PETITIONS, ETC.

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

298. By the SPEAKER: Petition of Frederick H. Burke, clerk, Cambridge, Mass., relative to the vote to sustain the low-rent housing program, and favoring passage of H. R. 3880; to the Committee on Banking and Currency.

299. Also, petition of P. H. Spaak, president, Consultative Assembly of the Council of Europe, Strasbourg, France, relative to problems of common concern to the United States and Europe; to the Committee on Foreign Affairs.

SENATE

TUESDAY, MAY 29, 1951

(Legislative day of Thursday, May 17, 1951)

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

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

Our Father God, we turn to Thee at the noontide hour when, from the Nation's beginnings, our fathers have paused to seek Thy face. Commissioned to be peacemakers in a contending world, we first need a peace within our own hearts far deeper than the world can give. Amid the confusion and clamor of strife without may our hearts be garrisoned by the peace which is the gift of Thy grace.

Defeat the doubts within our minds that battle for the supremacy of our wills. Quicken our faltering faith with the strength of Thy eternal purpose which cannot be ultimately defeated. Transform our wavering aims into strong and sacrificial endeavor set toward building the kingdom of Thy love and justice. In this forum of deliberation and debate, amid the din and clash of differing human opinions, may we unite in keeping always an altar of prayer where a constant sense of the eternal may save us from spiritual decay, from moral cowardice, and from any betrayal of the highest public good. In the dear Redeemer's name, we ask it. Amen.

THE JOURNAL

On request of Mr. MCFARLAND, and by unanimous consent, the reading of the Journal of the proceedings of Monday, May 28, 1951, was dispensed with.

MESSAGES FROM THE PRESIDENT—APPROVAL OF BILL AND JOINT RESOLUTION

Messages in writing from the President of the United States were communicated to the Senate by Mr. Miller, one of his secretaries, and he announced that the President had approved and signed the following act and joint resolution:

On May 28, 1951:

S. 77. An act for the relief of Mircea Grossu and his family.

On May 29, 1951:

S. J. Res. 35. Joint resolution to permit the board of supervisors of Louisiana State University and Agricultural and Mechanical College to transfer certain lands to the Police Jury of the Parish of Rapides for use for holding livestock and agricultural expositions.

MESSAGE FROM THE HOUSE—ENROLLED BILL SIGNED

A message from the House of Representatives, by Mr. Snader, its assistant reading clerk, announced that the Speaker had affixed his signature to the enrolled bill (H. R. 3842) making supplemental appropriations for the fiscal year ending June 30, 1951, and for other purposes, and it was signed by the President pro tempore.

LEAVE OF ABSENCE

On his own request, and by unanimous consent, Mr. MCCLELLAN was excused from attendance on the sessions of the Senate until Monday next.

COMMITTEE MEETINGS DURING SENATE SESSION

On request of Mr. HOLLAND, and by unanimous consent, the Committees on Armed Services and Foreign Relations, sitting jointly, were authorized to meet this afternoon during the session of the Senate.

On request of Mr. SMATHERS, and by unanimous consent, a subcommittee of the Committee on Labor and Public Welfare was authorized to meet this afternoon during the session of the Senate.

NOTICE OF HEARING ON NOMINATION OF JOE WARREN SHEEHY TO BE UNITED STATES DISTRICT JUDGE, EASTERN DISTRICT OF TEXAS

Mr. MCCARRAN. Mr. President, on behalf of the Committee on the Judiciary, and in accordance with the rules of the committee, I desire to give notice that a public hearing has been scheduled for 9:30 a. m., Tuesday, June 5, 1951, in room 424, Senate Office Building, upon the nomination of Joe Warren Sheehy, of Texas, to be United States district judge for the eastern district of Texas, vice Hon. Randolph Bryant, deceased. At the indicated time and place all persons interested in the nomination may make such representations as may be pertinent. The subcommittee consists of the Senator from Nevada [Mr. MCCARRAN], chairman; the Senator from North Carolina [Mr. SMITH]; and the Senator from New Jersey [Mr. HENDRICKSON].

TRANSACTION OF ROUTINE BUSINESS

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

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

PETITION

The PRESIDENT pro tempore laid before the Senate a resolution adopted by representatives of major national veterans' organizations, organized labor, municipal officials, private construction interests, and housing officials of the New England area, at Boston, Mass., relating to the low-rent housing program, which was referred to the Committee on Banking and Currency.

RESOLUTIONS OF NORTH DAKOTA ASSOCIATION OF RURAL ELECTRIC COOPERATIVES

Mr. YOUNG. Mr. President, I present for appropriate reference, and ask unanimous consent to have printed in the RECORD, some excellent resolutions adopted by the North Dakota Association of Rural Electric Cooperatives. These resolutions are very timely as they deal with amendments to the Interior Department Appropriation bill now being considered by the Senate Appropriations Committee.

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

RESOLUTIONS OF NORTH DAKOTA ASSOCIATION OF RURAL ELECTRIC COOPERATIVES

RESOLUTION 1

Whereas the eighteenth meeting of the North Dakota Association of Rural Electric Cooperatives held in Bismarck, N. Dak., this 17th and 18th of May 1951 has discussed and explored various phases of the many problems confronting farm families living on North Dakota farms with a view to improving the living conditions and the security on the land of these farm families, not only by providing abundant electric power available to every farm, but also by making rural telephones available on an area-wide basis, and by protecting and improving our State and our homes, both rural and urban, through a comprehensive and intelligent and complete development of the Missouri Valley area; and

Whereas we have observed recently a distinct trend on the part of Congress to curtail and reduce necessary appropriations urgently needed now in order to carry out a coordinated program of development, generation, and transmission of power; and

Whereas it is a recognized fact that agriculture is one of our most important defense industries and anything which assists the American farmer to produce more food and fiber directly assists in our defense effort: Now, therefore, be it

Resolved, That we commend our Senators and Congressmen for their efforts to date and ask them to exert every effort and influence against the attempts being made to curtail and defeat our own right to generate and transmit power by reduction of appropriations or otherwise, and we further urge their continued support of a complete and coordinated development of the Missouri Valley.

RESOLUTION 2

In order to encourage the fullest use of power for a more abundant rural life, we recognize that power must be provided to the farm at the lowest possible cost. To facilitate this, we urge Congress to act favorably upon hydropower developments or other low-cost power-generation developments and we insist that wherever necessary to provide lower-cost distribution of said power high-voltage transmission grids be provided, either cooperatively or publicly owned.

RESOLUTION 3

Whereas we recognize that rural telephones are an important part of a farmer's equipment; and

Whereas in most areas of our State, telephone service is highly inadequate; and

Whereas we further recognize that the task of providing all of the farmers of our State with telephone service is an enormous undertaking which will require the fullest

cooperation from many segments of our population and from our Government: Therefore be it

Resolved, That we respectfully invite and request the cooperation of our National Congress, of the Rural Electrification Administration, Extension Service, Public Service Commission, farm organizations, other civic organizations, and the existing telephone industry in developing our rural telephone program. We ask Congress specifically to appropriate the necessary funds for such a program and that the various material allocation boards give favorable consideration to adequate allocations of necessary materials for telephone construction. We further recommend that rural telephone cooperatives in our State be organized large enough to insure feasibility of service to all people in the area.

RESOLUTION 4

The State association reaffirms the position taken at the annual meeting last November in requesting the various manufacturers interested in carrier current telephone equipment or any other new development in telephone research install test installations at several points within the State for research and experimental purposes, and we further request that the Rural Telephone Administration at Washington give every assistance in the RTA development in our State.

RESOLUTION 5

Whereas labor, agriculture, and industry are interdependent on each other, therefore we urge that REA cooperatives, not only in our State but nationally, support labor. In addition, we recommend that organized labor give careful thought and study to the particular labor problems of REA cooperatives.

RESOLUTION 6

Be it resolved by the North Dakota Association of Rural Electric Cooperatives assembled in convention at the Patterson Hotel, Bismarck, N. Dak., May 17 and 18, 1951, That the Electrification Research Division, Department of Agriculture, Washington, D. C., be requested to continue financial support to the rural electrification research now being conducted at the department of agricultural engineering, North Dakota Agriculture College, Fargo, N. Dak., it being pointed out that results of research at this point are applicable to problems in North Dakota, South Dakota, and Minnesota.

RESOLUTION 7

Whereas the National Tax Equality Association still appears to be viciously active in their endeavors to confuse Congress and the public in general regarding the issue of taxation of cooperatives; and

Whereas testimony before competent congressional committees has shown that cooperatives are carrying and always have carried their fair share of the tax burden: Now, therefore, be it

Resolved, That we respectfully request our congressional delegation to be alert and vigilant in their opposition to any proposals or measures designed to impose an unjust and unfair tax burden upon cooperatives; be it further

Resolved, That we strongly urge all our REA cooperatives, the NRECA, and Rural Electrification Administration to use all information devices available to distribute as widely as possible the true facts relating to taxation of cooperatives and regarding NTEA's attacks.

RESOLUTION 8

Be it resolved, That we express our appreciation of the efforts of our power-use committee and urge their continued and expanding efforts in bringing the program to complete development.

RESOLUTION 9

Whereas the United States House of Representatives has recently passed several amendments to the Department of the Interior appropriations bill which would seriously cripple the programs of the Department's power agencies; and

Whereas these amendments, particularly the Keating amendment, threaten to destroy the long-established Federal policy of transmitting electric power produced at Federal dams to rural electric systems and other preference customers; and

Whereas the Keating amendment endangers the basic right and ability of rural electric systems in North Dakota and throughout the country to obtain over self-liquidating Bureau of Reclamation transmission lines electric power produced at Federal dams: Now, therefore, be it

Resolved, That we, the representatives of 60,000 farm family members of rural electric systems in North Dakota, do hereby urge our Senators and Representatives in the Congress of the United States to reject the Keating amendment to the Department of the Interior appropriations bill and any other amendments that seek to destroy our Nation's established Federal power policy and program.

RESOLUTION 10

Be it resolved by the North Dakota Association of Rural Electric Cooperatives, in convention assembled this 17th and 18th of May 1951, in Bismarck, N. Dak., That we hereby express our sincere thanks to the city of Bismarck, the Patterson Hotel, the Corps of Army Engineers, to our visitors and speakers and all others who have helped to make this meeting a success.

BILLS INTRODUCED

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

By Mr. MCCARRAN:

S. 1557. A bill to provide for the care of members of the Coast Guard and their dependents in naval hospitals in certain cases; to the Committee on Armed Services.

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

By Mr. IVES:

S. 1558. A bill for the relief of Alex Harfenist; to the Committee on the Judiciary.

By Mr. MAGNUSON:

S. 1559. A bill to provide transportation on Canadian vessels between Skagway, Alaska, and other points in Alaska, between Haines, Alaska, and other points in Alaska, and between Hyder, Alaska, and other points in Alaska or the continental United States, either directly or via a foreign port, or for any part of the transportation; to the Committee on Interstate and Foreign Commerce.

S. 1560. A bill for the relief of Camilia Pintos; to the Committee on the Judiciary.

By Mr. MAGNUSON (for himself and Mr. LANGER):

S. 1561. A bill to provide for the appointment and compensation of counsel for impoverished defendants in certain criminal cases in the United States district courts; to the Committee on the Judiciary.

By Mr. CHAVEZ:

S. 1562. A bill for the relief of Harvey Marden; to the Committee on the Judiciary.

By Mr. O'CONOR (for himself, Mr. KEFAUVER, Mr. HUNT, Mr. TOBEY, and Mr. WILEY):

S. 1563. A bill to provide for the licensing of certain persons engaged in the dissemination of information concerning horse or dog racing events and betting information concerning other sporting events by means of interstate and foreign communications by wire or radio, and for other purposes; and

S. 1564. A bill to make unlawful the transmission in interstate commerce of gambling information concerning a sporting event which is obtained without consent of the person conducting such sporting event; to the Committee on Interstate and Foreign Commerce.

(See the remarks of Mr. O'CONOR when he introduced the above bills, which appear under a separate heading.)

CARE OF MEMBERS OF COAST GUARD AND THEIR DEPENDENTS IN NAVAL HOSPITALS IN CERTAIN CASES

Mr. MCCARRAN. Mr. President, I send to the desk for appropriate reference a bill which will authorize the peacetime treatment and care of Coast Guard personnel and certain of their dependents in naval hospitals in accordance with joint regulations to be issued by the Secretary of the Treasury and the Secretary of the Navy.

There appears to be no provision in the existing law or regulations whereby dependents of Coast Guard personnel may be hospitalized in any Government hospital in the Washington, D. C., area. Such dependents are not accepted for treatment in either Walter Reed Hospital or Bethesda, but most go to private hospitals where they pay the usual rates and are treated by medical personnel of the Public Health Service free of charge.

It is provided in section 253 (b) of title 42 that such dependents shall be furnished medical advice and out-patient treatment by the Public Health Service in its hospitals and relief stations and they shall also be furnished hospitalization at hospitals of the Public Health Service, if suitable accommodations are available, at a per diem cost which is prescribed from time to time by the President.

Title 24, section 32, provides for the hospitalization of dependents of naval and Marine Corps personnel at naval hospitals, and in section 36 of the same title, it is provided that dependents of Coast Guard personnel may be hospitalized in naval hospitals when the Coast Guard is operating as a part of the Navy.

Since the Coast Guard has, by statute, become a "military service" I see no reason why the facilities available to them in naval hospitals in wartime should not, under reasonable conditions, be also made available in peacetime.

The bill (S. 1557) to provide for the care of members of the Coast Guard and their dependents in naval hospitals in certain cases, introduced by Mr. MCCARRAN, was read twice by its title and referred to the Committee on Armed Services.

LICENSING AND DISSEMINATION OF INFORMATION CONCERNING SPORTING EVENTS

Mr. O'CONOR. Mr. President, on behalf of myself, the Senator from Tennessee [Mr. KEFAUVER], the Senator from Wyoming [Mr. HUNT], the Senator from New Hampshire [Mr. TOBEY], and the Senator from Wisconsin [Mr. WILEY], I introduce for appropriate reference two bills; the first to provide for the licensing of certain persons engaged in the dissemination of information concerning horse- or dog-racing events and betting

information concerning other sporting events by means of interstate and foreign communications by wire or radio, and for other purposes, and the second to make unlawful the transmission in interstate commerce of gambling information concerning a sporting event which is obtained without consent of the person conducting such sporting event. I ask unanimous consent that the bills, together with a statement by me may be printed in the RECORD.

The PRESIDENT pro tempore. The bills will be received and appropriately referred, and, without objection, the bills and statement will be printed in the RECORD.

The bill (S. 1563) to provide for the licensing of certain persons engaged in the dissemination of information concerning horse- or dog-racing events and betting information concerning other sporting events by means of interstate and foreign communications by wire or radio, and for other purposes, introduced by Mr. O'CONOR (for himself, Mr. KEFAUVER, Mr. HUNT, Mr. TOBEY, and Mr. WILEY), was read twice by its title, referred to the Committee on Interstate and Foreign Commerce, and ordered to be printed in the RECORD, as follows:

Be it enacted, etc., That the Communications Act of 1934 is amended by inserting after section 606 a new section as follows:

"DISSEMINATION OF INFORMATION CONCERNING HORSE AND DOG RACING EVENTS AND OTHER SPORTING EVENTS

"SEC. 606A. (a) It shall be unlawful for any person who is engaged in disseminating information concerning horse racing or dog racing events or betting information concerning any other sporting event to disseminate any such information by means of any interstate or foreign communication by wire or radio unless such person has a valid license for such purpose granted under the provisions of this section.

"(b) The Commission shall grant to any applicant therefor a license to disseminate information concerning horse racing or dog racing events or to disseminate betting information concerning any other sporting events by means of interstate and foreign communications by wire or radio, if such applicant shows to the satisfaction of the Commission that such information will not be disseminated primarily for use in facilitating gambling activities which constitute violations of the laws of the States in which such information will be disseminated, unless the Commission determines that the public interest will not be served by the granting of such license or unless the Commission finds that the applicant is not of good moral character (or in the case of a corporation, that one or more of its officers, directors, or principal stockholders are not persons of good moral character). In any case in which it appears that the applicant will disseminate such information to any person who will further disseminate such information, or any portion thereof, such applicant shall show the purposes for which such information, or portion thereof, to be further disseminated will be used, and the Commission shall take such purposes into consideration in determining whether the information which will be disseminated by the applicant will not be disseminated primarily for use in facilitating gambling activities which constitute violations of the laws of the States in which such information will be distributed.

"(c) A license granted pursuant to subsection (b) shall be valid for 1 year from the date of issuance (unless sooner revoked by the Commission pursuant to subsection (d), but such license may be renewed from year to year, upon application made therefor in compliance with the provisions of subsection (b).

"(d) The Commission may revoke any license issued under this section if it is shown to its satisfaction—

"(1) that any material statement or allegation in the application for a license, or in any hearing held upon such application, was false or misleading; or

"(2) that subsequent to the granting of the license, the holder of the license has engaged in activities which would disqualify him for issuance of a license under the provisions of subsection (b); or

"(3) that the public interest is no longer being served by the continuation of such license.

"(e) An appeal may be taken, in the manner provided by subsections (c), (d), (e), and (f) of section 402, from decisions of the Commission to the United States Court of Appeals for the District of Columbia by (1) any applicant whose application for a license under this section is denied or (2) any person whose license granted under this section is revoked.

"(f) It shall be unlawful for any person to lease or otherwise obtain from a common carrier or other supplier a communications facility to be operated for or in connection with the dissemination of information concerning horse racing or dog racing events or of betting information concerning any other sporting event by interstate or foreign communications by wire or radio unless such person files with such carrier or other supplier an affidavit that the facility to be obtained is to be used for such purpose. Any such affidavit on file shall be open to inspection by appropriate local, State, and Federal law-enforcement agencies. Each common carrier or other supplier shall maintain a list of the terminal points and drops (receiving and sending) on any communication facility leased or otherwise furnished to any person to be operated for the dissemination of information concerning horse racing or dog racing events or of betting information concerning any other sporting event by interstate or foreign communications by wire or radio, including the address of each such terminal point and drop, and such list shall be open to inspection by appropriate local, State, and Federal law-enforcement agencies.

"(g) As used in this section, the term 'disseminating information' shall not include publication in any newspaper of general circulation, or broadcasting to the public over any duly licensed radio station, or the collection or transmission of news for such publication or broadcasting; and this term 'betting information concerning any other sporting event' includes information as to bets or wagers, betting odds, changes in betting odds, probable winners, and probable starting line-ups in connection with any sporting event other than a horse or dog racing event."

The bill (S. 1564) to make unlawful the transmission in interstate commerce of gambling information concerning a sporting event which is obtained without the consent of the person conducting such sporting event, introduced by Mr. O'CONOR (for himself, Mr. KEFAUVER, Mr. HUNT, Mr. TOBEY, and Mr. WILEY), was read twice by its title, referred to the Committee on Interstate and Foreign Commerce, and ordered to be printed in the RECORD, as follows:

Be it enacted, etc., That chapter 50 of title 18 of the United States Code is amended by adding at the end thereof a new section as follows:

"§ 1084. Transmission of certain gambling information by telephone, telegraph, or radio.

"(a) Whoever knowingly sends or transmits, or causes to be sent or transmitted, in interstate or foreign commerce by means of telephone, telegraph, or radio any gambling information concerning any horse or dog racing event or other sporting event which has been obtained surreptitiously or through stealth and without the permission of the person conducting such horse or dog racing event or other sporting event shall be fined not more than $1,000 or imprisoned not more than 1 year, or both. Each sending or transmission shall constitute a separate offense.

"(b) For the purposes of this section, the term 'gambling information' means information intended to be used for illegal gambling purposes, including, but not limited to, information as to bets or wagers, betting odds, changes in betting odds, probable starting line-ups, scratches, jockey changes, weights, probable winners, or probable results."

SEC. 2. The analysis of chapter 50 of title 18 of the United States Code is amended by inserting at the end thereof the following: "1084. Transmission of certain gambling information by telephone, telegraph, or radio."

The statement presented by Mr. O'CONOR is as follows:

STATEMENT BY SENATOR O'CONOR

In its study of the techniques and procedures of crime syndicates in the profitable field of race-track gambling, the Senate Committee To Study Organized Crime in Interstate Commerce soon became convinced that the race-wire services were the very life blood of illegal gambling operations. Furthermore, the disclosures in many areas made it clearly apparent that bookmaking on a national scale could not exist without the transmission of up-to-the-minute information of racing results and other information.

Consideration of legislative proposals to combat large-scale racketeering and gambling found the committee unanimous in agreement that prohibition of the transmission of information about racing through the channels of interstate commerce would be the most completely effective move. We were convinced that such prohibition would be in the public interest because it would eliminate the present huge profit incentive involved in the control of such wire services, an incentive that has attracted the worst type of hoodlum and racketeer.

It was felt to have been clearly proven that such wire services are maintained and operated only by and for gamblers, and make little or no contribution to other types of business. Further, they are a perfect example of the type of problem that only Federal authorities can reach, since they involve networks which extend beyond the jurisdiction of any State or local body.

These wire services thus would appear to be the most vulnerable spot in the Nationwide gambling structure for attack on the Federal level, and the legislation herewith proposed to outlaw them is intended to be, and we are convinced will be, if approved, a death blow to such interstate operations.

In drafting the proposals which are aimed so directly at the heart of the gambling system, the committee kept definitely in mind its responsibility to avoid injury or inconvenience to the many legitimate newspapers, press services, radio stations, etc., which handle some such information in the regular course of their operations. We were of the opinion that the dissemination of ordinary news about sporting events through

these legitimate channels should not be burdened with the requirement of obtaining an annual license. Accordingly, newspapers, news services, radio stations, etc., are to be specifically exempted from the licensing requirements of the bill.

In cases where licenses are to be required, applicants will have the burden of showing that the information they propose to disseminate is not primarily intended for the use of gamblers. Applicants who cannot make this showing (or who fail to show good moral character or a reasonable relationship between their activities and the public interest) will be barred from all channels of interstate communication, as to the prohibited types of information, by this new law.

The second bill introduced today strikes at the other most vulnerable point of the wire services and the gambling empires which depend on them. In almost all jurisdictions, the race tracks and other public places where sporting events are held have sought the cooperation of local authorities to prevent the surreptitious transmission of information about such events to the gamblers. Obviously, if such information is cut off at its source (without, of course, affecting the legitimate news reporting which is done with the permission of the track owners), it would greatly impair the effectiveness of the gambling wire services. This is also an area in which only the Federal Government can act effectively, because it involves direct use of the channels of interstate commerce.

The present bill has therefore been so drawn as to make it a Federal offense for any person to transmit gambling information obtained surreptitiously or by stealth through any channel of interstate commerce or communication.

THE CENTRAL ARIZONA PROJECT—AMENDMENTS

Mr. KNOWLAND (for himself and Mr. NIXON) submitted amendments intended to be proposed by them, jointly, to the bill (S. 75) authorizing the construction, operation, and maintenance of a dam and incidental works in the main stream of the Colorado River at Bridge Canyon, together with certain appurtenant dams and canals, and for other purposes, which were ordered to lie on the table and to be printed.

Mr. McFARLAND (for himself and Mr. HAYDEN) submitted amendments intended to be proposed by them, jointly, to S. 75, supra, which were ordered to lie on the table and to be printed.

