samuel B. Burnett
Edgar D. Pitman
Landon E. Christian
David M. Bidwell
Harry Hunter, Jr.
Donald R. Dempster
Cecil L. Champion, Jr.
Ross R. Miner
Eraine M. Patrias
Joseph DiFrank, Jr.
Kenneth J. Conklin
Richard J. Fellingham
Walter E. Sparling
Paul L. Hitchcock
William R. Quinn
Joseph L. Wosser, Jr.
Stanley G. Dunwiddie, Jr.
Jack G. Kelly
Elwin M. Jones
Julian G. Bass, Jr.
Daniel A. Somerville
Emanuel R. Amann
Dale Gutshall
Robert B. Lipscombe, Jr.
George R. Pillon
Charles N. Sims, Jr.
James T. Doswell II
Reed T. King
George T. Keys
Jeremiah D. Shanahan
Paul T. Wiedenkeller
Leslie W. Bays
Leo Gerlach
Bobby Carter
Donald R. Harris, Jr.
Roy E. Oliver
Jerome J. C. Beau
Edward E. Kaufer
Nathan A. Smith
Eugene V. Pointer
Eugenous M. Hovatter
Howard S. Bolton
Robert D. Bohn
Ermel D. Bowen
Leo G. Wears
Matthew A. Clary, Jr.
Lawrence C. Switzer, Jr.
John F. LaSpada
William E. Barrineau
Ralph A. Heywood
Edward D. Murray
Walter C. Kirk
Frank L. Straner
William K. Dormady
Gordon K. Jackson
Donald L. Galbraith
Theodore A. Stawicki
Oscar H. Kirsch
Wilbur C. Kellogg, Jr.
Roland R. Miller
James W. Shank
Norman Vining
Lloyd J. Engelhardt
Clement T. Corcoran
Joseph W. Luker
Thomas A. White
Ardath C. Smith
Eugene W. Derrickson
Delmar L. Edwards
Keith W. Costello
Charles W. Abrahams
Howard H. Zagrodzky
Martin J. Itzin
Earl W. Thompson
James P. Mariades
Robert W. Hamilton
William C. Airheart
Edward L. Walls, Jr.
Frederick A. Murchall
George H. Dodenhoff
Jerome L. Goebel
Paul D. King
Donald M. Bloomer
Arthur R. Smith
Keith D. Nolan
Robert A. Meyer
Donald R. Judge
Leo R. Swartz
Harold W. Evans, Jr.
Frederick G. Connelly
Jack R. Grey
Oliver E. Dial
Samuel A. Wallace
Walter G. Hunter
Russell L. Silverthorn
Arthur B. Slack, Jr.
William S. Harris
Edward B. McNeill, Jr.
Milton B. Cooper
Louis T. Iglehart, Jr.
Paul F. Curtis
Duane W. Skow
Orlin A. P. Hughes
Ralph B. Crossman
Edward W. Carmichael
Donald H. Brooks
Charles D. Mize
Burton L. Lucas, Jr.
William F. Doehler
James M. Sherwood
Henry L. Claterbos
Joseph F. Holzbauer
Eugene B. Fallon
Thomas E. Gleason
Roy H. Miller
Sumner A. Vale
Lawrence V. M. Wickham
William P. Cosgrove
Horton E. Roeder
Palmer H. Rixey
Carl O. H. Haroldson
Frederic A. Hale, Jr.
William L. McCulloch
Don H. Blanchard
Ray N. Joens
James G. Dionisopoulos
John W. McNulty, Jr.
James C. Gasser
Lyle V. Tope
Harold C. Fuson
Richard D. Temple
Walter L. Persac
Francis R. Kraince
Lavern J. Oltmer
George A. Brigham
Francis C. Opeka
Raymond W. Mullane
William J. Hinson, Jr.
David P. Graf
Burneal E. Smith
John G. Theros
George A. Gibson
Russel H. Stoneman
Robert H. Emswiler
Gus Robinson
Benjamin F. Fox
Herbert E. Mendenhall
Herman L. Anderson
Forrest E. Caudle
Robert W. Bayless
Eugene S. Kane, Jr.
Charles J. Brewer
Wesley F. Demmons
Arnold S. Baker, Jr.
Mark A. Rainer, Jr.
Robert W. Taylor
Harvey E. Spielman
Wilmer W. Hixson
John W. Collier, Jr.
Gene M. Hoover
Robert J. Tunnell, Jr.
Maurice A. David
James W. Dunning
Angelo J. Sammartino
James F. Williams
Edwin S. Shick, Jr.
Gordon H. Keller, Jr.
Eugene Millette
Hiel L. VanCampen
Robert G. Scurrah
Howard A. Blancheri
Leo G. Lewis, Jr.
Adolph G. Schwenk
James Landrum, Jr.
Samuel Taub, Jr.
Richard F. Peterson
Earl K. Vickers, Jr.
Emil M. Misura
Lyle B. Matthews, Jr.
Raymond McArthur