WAIVING OF REQUIREMENT OF PERFORMANCE AND PAYMENT BONDS IN CONNECTION WITH COAST GUARD CONTRACTS—CHANGE OF REFERENCE

Mr. McCARRAN. Mr. President, the Committee on the Judiciary has pending before it H. R. 2394, to amend the act of April 29, 1941, to authorize the waiving of the requirement of performance and payment bonds in connection with certain Coast Guard contracts, which was referred on April 3, 1951. On February 22, 1951, S. 948, a bill similar to H. R. 2394 was referred to the Committee on Armed Services, where it is now pending.

In 1941 a bill was introduced to amend the act of August 24, 1935—Forty-ninth Statute, page 793—the so-called Miller Act by granting discretionary power to the Secretary of War or the Secretary of the Navy to waive the furnishing of performance and payment bonds by contractors. This bill was referred to and reported favorably from the Committee on Military Affairs and was enacted into law on April 29, 1941—Fifty-fifth Statute, page 147; Title 40, United States Code, section 270e.

During the Eighty-first Congress, H. R. 9229, similar to the present H. R. 2394, passed the House of Representatives and following its referral, the Committee on the Judiciary was discharged from further consideration, and the bill was referred to the Committee on Armed Services.

The Committee on the Judiciary has considered H. R. 2394 of the present Congress and is of the opinion that it comes within the jurisdiction of the Committee on Armed Services in view of the history of previous similar legislation granting discretionary power to certain branches of the military service to waive the furnishing of performance and payment bonds.

I ask unanimous consent that the Committee on the Judiciary be discharged from further consideration of H. R. 2394 and that it be referred to the Committee on Armed Services.

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

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. WHERRY:

An article entitled "Theater on the Hill," written by Hon. HOWARD BUFFETT, Representative in Congress from the Second District of Nebraska, and published in Human Events for May 22, 1951, dealing with the Office of Price Stabilization.

By Mr. BYRD:

An address entitled "The Tax Education of Mr. Jones," delivered by Irving S. Olds, chairman of the board of the United States Steel Corp., before the annual meeting of the Chamber of Commerce of the State of New York.

By Mr. McMAHON:

An editorial entitled "Cold War Counterattack," published in the New York Times of May 28, 1951, commenting on broadcast to the Russian people by the Secretary of State.

By Mr. SMATHERS:

An article entitled "Financing America Needs Know-How," from the Jacksonville American for May 1951, dealing with the need for skill in handling Government finance.

AIRPORT PROJECT, PALMER, ALASKA

Mr. MUNDT. Mr. President, I ask unanimous consent that I may address the Senate for 3 minutes.

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

Mr. MUNDT. Last week the Senate Investigations Subcommittee filed a report on an investigation of an airport project in Palmer, Alaska. Our report shows that an attempt has been made to defraud the Government and the Federal taxpayers in connection with this project.

As a result of the investigation, the Civil Aeronautics Administration has now taken steps to tighten up its handling of the people's money and doubtless certain officials, both Federal and Territorial, who were involved in the scheme have learned that such mishandling of a public trust will not be tolerated by the Congress.

In connection with this investigation I believe certain accolades should be made. In the first place, Senators should realize that this investigation was brought into the open last July as a direct consequence of stories published by the Fairbanks (Alaska) Daily News-Miner, the farthest north daily newspaper published under the American flag.

After that it was brought to the attention of the Senate by the Senator from Nebraska [Mr. BUTLER], ranking Republican member of the Senate Committee on Interior and Insular Affairs, and following that, under the courageous leadership of the chairman of the Investigations Subcommittee of the Committee on Expenditures in the Executive Departments, the Senator from North Carolina [Mr. HOEY], the investigation was carried out to a successful conclusion.

The investigation has now been completed, and the report is now available to the public.

It was following the resolution submitted by the Senator from Nebraska [Mr. BUTLER] that the investigation was made possible.

The deal, as the investigation has shown, amounted to a conspiracy to place an inflated value on several parcels of land to be used for a new airport, to be financed in part by Federal funds.

A higher valuation was placed on the land, thereby enabling the Territory to claim an increase in the amount of the Federal grant-in-aid from $94,750 to $150,125.

This has now been blocked. The facts of the case will be reviewed by the Comptroller General before any money whatsoever is paid on the project, and I think we can depend upon the Comptroller General, Lindsay Warren, to see to it that the public funds are not misused in that connection.

As has been stated, new regulations put into effect by the CAA since the start of the investigation will prevent recurrences of this type of dealing in the future. The Investigations Subcommittee has served notice on the Agency that further checks will be made to assure proper administration of Federal funds allocated for these purposes.

The action of the Fairbanks News-Miner and of the other Alaska newspapers which undertook to inform their readers of the deal victimizing taxpayers, shortly after its consummation, is in keeping with the highest traditions of the American free press.

There were elements in Alaska public life who did not take kindly to having their manipulations thus exposed to public view. The Alaska newspapers who published this story were attacked bitterly for their performance of this public service.

Those elements now have their answer in the report of the subcommittee, again demonstrating that an alert and unfettered press remains an irreplaceable guardian of the public interest.

Mr. President, I salute that newspaper, I salute the Senator from Nebraska for

having brought the matter to the attention of the committee, and I salute the committee which has now corrected the situation.

T. L. MORROW

The PRESIDENT pro tempore laid before the Senate a message from the House of Representatives announcing its disagreement to the amendment of the Senate to the bill (H. R. 1424) for the relief of T. L. Morrow, and requesting a conference with the Senate on the disagreeing votes of the two Houses thereon.

Mr. McCARRAN. Mr. President, this is a private relief bill which passed the House for $5,000 and which the Senate reduced to $2,500. The House has disagreed to the Senate amendment and asked for a conference.

I move that the Senate insist on its amendment, agree to the conference requested by the House, and that the Chair appoint conferees on the part of the Senate.

The motion was agreed to; and the President pro tempore appointed Mr. KILGORE, Mr. MAGNUSON, and Mr. WILEY conferees on the part of the Senate.

HARRY C. GOAKES

The PRESIDENT pro tempore laid before the Senate a message from the House of Representatives announcing its disagreement to the amendment of the Senate to the bill (H. R. 1822) for the relief of Harry C. Goakes, and requesting a conference with the Senate on the disagreeing votes of the two Houses thereon.

Mr. McCARRAN. Mr. President, this is a private relief bill which passed the Senate with an amendment reducing the amount of the award. The House approved the bill for $3,194. The Senate accepted the recommendation of the Judiciary Committee to reduce this amount to $208. The House has disagreed to the Senate amendment, and has requested a conference.

I move that the Senate insist on its amendment, agree to the conference requested by the House, and that the Chair appoint the conferees on the part of the Senate.

The motion was agreed to; and the President pro tempore appointed Mr. O'CONOR, Mr. KEFAUVER, and Mr. JENNER conferees on the part of the Senate.

SUSPENSION OF DEPORTATION OF CERTAIN ALIENS

Mr. McCARRAN. Mr. President, is there a message on the desk relating to Senate Concurrent Resolution 12, favoring the suspension of deportation of certain aliens?

The PRESIDENT pro tempore. The Chair is advised that such a message is not at the desk.

Mr. McCARRAN. Mr. President, I now understand that Senate Concurrent Resolution 12 has been referred to a conference committee. Will the Chair kindly advise me as to that point?

The PRESIDENT pro tempore. The Chair is advised that the Senate has asked for a conference. That request has gone to the House, and the House has not yet acted on it.

THE CENTRAL ARIZONA PROJECT

The Senate resumed the consideration of the bill (S. 75) authorizing the construction, operation, and maintenance of a dam and incidental works in the main stream of the Colorado River at Bridge Canyon, together with certain appurtenant dams and canals, and for other purposes.

Mr. KNOWLAND. Mr. President, the unfinished business, S. 75, deals with the central Arizona project. During the course of my remarks, I desire to go into some of the very basic fallacies in the proposed legislation, but because of the fact that a number of the Members of the Senate from time to time have indicated an interest in the background of the Colorado River and the controversy which confronts the Senate at this time, I thought it might be helpful, for the RECORD, to discuss some of the background before going into the details of the bill.

One-twelfth of the land area of the United States is drained by the Colorado River. Down from the highest western mountains, across great plateaus of forest and desert and through the deepest canyons of the continent, the Colorado River flows 1,600 miles to its delta in the Gulf of California. Compared to some other American rivers, however, the Colorado is not big; but no other river in this country has been the subject of more legal and political controversies, and no other river means more to the people it serves.

The population of the Colorado River Basin States in 1950 was as follows:

Arizona	745,295
California	10,490,070
Colorado	1,318,048
Nevada	158,283
New Mexico	677,152
Utah	686,797
Wyoming	288,800

Agriculture, industry, and both rural and urban households in seven immense Western States depend upon the water and power that come from the Colorado River. These basic needs have created complicated disputes and lengthy arguments.

The Colorado River controversy has its roots in history, yet it rages today in the legislative halls, the city offices, and the country stores of the Colorado River Basin States, as well as in the United States Congress, where it has been debated frequently over more than a quarter of a century.

The Colorado River controversy is more than a fight over water and hydroelectric power that might conceivably be settled by common agreement. It is a fight over American economic policy. Involved are principles and doctrines, conceptions and theories, out of which have come fundamental programs for the expansion and development of the western half of the United States. It is a fight waged by millions of people for their homes and shops, their schools and churches, their own security and that of their children.

In fact, hundreds of men in the arid West have died fighting to preserve their precious water rights.

THE "WORTHLESS" LAND

It was in 1857 that a brave explorer but a poor prophet, Lt. J. C. Ives, took a small Government steamboat 400 miles up the lower Colorado from the Gulf of California and reported to the War Department:

> The region is altogether valueless. * * * It seems intended by nature that the Colorado River along the greater portion of its lone and majestic way shall be forever unvisited and unmolested.

Today, along the lower Colorado stand Hoover Dam, tallest in the world; Davis Dam, Parker Dam, Imperial Dam, and other monuments to American engineering genius. Across the lone and majestic Colorado the greatest migration in our history has moved westward to the Pacific coast within the last 11 years. In southern California alone nearly 4,000,000 people live in areas now served by water from the Colorado River. In the six other States of the basin other hundreds of thousands are dependent for their very existence on water from the Colorado system.

THE COLORADO RIVER COMPACT

In a state of nature few American rivers were more violent, more unpredictable, more devastating in both drought and flood than the Colorado.

It was imperative that the early developers and leaders of the basin States should seek to reach an agreement for the use and division of the waters of the river, without which all progress would be legally menaced and all investments would be insecure. Control of the river's ravaging floods had to be achieved, and that meant the building of great dams costing millions of dollars. Dependable and indestructible diversion systems were necessary if the rich but arid lands were to be cultivated successfully and growing communities were to be supplied. That meant many costly projects.

The first question was, How was the water to be divided?

It was in 1921 that men from the seven basin States finally sat down together to work out a compact to govern the entire Colorado River system. The Federal Government participated. Herbert Hoover, then Secretary of Commerce, became Chairman of the Colorado River Commission.

For nearly 11 months the Commissioners talked, wrangled, and finally came to terms. In Santa Fe, N. Mex., on November 24, 1922, the Colorado River compact, which is still the basic law of the river, was signed. It was an historic day, memorable in the annals of western development, and especially a vital milestone in the advancement of reclamation.

But as remedial and progressive as the compact was, it did not bring peace to the Colorado River.

Chiefly the compact divided the river basin into two parts—an upper and a lower basin—and apportioned waters to each basin. Still remaining was the all-important task of dividing the water among the individual States in each basin.

Only in 1949, a quarter of a century later, were the States of the upper

basin—Wyoming, Colorado, Utah, New Mexico, and Arizona, the latter with a very small interest in the upper basin and a larger in the lower basin—able to reach an agreement satisfactory to themselves.

LOWER-BASIN CONTROVERSY

In the lower basin—California, Nevada, and Arizona—the controversy over division of the waters continues with mounting fervor. It rests on the fact that California and Arizona interpret differently the series of documents and statutes that have come to be known as the law of the river.

There are three main issues in the conflict between Arizona and California, and more than 26 years have been spent in futile attempts to reach an agreement on all or any one of them.

Faced with this apparent stalemate, California and Nevada, two of the three lower-basin States, have proposed that all the issues be placed before the United States Supreme Court for final settlement. Legislation to accomplish this has been introduced in both Houses of the Eighty-second Congress.

Mr. President, I ask unanimous consent to have printed in the RECORD at this point as a part of my remarks Senate Joint Resolution 26, which was sponsored by the two Senators from Nevada and the two Senators from California.

There being no objection, the joint resolution (S. J. Res. 26) granting the consent of Congress to joinder of the United States in suits in the United States Supreme Court for the adjudication of claims to waters of the Colorado River system available for use in the lower Colorado River Basin, was ordered to be printed in the RECORD, as follows:

Resolved, etc., That consent is hereby given to the joinder of the United States of America as a party in any suit or suits commenced in the Supreme Court of the United States by any of the States of the lower Colorado River Basin, as defined in the Colorado River compact, for the adjudication of claims of right asserted by such State or States, or by the United States, with respect to the use of waters of the Colorado River system available for use in the lower Colorado River Basin. Such suit or suits must be commenced within 1 year from the effective date of this resolution, and process therein may be served upon the Attorney General.

Mr. KNOWLAND. Because the Federal Government is a necessary party to the proposed court litigation, California and Nevada must obtain permission of Congress to carry the controversy before the highest Federal tribunal. That is the purpose of the joint resolution introduced in the Senate, and the several similar joint resolutions which have been introduced in the House of Representatives. Arizona is fighting passage of any of them on the grounds, first, that there is no justiciable issue involved; second, that despite California's contracts with the Federal Government, California has no right to the water California claims; third, that the water in question belongs to Arizona, and that Congress can settle the whole controversy simply by giving the water to Arizona.

I may say that over a number of years, as I mentioned in my remarks of yesterday, the Governor of California, representing that State, and the Governor of Nevada, representing that State, have written communications to several of the Governors of Arizona, suggesting that the matter be negotiated or arbitrated. Both those suggestions have been declined by the Governor representing the people of Arizona. I have no quarrel with his decision. Representing a sovereign State, he, of course, had the right to make such decision if that was his desire. But, as I pointed out yesterday, when it is impossible to negotiate and bring about an agreement to arbitrate, under our constitutional system, when the dispute is between sovereign States of the Union, the only way for the question to be settled is to submit it to a court of competent jurisdiction. In this particular case that means the Supreme Court of the United States.

CALIFORNIA'S FEDERAL CONTRACTS

California has signed contracts with the Federal Government calling for delivery of 5,362,000 acre-feet of Colorado River water annually in the lower basin. This water is allocated by the contracts among the southern California projects in this way:

For lands, principally agricultural, in the Imperial and Coachella Valleys, in the Palo Verde district, and for the Yuma project, a total of 4,150,000 acre-feet.

For the metropolitan water district, a group of 32 southern California cities, 1,212,000 acre-feet. As Senators know, an acre-foot is the amount of water necessary to cover an acre of land with water 1 foot deep.

THE ISSUES

The three main issues of the controversy are not difficult to understand, even for those unfamiliar with technical water problems. Yet, settlement of them is vital to future development and meantime an insurmountable barrier to progress is before the basin States because of the existence of these unresolved arguments.

ISSUE NO. 1

Under article 3, paragraph A, of the Colorado River compact signed in 1922, the lower basin States of the Colorado River watershed are apportioned in perpetuity the exclusive beneficial consumptive use of 7,500,000 acre-feet of river water a year.

The States of the upper basin receive a similar amount under the compact.

This is known as three-A water.

Article 3, paragraph B, of the compact states:

In addition to the apportionment of paragraph A, the lower basin is hereby given the right to increase its beneficial consumptive use of the Colorado River waters by 1,000,000 acre-feet per annum.

This is known as three-B water, and this million acre-feet is in controversy.

A million acre-feet is a great deal of water. It would cover a million acres of land 1 foot deep. It is sufficient for the irrigation of about a quarter of a million acres of arid land, or it would serve all the needs of about 5,000,000 city dwellers.

Arizona refused to ratify the compact when it was created, but the six other basin States did ratify. Under the law, that was a sufficient number of ratifications to put the compact into operation, provided that the State Legislature of California also enacted a limitation act.

The California State Legislature swiftly passed the required limitation act. This is what it says:

California agrees to limit its use of Colorado River water to 4,400,000 acre-feet of the waters apportioned to the lower basin by paragraph A, plus not more than one-half of any excess or surplus waters.

Thus, California agreed to take 4,400,000 acre-feet of three-A water and not more than one-half of the excess or surplus waters unapportioned by the compact. California maintains that the term "excess or surplus" includes all three-B waters.

The question to be settled here is: Does California share equally in this million acre-feet of three-B water?

California says "Yes." Arizona says "No."

This is a matter of interpretation of the California Limitation Act and the Boulder Canyon Project Act, which the Supreme Court should be asked to settle.

ISSUE NO. 2

In a state of nature, the Gila River in Arizona was a "wasting" tributary of the Colorado. Especially in the last 100 miles before it joins the Colorado, its bed is wide, sandy, flat, and subject to the intense heat of the desert.

The Bureau of Reclamation estimates that in a state of nature the Gila emptied approximately 1,100,000 acre-feet of water into the Colorado per year. The Gila River is a main tributary of the Colorado, a part of the system, and drains into the main stream a few miles above the Mexican border.

Water from the Gila is used chiefly now in the Phoenix area of Arizona, and there about 2,300,000 acre-feet of water are taken each year from this stream and used up—consumed.

The difference between these figures, or about 1,200,000 acre-feet, was, before development of the Phoenix area, lost by evaporation, deep seepage, and other causes, as the Gila flowed in its course from the Phoenix area to the main Colorado River.

The words "beneficial consumptive use," as they are used in the compact, are important in this phase of the controversy, as the compact apportions water for "exclusive beneficial consumptive use."

Arizona contends that Arizona should be charged only for 1,100,000 acre-feet of Gila River water, the amount that it is estimated emptied into the Colorado from the Gila in a state of nature, before development of irrigation in the Phoenix area and other places.

California contends, that Arizona actually takes, uses, and "beneficially consumes" 2,300,000 acre-feet of water from the Gila, and therefore should be charged with that amount. All of this 2,300,000 acre-feet of Gila River water that Arizona takes is being beneficially and consumptively used in Arizona. California does not question Arizona's right to use this water.

Therefore, the second question to be answered by the Supreme Court is:

Where and how must Arizona measure the amount of water it uses from the Gila River?

California says this water must be measured where it is actually beneficially consumed. Arizona says this water must be measured where the Gila River empties into the main Colorado.

But the Gila does not even flow into the main Colorado as it did in prehistoric days. Today the Gila is all used up—"beneficially consumed"—in the Phoenix area.

ISSUE NO. 3

Lake Mead is the immense reservoir behind Hoover Dam.

Under the Project Act California limited itself to taking 4,400,000 acre-feet of three-A water, plus not more than one-half of the excess or surplus, of which California claims the three-B water is a part. California's contracts with the Federal Government for water of both categories total 5,362,000 acre-feet.

There are large evaporation losses in Lake Mead, as there are in other reservoirs of the basin.

Arizona says that California must deduct these losses from its apportioned water.

California says that the quantity of three-A water to which California has limited itself is a net quantity of 4,400,000 acre-feet.

The question to be answered here by the Supreme Court is:

Is the amount of three-A water to which California is entitled a net quantity, or is it subject to reduction by reason of evaporation and other losses in Lake Mead and elsewhere?

A CASE FOR THE SUPREME COURT

After many years of attempting to agree with Arizona on these problems California turned to the United States Supreme Court. California asks strict enforcement of the compact and Boulder Canyon Project Act. California is not asking for more water from the Colorado River. It only seeks to protect and preserve the water it believes was awarded to it by the Federal contracts.

Under the Constitution, when two or more States are unable to agree through negotiation or arbitration, the only course of action available is in the highest Federal court.

That is the American way, and that is the fair way. California urges this way of settlement. Arizona opposes it.

ARIZONA'S RECORD ON THE COLORADO RIVER

The State of Arizona for nearly 30 years has consistently refused to permit peace on the Colorado River, refused to negotiate, refused to arbitrate, but the State of Arizona has steadfastly held to its demands that only on its own terms will the problems of the river be resolved.

Today the State of Arizona is continuing to use each and every means it can to prevent a settlement of problems which have kept peace from the Colorado River Basin for more than a quarter of a century.

Today, at the same time, while pursuing a course of obstruction, the State of Arizona is attempting to take water from the Colorado River to which Arizona has no legal right—water which Arizona desires for a multi-million-dollar project.

These are not idle charges. They are founded upon historical facts, they are substantiated in the records of the Congress and the courts of the land, and they are supported by events transpiring at this very time.

Let us look at the record.

There are seven States in the entire basin of the Colorado River. They are Wyoming, Colorado, Utah, New Mexico, Nevada, Arizona, and California. The first four named form the upper division, the last three the lower division.

In 1921, delegates from the seven States began a series of meetings in an effort to formulate an agreement which would permit the development of the Colorado River on a sound and secure basis. For months these delegates diligently worked, and at last they found themselves in accord on a fundamental compact. This historic document, the Colorado River compact, was signed on November 24, 1922, by the authors and was then submitted to their respective State legislatures for approval.

The compact was unconditionally approved in 1923 by all the States of the basin, except Arizona. Arizona remained out of the compact.

By this action, Arizona blocked development and peace on the Colorado River, just as these long-sought goals were in sight.

The compact could not become operative without ratification by all seven basin States and approval by the Congress.

But the six States which had ratified the compact were not do be thwarted by the attitude of one State. Therefore, machinery was set in motion to have the compact given life as a six-State agreement; that is, without Arizona.

It took 6 years to accomplish this, with Arizona a disrupting force throughout the long negotiations. At last Congress, in 1928, after Arizona had blocked action in four sessions of Congress, passed the Boulder Canyon Project Act, which authorized construction of the largest dam in the world, provided, however, that six of the basin States, including California, ratified the compact and that California enacted a limitation act.

The States of Colorado, Utah, Wyoming, Nevada, New Mexico, and California quickly ratified the compact, and California swiftly enacted the required limitation act, which pertains to the amount of Colorado River water California may use.

On June 25, 1929, President Herbert Hoover proclaimed the Boulder Canyon Project Act effective, and so the Colorado River Compact also became operative.

Arizona's efforts to block the compact had failed. The compact was now the basic law of the river.

But Arizona had not given up the fight.

The Secretary of the Interior at that time, Ray Lyman Wilbur, was faced with the problem of allocating the electric power to be produced by Boulder—now Hoover—Dam. Contracts for the power had to be secured for users, and under the law these contracts, guaranteeing full repayment to the Government of the cost of the project, had to be signed before Congress appropriated the first money to build Hoover Dam.

I may point out at this time, Mr. President, that in some quarters there is quite a misconception relative to the construction of Hoover Dam. In the case of many, if not most, of the projects throughout the country, the Congress goes ahead and authorizes them and appropriates funds; and afterward, under the obligations the parties at interest have undertaken, the funds are to be repaid—both principal and interest in the case of a power project, and principal in the case of an irrigation project. As we know, the general reclamation law provides a period of 40 years, with an additional period of 10 years, making it, in effect, a period of 50 years, in which the cost of the project should be paid back.

I may say that the proposal now before us would not be measured by the yardstick of the Reclamation Act, namely, a period of 50 years, but according to the admission of the proponents themselves, would extend the period to at least 73 years; and many of us who are opposing this proposal believe we can show that it is more likely to be a period of 80 or possibly 100 years.

The facts in the RECORD, I think, are indisputable: that unless certain other dams are built in the upper reaches of the Colorado River, this dam will be filled with silt within 30 to 40 years, so it would not be able to pay back the cost unless a number of other projects were added, upstream. We think that under those conditions this proposal is uneconomic and unsound.

As to the Hoover Dam, again I call attention to the fact that before the contracts were let and before the dam was built, it was required that firm contracts be signed with various agencies, largely in southern California, including the Bureau of Light and Power, the Metropolitan Water District, the Southern California Edison Co., and other units and other areas in southern California, to pay back the entire cost of the construction before it was undertaken. So far as Hoover Dam is concerned, the interest was first at 4 percent, and later was generously reduced to 3 percent.

So when we discuss the question of interest, we feel that as a matter of sound business, the Senate of the United States should be interested in the fact that the central Arizona project, while it includes both power and irrigation, by virtue of the long period of years before it could possibly pay back the cost—and we do not believe it could ever pay back the original amount—would mean that the Federal Government would lose interest in an amount exceeding $2,000,000,000.

(At this point Mr. KNOWLAND yielded to Mr. MCCARTHY, who addressed the Senate on the subject of the Loyalty Board. On request of Mr. MCCARTHY, and by unanimous consent, his remarks were ordered to be printed in the RECORD at the conclusion of Mr. KNOWLAND'S speech.)

Mr. KNOWLAND. The Secretary of the Interior called hearings. All major parties interested in Hoover Dam power were present, except Arizona.

Arizona remained adamant, ignoring all pleas of the Secretary and the other basin States. Arizona maintained its hostile attitude despite the fact that 18 percent of Hoover Dam power was reserved for Arizon's use at any time within 50 years.

At last the Secretary proceeded to sign the power contracts with the communities and companies that would use it.

The way now was cleared for Congress to make the first appropriation for building Hoover Dam. This amounted to $10,660,000.

Again Arizona rushed out to do battle, opposing the appropriation. Arizona fought in Congress and filed its objections with the United States Comptroller General. But progress was not to be halted. The appropriation was passed by Congress.

Still determined to prevent the building of the dam, which was so vital to the growth of the lower basin, Arizona now turned to the courts.

On October 13, 1930, Arizona filed suit in the United States Supreme Court against the Secretary of the Interior and the six States of the Colorado River Basin to stop construction of Hoover Dam. Arizona also asked the Court to declare the Colorado River compact and the Boulder Canyon Project Act unconstitutional.

What did the Supreme Court tell Arizona? The Court said this:

(a) Authority to construct Hoover Dam was a valid exercise of congressional power.

(b) The Boulder Canyon Project Act did not abridge the water rights of Arizona.

(c) There was no threat to Arizona by Secretary Wilbur or the six basin States.

The Arizona suit was dismissed.

Twice more did Arizona appeal to the highest tribunal of justice on other phases of the controversy, and twice more Arizona's suits were denied.

Still determined to stop progress on the Colorado River, Arizona adopted desperate means. Arizona threatened the use of military force.

At this time—1934–35—Parker Dam was being built, 155 miles downstream from Boulder Dam. Parker Dam creates the reservoir—Lake Havasu—from which water begins its long transdesert journey through the great Colorado River aqueduct to Los Angeles and 31 other cities some 400 miles away on the coastal plain of southern California. This dam was built with money contributed to the United States by the Metropolitan Water District of Southern California, a publicly owned enterprise.

Arizona apparently did not want these thirsty cities to have this river water, and so Arizona physically prevented continuance of Parker Dam construction. She sent her militia, with machine guns, to stop construction, and they did so. Work ground to a stop.

In January 1935, the United States Government brought action in the Supreme Court to halt Arizona in these acts of violence, asking an injunction.

The court did not grant the injunction because the complaint of the Government failed to show that construction of Parker Dam was authorized by statute. However, Congress subsequently reauthorized the construction of the dam, work was resumed, and the dam was completed.

The foregoing is only a partial recitation of Arizona's record in the years when the people of six great Western States were struggling to progress, to develop their God-given natural resources, to make secure their homes and shops and farms, and to build on a solid foundation for the security of their children.

Let us look at events of the moment.

The Colorado River controversy still rages in the lower basin. On one side stands the State of Arizona, still demanding settlement on its own terms, or none at all. On the other side the other two States of the lower division, California and Nevada, stand together, still struggling for the peace that will let development proceed in an orderly and legal way. They have offered to negotiate or to arbitrate. Arizona has refused.

In the face of this stalemate, California and Nevada have now proposed that the issues of the controversy be placed before the United States Supreme Court for final settlement.

Will Arizona agree to this? Arizona will not. Arizona still says these issues will be settled her way, or not at all.

So California and Nevada have introduced joint resolutions in the Congress asking permission to carry the controversy before the high Court. The permission of Congress for this litigation is necessary, because the United States Government must be a party to the action, and the United States can be made a party only with the consent of Congress.

These resolutions are affected not at all by political considerations. California's Representatives, Democrats and Republicans, and Nevada's Representative, have introduced identical measures. The Senators from California and Nevada have introduced a joint resolution of the same kind.

With every force at its command Arizona is fighting to prevent passage of these joint resolutions.

What else is Arizona doing today?

As it fights passage of the Supreme Court resolutions, Arizona is asking Congress to authorize construction of the $788,000,000 central Arizona project to "rescue" some 200,000 acres of privately owned land in central Arizona.

Arizona, the State that fought to prevent the authorization and construction of Hoover and Parker Dams and development and progress on the Colorado River, now wants to take an additional 1,200,000 acre-feet of water from the Colorado for this proposed central Arizona project. It wants water stored by Hoover Dam and wants to divert it from Parker Dam's reservoir.

Furthermore, it wants the American taxpayers in all States to foot the bill. The cost to taxpayers if Congress should approve S. 75 and H. R. 1500 is shown in a table which I ask unanimous consent to have printed in the RECORD at this point, as a part of my remarks.

The PRESIDING OFFICER (Mr. MONRONEY in the chair). Without objection, it is so ordered.

The table is as follows:

Cost to Nation's taxpayers, by States, of central Arizona project

State	State's percent of total [1]	Cost to taxpayers [2]
Alabama	1.17	$24,286,000
Arizona	.37	7,680,000
Arkansas	.72	14,945,000
California	8.32	172,701,000
Colorado	.80	16,606,000
Connecticut	1.67	34,665,000
Delaware	.40	8,303,000
Florida	1.29	26,777,000
Georgia	1.40	29,060,000
Idaho	.32	6,642,000
Illinois	7.59	157,548,000
Indiana	2.29	47,534,000
Iowa	1.58	32,797,000
Kansas	1.15	23,871,000
Kentucky	1.20	24,909,000
Louisiana	1.22	25,324,000
Maine	.44	9,133,000
Maryland	1.68	34,872,000
Massachusetts	3.40	70,575,000
Michigan	4.71	97,767,000
Minnesota	1.86	38,609,000
Mississippi	.71	14,738,000
Missouri	2.53	52,516,000
Montana	.35	7,265,000
Nebraska	.86	17,851,000
Nevada	.13	2,698,000
New Hampshire	.29	6,020,000
New Jersey	3.29	68,291,000
New Mexico	.28	5,812,000
New York	14.67	304,509,000
North Carolina	1.59	33,004,000
North Dakota	.34	7,057,000
Ohio	5.78	119,977,000
Oklahoma	1.17	24,286,000
Oregon	1.04	21,588,000
Pennsylvania	7.62	158,171,000
Rhode Island	.56	11,624,000
South Carolina	.76	15,776,000
South Dakota	.36	7,473,000
Tennessee	1.37	28,438,000
Texas	4.38	90,917,000
Utah	.34	7,056,000
Vermont	.18	3,736,000
Virginia	1.49	30,928,000
Washington	1.65	34,250,000
West Virginia	.92	19,097,000
Wisconsin	2.10	43,590,000
Wyoming	.18	3,736,000
District of Columbia, Hawaii and Alaska	1.48	30,721,000
United States total	100.00	2,075,729,000

[1] Percentages of total tax burden that each State will bear were computed by the Council of State Chambers of Commerce, Washington, D. C.

[2] Cost to the Nation's taxpayers of $2,075,729,000 is an official estimate of Oscar L. Chapman, Secretary of the Interior. It is based on the provisions of S. 75 (central Arizona project bill) and the following specified conditions: Construction cost estimate of $708,780,000 made by the Bureau of Reclamation (S. Rept. No. 832, 81st Cong., 1st sess.); an interest rate of 2½ percent; an 8-year construction period; and a 75-year financing period.

The Secretary's statement appears in his letter dated June 28, 1950, to J. Hardin Peterson, chairman of the House Public Lands Committee. The statement was approved by the Bureau of the Budget.

These figures prove that the central Arizona project will not be self-supporting, as claimed by its promoters. Actually, it will cost taxpayers of all the States billions. Spending this huge sum will not help the current national defense effort in any way. Instead, it would divert and use up manpower and large supplies of steel, cement, copper, and other critical materials.

Mr. KNOWLAND. Mr. President, in connection with the table I have just placed in the RECORD, I wish to say that, since the original estimate of the Secretary of the Interior of a loss to the Nation's taxpayers of more than $2,000,000,000, the Reclamation Bureau has increased the estimated construction cost of the central Arizona project from approximately $708,000,000 to $788,000,000, an increase of $80,000,000 in construction cost. That, of course, means an even

greater total cost to the taxpayers of all States.

Mr. President, President Truman has stated that the proposed central Arizona project is not in accord with the administration's program at this time. The President also has called for prompt settlement of the California-Arizona controversy.

The Bureau of the Budget, the Department of Agriculture, the Federal Power Commission, and other departments and high officials have expressed opposition to the proposed Arizona project. The Department of the Interior and its Bureau of Reclamation have admitted that until the lower basin controversy is settled there can be no assured water supply for the project.

In the face of this situation, Arizona is continuing to fight for the costly central Arizona project, and Arizona's Representatives have introduced measures in Congress asking for its authorization.

Mr. President, following is how the cost of the Arizona project is broken down by the Reclamation Bureau:

Power (interest bearing)	$266,070,000
Irrigation (interest free)	415,343,000
Municipal water supply (interest free)	17,871,000
Flood control (at Government expense)	6,489,000
Fish-wildlife (at Government expense)	3,007,000
Total	708,780,000

But, as I pointed out, since that first breakdown was made available, the Reclamation Bureau has now estimated the construction cost at $788,000,000.

In addition to enormous pump lifts—requiring immense amounts of power—subsidiary dams, reservoirs, and hundreds of miles of tunnels and canals, the Arizona project plan calls for the building of Bridge Canyon Dam, located several hundred miles from the land to be irrigated.

This would be a power dam. It is not needed to regulate the flow of the Colorado River. It is included in the project only to supply free power for the pump lifts and to bring in revenue by selling power.

LARGE LANDOWNERS ARE FAVORED

The proposed Arizona project would give benefits of more than $500,000 each to a select 400 large landowners.

This unprecedented favoritism is revealed by facts contained in the official Bureau of Reclamation report on the project:

> Under present reclamation law, $415,343,000 would be allocated for irrigation features of the project.

Deeply buried in the Reclamation Bureau's report are to be found these statements:

> An estimated 6,000 farms are in the project area.
>
> Seven percent of these farms are 500 acres or larger in size.
>
> The 7 percent contain 55 percent of the irrigated land.

Seven percent of 6,000 farms is 420 farms.

> As these 420 privately owned farms contain 55 percent of the irrigated land, they therefore would get 55 percent of the benefits of $415,343,000 that would be spent for irrigation features of the project.

That amounts to $228,438,650, or an average of $540,000 for each farm.

The other 5,580 farms in the project would get only 45 percent of the irrigation benefits. This is unequaled class legislation.

The entire $2,000,000,000 interest cost of the Arizona project would be an obligation of all the taxpayers of the United States. The electric-power users of various States also would be called upon to repay most of the construction cost. Through these outside sources the Arizona landowners would get the great development virtually for nothing.

CALIFORNIA'S STAKE IN THE RIVER

California has a great deal more at stake in the Colorado River than has Arizona, and California would suffer far more than Arizona under an adverse political settlement of the controversy between the two States. That is because California has invested immense sums of money in Colorado River developments and Arizona has invested comparatively small sums. California has 15 times more people needing power and water and has more industry and agriculture entirely dependent on the Colorado River.

More than 4,000,000 people have migrated to California since 1940. There are more than 10,000,000 residents in the State. The Colorado does not serve the northern part of the State, but the 5,000,000 living in southern California are dependent on it.

Only because of the foresight and determination of the people of California do the millions of new residents in the State, the new industries, and the vast national defense plants have a dependable supply of water today.

INVESTMENT OF THE PEOPLE

Altogether, the people of southern California have invested or incurred obligations aggregating more than half a billion dollars in projects to bring Colorado River water and power to their farms, homes, and industries. These projects include the Hoover Dam, the Metropolitan Aqueduct, the All-American Canal, and many others.

Contrast the California developments with the plan for the central Arizona project. California has paid its own way, the people putting up their own money to bring water to their farms, their homes, their industries—on sound and fair business principles. Southern California has borrowed large sums of money from the Federal Government, but only under firm contracts to repay it, with interest. The people of southern California have not asked the Government, or the people of other States, to pay for these projects.

Arizona, however, wants the biggest single reclamation and power project in history, wants the Government and the people of other States to pay for 99 percent of it, and wants to leave the taxpayers of the Nation holding the bag. The original cost of the Arizona project would be more than has been spent for reclamation projects in 17 Western States, including Arizona and California, in the 11-year period from 1939 to 1949.

The Colorado River controversy now before the Congress involves questions and problems that must be resolved if western development is to go forward on a sound basis, without special privilege to politically selected areas, and without taxing the many to benefit the favored few.

For all these reasons S. 75 and its companion bill, H. R. 1500, which are twin bills, should be opposed and defeated.

Mr. President, as I pointed out yesterday, the House Committee on Interior and Insular Affairs, by a bipartisan vote of 16 to 8, determined that the project should not be approved until after the Supreme Court had an opportunity to act on the question. Hearings were held for a period of many weeks. The proponents and opponents had ample opportunity to present the facts to the House committee.

On that committee are representatives of many of the western reclamation States, as well as representatives of other States of the Union. After hearing the testimony and weighing it carefully, by a vote of 2 to 1, the committee determined that it was not advisable to go ahead with such a project until the water rights of the lower basin States had been determined. I submit that it is a most unusual procedure, in connection with legislation calling for a project which would cost the Federal taxpayers, in the ultimate result, well over $2,000,000,000, to report such a bill from the Senate committee this year without even a hearing.

Mr. President, I ask unanimous consent to have printed in the RECORD at this point as a part of my remarks a number of communications which I think will be of interest to the Senate and to the country.

The first is a letter from Mr. Oscar L. Chapman, Secretary of the Interior, in reply to a previous communication from me in which I had requested information regarding what tribal or other Indian property would have to be utilized if S. 75 were enacted into law.

The next is a letter which I received from the Federal Power Commission in response to a communication which I had addressed to it under date of April 2.

Then follow a series of communications, the first one a letter addressed to Mr. Oscar Chapman, Secretary of the Interior, by my colleague, the junior Senator from California [Mr. NIXON], and myself, asking for certain information from the Secretary; his first acknowledgment of that letter, dated February 14; a communication which we addressed to him under date of February 13, and the latter two of which letters apparently crossed in the mails; his reply of March 2, 1951; and finally the answers to the questions, which were received under date of May 2, 1951, after going through the Bureau of the Budget. The last letter is signed by Mr. Oscar L. Chapman, Secretary of the Interior.

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

UNITED STATES
DEPARTMENT OF THE INTERIOR,
OFFICE OF THE SECRETARY,
Washington, D. C., April 2, 1951.

HON. WILLIAM F. KNOWLAND,
United States Senate.

MY DEAR SENATOR KNOWLAND: Your letter of February 9, 1951, requesting information

regarding what tribal or other Indian property would have to be utilized if S. 75 were enacted into law has been received.

The central Arizona project, as formulated by this Department, would involve acquisition or inundation of lands within several Indian reservations. The majority of the Indian lands affected are of little value, and no established communities are expected to be adversely affected. There follows a breakdown of the areas which would need to be acquired or for which we will need flow easements or rights-of-way over Indian lands if S. 75 were enacted.

BRIDGE CANYON DAM, RESERVOIR, AND POWER PLANT

Some 9,600 acres of land within the Hualapai Indian Reservation would be acquired. This entire area is practically worthless and inaccessible land in the canyon bottoms. No organized grazing is possible; only occasional strays ever get down to the area. No established communities exist, and we know of no habitation of any kind which would be affected. In addition to the above, approximately 1,500 acres of land on the canyon rim would be needed for such incidental facilities as access roads, power substations and terminals, camp sites, etc. This area includes some good grazing lands, but no established community would be affected and few, if any, habitations would need to be relocated.

GRANITE REEF AQUEDUCT, LAKE HAVASU TO GRANITE REEF DAM

Right-of-way for this aqueduct would be required through comparatively small areas of Indian lands.

M'DOWELL CANAL, GRANITE REEF DAM TO M'DOWELL DAM

Right-of-way for this short canal would be required over Salt River Indian Reservation lands. The total area involved is not large, and most of it is undeveloped desert land.

M'DOWELL DAM AND RESERVOIR

The reservoir basin at this site lies partly within the Salt River Indian Reservation. The Indian lands affected are primarily low-value grazing lands, although small areas in the Verde River bottom are irrigated. Improvements consist of fences, wells, and a few scattered dwellings of the one- or two-room adobe type. The majority of the area is similar to adjacent national forest lands which are leased for grazing purposes at 5 or 10 cents an acre.

The only other Indian areas which would be affected under the provisions of S. 75 are small areas of land required for distribution works, most of which would benefit Indian lands, and rights-of-way for transmission lines and other operating facilities, which would have little effect upon use of the land. We anticipate no relocation problems for Indians because of this project, and the amount and value of Indian lands used will be greatly outweighed by the benefits accruing to other Indian lands.

Essentially all the information available in this office on this subject is contained in the foregoing statements. If you desire more detailed information on any of these matters, the Bureau of Reclamation and the Bureau of Indian Affairs will be glad to procure any such data available from their field offices.

Sincerely yours,

OSCAR L. CHAPMAN,
Secretary of the Interior.

FEDERAL POWER COMMISSION,
Washington, April 30, 1951.

Hon. WILLIAM F. KNOWLAND,
United States Senate,
Washington, D. C.

DEAR SENATOR KNOWLAND: Further reference is made to your letter of April 2 in regard to S. 75, a bill to authorize the Bridge Canyon project and certain appurtenant dams and canals. The several questions which you have asked with respect thereto are discussed below.

1. Please refer to House Document 136, Eighty-first Congress, first session, page 105, where the "Letter of Comment from the Chairman of the Federal Power Commission," dated May 21, 1948 has been reproduced. With reference to that letter:

1 (a). Would there be any substantial change in the comments made by the Commission as applied to the present bill (S. 75) which omits Bluff Dam and the gravity tunnel?

Referring to above-mentioned letter on the report of the Secretary of the Interior on the central Arizona project, there would be no substantial change in the comments made by the Commission as applied to the present bill (S. 75) which omits Bluff Dam and the gravity tunnel.

1 (b). With reference to page 108, first paragraph, of House Document 136, under the present bill would there be any physical relationship between Bridge Canyon project and the diversion project.

Under the present bill there would be no change in the Commission's view that the Bridge Canyon project has no essential physical relationship with the central Arizona diversion project.

1 (c). In regard to the comments in the fourth and fifth paragraphs on the same page (H. Doc. 136, p. 108):

1 (c) 1. On the basis of the new cost estimates what would be the cost of Bridge Canyon power if divorced from the irrigation project and what would be the subsidy to irrigation at the rate of 5.17 mills now proposed by the United States Bureau of Reclamation?

On the basis of the new cost estimates—understood to mean the estimates in the report on S. 75, Eighty-second Congress, first session, being the 1947 estimates less the Bluff Reservoir—the staff estimates the cost of power at about 3.9 mills. This compares with 4.1 mills on page 108, and is 1.27 mills less than the 5.17-mill rate stated in your letter.

1 (c) 2. As a matter of policy, should not the power be sold on the basis of its cost without the irrigation burden?

The Commission's position with respect to Federal power projects has consistently been that power should be sold on the basis of the recovery of its cost to the United States. The question of whether power from reclamation projects should be sold at some rate in excess of its cost in order to assist in defraying the cost of other project purposes is one of policy that has to be considered in relation to the particular problem, circumstances, and improvement at hand.

1 (c) 3. What rate do you consider in the class of low-cost power?

Firm energy delivered to load centers in southern California at a price of from 4 to 4.5 mills can be considered as low-cost energy. For the Arizona area a price of from 4.5 to 6 mills can be considered as low-cost energy, depending upon the location of the load centers to which it is delivered.

1 (d). With the elimination of Bluff Dam, is it not even more important that Glen Canyon and Bridge Canyon Dams be constructed at the same time? (See H. Doc. 136, p. 109.)

The Commission's view is that with or without Bluff Reservoir the Glen Canyon Reservoir should be initiated very soon after the Bridge Canyon project is constructed. The elimination of Bluff serves to emphasize the need for Glen Canyon.

2. Without construction of upstream storage for reservoir regulation and sediment control, what is the estimated useful life of the Bridge Canyon Reservoir and power plant?

The matter of useful life must be considered (1) in relation to storage capacity at Bridge Canyon, and (2) to the power plant at that dam. The staff advises that without construction of upstream storage, the storage capacity of Bridge Canyon would probably be filled with silt in about 30 years. Knowledge and techniques have not yet advanced to the point of exactness in such estimates and, under extremely adverse conditions, the storage capacity might be filled in less than 30 years.

The usefulness of the power plant would not cease with the filling of the reservoir, under which circumstance it would probably operate satisfactorily as a run-of-river plant. The efficiency of the equipment would probably be reduced somewhat and the advantage of the regulatory storage at Bridge Canyon would be lost and the firm power reduced.

3. Without construction of upstream storage, what would be the annual firm power production of Bridge Canyon power plant?

With respect to this and other questions relating to firm power production at Bridge Canyon, the Bureau of Reclamation's estimate (with which the Commission staff substantially agrees) of annual firm energy under initial conditions of 4,675,000,000 kilowatt-hours is based upon adverse stream flows, with regulation from Bridge Canyon and Bluff Reservoirs. As further upstream regulation takes place there will be depletions of flow resulting in loss of firm power production at Bridge Canyon as indicated in the Bureau's estimates. On the basis that your question, then, is directed to the elimination of Bluff Reservoir, the staff reports that as a maximum, under conditions of the adverse year, the firm output at Bridge Canyon would be reduced, possibly to 3,370,000,000 kilowatt-hours. The above discussion is not directed to questions of siltation but of stream flow regulation.

4. What is the estimated cost of the upstream storage, if any is necessary, to assure production of firm power at the Bridge Canyon Dam and power plant in the annual amounts estimated in House Document 136, Eighty-first Congress, first session?

Based upon the above answer to question 3 the cost of the upstream storage, Bluff Reservoir, using July 1, 1947, prices, is $29,628,000 according to estimates of the Bureau of Reclamation.

5. Could long-term contracts be made for sale of Bridge Canyon power without provision for upstream storage?

No reason is seen why long-term contracts could not be made for sale of Bridge Canyon power without provision for upstream storage. Such contracts, of course, would have to have regard for the situation as it exists initially and as it will be in the future when sedimentation begins to reduce the effectiveness of the active storage at Bridge Canyon for regulation, until finally without upstream storage it would become a run-of-river plant.