The following-named officer of the Marine Corps for permanent appointment to the grade of lieutenant colonel, subject to qualification therefor as provided by law:

James K. Egan

The following-named officer of the Marine Corps for permanent appointment to the grade of captain, subject to qualification therefor as provided by law:

Robert C. Messman

The following-named officer of the Marine Corps Reserve for permanent appointment to the grade of lieutenant colonel:

Leo B. Case

The following-named woman officer of the Marine Corps for permanent appointment to the grade of lieutenant colonel:

Pauline B. Beckley

The following-named officers of the Marine Corps for permanent appointment to the grade of first lieutenant:

Donald J. Burger
Victor Ohanesian
William C. Keith, Jr.
Ralph L. Cunningham, Jr.
William R. Grubaugh

Kenneth S. Foley
Robert S. Silverthorn
Adolph G. Sadeski
Garland T. Beyerle
Marvin H. Stevens
Jerry F. Mathis
Claude E. Deering, Jr.
William E. Cross, Jr.
Robert L. Larson
Elwin B. Hart
Harold E. Stine
Walter F. Murphy, Jr.
David G. Mehargue
Edward J. Bronars
John J. Oltermann
James W. Marsh
James S. Levoy
Harry O. Cowing, Jr.
John D. Driggers, Jr.
Kenneth J. Kopecky
Joel D. Sugg, Jr.
George F. Tubley
Lee R. Bendell
Charles A. Rosenfeld
Arthur R. Petersen
Vincent J. Pross, Jr.
John E. Greenwood
Wendell N. Vest
Martin B. Reilly
Taylor J. Tucker
Grover C. Koontz
Andrew E. Hare
David M. Twomey
James J. DiNardo, Jr.
Paul D. Walker, Jr.
Audrey P. McNair
Robert J. Irwin
Thomas A. Palmer
Robert B. Brennan
Warren M. Brown
Ira L. Morgan, Jr.
Alan F. Moreno
Alexander P. McMillan
Otto I. Svenson, Jr.
Fredric A. Green
Leo A. Shane
Thomas P. McGeeney, Jr.
Laurence D. Krentzlin
Joseph W. Hall
Joseph R. Gutheinz
Johan S. Gestson
George T. Sargent, Jr.
Harry L. Gary
Albert E. Shaw, Jr.
Charles B. P. Sellar
Walter V. Walsh
Stanley A. Herman
James M. Brannaman
David J. Pudas
Harry B. Randall III
Robert A. Eccles, Jr.
Raymond M. Ryan
Jack Erwin
Lawrence A. Hall
Gilbert H. Holmes
John M. Travis
Bain McClintock
Robert N. Good
Donald C. Miller
Charles S. Homola, Jr.
Richard K. Buchanan
William G. Schwefel
Edward A. Robbins, Jr.
David M. Ridderhof
Aubrey W. Talbert, Jr.
Birchard B. Dewitt
David J. Wightman
Winston D. Chapman
John E. Nolan, Jr.
William B. Shields
Oral R. Swigart, Jr.
Holcombe H. Thomas
Frederick M. Woeller
Richard E. Jones
Kenneth E. Taft, Jr.
Cornelius F. Savage, Jr.
Richard L. Still
Rodolfo L. Trevino
Eugene F. Hertling, Jr.
Albert J. Zlogar
Joseph Nastasi
Cyril Wadzita
Richard B. Sheridan
Jack L. Handey
Presley M. Rixey
David I. Curtis
Joshua W. Dorsey III
William Lesser
Paul G. McMahon
Leo J. Fitzpatrick, Jr.
James H. Bryson
John N. Webb
Robert G. Brown
Ernest O. Agee
Henry E. Wold
Winans D. Holliday
Don L. Keller
David E. Schwulst
David J. Hytrek
William R. Corson
Robert W. Oliver
Peter G. Paraskos
Thomas J. Burckell
Eugene D. Foxworth, Jr.
Edward J. Rigby
James W. Wood