6. What is the commercial value of the power to be used for project pumping?

The energy used for project pumping pumping would be firm energy. If the balance of the firm energy (after pumping) could be disposed of at the rate of 5.17 mills, mentioned in your letter, the probabilities are that all project firm energy could be disposed of at the same rate.

7. What would be the annual firm power output of Bridge Canyon power plant, without use of any downstream capacity to firm up Bridge output, and without upstream reservoir storage in operation for river regulation and sediment control?

Very preliminary estimates by the Commission staff indicate that when Bridge Canyon is first constructed the average output through the critical period (of from 10 to 20 months, depending upon drawdown), considered as firm, assuming independent operation, would be about 2,900,000,000 kilowatt-hours per year. Under conditions of the reservoir being completely filled with sediment the average output in the minimum month of July 1934 would be about 78,000,000 kilowatt-hours, or at the annual rate of about 940,000,000 kilowatt-hours when con-

sidered on a firm basis. The aggregate output during the minimum 12-month period would be about 2,500,000,000 kilowatt-hours.

8. What would be the annual firm power output of the Bridge Canyon power plant with Glen Canyon Reservoir, as currently proposed, constructed, and in operation?

Studies are not now available of the direct effect, measured in terms of firm power output, of Glen Canyon upon Bridge Canyon. Considering the two projects alone, they should and probably would be operated for the best total power at the two projects, consistent with meeting the requirements of the Colorado River compact and the treaty with Mexico. As pointed out, the chief value of Glen Canyon to Bridge Canyon would be the prevention of loss of firm power due to siltation.

9. In view of the Secretary of the Interior's statement that no sediment should be allowed to enter Bridge Canyon Reservoir that can be prevented, and of the recognized dependence of Bridge Canyon power development upon Glen Canyon Reservoir for sediment control as well as necessary river regulation, should not Glen Canyon Reservoir be constructed and placed in operation concurrently with the Bridge Canyon Dam and power plant?

As stated in answer to 1-d, Glen Canyon should be initiated very soon after Bridge Canyon is constructed in order to protect the downstream reservoir from serious reduction in efficiency from sedimentation. Glen Canyon need not necessarily be constructed concurrently with Bridge Canyon but the latter should not be undertaken unless it has been determined to follow it shortly thereafter with Glen Canyon.

10 (a). How much increase in the installed capacity of steam generating plants by utilities in Arizona is anticipated within the next 20 years?

There were 228,500 kilowatts of steam capacity in Arizona in 1950. At present only 30,000 kilowatts of additional steam-electric capacity is reported as scheduled by utilities in the State. Based upon past growth of power usage in Arizona, and the fact that a considerable amount of hydroelectric capacity is available for development in and near Arizona, it is estimated that by 1970 the installed capacity of steam plants in that State will be about 500,000 kilowatts.

10 (b). Will not such increase be required in any event for auxiliary and stand-by purposes?

It is a reasonable assumption that by 1970 the estimated 500,000 kilowatts of steam-electric capacity in Arizona will be operated in coordination with hydroelectric capacity much in the same ratio and manner as the hydro and steam are being coordinated in that State today.

11. In your opinion, could Arizona absorb by 1960, as claimed by Mr. K. S. Wingfield, Arizona Power Authority spokesman, all the output of Bridge Canyon power plant as estimated by the Bureau of Reclamation, in addition to the Arizona allotments from Hoover and Davis power plants and the required auxiliary steam capacity?

Electric utilities operating in Arizona had total sales of electric energy in the State of approximately 1,831,000,000 kilowatt-hours in 1950. If transmission and distribution losses, company uses, and energy deliveries without charge are added to the energy sales, the State's requirements for 1950 total about 2,400,000,000 kilowatt-hours. These requirements are exclusive of industrial establishments which have their own power supply. Under normal load growth it is estimated the load will increase about 1,300,000,000 kilowatt-hours during 1950 to 1960. The additional power to be available for use in Arizona from the Davis and Hoover power plants and from new steam-electric plants should supply a substantial part of this load growth. In view of this situation, the total output of the Bridge Canyon project could not be used in Arizona until sometime after 1960. However, availability of electric power is a prime consideration in the location of certain types of large power consuming industries, and it is entirely possible that the Bridge Canyon project might attract such industries to the extent that a large part of its total output would be absorbed by 1960. The extent to which Mr. Wingfield's estimates include these types of loads is not known.

12. Would it be practicable to operate the Bridge Canyon power plant under the head proposed with water of high silt content?

The staff believes that it would be practicable to operate the Bridge Canyon power plant under the head proposed with water of high silt content. It is assumed that you refer to the condition under which the storage capacity would be silted up and the plant would operate as run of river, with water of high silt content, especially under high stream-flow conditions. Under those assumptions, which are severe, there would undoubtedly be wear on the turbine runners, even with stainless-steel construction, and a maintenance problem with the gates and seal liners.

13. Do you know of any hydro plants operating satisfactorily and economically with water of high abrasive silt content at heads comparable to the proposed Bridge Canyon project?

The staff is not directly familiar with any projects operating under the conditions assumed above for Bridge Canyon. However, Francis-type units are reported as now being installed in Colombia, South America, of capacity of 35,000 horsepower each, to operate under 1,000-foot head and under silt-problem conditions. The Bridge River development in Canada, with 62,000 horsepower impulse turbines, operates under a head of 1,118 feet with water that carries a large quantity of fine abrasive silt. The staff believes that the continuing advances being made in design and improvement of materials should make it possible satisfactorily to design and operate power-generating facilities at the Bridge Canyon project under the assumed severe conditions.

14. Does the Federal Power Commission favor, as a matter of policy, the utilization of the interest component of power revenues to repay capital costs?

The Commission has consistently taken the position that all costs of power, including the interest component of power revenues, should be returned to the Federal Treasury.

15. Does the Federal Power Commission approve the utilization of power revenues to subsidize irrigation features of a multiple-purpose project to the degree proposed for the central Arizona project by House Document 136, Eighty-first Congress—that is, relief of the water users from payment of any part of the capital costs of irrigation features, plus relief from payment of more than 90 percent of the cost of the distribution works?

The Commission, in acting upon rates for the disposal of Bonneville and Fort Peck projects power, and of power from projects under the control of the Secretary of the Army, has consistently been guided by legislation of the Congress prescribing the widespread use of power at the lowest possible rates consistent with the return to the Treasury of the cost of producing and transmitting the electric energy, including the amortization of the capital investment allocated to power. The Commission has not had occasion to consider the policy question as to whether power rates of a reclamation project should be fixed high enough to contribute toward the cost of irrigation features, in addition to returning to the Government the investment, with interest, allocated to power.

Sincerely yours,

THOMAS C. BUCHANAN,
Acting Chairman.

Hon. OSCAR L. CHAPMAN,
Secretary of the Interior,
Washington, D. C.

MY DEAR MR. SECRETARY: We are informed that the chairman of the Senate Committee on Interior and Insular Affairs has requested you to submit a report on the bill S. 75, Eighty-second Congress, first session, which was introduced by Senator MCFARLAND on January 8, 1951, and referred to that committee.

Although differing in some respects, the bill above referred to is substantially the same as a bill, S. 75, which was passed by the Senate on February 21, 1950. It would authorize the so-called central Arizona project.

The only report on this proposed central Arizona project by the Department of the Interior is that submitted to the Congress on September 16, 1948 (Project Planning Rept. No. 3-8b, 4-2, dated December 1947), which was subsequently printed in part in House Document No. 136, Eighty-first Congress, first session. The bill S. 75, now pending and referred to you for report, would authorize a project which is different in certain important respects from that presented in the Department's report above referred to.

The reports which you have heretofore submitted on the bill S. 75 pursuant to previous requests, viz, letter of March 18, 1949, to chairman of Senate Interior and Insular Affairs Committee, and letter of April 20, 1950, to chairman of the House Public Lands Committee, have not presented any facts and figures on the project which the bill would authorize under the terms provided therein. The result is that neither the committee nor the Congress in considering this legislation have had the benefit of a feasibility report by the Secretary of the Interior on the project which the bill S. 75 would authorize.

Attached hereto is a list of questions with respect to the proposed central Arizona project. It is respectfully suggested that answers to these questions be incorporated in your report on S. 75, Eighty-second Congress, first session. It is requested, in any case, that you furnish us with specific answers to the questions sufficiently in advance to the Senate hearings so that we will be fully prepared to discuss the problem before the committee.

Respectfully,

WILLIAM F. KNOWLAND.
RICHARD M. NIXON.

QUESTIONS SUBMITTED BY SENATORS KNOWLAND AND NIXON TO THE SECRETARY OF THE INTERIOR WITH RESPECT TO CENTRAL ARIZONA PROJECT AS PROPOSED TO BE AUTHORIZED BY S. 75, EIGHTY-SECOND CONGRESS, FIRST SESSION (ACCOMPANYING LETTER OF JANUARY 20, 1951)

1. (a) What features, works and facilities would be authorized by the bill S. 75, and in what particulars do these differ from those proposed in the Department's report on the central Arizona project (H. Doc. 136, 81st Cong., 1st sess.)? (Specify and describe all features.)

(b) What specific works and facilities would be authorized under the general authorizations provided in the bill, including page 2, lines 12 and 13, and lines 19 to 21, inclusive, and on page 3, lines 5 to 11, inclusive?

2. What are the estimated construction costs (at current prices) of the entire project and the individual units thereof, that would be authorized by S. 75?

3. What are the estimated annual costs (at current prices) of operation, maintenance and reserve for replacement (by units and in total)?

4. What are the estimated allocations of construction costs and of annual costs (by units and functions)?

5. What are the amounts of power output and water supply that would be furnished by the project (by units)?

6. What are the estimated revenues of the project, separately for power, irrigation, municipal water supply, or other sources, and the bases and derivation thereof?

7. What are the financial aspects as to repayment ability of the project? (Please furnish detailed financial analyses.)

8. In the hearings on S. 75 (81st Cong., 1st sess.) before the Senate Committee on Interior and Insular Affairs, Senator McFARLAND made the following statement (printed hearing, page 35):

"According to the report, if this water supply is made available for the project, 73,500 of the 105,790 acres formerly irrigated but now idle for lack of irrigation, can be irrigated. In addition to this amount, as shown in table B-5 of the report, it would be possible to sustain irrigation of an additional 152,520 acres which would otherwise have to be retired from irrigation. This would mean a total of 226,020 acres, which would otherwise be compelled to remain forever idle, could be maintained in production by this project."

(a) Does Senator McFARLAND's statement correctly and accurately summarize the statements and figures appearing in the report of the Bureau of Reclamation (Project Planning Report No. 3-8b, 4-2, dated December 1947) on the central Arizona project, including tables B-5, B-23 and B-24 and pertinent statements in the text?

(b) Based upon the Bureau's estimates, what is the construction cost of the central Arizona project allocated to irrigation, per acre, on the 226,000 acres of land that would be maintained in production by the project?

9. In accordance with the statements and figures submitted in the report of the Bureau of Reclamation on the central Arizona project, viz, pages C-41 and C-48 of the appendixes of the report (not printed) and page 140 of House Document No. 136 (81st Cong., 1st sess.), what is the reasonable value of general crop farming land in the project area with a full irrigation supply?

10. Based upon the figures set forth in the Bureau's report on the central Arizona project, which show (table B-24 and p. B-85, appendices) that water would be made available by the project for the irrigation of 73,000 acres of lands "formerly irrigated but now idle for lack of water," in the amount of 418,000 acre-feet, or about 39 percent of a total of 1,070,000 acre-feet a year that would be furnished by the project for irrigation, what is the amount of the project construction cost allocated to irrigation that is attributable to the 73,000 acres, and the corresponding cost per acre?

11. What part of the construction cost allocated to irrigation is to be paid by the irrigators?

12. How much of the construction cost is to be repaid from revenues from sale of commercial power?

13. How much of the cost allocated to irrigation features is to be repaid by the use of the interest component on cost of power features?

14. Under section 5 of the bill, would the same rate for irrigation water be charged to areas now possessing distribution systems as to those areas for which distribution systems must be constructed, or would the farmers for whom distribution systems would be constructed have to pay an additional charge over the $4.75 rate per acre-foot shown in the Secretary's report on the project?

15. Does S. 75 provide for repayment by the farmers of the construction cost of distribution and drainage systems under repayment contracts as required by the reclamation law?

16. What is the estimated construction cost, and the annual cost (including amortization, annual carrying charges, operation, maintenance, and replacement reserve, and all other costs) in total and per kilowatt-hour, for the power to be used for project pumping delivered at pumping plants?

17. What is the commercial value of the power to be used for project pumping?

18. How is the power to be used for project pumping to be financed or paid for?

19. Without upstream storage for river regulation and sediment control, what is the estimated useful life of the Bridge Canyon Reservoir and power plant?

20. What would be the annual firm power output of Bridge Canyon power plant, without use of any downstream capacity to firm up Bridge output, and without upstream reservoir storage in operation for river regulation and sediment control?

21. What would be the annual firm power output of the Bridge Canyon power plant with Glen Canyon Reservoir as currently proposed, constructed, and in operation?

22. In view of the Secretary's statement that no sediment should be allowed to enter Bridge Canyon Reservoir that can be prevented, and of the recognized dependence of Bridge Canyon power development upon Glen Canyon Reservoir for sediment control as well as necessary river regulation, should not Glen Canyon Reservoir be constructed and placed in operation concurrently with the Bridge Canyon Dam and power plant?

23. Will you please submit a financial analysis of the irrigation, power, and other features of the project that would be authorized by S. 75, conforming to the recommendations in the report of the President's Water Resources Policy Commission?

24. Will you please state the amendments to S. 75 which would be required to bring it into conformity with the recommendations of the President's Water Resources Policy Commission?

UNITED STATES
DEPARTMENT OF THE INTERIOR,
OFFICE OF THE SECRETARY,
Washington, D. C., February 14, 1951.

Hon. WILLIAM F. KNOWLAND,
United States Senate,
Washington, D. C.

MY DEAR SENATOR KNOWLAND: Please refer to your and Senator NIXON's letter of January 20 with which was enclosed a list of 24 questions relating to S. 75, a bill "authorizing the construction, operation, and maintenance of a dam and incidental works in the main stream of the Colorado River at Bridge Canyon, together with certain appurtenant dams and canals, and for other purposes," which was introduced by Senators McFARLAND and HAYDEN.

Although I am advised that S. 75 has already been reported out by the Senate Committee on Interior and Insular Affairs, you may be assured that answers to your questions will be furnished as soon as the necessary information can be assembled.

Sincerely yours,

OSCAR CHAPMAN,
Secretary of the Interior.

FEBRUARY 13, 1951.

Hon. OSCAR L. CHAPMAN,
Secretary of the Interior,
Washington, D. C.

DEAR MR. SECRETARY: On January 20 I wrote you in regard to S. 75, the central Arizona project, enclosing a list of questions which Senator NIXON and I directed to the Department asking for specific answers.

Inasmuch as the Bureau of the Budget has been extremely interested in this I would appreciate your sending your answers to the questions to me through the Bureau of the Budget so that any comments they wish to make can be included in the final reply to the correspondence.

Yours very truly,

WILLIAM F. KNOWLAND.

UNITED STATES
DEPARTMENT OF THE INTERIOR,
OFFICE OF THE SECRETARY,
Washington, D. C., March 2, 1951.

Hon. WILLIAM F. KNOWLAND,
United States Senate,
Washington, D. C.

MY DEAR SENATOR KNOWLAND: This is in response to your letter of February 13 in which you refer to the list of questions directed by Senator NIXON and yourself to the Department relative to the central Arizona project.

In accordance with your request, our replies to the questions will be transmitted to the Bureau of the Budget for comments before sending them to you.

Sincerely yours,

OSCAR L. CHAPMAN,
Secretary of the Interior.

UNITED STATES
DEPARTMENT OF THE INTERIOR,
OFFICE OF THE SECRETARY,
Washington, D. C., May 2, 1951.

Hon. WILLIAM F. KNOWLAND,
United States Senate,
Washington, D. C.

MY DEAR SENATOR KNOWLAND: In response to your and Senator NIXON's letter of January 20, 1951, relative to Senate hearings on the central Arizona project, I am enclosing answers to 22 of the 24 questions submitted therein. It has not been possible to supply answers to questions No. 23 and No. 24 regarding the effect which adoption of the recommendations of the President's Water Resources Policy Commission would have on the financial and legislative aspects of the propect. To do so would require me to make assumptions with respect to certain recommendations of the Commission, and their application to the central Arizona project. The report of the Commission, however, is directed to the President, who has not as yet indicated his position with respect thereto. The conclusions of the Commission are now being studied by this Department, as well as by other agencies within the executive branch of the Government. In the light of these considerations, I do not feel prepared to answer questions No. 23 and No. 24 at the present time.

The questions and answers we have prepared, follow:

1. QUESTION

(a) What features, works and facilities would be authorized by the bill S. 75, and in what particulars do these differ from those proposed in the Department's report on the central Arizona project (H. Doc. 136, 81st Cong., 1st sess.)? Specify and describe all features.

(b) What specific works and facilities would be authorized under the general authorizations provided in the bill, including page 2, lines 12 and 13, and lines 19 to 21 inclusive, and on page 3, lines 5 to 11 inclusive?

ANSWER

(a) The Department believes that S. 75 would authorize the construction of the following features, works, and facilities:

1. Coconino Dam, a silt- and flood-control dam on the Little Colorado River near Cameron, Ariz., would impound 22 percent of the silt load of the Colorado River at the Bridge Canyon Dam site.

2. Bridge Canyon Dam and power plant would be located on the Colorado River 117½ miles upstream from Hoover Dam. Energy generated would be used for project pumping and for commercial sale.

3. Havasu pumping plants would lift Colorado River water from Lake Havasu behind Parker Dam to the Granite Reef aqueduct.

4. Granite Reef aqueduct would consist of approximately 241 miles of concrete-lined canal extending from Lake Havasu to Granite Reef Dam.

5. McDowell pumping plant and canal, located near Granite Reef Dam, would raise aqueduct deliveries which were temporarily in excess of demands and deliver them to the reservoir formed by the potential McDowell Dam.

6. McDowell Dam and power plant would be located just below the confluence of the Salt and Verde Rivers to provide terminal storage for the Granite Reef aqueduct. Available head developed would be used for the generation of electrical energy.

7. Horseshoe Dam, an existing dam on the Verde River, would be enlarged to regulate occasional flood flows now escaping from the area. A power plant would also be installed at this location to generate electrical energy.

8. Salt-Gila aqueduct would deliver Salt River water diverted from the existing Stewart Mountain Reservoir to lands in the flood plain of the middle Gila and lower Santa Cruz Rivers. It would consist of a concrete-lined canal having a length of approximately 74 miles.

9. Buttes Dam and power plant would be constructed on the Gila River about 62 miles below Coolidge Dam to conserve flood flows entering the Gila below Coolidge Dam and to generate electrical energy.

10. Charleston Dam, on the San Pedro River, would regulate the erratic flows of that stream, provide flood control, and facilitate the diversion of water to lands downstream and to the city of Tucson.

11. Tucson aqueduct would consist of approximately 70 miles of closed conduit through which water would be conveyed from the reservoir formed by Charleston Dam to the city of Tucson.

12. The Safford Valley improvements would function to conserve and utilize the existing water supply of that area by consolidating and improving the existing distribution systems.

13. Hooker Dam on the Gila River near Cliff, N. Mex., would regulate stream flows and provide flood control and silt retention for the benefit of downstream irrigators.

14. An irrigation distribution system would be required to supplement the present system which, upon the construction of the project, would in some cases be inadequate.

15. A drainage system for salinity control, consisting of wells, pumps, and open drains, would be required to prevent waterlogging and excess salinity of lands lying in the lower portions of the project.

16. The power transmission system would be required to convey power from the project power plants to the pumping plants and to commercial load centers.

The above features in no way differ from those proposed in the Interior Department's report on the central Arizona project (H. Doc. 136, 81st Cong., 1st sess.). One feature originally considered, Bluff Dam, would be eliminated under the terms of S. 75.

(b) Much of the language referred to in question 1b provides only general authorizations and does not refer to specific features. The principal works contemplated to be constructed by the Department of the Interior under those general authorizations or under provisions of section 1 of S. 75 are those described in the answer to question 1a. It is assumed, of course, that the bill's employment of general authorizations will permit the construction of incidental works or minor revisions in plan which are frequently associated with the construction and operation of any large projects. In no event, however, do we understand those authorizations to provide for the construction of Glen Canyon Dam, Marble Canyon Dam, Marble-Kanab power diversion or the tunnel route from Bridge Canyon Reservoir to central Arizona.

2. QUESTION

What are the estimated construction costs (at current prices) of the entire project and the individual units thereof, that would be authorized by S. 75?

ANSWER

Answers to questions 2, 3, and 4 are provided in tables I and II, attached. These tables give construction costs, annual operation and maintenance costs, and the annual reserves for replacements, set out by units and functions.

3. QUESTION

What are the estimated annual costs (at current prices) of operation, maintenance, and reserve for replacement (by units and in total)?

ANSWER

See tables I and II.

4. QUESTION

What are the estimated allocations of construction costs and of annual costs (by units and functions)?

ANSWER

See tables I and II.

5. QUESTION

What are the amounts of power output and water supply that would be furnished by the project (by units)?

ANSWER

Over a period of 75 years (a period equal to the repayment period), it is estimated that the weighted average annual firm power output generated at project power plants would be as follows:

	Million Kilowatt-hours
Bridge Canyon	4,301
Horseshoe	40
McDowell	20
Buttes	35
Total	4,396

New water which would be developed under the central Arizona project is summarized, by average annual amounts, in the following table:

	Acre-feet
Colorado River	1,200,000
Less aqueduct losses	250,000
	950,000
Developed on Verde River by Horseshoe Dam enlargement	42,000
Developed on Gila River Buttes Dam	64,000
Upper Gila area	19,000
	83,000
Developed on San Pedro River by Charleston Dam	7,000
Total new water developed	1,082,000

6. QUESTION

What are the estimated revenues of the project, separately for power, irrigation, municipal water supply, or other sources, and the bases and derivation thereof?

ANSWER

The estimated annual revenues of the project are:

(a) Power: Based on an average power rate of 5.171 mills per kilowatt hour, the average annual revenue from power would be $13,921,600 or $1,044,120,000 in the 75-year period. The average power rate would produce sufficient revenues to cover the cost of operation and maintenance, reserve for replacement, and capital costs allocated to power amortized in 75 years with interest at 3 percent.

(b) Irrigation: Based on the irrigators' ability to pay, the value of irrigation water is taken as $4.75 per acre-foot at the farm head gate or (assuming 30-percent losses) $3.30 at the main canal head gates. Probable deliveries of irrigation water at the main canal head gates are taken as averaging 961,670 acre-feet annually based on an average delivery of 907,500 acre-feet for 50 years and 1,070,000 acre-feet for 25 years. Computed on these bases, the annual revenue from irrigation water would amount to $3,173,500 or $238,012,500 for the 75-year period.

(c) Municipal water supply: Based on a price of $0.15 per thousand gallons and a delivery of 10,800 acre-feet (12,000 acre-feet less 10 percent loss) annually, the annual revenue would be $527,900 or $39,592,500 in a 75-year period.

7. QUESTION

What are the financial aspects as to repayment ability of the project? (Please furnish detailed financial analyses.)

ANSWER

All project capital costs, except those apportioned to the nonreimbursable functions of flood control and fish and wildlife conservation, would be repaid by revenues derived from the sale of irrigation water, municipal water, and hydroelectric energy. In this connection it should be noted that the portion of the project capital costs incurred for the construction of irrigation features would be repaid largely through the application of the interest component of commercial power revenues. All reimbursable project operation, maintenance, and replacement costs would be repaid by revenues derived from the sale of irrigation water, municipal water, and hydroelectric energy. None of these latter costs would be repaid through the use of the interest component of commercial power revenues.

A summary indicating the relationship of project costs and anticipated revenues follows:

Construction costs	
Reimbursable:	
Power	$306,732,000
Irrigation	450,056,000
Municipal water supply	21,585,000
Subtotal	778,373,000
Nonreimbursable:	
Flood control	6,830,000
Fish and Wildlife	3,062,000
Subtotal	9,892,000
Total construction costs	788,265,000
OPERATION, MAINTENANCE, AND REPLACEMENT COSTS, 75-YEAR PERIOD	
Reimbursable:	
Power	269,595,000
Irrigation	236,437,500
Municipal water supply	3,802,500
Total reimbursable operation, maintenance, and replacement costs	509,835,000
Total project expenditures	1,298,100,000
Less nonreimbursable construction costs (see subtotal above)	9,892,000
Total reimbursable project expenditures	1,288,208,000
PROJECT REVENUES, 75-YEAR PERIOD	
(The bases and derivation of these revenues are included in the answer to question 6.)	
Power	1,044,120,000
Irrigation	238,012,500
Municipal water supply	39,592,500
Total project revenues	1,321,725,000

Anticipating that substantial values would accrue to the community at large as well as to the project irrigators, the Department of the Interior in its project plan has proposed that such indirect beneficiaries be reached through the formation of a local agency of the conservancy-district type with power to tax all properties within the project-service

area. It has done so in the belief that, in addition to the direct and obvious benefits of the project to the individual landowners, through furnishing them with a supplemental water supply and through the maintenance of a favorable salt balance in their ground-water supply, there will also come correlative benefits to farm labor, to merchants, to lending institutions, and to others, and that it is proper that these beneficiaries should bear, in part, a share of the cost of the project. However, the amount of the revenues which could be obtained through taxes imposed by an agency of the conservancy-district type is indeterminable at the present time, and, hence, is not included in the estimates of project revenues stated above.

8. QUESTION

In the hearings on S. 75 (81st Cong., 1st sess.) before the Senate Committee on Interior and Insular Affairs Senator MCFARLAND made the following statement (printed hearing, p. 35):

"According to the report, if this water supply is made available for the project, 73,500 of the 105,790 acres formerly irrigated but now idle for lack of irrigation, can be irrigated. In addition to this amount, as shown in table B–5 of the report, it would be possible to sustain irrigation of an additional 152,520 acres which would otherwise have to be retired from irrigation. This would mean a total of 226,020 acres which would otherwise be compelled to remain forever idle could be maintained in production by this project."

(a) Does Senator MCFARLAND'S statement correctly and accurately summarize the statements and figures appearing in the report of the Bureau of Reclamation (Project Planning Rept. No. 3–8b.4–2, dated December 1947) on the central Arizona project, including tables T–5, B–23, and B–24, and pertinent statements in the text?

(b) Based upon the Bureau's estimates, what is the construction cost of the central Arizona project allocated to irrigation, per acre, on the 226,000 acres of land that would be maintained in production by the project?

ANSWER

(a) Senator MCFARLAND'S statement directs attention to certain of the project benefits outlined in the report, but does not summarize them in their entirety. Actually as also stated in the report, an irrigated area of 640,000 acres would be directly benefited by the project by reason of the fact that supplemental water would be provided for that area. Without the provision of this water, losses and distress to individual farmers will be large. Industries and business houses dependent upon farming enterprises will also suffer, and the Federal, State, and local governments will be confronted with a reduction of tax revenues.

(b) The central Arizona project is considered by the Department of the Interior as a means of restoring and stabilizing a regional agricultural economy rather than as a project designed solely to maintain 226,000 acres of land in cultivation. The economy of Arizona has largely an agricultural base and this economy has deteriorated because of diminishing water supply and the lack of facilities for the drainage of saline waters from the project area. Any subsantial reduction of the cultivated acreage in the State would, as pointed out in the answer to question 8 (a), result in losses not only to the individual farmers, but also to the economy of Arizona as a whole. The central Arizona project has been designed to avert this threat to the region by the provision of a supplemental water supply to the entire project area of 640,000 acres. It should also be noted that the obligation to repay irrigation construction costs that are within the ability of the water users to repay, and to pay irrigation operation, maintenance, and replacement costs, would be borne by the farmers throughout this entire area. In view of the widespread local benefits, together with the additional benefits that will accrue beyond the boundaries of the State of Arizona, and in view of the distribution of the repayment burden among all users of supplemental water from the project, it is deemed inappropriate for us to attempt to develop a relationship between the project costs allocated to irrigation and an acreage that represents only a portion of the area to be served with, and to be charged for, the project water supply.

9. QUESTION

In accordance with the statements and figures submitted in the report of the Bureau of Reclamation on the Central Arizona Project, viz, pages C–41 and C–48 of the Appendices of the report (not printed), and page 140 of H. D. No. 136 (81st Cong., 1st sess.), what is the reasonable value of general crop farming land in the project area with a full irrigation supply?

ANSWER

Land in the project area having an average water supply and used for general farming purposes is now selling for about $400 an acre. If this land had a full water supply, its value would be considerably greater. In general, lands in the Salt River Project have a more stable water supply than other lands within the potential Central Arizona Project. These lands, when sold for general farming purposes, bring $600 per acre. Acreages containing developed citrus groves or which are particularly valuable for specialized crops have sold for more than $2,000 an acre. Very few farms within the project boundaries have a full and stable water supply. With such a supply, land values would substantially exceed those now prevailing.

10. QUESTION

Based upon the figures set forth in the Bureau's report on the Central Arizona Project, which show (table B–24 and p. B–85, appendices) that water would be made available by the project for the irrigation of 73,000 acres of lands "formerly irrigated but now idle for lack of water," in the amount of 418,000 acre-feet, or about 39 percent of a total of 1,070,000 acre-feet a year that would be furnished by the project for irrigation, what is the amount of the project construction cost allocated to irrigation that is attributable to the 73,000 acres, and the corresponding cost per acre?

ANSWER

This question is apparently predicated on the assumptions that the 73,000 acres referred to can be treated as a readily identifiable and separate parcel or parcels of land, and that the only water that will be available to irrigate these areas will be that provided by the central Arizona project. Neither of these assumptions is correct.

The 73,000 acres are not an integral block or blocks of land which have been taken out of cultivation on a more or less permanent basis. An example is offered to illustrate this point. A farm operator with 100 acres in the Salt River Valley requires about 450 acre-feet of water for a full supply—a rate of 4.5 acre-feet per acre. That farmer can anticipate, under average existing circumstances, a delivery of 300 acre-feet. On this basis he will probably elect to cultivate 85 acres by applying 3.5 acre-feet per acre, thereby realizing less than a full crop on that land. The remaining 15 acres would be consigned to idleness as a result of the existing water shortages. From time to time this 15 acres probably would be rotated, and so would not be the identical parcel year after year. The 73,000 acres referred to in the question are the aggregate of all these individual parcels which, in an average year, are left out of production in order to permit the farmers to adjust their cultivated acreages to their short water supply.

It must be emphasized that these lands will not, and cannot be treated as if they will receive their entire water supply from the central Arizona project. In operation under the project the individual farmer described in the preceding paragraph who owns basic water entitlements for the whole of his farm would spread his basic water supply over all of his land and purchase sufficient project water to round out a full supply. Each acre in his farm would receive both new water and water from the supply to which the farmer is currently entitled.

Since the assumptions upon which the question appears to be based are untenable, it is considered inappropriate for us to attribute any specific portion of the project water supply or capital cost to these 73,000 acres.

11. QUESTION

What part of the construction cost allocated to irrigation is to be repaid by the irrigators?

ANSWER

In 75 years the total payment by the irrigators, based on a water charge of $4.75 at farm head gates, would be approximately $238,012,000. During this period the annual costs of operation, maintenance, and replacement incurred for irrigation purposes would approximate $236,438,000. The difference between these two figures—$1,574,000—would be paid by the irrigators toward the construction costs allocated to irrigation.

12. QUESTION

How much of the construction cost is to be paid by revenues from the sale of commercial power?

ANSWER

Commercial power revenues would be adequate to amortize the capital costs allocated to power in 75 years at 3 percent interest and to pay the annual costs of operation, maintenance, and replacement incurred for power purposes. Costs allocated to power include the costs of project features devoted exclusively to the production and transmission of commercial energy, plus commercial power's proportionate share of the costs of project facilities used jointly by various project functions. As an example, the costs of Bridge Canyon power plant would be allocated between irrigation and commercial power on the basis of the proportionate use each of these functions made of the power plant.

During the 75-year repayment period construction costs directly paid by power would amount to the portion of the total project capital costs properly allocable to commercial power or $306,732,000. In addition, the portion of the interest component of commercial power revenues used to defray the costs of other reimbursable project functions would amount to as much as $448,482,000, or as little as $434,277,000, depending upon disposition of revenues from municipal water in excess of those required for operation, maintenance, replacement, and capital costs allocated to municipal water.

13. QUESTION

How much of the costs allocated to irrigation features is to be repaid by the use of the interest component on the cost of power features?

ANSWER

During the 75-year repayment period, commercial power revenues would include interest, computed at 3 percent on the unamortized capital costs allocated to power, in the amount of $467,793,000. Of the $450,056,000 of construction costs allocated to irrigation, this interest component of power revenues would be called upon to assume payment of as much as $448,482,000 or as little as $434,277,000 depending upon disposition of revenues from municipal water in excess of those required for operation, maintenance, replacement, and capital costs allocated to municipal water.

14. QUESTION

Under section 5 of the bill, would the same rate for irrigation water be charged to areas now possessing distribution systems as to those areas for which distribution systems must be constructed, or would the farmers for whom distribution systems would be constructed have to pay an additional charge over the $4.75 rate per acre-foot shown in the Secretary's report on the project?

ANSWER

The financial analyses provided in these responses assume a uniform charge for water at the main canals equal to the irrigators' repayment ability, without regard to whether a distribution system must be provided for any specific irrigator or group of irrigators. Those irrigators for whom a distribution system would be provided could not be assessed additionally for that system without the total charges exceeding the repayment ability of the irrigators.

15. QUESTION

Does S. 75 provide for repayment by the farmers of the construction cost of distribution and drainage systems under repayment contracts as required by the Reclamation law?

ANSWER

Our repayment analysis does not assume a breakdown between distribution, drainage, and supply works. The estimated returns from the sale of irrigation water would pay all of the annual costs of operation, maintenance and replacement incurred for irrigation purposes. Such costs include not only the annual costs of facilities used solely for irrigation, such as distribution and drainage systems, but also the share allocated to irrigation of the annual costs of facilities used jointly for irrigation and other purposes, such as Bridge Canyon Dam and power plant. The remaining revenues from the sale of irrigation water, amounting to about $1,574,000, would be applied toward the reimbursement of capital costs allocated to irrigation, including the costs of distribution and drainage works.

16. QUESTION

What is the estimated construction cost and the annual cost (including amortization, annual carrying charges, operation, maintenance and replacement reserve, and all other costs) in total and per kilowatt-hour for the power to be used for project pumping delivered at pumping plants?

ANSWER

The portion of project construction costs that can properly be assigned to the production of energy for irrigation pumping amounts to $133,179,000. It is estimated that the energy requirements for project pumping delivered at the pumping plants would average about 1,370,000,000 kilowatt-hours a year. The annual charges necessary to meet all capital and other costs of the power features allocated to irrigation pumping, computed on the interest-free basis established for irrigation facilities, are as follows:

Amortization of construction costs (repayable in 75 years without interest)	$1,775,700
Operation and maintenance	789,800
Replacement reserve	486,800
Total	3,052,300

Project pumping energy, delivered at the pumping plants, would cost about 2.2 mills per kilowatt-hour, under the foregoing computations.

17. QUESTION

What is the commercial value of the power to be used for project pumping?

ANSWER

On the basis of current construction costs, firm electrical energy produced by the central Arizona project for commercial sale could be made available at load centers at a rate of 5.17 mills per kilowatt-hour. Inasmuch as this is believed to be a competitive rate, it can be said to be one measure of the value of any new energy developed in the market area.

It is important to note that the costs of the energy which would be used for irrigation pumping, as computed in the answer to question 16, reflect all out-of-pocket expenses incidental to generation of project energy, but do not include interest on the cost of that part of the electrical plant devoted to irrigation pumping. This exemption from interest represents an application of the long-standing congressional policy to provide for the repayment without interest of investments in irrigation facilities. If the irrigation pumping energy were to be diverted to commercial sale, the procedures currently in use under the Federal reclamation laws would require that the energy rates be sufficient to return interest on capital costs in addition to all out-of-pocket expenses.

18. QUESTION

How is the power to be used for project pumping to be financed or paid for?

ANSWER

Energy used for project pumping would come from the hydroelectric plants constructed under the central Arizona project and their interconnections. The generating facilities and the necessary transmission system would be employed for the production and conveyance of energy used in project pumping, as well as for that sold commercially. The dams, of course, would serve several purposes in addition to the production of power. All capital costs of power features, and the related costs of operation, maintenance and the provision of a reserve for replacement, would be allocated to the separate functions served in accordance with the proportionate uses made of the power features by these separate functions. That part of the capital costs of the power facilities appropriately apportioned to irrigation pumping purposes would be repaid from revenues derived through the sale of irrigation water, and from the interest component of commercial power revenues.

Operation, maintenance, and replacement costs allocable to irrigation pumping, including an appropriate share of the costs of dams and related power plants, and of transmission lines, would be paid out of revenues derived from irrigation water sales.

All of the foregoing items of cost with respect to irrigation pumping are included in the reimbursable irrigation costs stated in tables I and II and in the answers to questions 7, 11, and 13. Similarly, the portion of the interest component of commercial power revenues which would be applied against the capital costs of irrigation pumping power is included in the figure of $448,482,000 stated in the answers to questions 12 and 13, and would not constitute an additional burden on commercial power revenues.

19. QUESTION

Without upstream storage for river regulation and sediment control, what is the estimated useful life of the Bridge Canyon Reservoir and power plant?

ANSWER

The Bridge Canyon Reservoir is relatively small and its useful life as an effective storage reservoir is particularly dependent upon its protection from excessive sediment inflow. Sound conservation principles demand that no sediment be allowed to flow into Bridge Canyon Reservoir that could practicably and economically be withheld in larger reservoirs or in those of little or no other economic value. It was for this reason that Bluff Dam on the San Juan River and Coconino Dam on the Little Colorado River were included originally as features of the central Arizona project.

It has always been assumed that Bluff Dam would not be constructed if there were assurance that construction of Glen Canyon Dam would be undertaken within a reasonable time after the completion of Bridge Canyon Dam. All of those familiar with Colorado River problems have recognized that a major reservoir and power development at Glen Canyon would be economically attractive in itself and imperative in any plan for the full development of the upper basin of the Colorado River. Construction of Glen Canyon Dam is a definite part of the Department's recommended program for the Colorado River, as has been brought out in our report No. 4—8a.81–0 entitled "Colorado River Storage Project and Participating Projects."

The provisions of S. 75 are so drafted as to preclude the construction of Bluff Dam. The Senate Committee on Interior and Insular Affairs also excluded Bluff Dam from the scope of S. 75 of the Eighty-first Congress. In explanation of this action the committee, in its report to the Senate, stated:

"The Glen Canyon Dam, in the opinion of the committee, should and will be authorized and constructed at an early date."

If Glen Canyon is constructed in accordance with this statement, it is apparent that silt from the main stem of the Colorado River would not flow into Bridge Canyon Reservoir for any appreciable period. Based upon the assumption, however, that neither Bluff Reservoir nor Glen Canyon Reservoir would be available for river regulation and sediment retention, it is estimated that Bridge Canyon Reservoir would be essentially filled with sediment within 35 to 45 years. Thereafter, Bridge Canyon power plant could in the opinion of the Department, be operated as a run-of-the-river plant, contributing indefinitely to the firm energy output of the Colorado River system.

20. QUESTION

What would be the annual firm power output of Bridge Canyon power plant, without use of any downstream capacity to firm up Bridge output, and without upstream reservoir storage in operation for river regulation and sediment control?

ANSWER

Based on a strict interpretation of the term "firm power output" and using the lowest water supply year of record (1934) Bridge Canyon power plant would produce about 2,500,000,00^ kilowatt-hours a year under the terms stated in the question. We estimate that at the end of the 35- to 45-year period, when the reservoir would be filled with sediment as outlined in the answer to question 19, an annual energy output of 2,500,000,000 kilowatt-hours a year could still be expected under these same terms. Runoff for 1934 amounted to only 30 percent of the 1906–47 average, while the second lowest year of record (1931) produced a flow equal to 44 percent of the 1906–47 average. If the 1931 runoff were to be used as the basis of computation, the firm power output would substantially exceed that stated above.

The Department, moreover, wishes to emphasize that coordinated operation of hydroelectric plants on the Colorado River produces the largest possible amount of firm energy for use in the power market area. Under this system plants with small reservoirs generate considerably more energy during periods of high runoff than they do in low runoff periods. Concurrently, plants with large storage capacity reduce their output during periods of high stream flow to conserve water for use during low runoff periods. This system of operation makes possible the generation of considerably more system firm energy than would be the case if all plants were operated independently. For this reason, it has never been the intention of the Department that the Bridge Canyon power plant would be operated as an isolated plant to serve an independent load. Coordinated operation of Bridge Canyon

power plant with downstream power plants would increase the firm energy output of the former, even if all storage capacity in Bridge Canyon reservoir should be lost through siltation, to about 3,000,000,000 kilowatt-hours a year.

21. QUESTION

What would be the annual firm power output of the Bridge Canyon power plant with Glen Canyon Reservoir, as currently proposed, constructed, and in operation?

ANSWER

Under the assumptions given in the question and also assuming that there would be integration with other Colorado River power plants, the firm power production at Bridge Canyon power plant under initial conditions would be 4,675,000,000 kilowatt-hours annually. Under the same assumptions, the weighted average firm power production at Bridge Canyon power plant over a period of 75 years would be 4,301,000,000 kilowatt hours annually.

22. QUESTION

In view of the Secretary's statement that no sediment should be allowed to enter Bridge Canyon reservoir that can be prevented, and of the recognized dependence of Bridge Canyon Power development upon Glen Canyon reservoir for sediment control as well as necessary river regulation, should not Glen Canyon reservoir be constructed and placed in operation concurrently with the Bridge Canyon Dam and power plant?

ANSWER

As explained in the answer to question 19, Bridge Canyon reservoir, without upstream sediment detention facilities, would be essentially filled with silt in 35 to 45 years. The best planning would, of course, require that upstream protective capacity be installed as early as possible, and, in any event, considerably before the end of this 35- to 45-year period. However, in view of the facts given in the answers to questions 19 and 20, it would not be essential that the construction of such upstream capacity be undertaken concurrently with the construction of Bridge Canyon Dam, nor would it be necessary that this protective capacity be located specifically at the Glen Canyon site.

In response to your request, the foregoing answers have been submitted to the Bureau of the Budget for its consideration. The comments received from the Director of the Bureau of the Budget are quoted below:

"This office has reviewed the answers to the questions and finds that they are in general conformity with the information cleared by this office on June 27, 1950, and submitted to the House Committee on Public Lands last year. In view thereof and since our position on the relationship of Senate bill 75 to the program of the President has not changed, we have no further comments to make at this time and there would be no objection to the submission of your proposed letters to Senators KNOWLAND and NIXON and Congressman ENGLE of California."

Sincerely yours,

OSCAR L. CHAPMAN,
Secretary of the Interior.

TABLE I.—*Summary of costs—Allocations based on project repayment period of 75 years and Senate revisions of S. 75—Central Arizona project*

[Costs based on unit prices as of January 1951; 1,200,000 acre-foot diversion]

Feature	Construction costs					
	Total	Allocation				
		Power, interest bearing	Irrigation, interest free	Municipal, interest free	Flood control, nonreimbursable	Fish and wildlife nonreimbursable
Coconino Dam and Reservoir	$8,491,000	$5,557,000	$2,828,000			$106,000
Bridge Canyon Dam and Reservoir	224,604,000	147,920,000	75,265,000			1,419,000
Bridge Canyon power plant	92,219,000	68,652,000	23,567,000			
Havasu pumping plants	30,248,000		30,248,000			
Granite Reef aqueduct	133,335,000		133,191,000			144,000
McDowell pumping plant and canal	3,691,000		3,691,000			
McDowell Dam and Reservoir	17,481,000	4,705,000	9,493,000		$3,140,000	143,000
McDowell power plant	1,195,000	890,000	305,000			
Horseshoe Dam (enlargement) and Reservoir	7,244,000	2,322,000	4,684,000			238,000
Horseshoe power plant	3,031,000	2,256,000	775,000			
Salt-Gila aqueduct	35,154,000		35,136,000			18,000
Buttes Dam and Reservoir	33,287,000	7,934,000	15,506,000	$7,409,000	2,076,000	362,000
Buttes power plant	1,364,000	1,015,000	349,000			
Charleston Dam and Reservoir	10,502,000		3,386,000	5,824,000	775,000	517,000
Tucson aqueduct	8,352,000			8,352,000		
Safford Valley improvements	4,203,000		3,785,000		418,000	
Hooker Dam and Reservoir	17,994,000		17,458,000		421,000	115,000
Irrigation distribution system	57,300,000		57,300,000			
Drainage system for salinity control	10,611,000		10,611,000			
Power transmission system	87,959,000	65,481,000	22,478,000			
Total	788,265,000	306,732,000	450,056,000	21,585,000	6,830,000	3,062,000

TABLE II.—*Summary of annual costs—Allocations based on project repayment period of 75 years and Senate revisions of S. 75—Central Arizona project*

[Costs based on unit prices as of January 1951; 1,200,000 acre-foot diversion]

Feature	Operation and maintenance						Replacement reserve					
	Total	Allocation					Total	Allocation				
		Power	Irrigation	Municipal	Flood control	Fish and wildlife		Power	Irrigation	Municipal	Flood control	Fish and wildlife
Coconino Dam and Reservoir	$16,100	$10,500	$5,400			$200	$2,400	$1,600	$800			
Bridge Canyon Dam and Reservoir	24,500	16,100	8,200			200	76,200	50,200	25,500			$500
Bridge Canyon power plant	1,174,800	874,600	300,200				930,600	692,800	237,800			
Havasu pumping plants	324,100		324,100				221,300		221,300			
Granite Reef aqueduct	377,300		376,900			400	23,000		23,000			
McDowell pumping plant and canal	31,200		31,200				15,200		15,200			
McDowell Dam and Reservoir	508,900	165,600	334,100		$4,200	5,000	23,100	7,300	14,800		$800	200
McDowell power plant	36,000	26,800	9,200				9,700	7,200	2,500			
Horseshoe Dam (enlargement) and Reservoir	6,600	2,100	4,300			200	2,100	700	1,300			100
Horseshoe power plant	58,000	43,200	14,800				21,700	16,200	5,500			
Salt-Gila aqueduct	73,300		73,300				6,000		6,000			
Buttes Dam and Reservoir	18,100	4,300	8,500	$4,000	1,100	200						
Buttes power plant	42,300	31,500	10,800				11,200	8,300	2,900			
Charleston Dam and Reservoir	6,900		2,200	3,800	500	400						
Tucson aqueduct	38,400			38,400			4,500			$4,500		
Safford Valley improvements	47,300		42,600		4,700							
Hooker Dam and Reservoir	10,900		10,600		200	100						
Irrigation distribution system	272,200		272,200				28,400		28,400			
Drainage system for salinity control	159,400		159,400				18,100		18,100			
Power transmission system	1,383,700	1,030,100	353,600				813,300	605,500	207,800			
Total	4,610,000	2,204,800	2,341,600	46,200	10,700	6,700	2,206,800	1,389,800	810,900	4,500	800	800

Mr. KNOWLAND. Mr. President, in addition to the other communications which I have asked to have printed in the RECORD at this point, I also ask that there be printed in the RECORD a letter dated January 20, 1951, addressed to Mr. Lawton, Director of the Bureau of the Budget, by my colleague and myself together with a copy of his reply of March 28, 1951.