Erin D. Smith
William B. Wilson, Jr.
James L. Bowman
Robert D. Morse
James R. Aichele
Lawrence R. Dorsa
James E. Bald
William B. Fleming
Warren R. Johnson
John M. Frease
Joseph V. McLernan
John L. Lowe
Stewart G. Mayse
Gregory J. Cizek
Frederick F. Brower, Jr.
Charles W. Abbott
Joseph J. N. Gambardella
Bruce L. Rehn
Thomas E. Bulger
Stanley H. Olson
William B. McCurdy
Edward R. Watson
Robert C. Jenkins
Richard J. Smith
Earl F. Roth, Jr.
Reagan L. Preis
Donald B. Saunders
Joseph H. Trimbach
Richard B. Wyatt
Newell D. Staley, Jr.
William M. Herrin, Jr.
Robert L. Gunter
Andrew F. Toxey
Jesse L. Gibney, Jr.
Withold J. Bacauskas
Charles A. Sloan, Jr.
Robert B. Farrell
Robert E. Wehrle
Harvey F. Robbins
Joseph C. Shea, Jr.
William K. Rockey
Heman J. Redfield III
Richard T. Guidera
Arthur W. Anthony, Jr.
Wilson A. Frease
Jimmy Magoulas
Richard E. Campbell
Robert F. McCulloch
Marshall J. Treado
Robert E. Presson
Marvin J. Fournier
Richard W. Scott
Elmer Jenner
William H. Duquette
Steve Minko
Robert B. March
Charles G. Cooper
Grover J. Rees, Jr.
Robert A. Lindsley
John A. Sivright
Hal S. Needham
Harold C. Colvin
James R. McEnaney
David J. Hunter
Norman B. McCrary
Henry V. Martin
Murray L. Nelson
Elliott R. Laine, Jr.
Thomas F. Manley
Frederick D. Leder
James E. Spangler
Claude L. Reynolds
Alexander M. Stewart
David I. Carter
Robert D. Whitesell
Frank R. Bonner
John K. Davis
James L. Rice
Clinton J. Thro, Jr.
Stanley P. Daggett, Jr.
Aloysius E. O'Flaherty III
William B. Muir
Charles B. Walker
Lloyd E. Tatem
Harrison G. Frasier
Roddey B. Moss
Samuel T. Stumbo
Kenneth J. Ivanson
George V. Ruos, Jr.
John H. Hews
William V. H. White
Howard L. Barrett, Jr.
Robert J. Murphy, Jr.
Robert R. Montgomery
Robert E. Hunter, Jr.
Hugh T. Kennedy
Sanford P. Holcomb
Carlton D. Goodiel, Jr.
Harold Arutunian
Robert E. Byle
Hal W. Vincent
William F. Hawkins
George E. Beattie
Jack F. Ingalls III
Clement C. Buckley, Jr.
James W. Abraham
James A. Todd
Richard H. Burnett
Paul X. Kelley
Ross L. Mulford
George W. Houck
John R. Fulgham, Jr.
Byron T. Chen
James W. Myers
Donald J. Beatty
Birney A. Adams
Peter F. C. Armstrong
John E. Buynak
Francis C. Cushing, Jr.
William J. Galyon
Charles K. Whitfield
William M. Tatum, Jr.
Richard D. Mickelson
Carl M. Maloy
James W. Laseter
Robert A. Walker
Edward L. Lieland, Jr.
William K. Parcell
James J. Linn
Joseph M. Laney, Jr.
Raymond W. Craig
Clinton Roberson
Leonard C. Gademsky, Jr.
Goodell P. Warren
James N. Bardin
Edward J. Rutty
Philip M. Crosswait
Robert E. Howard, Jr.
James G. Martz III
Dean C. Macho
Raymond A. Cameron
Charles O. Hiett
William G. McCool, Jr.
Richard E. Percival
Ural W. Shadrick
Frederick H. Seitz
William D. Stoddart III
Arnold E. Bench
Irwin H. Gold
Leslie L. Darbyshire
Francis E. Doud
Edgar K. Jacks
Conrad P. Buschmann
"L" "G" Linman
William S. Russ
James A. Trout
Martin P. Olsen
Paul A. Manning
Francis H. Thurston
Eugene R. Brady
James F. Meyers, Jr.