The PRESIDING OFFICER (Mr. FREAR in the chair). Without objection, the letters may be printed in the RECORD.

The letters are as follows:

JANUARY 20, 1951.

Mr. FREDERICK J. LAWTON,
Director, Bureau of the Budget,
Washington, D. C.

MY DEAR MR. LAWTON: On January 8, 1951, a bill, S. 75 (82d Cong., 1st sess.), was introduced in the Senate, which would authorize the so-called central Arizona project. This is substantially the same as the bill S. 75, which at last year's session of Congress passed the Senate but failed to receive favorable action in the House Public Lands Committee.

We are informed that the chairman of the Senate Interior and Insular Affairs Committee has requested the Secretary of the Interior for a report on this bill. It is presumed that the Secretary's report, before transmittal, will be referred to you for consideration and comment.

The most recent communication of the Bureau of the Budget with respect to S. 75 and the central Arizona project appears to be your letter of April 19, 1950, to the chairman of the House Public Lands Committee. In that letter you state:

"The Budget Director has commented on the central Arizona project in previous letters—to the Secretary of the Interior on February 4, 1949; to the chairman of the Senate Committee on Interior and Insular Affairs on February 11, 1949; and to the Secretary of the Interior on April 20, 1949. Copies of these letters are attached for convenient reference. These letters raised two main questions about the project.

"The first question raised was whether there is enough water in the Colorado River available for use in Arizona to satisfy the needs of this project on a permanent basis. The President has stated many times that he would like to see a definitive settlement of the rights of the various States to waters of the Colorado River system in order that decisions on projects to be developed in the public interest may be made on a firm basis with respect to water rights. The President consistently has indicated his unwillingness to take any position favorable to authorization of the central Arizona project until settlement of the water-rights controversy has been brought about.

"S. 75, in its present form, is intended to prevent one means by which this controversy might be settled. I am unable to express to the committee at this time any views concerning the efficacy of the bill for this purpose.

"The second question raised in the previous letters of the Budget Director, particularly the letter of February 4, 1949, related to the economic feasibility of the project as outlined in the report of the Secretary of the Interior.

"S. 75, as passed by the Senate, would authorize a project which is different in certain respects from that outlined in the Secretary of the Interior's report on the central Arizona project. The bill provides for a tunnel and canal between Bridge Canyon and Cunningham Wash, and omits authorization for construction of a dam at the Bluff site on the San Juan River. It omits certain nonreimbursable cost allocations. Taking these changes into account, the comments on economic feasibility made in the previous letters of the Budget Director still apply to the project which would be authorized by S. 75."

The Budget Director's letter of February 4, 1949, contains the following statement:

"From an examination of the report, of the comments of the affected States, and of the remarks of other interested Federal agencies, it is apparent that there are a number of important questions and unresolved issues connected with the proposed central Arizona project. The provision of adequate water supply, if found to be available, is admittedly a high-cost venture which is justified in the report essentially on the basis of an urgent need to eliminate the threat of a serious disruption of the area's economy. Even so, the life of certain major parts of the project is appreciably less than the recommended 78-year pay-out period. The work could be authorized only with a modification of existing law or as an exception thereto. Furthermore, there is no assurance that there will exist the extremely important element of a substantial quantity of Colorado River water available for diversion to central Arizona for irrigation and other purposes.

"The foregoing summary and the project report have been reviewed by the President. He has instructed me to advise you that authorization of the improvement is not in accord with his program at this time and that he again recommends that measures be taken to bring about prompt settlement of the water-rights controversy."

It would be greatly appreciated if you would inform us whether the views of the Bureau of the Budget, as expressed in the foregoing, still apply to the project proposed to be authorized by the pending bill, S. 75.

In your letter of April 19, 1950, to the chairman of the House Public Lands Committee, you also refer to the President's Water Resources Policy Commission and the President's position in his budget message to the Congress in January 1950 as affecting authorization of projects involving basic policy questions. Will you please advise us whether, in your opinion, the report of the President's Water Resources Policy Commission changes the views of the Bureau of the Budget in regard to economic feasibility of the central Arizona project as proposed to be authorized by S. 75 (82d Cong., 1st sess.)?

There is enclosed a copy of our letter to the Secretary of the Interior, stating several questions with respect to this project. We suggest that the subject matter of these questions be covered in the Department's report on S. 75. Whether that is done or not, we request that the Secretary furnish us with specific answers to these questions. It would seem appropriate that his reply be routed through the Bureau of the Budget, in view of the previous connection of your office with this problem.

You will note that some of our questions are intended to bring about a presentation of the project which accords with the recommendations of the President's Water Resources Policy Commission. Consideration of S. 75 by the Congress would appear to be premature until the recommendations of that Commission can be translated into legislative proposals and the policy questions determined on a Nation-wide basis instead of by piecemeal-project legislation, as was so well pointed out in the President's budget message of a year ago.

We would appreciate an early reply to our letter so that we will be fully prepared to discuss the problem before the Senate Committee on Interior and Insular Affairs.

Respectfully yours,

WILLIAM F. KNOWLAND.
RICHARD NIXON.

EXECUTIVE OFFICE OF THE PRESIDENT,
BUREAU OF THE BUDGET,
Washington, D. C., March 28, 1951.

Hon. WILLIAM F. KNOWLAND,
United States Senate,
Washington, D. C.

MY DEAR SENATOR KNOWLAND: Receipt is acknowledged of the letter from you and Senator NIXON dated January 20, 1951, concerning S. 75, a bill which would authorize the central Arizona project. You inquire whether (a) the views expressed in our letter of April 19, 1950, to the chairman of the House Public Lands Committee and our letter of February 4, 1949, to the Secretary of the Interior apply to the project proposed to be authorized by the pending bill S. 75, and (b) whether in our opinion the report of the President's Water Resources Policy Commission changes our views in regard to the economic feasibility of the central Arizona project as proposed to be authorized by S. 75 (82d Cong., 1st sess.). You also enclose a copy of a number of questions transmitted to the Secretary of the Interior, the replies to which you state it would seem appropriate to route through this Office.

As stated in the attached copy of a letter to Senator O'MAHONEY, Chairman of the Senate Committee on Interior and Insular Affairs, there has been no change in the relationship of the proposed legislation to the program of the President as outlined in our letters to the Secretary of the Interior dated February 4 and April 20, 1949, our letter to the Senate Committee on Interior and Insular Affairs dated February 11, 1949, and our letter to the chairman of the Public Lands Committee of the House of Representatives dated April 19, 1950. We also point out that pending a complete review within the executive branch of the recommendations of the President's Water Resources Policy Commission we are unable to comment on their effect on the authorization contemplated in S. 75.

The Department of the Interior's report to the Senate Committee on Interior and Insular Affairs has been cleared without objection. It is understood that Interior is now preparing the answers to the questions enclosed with your letter to the Secretary. We have not received any information as to the contents of their proposed reply but it is assumed that we will receive copies of the answers to the questions and that they will be submitted to you in due course.

Sincerely yours,

F. J. LAWTON,
Director.

Mr. KNOWLAND. Mr. President, one of the factors which I think is of considerable interest is that a considerable part of the crops in the proposed central Arizona project will be so-called field crops. As I think Senators know, from time-to-time the Federal Government has been obliged, by various means of subsidy, to allocate funds to help take care of some of our field crops.

At this point I desire to have appear in the RECORD as a part of my remarks a letter which I received from Mr. Harold K. Hill, Deputy Administrator of the Production and Marketing Administration of the United States Department of Agriculture, together with certain tables which are enclosed. The letter is brief, and I shall read it:

UNITED STATES
DEPARTMENT OF AGRICULTURE,
PRODUCTION AND MARKETING
ADMINISTRATION,
Washington, D. C., April 12, 1951.

Hon. WILLIAM F. KNOWLAND,
United States Senate.

DEAR SENATOR KNOWLAND: This is in reply to the telephone request from your office for the costs to the Government in the Department of Agriculture for the price-support program and for activities under section 32 of Public Law 320, Seventy-fourth Congress. These data by commodity for the fiscal years 1947 through 1950 are reflected on the attached schedules:

(1) Commodity Credit Corporation—Analysis of program results from October 17, 1933, through February 28, 1951.

(2) Removal of surplus agricultural commodities (sec. 32)—Obligations by commodities—fiscal years 1947, 1948, 1949, and 1950.

We trust that this information will fill your needs.

Sincerely yours,

HAROLD K. HILL,
Deputy Administrator.

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

SCHEDULE 8.—*Analysis of program results from Oct. 17, 1933, through Feb. 28, 1951 (realized gains and losses)* [1]

Program and commodity	Oct. 17, 1933, through June 30, 1941	July 1, 1941, through June 30, 1946	Fiscal year ended June 30				Fiscal year 1951, through Feb. 28, 1951	Oct. 17, 1933, through Feb. 28, 1951
			1947	1948	1949	1950		
Price support program: [1]								
Basic commodities:								
Corn	*$20,078,488	*$14,336,569	$278,492	*$27,030	*$66,187	*$17,189,119	*$6,326,601	*$57,745,502
Cotton:								
Domestic	*27,401,798	218,328,306	46,536,525	*344,914	*1,023,816	3,419,604	27,698,141	267,212,048
Puerto Rican		*126,011	*4,187					*130,198
Export differential [2]		*27,651,360	*13,735,415	25,557				*41,361,218
Rubber barter		11,055,451						11,055,451
Peanuts			727,481	*2,757,330	*23,794,910	*40,592,601	*8,188,158	*74,605,518
Rice					1,786	*1,293,780	132,818	*1,159,176
Tobacco	*2,107,589	7,074,300	7,437	59,800	115,524	195,495	196,383	5,541,350
Wheat	*6,199,460	*11,775,173	605,569	*11,727	*3,740,046	*28,384,123	*19,354,697	*68,859,657
Total	*55,787,335	182,568,944	34,415,902	*3,055,644	*28,507,649	*83,844,524	*5,842,114	39,947,580
Designated nonbasic commodities:								
Milk and butterfat:								
Butter						*4,111,861	*35,571,535	*39,683,396
Cheese						*1,031,078	*22,373,823	*23,404,901
Milk, dried			*12,487	415,987	149,335	*14,619,145	*33,564,707	*47,631,017
Honey				*404,056	*470,414		63	*874,407
Potatoes, Irish [3]		*25,197,222	*62,920,977	*47,405,542	*203,886,603	*75,090,315	*30,128,157	*444,628,816
Tung oil				*4,747	*306,844	30	*1,841	*313,402
Wool	*176	*15,834,163	*33,484,669	*19,501,357	*12,707,148	*10,755,942	111,774	*92,171,681
Total	*176	*41,031,385	*96,418,133	*66,899,715	*217,221,674	*105,608,311	*121,528,226	*648,707,620
Other nonbasic commodities:								
Barley		*40,019	50,550	275	*672,499	*2,608,939	*2,027,123	*5,297,755
Beans, dry edible		*179,753	155	10	3,988	*880,329	*8,187,073	*9,243,002
Castor beans		*171,224		31				*171,193
Cotton, American-Egyptian		*538,573	37,023	6,577	*2		7,788	*487,187
Cottonseed and products						*597,728	3,686,998	3,089,270
Eggs [4]		*224,002	*11,532,784	*25,879,017	*773,476	*41,622,784	*53,442,172	*133,474,235
Flax fiber			6,100	*179,852	*155,842	*67,464		*397,058
Flaxseed and linseed oil		*22,209	2,727	40,293	1,163,915	*3,765,056	*23,579,539	*26,159,869
Fruit, dried:								
Apricots					13,368			13,368
Dates					*1,297			*1,297
Figs					9,304			9,304
Peaches					9,769			9,769
Prunes				*8,771,559	259,236	238,192	55,636	*8,218,495
Raisins		*109,489		*6,791,826	155,377	61,145	*8,847	*6,693,640
Grain sorghum		437,456	10,141	*18	*3,590,174	*10,514,934	*17,576,938	*31,534,467
Grapefruit juice				*1,732,374				*1,732,374
Hemp and hemp fiber		*20,201,375	*1,257,169	*7,702	8,946	*98	*58	*21,457,456
Hops	*162,036	*792,164						*954,200
Naval stores	*4,435,579	5,997,861	*460	*107,063	*420,567	*449,795	*2,368,122	*1,783,725
Oats			3,056	287	*45,714	*413,295	*122,770	*578,436
Peas, dry edible		*3,012	648		140	*658,800	*357,057	*1,018,081
Pecans		*3,751						*3,751
Rye	*4,575	60,751	14,932		*2,186	*223,210	*42,284	*196,572
Seeds		*148,193	18,660	*13,731	*364,337	*74,026	*4,969	*586,596
Soybeans			2,741,090	4,987	26,054	1,754,206	*127,652	4,398,685
Sugar, Puerto Rican and Virgin Island				23,830				23,830
Sugar beets				*11,859,187	*4,658,082			*16,517,269
Sweetpotatoes			95	*138,181	1,985	1,453	*773	*135,421
Turkeys				*3,708	*495	44,458	*31,539	8,716
Vegetables, canned		*6,888	12,631	6,281	*82			11,942
Total	*4,602,190	*15,944,584	*9,892,605	*55,401,647	*9,032,671	*59,777,004	*104,426,494	*259,077,195
Total price support	*60,389,701	125,592,975	*71,894,836	*125,357,006	*254,761,994	*249,229,839	*231,796,834	*867,837,235
Supply program: [1]								
Cotton and linters		1,592,551	24,865	245,904	12,879			1,876,199
Grains and seeds		23,969,000	23,792,977	19,094,280	4,548,038	2,981,561	341,834	74,727,690
Oils (bulk)		29,937	67,620	107,442	291,296	363,692	55,396	915,383
Tobacco		4,179,335	588,749					4,768,084
General commodities purchase [5]			176,701,759	11,127,662	*342,973	*1,246,411	*318,041	185,921,996
Processed and packaged commodities [6]			26,438,161	10,517,533	1,092,093	752,657	12,426	38,812,870
Sugar, Puerto Rican raw						37,157	661	37,818
Other		*3,120,517	*420,893	494,691	*368,475	*2,041		*3,417,235
Total supply program		26,650,306	227,193,238	41,587,512	5,232,858	2,886,615	92,276	303,642,805
Foreign purchase program: [7]								
Cotton		5,439,464	457,029	*758				5,895,735
Fats and oils		22,543,441	17,955,560	*1,491,644	*53,306	1,524	*37,417	38,918,158
Foodstuffs		4,620,232	2,441,131	*1,555,187	102,305	47,482	11,989	5,667,952
Other		*274,627	18,102	3,089			4,681	*248,755
Total foreign purchase		32,328,510	20,871,822	*3,044,500	48,999	49,006	*20,747	50,233,090
Commodity export program:								
Cotton [8]		*7,098,694	*5,490,500	*8,120	60,632	1,753		*12,534,929
Wheat		*1,209,445	*618					*1,210,063
Total commodity export		*8,308,139	*5,491,118	*8,120	60,632	1,753		*13,744,992
Storage facilities program		*10,087,438	721,069	*133,209	*438,460	*91,959	*20,067	*10,050,064
Accounts and notes receivable (charge-offs)		11,134	*470,532	*106,602	*138,717	*86,113	*91,776	*882,606
Total (excluding wartime consumer subsidy costs) [9]	*60,389,701	166,187,348	170,929,643	*87,061,925	*249,996,682	*246,470,537	*231,837,148	*538,639,002
Wartime consumer subsidy program [10]		*2,130,581,589	22,364,160	4,025,128	2,235,782	*113,351	*240,050	*2,102,309,920
Grand total	*60,389,701	*1,964,394,241	193,293,803	*83,036,797	*247,760,900	*246,583,888	*232,077,198	*2,640,948,922

*Denotes loss.

[1] Allocation of losses and gains as between "Price-support program" and "Supply program" for the period prior to the fiscal year 1947 was made on the basis of an analysis completed in April 1949. Since accounting records maintained prior to July 1, 1946, did not provide for this segregation, it was necessary to analyze program results in detail and in some cases make an estimate of the distribution between "Price support" and "Supply" of the total operating result as shown by the accounting records. This analysis was based on all known factors concerning the operations with respect to each commodity.

[2] Includes export differential on owned or pooled cotton only. Differential on exporters' cotton included under "Commodity export program."

[3] Includes price support loss of $2,829,639 on the 1943 and 1944 potato programs, which was formerly included under the general commodities purchase program.

[4] Includes price support loss of $11,956,386 on the 1944 egg program, which was formerly included under the general commodities purchase program.

[5] Includes gain of $178,697,602 carried as "Special reserve, general commodities purchase program" as of June 30, 1946, and transferred to income in May 1947. Also see footnotes 3 and 4.

[6] During the period July 1, 1946, through June 30, 1949, activity under this program was reported as general supply program.

[7] Insofar as possible, operating results have been retroactively classified to correspond with current budgetary programs. In some instances, the accounts maintained prior to July 1, 1946, did not make possible a precise segregation of the results of foreign procurement operations.

[8] Includes export differential on exporters' cotton only.

[9] Includes losses totaling $56,239,432 on price-support commodities disposed of in accordance with Public Laws 389 and 393, 80th Cong., i. e., transferred to foreign assistance outlets at a price equal to price of a quantity of wheat having equivalent caloric value. The Corporation was reimbursed for these losses by the Secretary of the Treasury.

[10] Subsidy losses on corn for alcohol, wheat for alcohol, and wheat for feed are included on an estimated basis. For detail of subsidy costs by commodities by fiscal years, see report of financial condition and operations as of June 30, 1949.

Removal of surplus agricultural commodities (sec. 32)

OBLIGATIONS BY COMMODITIES, FISCAL YEAR 1950

Program and commodity	Unit	Quantity	Value
DIRECT DISTRIBUTION			
Dairy products:			
Butter	Pound	19,157,499	$12,778,197
Milk, nonfat dry	do	12,069,295	2,801,249
Fruits:			
Apples, fresh	Bushel	3,243,385	7,301,242
Pears, fresh	Box	834,478	2,676,346
Prunes:			
Dried	Ton	390	97,938
Fresh	Bushel	32,586	114,560
Raisins, dried	Ton	1,613	290,601
Honey	(1)		181,337
Poultry products:			
Eggs	Pound	6,149,858	6,598,948
Turkeys	do	8,648,473	3,650,380
Vegetables:			
Beans:			
Dry	Hundredweight.	5,689	51,027
Snap	Bushel	32,222	50,113
Cabbage	50-pound bag.	105,472	128,972
Irish potatoes	Bushel	3,339,758	4,857,430
Spinach	do	50,000	44,459
Sweetpotatoes	do	56,903	137,228
Total		xxx	41,760,027
EXPORTATION			
Cotton	Bale	2,600	260
Eggs	Pound	5,672,511	3,033,833
Flaxseed	Bushel	320,755	317,741
Fruits:			
Apples, fresh	do	2,151,469	2,566,633
Oranges, fresh	Box	1,258,167	2,063,176
Orange juice:			
Single strength	Case	72,033	73,590
Concentrated	Gallon	48,600	72,342
Pears, fresh	Box	132,886	166,102
Prunes, dried	Ton	42,364	3,851,379
Raisins, dried	do	67,662	5,677,000
Honey	Pound	3,665,920	164,956
Linseed oil	do	13,398,732	407,851
Peanuts	do	62,022,959	4,559,192
Wheat	Bushel	6,244,853	2,295,025
Total		xxx	25,249,080
DIVERSION			
Cotton	Bale	1,448	19,900
Fruits:			
Figs, dried	Ton	192	11,580
Prunes, dried	do	31,349	1,869,402
Raisins, dried	do	19,274	1,541,920
Sorghum grains	Hundredweight	13,520	26,386
Tree nuts:			
Almonds	Pound	2,389,867	760,870
Filberts	do	4,216,018	264,453
Walnuts	do	8,497,754	2,949,635
Total		xxx	7,444,146
Total all programs			74,453,253

OBLIGATIONS BY COMMODITIES, FISCAL YEAR 1940

DIRECT DISTRIBUTION			
Eggs, dried	Pound	6,190,010	$8,836,193
Fruits:			
Apricots, dried			[2] 51,430
Apples:			
Canned			[2] 12,980
Dried			[2] 55,798
Applesauce, canned.			[2] 180,361
Figs, dried			[2] 26,751
Orange juice, canned.			[2] 76,191
Peaches, dried			[2] 133,675
Plums, canned			[2] 45,186
Prunes, dried	Ton	3,381	806,547
Raisins, dried	do	4,483	925,864
Honey	Pound	11,591,304	1,715,673
Nonfat dry milk solids.	do	13,747,391	1,823,099
Vegetables:			
Beans	Bushel	10,811	15,064
Cabbage	50-pound bag.	121,000	135,831
Irish potatoes	Bushel	5,229,520	10,650,193
Sweetpotatoes	do	153,117	293,810
Total		xxx	25,784,646

[1] Transportation costs on prior-year commodities.
[2] Transportation on prior year purchases.