The following-named officers of the Marine Corps for permanent appointment to the grade of first lieutenant for limited duty:

Gearl M. English
Johnny L. Carter
Gene C. Martin
Granville G. Sweet
Alex H. Touchton
John A. Rapp
Jerry A. Harness
Talmadge R. Liles
Harold H. Bennefeld
Eugene D. Anderson
Edward L. Zielinski
Maurice W. Collins
William C. Adams
Howard E. Pyles
Charles R. Livingston
Lytton F. Blass
Henry G. Roberts
Frank L. Bradshaw
William J. Varley
Jack F. Bailey
Hubert C. Grow

The following-named women officers of the Marine Corps for permanent appointment to the grade of first lieutenant:

Betty P. Vaughn
Elaine T. Carville
Joan P. O'Neil
Patricia A. Maas
Virginia Caley
Margaret L. O'Neill
Mary S. Mock

HOUSE OF REPRESENTATIVES

THURSDAY, JUNE 18, 1953

The House met at 11 o'clock a. m.

Capt. Andrew Miller, commanding officer, the Salvation Army, Akron, Ohio, offered the following prayer:

Our Heavenly Father, we thank Thee Thou dost still work Thy will through the instrumentality of the human personality. In this Thou dost constantly teach the value of the individual. Help the Congress of the United States in making world-shaping decisions that they might not lose sight of their own individual responsibility or the overwhelming value of the individuals they serve.

We thank Thee, too, despite our own apparent insignificance, we may have an abundant faith for today and tomorrow and the future based confidently upon the sacrifice of the cross and the victory of the resurrection.

Grant through this fact we might—all of us—be assured of being "more than conquerors" as we trust in Thee.

Bless the deliberations—the decisions of the day in this place.

Give continuing strength and guidance to our Nation's leaders.

In Jesus name. Amen.

The Journal of the proceedings of yesterday was read and approved.

SECOND INDEPENDENT OFFICES APPROPRIATION BILL, 1954

The SPEAKER. The unfinished business is the vote on the motion of the gentleman from Ohio [Mr. SECREST] to recommit the bill H. R. 5690, the second independent offices appropriation bill, 1954.

The Chair notes that the motion of fered on yesterday by the gentleman from Ohio [Mr. SECREST] to recommit the bill (H. R. 5690) to the Committee on Appropriations with instructions to report the bill back forthwith with an amendment striking out the language starting on line 17, page 19, and up to and including the semicolon following the word "statement" on line 23, page 19. The bill has been engrossed and the line numbers have been slightly changed.

Without objection, the motion to recommit of the gentleman from Oho will be corrected to conform to the line numbers of the engrossed copy of the bill, which is now before the House.

Without objection, the Clerk will report the motion of the gentleman from Ohio as corrected.

There was no objection.

The Clerk read as follows:

Mr. SECREST moves to recommit the bill to the Committee on Appropriations with instructions to report the same back to the House forthwith with an amendment striking out the paragraph beginning on page 19, line 19 and running through line 25.

The SPEAKER. The question is on the motion to recommit.

The question was taken; and on a division (demanded by Mr. SECREST) there were—ayes 31, noes 38.

Mr. SECREST. Mr. Speaker, I object to the vote on the ground that a quorum is not present, and make the point of order that a quorum is not present.

The SPEAKER. Evidently a quorum is not present.

The Doorkeeper will close the doors, the Sergeant at Arms will notify absent Members, and the Clerk will call the roll.

The question was taken; and there were—yeas 217, nays 180, not voting 33, as follows:

[Roll No. 55]

YEAS—217

Abernethy	Alexander	Aspinall
Adair	Andrews	Ayres
Addonizio	Angell	Bailey
Albert	Ashmore	Barden