Removal of surplus agricultural commodities (sec. 32)—Continued

OBLIGATIONS BY COMMODITIES, FISCAL YEAR 1940—continued

Program and commodity	Unit	Quantity	Value
EXPORTATION			
Cotton	Bale	18,840	$1,884
Eggs	Pound	7,644,285	5,036,707
Flaxseed	Bushel	4,099,379	4,191,686
Fruits:			
Citrus juice, blend	Case	656	328
Grapefruit:			
Fresh	Box	212,195	175,192
Canned	Case	1,600	1,325
Juice	do	7,741	3,626
Oranges, fresh	Box	513,719	582,936
Orange juice:			
Concentrated	Gallon	16,329	14,035
Single strength	Case	3,870	2,148
Pears, fresh	Box	48,996	25,080
Prunes, dried	Ton	48,606	3,294,572
Raisins, dried	do	54,008	3,480,594
Peanuts	Pound	159,277,580	10,167,023
Total		xxx	26,977,136
DIVERSION			
Cotton	Bale	10,988	233,487
Figs	Ton	2,583	193,234
Pears, fresh	Box	108,357	48,765
Total		xxx	475,486
Total all programs			53,237,268

EXPENDITURES BY COMMODITIES, FISCAL YEAR 1948

PURCHASES FOR DIRECT DISTRIBUTION			
Eggs, dried	Pound	9,051,109	$13,120,487
Fruits:			
Apricots, dried	Ton	1,415	552,422
Apples:			
Canned	Pound	1,193,760	108,104
Fresh	Box	885,844	2,113,003
Dried	Ton	3,703	1,099,114
Applesauce, canned	Pound	18,255,842	1,268,585
Figs, dried	Ton	6,684	1,330,348
Grapefruit juice, canned	Pound	73,309,368	3,455,269
Orange juice, canned	Gallon	467,213	1,398,753
Peaches, dried	Ton	7,331	1,884,888
Pears, fresh	Box	120,404	304,802
Plums, canned	Pound	4,107,712	280,350
Prunes, dried	Ton	7,967	1,648,852
Raisins, dried	do	7,205	1,332,448
Honey	Pound	5,639,780	822,158
Tree nuts:			
Filberts	do	482,160	223,537
Walnuts	do	1,800,000	910,283
Vegetables:			
Beans, snap	Bushel	67,850	117,098
Beets, topped	50-pound bag.	8,681	7,160
Cabbage	do	53,423	68,342
Potatoes:			
Irish	Bushel	5,290,256	12,390,924
Sweet	do	496,293	989,312
Total		xxx	45,426,239
EXPORTATION			
Cotton	Bale	973,365	2,022,263
Eggs	Pound	37,463,534	6,592,707
Fruits:			
Apricots, dried	Ton	1,390	143,663
Dates, dried	do	750	33,777
Figs, dried	do	6,788	281,056
Peaches, dried	do	1,702	102,928
Prunes, dried	do	35,166	1,661,146
Raisins, dried	do	11,897	516,385
Tobacco	Pound	76,255,359	8,546,500
Total		xxx	19,900,425
DIVERSION			
Cotton, insulation	Bale	16,021	460,319
Pears, fresh	Box	61,640	27,738
Potatoes, Irish	Bushel	6,831,151	7,526,922
Total		xxx	8,014,979
Total all programs			73,341,643

Removal of surplus agricultural commodities (sec. 32)—Continued

EXPENDITURES BY COMMODITIES, FISCAL YEAR 1947

Program and commodity	Unit	Quantity	Value
PURCHASES FOR DIRECT DISTRIBUTION			
Beans	Bushel	2,020	$3,221
Beets	50-pound bag	140,251	116,433
Cabbage	do	119,414	114,737
Carrots	do	20,119	17,003
Onions	do	246,558	264,111
Potatoes:			
Irish	Bushel	4,050,340	4,791,497
Sweet	do	536	882
Spinach	do	179,480	153,024
Canned citrus juice	Pound	1,278,078	34,062
Canned sauerkraut	do	839,266	15,107
Eggs	do	8,333,633	10,697,769
Total		xxx	16,207,846
EXPORTATION			
Cotton	Bale	1,781,077	32,770,280
Potatoes	Bushel	1,063,808	971,745
Total		xxx	33,742,025
DIVERSION TO BY-PRODUCTS AND NEW USES			
Cotton insulation	Bale	45,000	1,688,112
Potatoes	Bushel	25,802,471	20,068,662
Total		xxx	21,756,774
Total, all programs		xxx	71,706,645

Revised, Office of Budget, Sept. 20, 1949.

Mr. KNOWLAND. Mr. President, I also ask unanimous consent to have printed in the RECORD at this point as a part of my remarks a copy of a letter which I received from Mr. G. W. Lineweaver, Acting Commissioner of the Bureau of Reclamation, furnishing certain information relative to a number of projects, with respect to operation and maintenance costs for irrigated acres.

The reason I am asking to have this letter printed in the RECORD at this time is that it is our belief that some of the operation and maintenance estimates which have been used to justify the central Arizona project are, in fact, much lower than they should be. While there are some minor exceptions to the general tendency, generally speaking, operation and maintenance costs have been moving upward, which is entirely natural and to be expected in many circumstances. In view of the fact that the original estimates of the time required to build the central Arizona project covered a period of 8 years, and in view of the fact that we know that it would be more likely to be 15 years, based upon the experience in connection with many other projects, by the time we reached the point where the project would be actually constructed and operating, the costs of operation, with our inflated dollars and deficit spending, would probably be much higher than the estimates which are presently shown.

There being no objection, the following letter was ordered to be printed in the RECORD.

UNITED STATES
DEPARTMENT OF THE INTERIOR,
BUREAU OF RECLAMATION,
Washington D. C., April 18, 1951.

Hon. WILLIAM F. KNOWLAND,
United States Senate,
Washington, D. C.

MY DEAR SENATOR KNOWLAND: I am pleased to acknowledge receipt of your letter of April 3 relating to the increase of operation and maintenance costs in irrigation and power since June 1, 1947.

In estimating operation and maintenance costs for irrigation and power projects in the planning stage, an amount is determined which in our best judgment will represent the average annual payments required during the amortization or repayment period. In arriving at this cost, consideration is given to probable future developing trends as well as to increased efficiency and other factors which will tend to lower cost. Admittedly, this extension of cost in the future may be subject to some error, but it should be pointed out that if future price trends cause a rise in operating cost above the estimated cost, commodity prices will rise also, thus producing a more or less equivalent increase in the repayment ability of the beneficiaries.

The power operation and maintenance costs used for estimating purposes on proposed projects have not been increased since June 1, 1947, for the reason that a general increase in such estimating costs was made early in 1947 principally to allow for estimated increasing wages of operating and maintenance forces.

I am attaching a historical record of the cost of operation and maintenance per irrigated acre for some representative irrigation projects in the southwest. As you know, during the war, when labor and material were scarce, maintenance was declared on many irrigation projects. This resulted in more money being spent in the subsequent years when the deferred maintenance was performed. For this reason, the operation and maintenance costs shown in the table reflects factors in addition to the normal fluctuation in the cost of labor and materials during the years shown.

I appreciate your interest in our program and if you should need additional information applying to any particular project, I would be pleased to furnish it.

Sincerely yours,

G. W. LINEWEAVER,
Acting Commissioner.

Operation and maintenance cost per irrigated acre

State and project (division or district)	1947	1948	1949
Arizona: Salt River	$9.68	$11.26	$14.82
Arizona-California:			
Yuma:			
Mesa division (auxiliary)	29.14	28.98	24.02
Reservation division	7.98	8.82	6.12
Valley division	7.60	9.08	11.50
California:			
All-American Canal (Imperial irrigation district)	5.06	6.01	5.66
New Mexico: Carlsbad	3.90	4.23	5.42
New Mexico-Texas:			
Rio Grande:			
Elephant Butte irrigation district	4.51	4.71	5.30
El Paso County water-improvement district No. 1	4.38	4.77	5.02

THE LOYALTY BOARD

During the delivery of Mr. KNOWLAND'S speech,

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

Mr. KNOWLAND. I yield to permit the Senator from Wisconsin to make insertions in the RECORD, provided I do not thereby lose my right to the floor.

Mr. McCARTHY. Mr. President, I ask unanimous consent that these insertions appear at the end of the remarks of the able Senator from California.

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

Mr. McCARTHY. Mr. President, I ask unanimous consent to have inserted in the CONGRESSIONAL RECORD at this point an article entitled "Anonymous Evidence in Loyalty Hearings," taken from the Washington edition of the Daily Worker, namely, the Washington Post, dated May 12, 1951. The article was issued by the Americans for Democratic Action. It is an attack upon the attempt of the new Loyalty Board, headed by former Senator Bingham, to bring some order out of chaos in the loyalty program. The article is signed by Francis Biddle and by Joseph L. Rauh, Jr. I ask unanimous consent that the entire article be printed in the body of the RECORD.

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

A COMMUNICATION—ANONYMOUS EVIDENCE IN LOYALTY HEARINGS

Americans for Democratic Action concurs in the statement in your May 6 editorial, Exit One Star Chamber, that "the administration should never have asked the courts to sanction star-chamber blacklisting even for the convenience of its loyalty boards. And now that a decision has been rendered it cannot act too quickly to substitute fair hearings and fair adjudication upon the evidence for the present arbitrary and unauthorized procedure."

But we in the ADA go further. We believe that the decisions in the Bailey and Joint Anti-Fascist Refugee cases not only warrant but, indeed, in the interest of civil liberties, require the reconsideration by the administration of both the ex parte blacklisting of organizations and the basic loyalty procedures.

The most significant thing about the Joint Anti-Fascist Refugee case was that four Justices of the United States Supreme Court (Frankfurter, Black, Douglas, and Jackson) agreed that the Attorney General's action in listing subversive organizations without a hearing was a violation of due process of law.

Mr. Justice Burton's opinion was not the controlling opinion, as your editorial indicated. His vote was controlling, as that vote was necessary to send the case back to the district court for further action. Otherwise, there would have been a 4–4 split as in the Bailey case and the court of appeals' ruling that no hearing was required would have remained in effect.

But far more significant than who wrote the controlling opinion, is that four Justices of the Supreme Court of the United States, one of them a former Attorney General and all of them men with great experience in administrative procedures, held that the Attorney General's listing was a violation of the Constitution.

In the Bailey case, the Judges divided 4-4 and no opinion was therefore rendered in that case. But in their opinions in the Joint Anti-Fascist Refugee case, Justices Frankfurter, Black, Douglas, and Jackson made it abundantly clear that they considered the Government action in the Bailey case a violation of due process by law.

Justice Douglas was the most outspoken in this respect. Referring to the fact that the Loyalty Board acted on the statements of informants who not only were not subject to cross-examination, who not only were not under oath, but whose identity was not even known to the board, Justice Douglas wrote as follows:

"Dorothy Bailey was not, to be sure, faced with a criminal charge and hence not technically entitled under the sixth amendment to be confronted with the witnesses against her. But she was on trial for her reputation, her job, her professional standing. A disloyalty trial is the most crucial event in the life of a public servant. If condemned, he is branded for life as a person unworthy of trust or confidence. To make that condemnation without meticulous regard for the decencies of a fair trial is abhorrent to fundamental justice."

Eight Justices have spoken. (Justice Clark did not participate.) Four of them have spoken clearly and charged the administration with a fundamental violation of due process of law. The question thus squarely presented to the administration is whether it should utilize its technical victory in the Bailey case and continue on its course of allowing findings of disloyalty to be based on unsworn, uncross-examined, and unidentified statements.

Americans for Democratic Action urges the Attorney General to recommend to the President a reevaluation of the entire loyalty program in the light of these decisions and the substitution of a system based on the essential elements of fairness and decency. This is particularly important since the Nimitz Commission, appointed by the President to make such a reevaluation, is, for the present, at least, unable to function.

This reexamination is particularly necessary at this time in view of the Executive order changing the test of disloyalty from "reasonable grounds" to "reasonable doubt." While there may not be too much difference in the legal significance of these terms, if the loyalty boards once feel that this change constitutes a directive to be "tougher," the program may well deteriorate into the "witch hunt" which the President is so anxious to avoid.

A statement by the administration at this time that it is going to provide the "due process" safeguards demanded by Justices Frankfurter, Black, Douglas, and Jackson would do much to rebuild the waning morale of those who are subjected to the present unjust loyalty program.

FRANCIS BIDDLE,
Chairman, National Board.
JOSEPH L. RAUH, Jr.,
Chairman, Executive Committee,
Americans for Democratic Action.

Mr. McCARTHY. Mr. President, in connection with having this article printed in the RECORD, I wish to call attention to the fact that Mr. Rauh, who is chairman of the executive committee of the Americans for Democratic Action, was the attorney for William Remington, the convicted Communist.

I should also like to read into the RECORD parts of a statement which Mr. Rauh issued on January 30, 1950, after Dean Acheson made his famous statement about refusing to turn his back on his dear friend Alger Hiss:

We firmly believe that even if Secretary Acheson had avoided the subject and filibustered his views on Alger Hiss, the "yammerers in our midst" and the Formosa-firsters would have been no more charitable toward his position. Indeed, one can venture the hope that their knowledge of the depth and caliber of the man at whom they are "yammering" will give them pause in their struggle against him.

Then, going on to comment further on Dean Acheson's statement, Rauh had this to say:

Dean Acheson has given inspiration to those who aspire to Government service and renewed faith to those already in the Government service.

We can add no luster to his act of greatness. Neither can his detractors sully it.

That also appeared in the Washington edition of the Daily Worker on the 30th of January 1950.

Then, Mr. President, so as to give a better picture of Francis Biddle, who would protect Communists from the loyalty board, I should like to read very briefly from an article which also appeared in the local Daily Worker on June 3, 1950, in which Mr. Biddle says:

I was shocked by the announcement on May 27 that Secretary of Commerce Sawyer had called for the resignation of William W. Remington and Michael H. Lee, "in the interest of good administration in the department."

It will be recalled that Remington subsequently was convicted of perjury in connection with his communistic activities.

I read further from Biddle's signed statement:

The Secretary has, so it seems to me, not only committed a cruel injustice against these two employees, but has seriously injured "good administration."

I call this to the attention of the loyalty board, headed by former Senator Bingham, so they will better identify this man who attacks whenever it appears they may do a good job.

I read further from the Biddle article:

I suggest that the Secretary lacks courage, when courage is so needed in these days of McCarthyism and mass hysteria—the kind of courage that his predecessor, Averell Harriman, displayed when Dr. Condon was under the same kind of attack from the Committee on Un-American Activities.

FRANCIS BIDDLE.

In connection with Mr. Rauh, who is the secretary, and who also signed the article condemning the Loyalty Board, it should be noted that Rauh also wrote a very favorable review of Max Lowenthal's book entitled "The Federal Bureau of Investigation." This also appeared in the local "Daily Worker" on November 26, 1950. In it, he praises to high heaven Lowenthal's smear upon the Federal Bureau of Investigation.

In connection with that, I should like to have inserted in the RECORD a number of documents. I think they should appear in connection with Biddle's accusation that the new Loyalty Board is indulging in a star chamber blacklisting of Communist fronts. I should like to insert in the RECORD the confidential documents covering the listing by Biddle early in 1942, of some 12 different Communist fronts—a very reluctant listing, it will be understood.

First, I ask unanimous consent to insert in the body of the RECORD the comments made by Martin Dies, appearing in the CONGRESSIONAL RECORD, volume 88, part 6, page 7441. I believe this entire picture should appear in chronological order, in order that we may better assess some of the attacks which have been made, and which will be made hereafter, if the Loyalty Board does a decent job. The remarks which I ask to have inserted appear in the CONGRESSIONAL RECORD, volume 88, part 6, pages 7441 and 7442.

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

QUESTION OF PERSONAL PRIVILEGE

Mr. DIES. Mr. Speaker, I rise to a question of personal privilege.

The SPEAKER. The gentleman will state his question of privilege.

Mr. DIES. Mr. Speaker, in a pamphlet published and widely distributed by the National Federation for Constitutional Liberties, the following charges were made:

"For 4 years Dies and his committee have, through a vigorous campaign of diversion and suppression, obscured the activities of the Nazi network, the fifth column in the United States.

"Their tactics have been the tactics of Goebbels.

"Their tactics have been the tactics of many of the seditionists, long sheltered by Dies and his committee, indicted last month.

"Dies and his committee have shielded agents of the Axis.

"Dies and his committee jeopardize national unity.

"Dies and his committee delay the day of victory.

"The American people must learn the truth.

"The activities of Dies and his committee in relation to the 28 seditionists indicted last month and other Axis agents must be investigated by a Federal grand jury.

"The National Federation for Constitutional Liberties is therefore making public the documents compiled from official publications and the press and submitted by it on August 6, 1942, to the Department of Justice in support of a demand for a grand jury investigation of Martin Dies.

"GEORGE MARSHALL,
"Chairman, National Federation for Constitutional Liberties."

The SPEAKER. The Chair thinks the gentleman has proceeded far enough.

Mr. DIES. I want to read one more excerpt:

"Federal Bureau of Investigation exposes Dies' attack on 1,119 as fake."

Mr. Speaker, I submit that both of those articles entitle me to the floor.

The SPEAKER. The gentleman is recognized.

Mr. DIES. Mr. Speaker, the newspapers of the country carried a story on September 8, 1942, to the effect that the FBI had exonerated 1,100 Federal employees accused by the Committee on Un-American Activities of being linked to the Red movement in this country. I will read some of the headlines that appeared in some of the newspapers of the country.

From the New York Times:

"Federal Bureau of Investigation exonerates Federal workers accused by Dies. Biddle tells Congress inquiry it ordered has brought only 36 employee dismissals."

In the New York Herald Tribune:

"Biddle clears United States workers of disloyalty."

I will not take the time of the House to read the headlines that appeared throughout the country. My purpose in reading this is to point out the fact that the general impression was given that our committee had accused 1,124 employees of being Communists, that the Federal Bureau of Investigation had investigated the facts and had found that only 2 of them were Communists, and had been dismissed.

Now, Mr. Speaker, what are the facts? The facts are that, under an amendment offered by the gentleman from Ohio, Mr. Jones, the House instructed and directed the Federal Bureau of Investigation in the following language:

"For personal services in the District of Columbia, $8,750,000, of which at least $100,000 shall be available exclusively to investigate the employees of every department, agency, and independent establishment of the Federal Government who are members of subversive organizations or advocate the overthrow of the Federal Government, and report its findings to Congress."

The language of this amendment is very clear. What the Congress was telling the Federal Bureau of Investigation was to investigate the employees of the Federal Government, determine who were members of subversive organizations, and report the facts to the Congress. As a matter of course, that mandate implied the necessity of determining what organizations are subversive. It was, therefore, incumbent upon the Department of Justice to report the facts to this Congress with regard to the number of Federal employees who belonged to subversive organizations, and the names of the subversive organizations.

I shall show you this afternoon that the Department of Justice has made no attempt to report these facts. I do not attack the Federal Bureau of Investigation because I believe it is one of the most efficient agencies of this Government. I do maintain, however, that the Attorney General, by his regulations and instructions in the beginning of the investigation, made it impossible for the Federal Bureau of Investigation to carry out the mandate of Congress.

Now, what did the Attorney General do? I have the report here of the Federal Bureau of Investigation. When the investigation was ordered by the Congress the Attorney General issued instructions to govern the FBI in the conduct of the investigation. In the instructions he told the FBI to forward all complaints to the heads of the employing agencies and those agencies that wanted the employees investigated could then request investigations from the FBI. The FBI would then, and only then, be authorized to conduct the investigations, and having done so it could report the facts without any recommendation. For 3 months, according to the FBI report, the FBI submitted 1,597 complaints to the heads of the employing agencies and received approximately 193 requests for investigation. This is important in order to understand the attitude of the employing agencies. In the first place, they were the men who employed these people in the first instance. They were, apparently, not anxious to have an investigation. However, they should have been, because during a critical moment in our history it had been demonstrated that the Nazis had worked through fifth columns, and was it not a matter of the greatest interest to the heads of agencies when they received 1,597 complaints from the FBI to immediately request an investigation of every complaint? But according to the FBI's report they did not receive more than 193 requests. They therefore lacked jurisdiction to proceed in accordance with the mandate of Congress. The Attorney General was then compelled to modify his order to require an investigation in the first instance by the FBI, but under the limitations that had been made on the investigations, the only thing the FBI could do was to submit to the heads of the employing agencies, some of whom belong to these very same organizations, the information and data collected by FBI agents, without any recommendation or opinion, and trust to the men who hired these people in the first instance to discharge them upon receipt of the information from the FBI.

Now, let us understand the attitutde of some of these employing agencies. In 1938, when our committee exposed the American League for Peace and Democracy, which had

approximately 565 Government employees as members of the organization, some of the heads of the employing agencies denounced the committee in the press of the country and went so far as to say that they were proud of their membership in the American League. They defied the committee. They said they intended to continue their activities to recruit members for this organization. This was publicly announced at the time by some of the heads of these employing agencies.

In 1938 our committee had exposed beyond any question that the American League for Peace and Democracy was dominated and controlled by Communists, and our committee had also proved, by their own records, that the American League had gone on record in favor of securing positions for its members in defense industries so that in the event of war they could sabotage our war efforts.

Mr. Speaker, all that the Department of Justice has attempted to do in this report is to create a false impression throughout the country—the impression that our committee made some charges that were unfounded. I shall show you by the confidential memoranda of the Attorney General what he should have reported to this House. I have a photostatic copy of the confidential memoranda which was distributed by the Attorney General to the heads of the respective departments, in which he branded 12 organizations as Communist-controlled organizations. I shall further make the statement that according to the FBI's own report, they did not investigate 1,124 submitted by us to them, that they actually investigated 601, and that they received replies from 501; and I here and now on my own responsibility make the positive assertion that if the subcommittee of the Committee on Appropriations which originated this amendment will subpena the records of the FBI, they will find that the overwhelming majority of the 601 Government employees were members of these organizations.

Mr. Speaker, permit me to read what the Attorney General, in the confidential memoranda, said about these organizations that we were ridiculed throughout the country in 1938, 1939, and 1940 for calling Communists. Remember that Secretary Perkins and some of the Cabinet officers were publicly ridiculing us in the press of this country for suggesting that such organizations as the American League Against War and Fascism, the American League for Peace and Democracy, the American Youth Congress, the League of American Writers, and many others were Communist. When we made that statement in our reports, we were bitterly assailed as being Red baiters. I am going to read excerpts from the Attorney General's memoranda and ask unanimous consent that the entire document may be included in this RECORD for the benefit of any Member who has any doubt about these organizations, their nature, and their purpose.

Mr. McCARTHY. I also ask unanimous consent to have inserted in the body of the RECORD at this point the contents of a document which is marked "Strictly confidential." It is a listing of the American League Against War and Fascism, the American League for Peace and Democracy as Communist fronts.

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

[Strictly confidential]

THE AMERICAN LEAGUE AGAINST WAR AND FASCISM—THE AMERICAN LEAGUE FOR PEACE AND DEMOCRACY

(NOTE.—The following statement does not purport to be a complete report on the organization named. It is intended only to acquaint you, without undue burden of detail, with the nature of the evidence which has appeared to warrant an investigation or charges of participation.

(It is assumed that each employee's case will be decided on all the facts presented in the report of the Federal Bureau of Investigation and elicited, where a hearing is ordered, by the board or committee before which the employee is given an opportunity to appear.

(Please note that the statement is marked "Strictly confidential," and is available only for use in administration of the mandate of Public, No. 135.)

AMERICAN LEAGUE AGAINST WAR AND FASCISM

The American League Against War and Fascism is the first of three organizations established in the United States in an effort to create public sentiment on behalf of a foreign policy adapted to the interests of the Soviet Union. Its successor, the American League for Peace and Democracy, was established in 1937 and it, in turn, gave way in 1940 to the American Peace Mobilization which, since the German invasion of Russia and the establishment of a prowar policy by Communists in the United States, has been known as American People's Mobilization.

A world congress, devoted to the foundation in each country of a league against war and fascism, was held in Amsterdam in 1932, under the aegis of the Communist International. It was at this time that Communists throughout the world were teaching that capitalist forces were about to make war upon the Soviet Union. The danger that Hitler might soon come into power in Germany accentuated this belief. The American delegation to the congress was headed by H. W. L. Dana, an avowed Communist, who called his group a workers' delegation. In accordance with the resolutions of the congress, organizations having as their stated aim opposition to war and fascism were founded in the countries in which the Communist International maintained sections.

The American League Against War and Fascism was formally organized at the First United States Congress Against War and Fascism, held in New York City, September 29 to October 1, 1933. The manifesto of this congress called attention to the black cloud of imperialish war hanging over the world, and pointed to the National Recovery Administration, the Civilian Conservation Corps, and the other policies of the Roosevelt administration as indications of America's preparedness for war and fascism. Only in the Soviet Union, the manifesto continued, has the basic cause of war—monopolistic capitalism—been removed; the Soviet Union alone among the governments of the world proposes total disarmament; only by arousing and organizing the masses within each country for active struggle against the war policies of their own imperialist governments can war be effectively combated. The program of the first congress called for the end of the Roosevelt policies of imperialism and for the support of the peace policies of the Soviet Union, for opposition to all attempts to weaken the Soviet Union, and for effective international support to all workers and antiwar fighters against their own imperialist governments. Subsequent congresses, in 1934 and 1936, reflected the same program.

The close affiliation of the American League Against War and Fascism with the Communist movement in the United States is manifest both in its program and in the statements about it by Communist leaders. Earl Browder, general secretary and leader of the Communist Party, United States of America, called the league a transmission belt of the Communist Party. He defined a transmission belt as a tactic by which the Communists attempt to reach the masses of the people. Further, he described it as an outstanding part of the united-front effort of the Communist Party. The united front, according to Browder, is a question of fundamental strategy, a basic policy of struggle for class unity of workers against the bourgeoisie. Its program, he declared, is so clear and definite in facing the basic issues that to carry it out in fact entails clearly revolutionary consequences; it has never tried to avoid the issue of Communist Party participation in this broad united front. Browder has stated that when the party was forced to go underground on the west coast in 1934 it stood up well, for already on August 1 in San Francisco the party broke through the terror, holding an open public meeting under the auspices of the American League Against War and Fascism.

The first head of the league, J. B. Matthews, who later renounced communism, has often written and testified concerning the Communist participation in its establishment and program. Dr. Harry F. Ward, who succeeded Matthews as its chairman, declared its purpose to be to promote a wider understanding of the peace policies of the Soviet Union and to cooperate with other agencies to prevent an attack on the Soviet Union. Ward also stated that there was no way to organize peace constructively except by adopting throughout the world the basic organization on which the Soviet Union is founded. It was through Dr. Ward and the Methodist Federation for Social Action, of which he has long been a leader, that Earl Browder declared the league served the party as a contact with those church organizations which are for the destruction of capitalist society.

At its ninth annual convention in 1936 the Communist Party, United States of America, resolved that it would work untiringly to help widen the basis of the league, especially among the trade-unions and farm organizations. In this connection, Party Organizer, September 1935, the organ of the central committee of the Communist Party, United States of America, stated that our party did its utmost at the beginning to build the American League, which must become the main instrument * * * for the defense of the Soviet Union. * * * We must show them [the masses] that we are the real driving force of the movement, and in this way, by our example, create new enthusiasm, new impetus for the masses to march forward.

Communist affiliation with the American league was reflected in the membership and the leadership which installed Earl Browder as vice president and many Communist leaders on the executive board. Resolutions and manifestos of the league were printed in official Communist publications, and the Federal Bureau of Investigation reports from confidential sources that the league is among those organizations which received financial assistance from the Amtorg Trading Corp.

Communist control of the peace movement outside of Russia was revealed in a report to the Seventh World Congress of the Communist International held in Moscow in 1935 in which it was stated that "we must penetrate among the pacifist masses and carry out the work of enlightenment among them, using forms of organization and action which are adapted to the level of consciousness of these masses and which give them the possibility of taking the first step in the effective struggle against war and capitalism. We must take two things into account. The first is that the organization of the pacifist masses cannot and must not be a Communist organization; the second is that in working in this organization Communists must never give up explaining with the greatest patience and insistence their own point of view on all the problems of the struggle against war."

AMERICAN LEAGUE FOR PEACE AND DEMOCRACY

In accordance with the final statement of this report to the Seventh World Congress—that the organization of the pacifist masses cannot and must not be a Communist organ-

ization—and in accordance with the so-called Trojan-horse policy, adopted at the same world congress, by which Communists seek to penetrate many organizations without revealing their identity, the American League Against War and Fascism at its fourth congress in 1937 became the American League for Peace and Democracy. It has been reported that the reason for the change in name may be found in the fact that the original organization had become widely identified in the popular mind as a Communist-controlled group.

The program of the new league reflected the change in tactics. References to the Soviet Union were omitted. The first items in the program referred to the rights of labor and called for the defeat of legislation attempting to compel incorporation of trade-unions or the inspection of union finances. Guaranties to Negro people and the foreign-born and the demand for an antilynching law followed. The program called for the promotion of the people's boycott of Japanese goods and for the removal of restrictions on shipments to China and Spain. The same program was reflected at the fifth congress of the league, held in January 1939, with the addition of a demand for the abolition of the poll tax, the strengthening of the Wagner Act, and opposition to antisemitic propaganda. In all of these policies the league was following the Communist Party line.

The American league was composed of national and local organizations. The highest governing body was nominally the national congress operating through the national committee, representation on which was based on the membership in affiliated organizations. The national committee in turn was controlled by the executive board on which were several Communists. Funds were collected from members and affiliates and J. B. Matthews, former head of the American League Against War and Fascism, wrote that when the league could not secure sufficient funds in this way it would first call on someone like Corliss Lamont, the Communist "angel," and in the most extreme cases would call upon Earl Browder.

Communists boasted of their control of the American League Against War and Fascism. The Communist Party, the Young Communist League, most Communist-front organizations, and Communist leaders were openly affiliated with it. The American League for Peace and Democracy, on the other hand, was designed to conceal Communist control, in accordance with the new tactics of the Communist International. The adoption of a new name and the broadening of the program to include measures and policies calculated to enlist a wider support in no way lessened the Communist control and direction of the league.

Mr. McCARTHY. I also ask unanimous consent to insert in the RECORD at this point another document marked "Strictly confidential," entitled "American Peace Mobilization, 'Now Called American People's Mobilization'," which is the listing of it as a Communist-front organization.

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

[Strictly confidential]

AMERICAN PEACE MOBILIZATION (NOW CALLED AMERICAN PEOPLE'S MOBILIZATION)

(NOTE.—The following statement does not purport to be a complete report on the organization named. It is intended only to acquaint you, without undue burden of detail, with the nature of the evidence which has appeared to warrant an investigation of charges of participation.

(It is assumed that each employee's case will be decided on all the facts presented in the report of the Federal Bureau of Investigation and elicited, where a hearing is ordered, by the board or committee before which the employee is given an opportunity to appear.

(Please note that the statement is marked "Strictly confidential" and is available only for use in administration of the mandate of Public, No. 135.)

American Peace Mobilization was formed in the summer of 1940 under the auspices of the Communist Party and the Young Communist League as a "front" organization designed to mold American opinion against participation in the war against Germany. Its existence terminated within a month after the German invasion of Russia when it became American People's Mobilization and adopted a program favoring complete assistance to Britain, Russia, and China. American Peace Mobilization attracted to its fold two types of members: The Communists and fellow travelers ever ready to promote party interest or follow the party line and those Americans devoted to the maintenance of peace who were for the most part unaware, at least before the German invasion of Russia, of the Communist control of American Peace Mobilization.

American Peace Mobilization had two predecessor organizations. The first, the American League Against War and Fascism, had its origin in 1932, when the Communist International, fearing a European war against the Soviet Union, directed its sections throughout the world to stimulate peace movements in their respective countries. Earl Browder, general secretary and chief officer, testified before the Dies committee that the Communist Party participated actively in forming the league. When Russia began making a military alliance with France in 1935, these movements gradually were allowed to lapse throughout the world, and in the United States the American League Against War and Fascism was succeeded by the American League for Peace and Democracy. Browder has characterized this second organization as a "transmission belt" of the Communist Party. He defined a "transmission belt" as a technical term referring to the tactics whereby the Communists established their relations with the masses of people. Both the League Against War and Fascism and the League for Peace and Democracy followed the customary Communist tactic of placing prominent non-Communists in titular positions, while Communists themselves took the controlling positions. In addition to the Communists who supported them as a matter of party policy, both organizations attracted to their membership many unsuspecting persons.

The American Peace Mobilization was by its own definition open to everyone. It was formally founded at a meeting in Chicago at the end of August 1940, known as the Emergency Peace Mobilization. Although the Communist Party as such did not only participate in the propagandizing for and organizing of this meeting, its workers' schools in collaboration with the American Youth Congress and other Communist-front organizations took a prominent part throughout this meeting. In addition, American Peace Mobilization sponsored the march on Washington, January 25–27, 1941, when the delegates attempted to picket the Capitol and to see congressional and administration leaders. Later, on April 4 and 5, 1941, it sponsored the so-called American People's meeting in New York City. These meetings were dominated by leaders of Communist-front organizations and the programs and pamphlets issued in connection with these meetings contained advertisements and greetings of Communist-penetrated organizations.

During its existence of less than a year American Peace Mobilization was concerned with keeping America out of the imperialist war. It directed its attention chiefly to the Burke-Wadsworth bill for conscription and the lend-lease bill. Its aims were not limited to this legislation, but included a number calculated to enlist wider support. It called for the end of discrimination against Negroes, aliens, and Jews. It demanded a restitution of constitutional rights, the passage of anti-poll tax and social legislation, and it condemned legal proceedings then pending against Harry Bridges and Earl Browder. It attacked the Dies committee and its investigation of such genuinely democratic groups as International Labor Defense and the Transport Workers' Union. It sponsored meetings in collaboration with such Communist-penetrated organizations as the American Youth Congress, Workers Alliance, and the National Negro Congress, and it collaborated closely and sponsored meetings jointly with such an important Communist organization as the International Workers' Order. It continually attacked the Churchill government and the Tory imperialism of Britain. Each of the foregoing positions conformed exactly to Communist Party line. American Peace Mobilization numbered among its officers and sponsors several leading Communists and the heads of several Communist-penetrated groups.

The most conspicuous activity of American Peace Mobilization was the picketing of the White House, which began in April 1941, in protest against lend-lease and the entire national defense program of the administration. On June 17, 1941, Frederick V. Field, national secretary, who had called for the picketing of the White House, stated the aims of the organization once more. He said that there was widely propagandized in America a myth of two alternatives: That of a Nazi-dominated world or a victory of British-United States imperialism. The American Peace Mobilization program afforded a third possibility: Keep America out of Europe's war, improve the standard of living, retain and defend our constitutional liberties, and work for a people's peace. It was Field who had called the Selective Service and Training Act of 1940 a spearhead of the attacks on our democracy, and the national defense program a part of the march toward fascism, and who a week after the German invasion of Russia stated that in view of the new world situation America should give full aid to Britain, Russia, and China.

Just 4 days after Field had redefined the aims of American Peace Mobilization, on the afternoon of June 21, 1941, he suddenly called off the picket line around the White House. Eight hours thereafter German armies had crossed the Russian frontier. Within 1 week American Peace Mobilization stated that the international situation had changed and that the national board of the organization had adopted a new program which called for aid to the Soviet Union against the forces of the Nazi military machine. Three weeks later American Peace Mobilization explained that to meet the needs created by the "new world situation"—a phrase which featured all official Communist literature of that time and since—American Peace Mobilization was changing its name to American People's Mobilization and henceforth was adopting the "V" slogan for "victory over fascism." At the same time, Field announced that arrangements were being made for an American tour by the dean of Canterbury, one of the leading English sympathizers with the Soviet Union and author of The Soviet Power, which was widely distributed by the Communist Party.

Ever since 1918, and before, there have been in existence in the United States organizations devoted to peace and to the goal of keeping America out of war. Not one of these organizations, however, was formally represented as an organization in any way in American Peace Mobilization. These organizations devoted to antiwar activities

have been continuously ignored in the columns of the Daily Worker and other Communist publications, whereas these same periodicals gave full support to American Peace Mobilization.

Membership in American Peace Mobilization cost only 50 cents, and for the unemployed 10 cents. Through a Nation-wide newspaper campaign calling on Americans to contribute a dime and become "volunteers for peace," it has been estimated by the Federal Bureau of Investigation that American Peace Mobilization numbered as members or contributors about 14,000,000 persons, the bulk of whom were undoubtedly unaware of the Communist control of American Peace Mobilization.

Mr. McCARTHY. I also ask unanimous consent to insert in the body of the RECORD at this point another document entitled "American Youth Congress," which is stamped "Strictly confidential."

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

[Strictly confidential]

AMERICAN YOUTH CONGRESS

(NOTE.—The following statement does not purport to be a complete report on the organization named. It is intended only to acquaint you, without undue burden of detail, with the nature of the evidence which has appeared to warrant an investigation of charges of participation.

(It is assumed that each employee's case will be decided on all the facts presented in the report of the Federal Bureau of Investigation and elicited, where a hearing is ordered, by the board or committee before which the employee is given an opportunity to appear.

(Please note that the statement is marked "Strictly confidential" and is available only for use in administration of the mandate of Public, No. 135.)

The American Youth Congress is defined by its 1940 constitution as a "nonprofit, educational association to serve as a cooperating center and a clearing house for all youth organizations, youth-serving agencies, local, State, and regional youth councils and assemblies, and organizations desiring to promote the welfare of youth." It originated in 1934 and since its inception has been controlled by Communists and manipulated by them to influence the thought of American youth. The process has been described by a high official of the Communist International, referring specifically to the congress, as "the radicalization of the youth." Under such leadership and in the guise of a youth program, the force of opinion of the youth of America, expressed in the proceedings and resolutions of the American Youth Congress, purporting to be representative of the American youth organizations which compose it, has been rallied to the support of every position taken by the Communist Party upon issues relating to the foreign and domestic affairs of the United States.

The concept of a nonpolitical "congress" of American youth organizations originated with one Viola Ilma and was inspired by a similar gathering which she had attended in Europe in 1933. The first American Youth Congress, held at New York in August 1934, was attended by delegates from a broad range of representative national organizations. Prior to the congress and at its opening session, however, the Young Communist League in collaboration with certain Socialist and pacifist groups set in motion a series of maneuvers which resulted in the ouster of Miss Ilma and the establishment of Communist control which never has been relinquished.

Corroboration of the conquest of the American Youth Congress by the Young Communist League is to be found in the admissions of innumerable Communist speeches and writings. In an address before the Seventh World Congress at Moscow in 1935, Otto Kuusinen, who is a member of the executive committee, its presidium, and secretariat of the Communist International, and one of the most powerful figures in the Communist world, said:

"Comrades, the Young Communist League of the United States, headed by Comrade Green, went to the American Youth Congress and achieved a great success. The congress was transformed into a great united front of radical youth, and when somewhat later a second general youth congress was held, our young comrades already enjoyed a position of authority in it. The Communists alone have been able to foster the radicalization of the youth in bourgeoisie organization."

The first American Youth Congress claimed to speak for 79 organizations having a total membership of 1,700,000. Although essentially dedicated to a program for youth, the congress promptly declared "We do not believe that the fundamental problems before us are special youth problems, amenable to solution by special youth demands alone. We declare that they are the general problems of the masses of the people * * *" and called for a "youth movement * * * to work for the building of a new social order, based upon production for use rather than for profits." It thereupon adopted a series of favoring resolutions substantially setting forth the Communist Party program of that day.

The congress likewise adopted a "resolution against war and fascism." Its preamble observes in part:

"Today, on the twentieth anniversary of the last war, American youth again faces the danger of a new war. * * * Hitler and Japan are trying to forge a united front for war against the Soviet Union. * * * The events since the last war prove the futility of depending on statesmen and upon disarmament gatherings to end war. The only constructive proposal toward peace at these conferences have been offered by the Soviet Union. * * * The recent trend toward fascism has been looked on with terror by all right-thinking sections of the people. * * * The last year has witnessed a growing trend toward fascism and preparation for war in the United States. * * * Many strikes have been met with the use of militia. Poison gas and rifles are frequently used as weapons to smash labor's rights; lynchings have increased, as well as anti-Semitism. Vigilantes' raids on strikes in San Francisco and the brutality of New York police with labor pickets indicates that the weapon of Fascist tendencies exists from coast to coast."

The congress, therefore, pledged itself to work for the abolition of all forms of military training in high schools and colleges, the diversion of military funds for increased educational and relief expenditures and facilities, the abolition of the Citizens' Military Training Corps, opposition to the use of the National Guard against labor organizations and activities, the freedom of all imprisoned in Fascist countries for their opposition to fascism and the defense of the democratic rights gained by the masses of the people, opposition to all forms of exploitation and hatred directed against national and racial minorities, especially Negroes, Mexicans, Japanese, Jews, etc., and the immediate withdrawal of all American armed forces from colonial countries such as China and the Philippines, and for the support of the peace proposals of the Soviet Union for complete disarmament. The record of each succeeding congress reflects a similar conformity to Communist Party line.

The above resolutions are to be found in a pamphlet entitled "Program of American Youth Congress," published by its continuations committee and printed by Prompt Press, which prints the bulk of the literature issued by the Communist Party and its affiliates and is reliably known to be owned by the Communist Party.

As indicated by its 1934 resolution, the league opposed war and fascism. In common with all Communist organizations, it subsequently opposed the imperialist war and attacked the lease-lend bill, the Burke-Wadsworth bill, which subsequently became the Selective Service and Training Act, and all legislation directed toward military preparation for defense. It participated in peace demonstrations and sponsored town meetings throughout the United States to oppose America's entry into the war. The chief of these town meetings was held at Washington, D. C., in February 1941. Subsequent to the Nazi invasion of Russia in June 1941, however, the congress reversed its position, and at its congress held at Philadelphia only 2 weeks thereafter passed a resolution pledging full support to the British and Russians in their fight against the Nazis. A second resolution adopted at that convention voiced opposition to any appeasement toward Japanese aggression against China, proposed an embargo on war materials for Japan, and at the same time asked that all restrictions be lifted on the purchase of war materials by the Chinese.

The organization grew in strength, probably reaching the peak of its influence in 1939 when it claimed to speak for over 500 national and local organizations. Due to its communistic leadership and policies, however, a number of organizations thereafter withdrew and at its 1940 convention only 177 organizations and 67 local and neighborhood councils were represented, many of which were merely paper organizations which, if not completely nonexistent, consisted of a local Young Communistic League member endeavoring to secure some sort of local sponsorship. Unquestionably, there were legitimate, non-Communist delegates at the conference, but there were equally as many representing little more than themselves. The report of the credentials committee of the 1940 congress claimed, notwithstanding, to represent 5,159,499 young people in America.

The report of the credentials committee of the 1941 congress, held at Philadelphia, as reflected by the Washington Post of July 7, 1941, claimed a representation of 1,110 youth councils, student, religious, labor, farm, social, and fraternal organizations having 5,463,760 members. Such statistics, however, are valueless because of the duplication of representation and the exaggerated tabulating methods used whereby the membership of each attending local branch of an organization is added to the total membership of the national organization which includes it; a representation chosen by a packed minority at an underattended local meeting is presumed to speak for an unverified total membership.

The extent of Communist control is indicated by the following facts relative to the 1940 congress held at Lake Geneva, Wis. Representatives included 15 known Communist-controlled or led organizations, 7 similarly controlled or led labor unions whose policies have followed every turn of the Communist Party line, and a number of fellow-traveler organizations. Its credentials committee had a minimum Communist majority of 6 to 4; its constitution committee a majority of 7 to 3; its nominations committee a minimum of 8 to 7; its rules committee a majority of 4 to 1; and its resolutions committee a probable majority of 10 to 8. The congress cabinet was controlled by the Young Communist League by 18 to 15. The poor representation of the non-Communist majority operated to strengthen Communist control but at the same time rendered the congress less effective as a Com-

munist vehicle because of its greater exposure as a Communist Party front organization. For this reason, Communists are struggling to retain nonparty support and to continue a sufficient number of non-Communists in office to preserve a nonpolitical appearance without sacrificing control.

Throughtout its existence the officers of American Youth Congress unquestionably have included persons who were non-Communists. The majority of the officers, however, have always been identifiable with Communist Party or known party affiliates. The congress publishes a magazine entitled "Winner," the editor of which is Barry Wood, Communist Party name for Jeff Kimbre, well-known party leader of southern California. Officers of the congress individually have taken part in Communist Party functions regularly. This close association between the congress and the party and its affiliates has been notorious from the outset.

Mr. McCARTHY. I also ask unanimous consent to insert in the body of the RECORD at this point another document, entitled "League of American Writers," stamped "Strictly confidential."

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

[Strictly confidential]

LEAGUE OF AMERICAN WRITERS

(NOTE.—The following statement does not purport to be a complete report on the organization named. It is intended only to acquaint you, without undue burden of detail, with the nature of the evidence which has appeared to warrant an investigation of charges of participation.

(It is assumed that each employee's case will be decided on all the facts presented in the report of the FBI and elicited, where a hearing is ordered, by the Board or committee before which the employee is given an opportunity to appear.

(Please note that the statement is marked "Strictly confidential" and is available only for use in administration of the mandate of Public, No. 135.)

The League of American Writers, founded under Communist auspices in 1935, for some years attracted to its fold many of the most prominent American writers, Communist and non-Communist. In 1939 the league began openly to follow the Communist Party line as dictated by the foreign policy of the Soviet Union, and at that time most of the non-Communists disaffiliated themselves from it and declared their opposition to its policy.

The League of American Writers was founded at a congress of American revolutionary writers held in New York City, April 26–27, 1935. The call for the congress was signed by members of the John Reed Club, including such well-known Communists as Earl Browder, Isidor Schneider, John L. Spivak, and Michael Gold. The congress greeted Gold as the best-loved American revolutionary writer, and Gold in turn told the gathering that "Our writers must learn that the working class which has created a great civilization in the Soviet Union is capable of creating a similar civilization in this country." The leading speakers at the congress were all prominently identified with the Communist movement in the United States and featured such men as M. J. Olgin, editor of the Communist Yiddish daily, Morning Freiheit, Alexander Trachtenberg, head of the party's publishing house, International Publishers, Inc., and Clarence Hathaway, editor of the Daily Worker, whose masthead then proclaimed it the official organ of the Communist Party, United States of America, section of the Communist International. The league was created, among other things, to enlist writers in a national cultural organization for peace and democracy and against fascism and reaction, to support progressive trade-union organizations and the people's front in all countries, and to cooperate with the progressive forces.

Soon after the league was established, the Seventh World Congress of the Communist International in Moscow decided upon the Trojan-horse policy for Communist parties everywhere. By this policy Communists sought to infiltrate existing organizations without revealing their identity. Accordingly, it became necessary to conceal the Communist influence in the League of American Writers. The revolutionary slogans and resolutions were discarded. In the years from 1936 to 1939 the league made an effort to secure as members the leaders of liberal thought among American writers. Although its Communist control was deliberately obscured, it sponsored a policy which accorded with the Communist Party line in those years, including condemnation of the Franco revolution in Spain and an interpretation of that revolution as presenting an issue of communism versus fascism. In its congresses held in these years the league condemned fascism and praised the "Soviet peace policy." It sought to make its program attractive by sponsoring the Federal arts project and attacking those who were opposed to any of the social legislation then being enacted in the United States

At the time of the Russo-German pact in August 1939 the League of American Writers began once more to follow the Communist Party line openly and without much attempt at dissimulation. It was in this period that most of the prominent non-Communist writers resigned from the league. Thomas Mann stated that the league "thinks too much about politics and not enough about literature." In 1940 and up until June 22, 1941, the league devoted its efforts principally to keeping the United States out of the "imperialist war." Its activities were featured in the Daily Worker, and it in turn complimented the Daily Worker for the recognition it was giving to the league's anti-war program. Many leading Communists were openly active in the league at this time.

On June 6, 1941, the league held its Fourth Annual Writers' Congress in New York City. It condemned the "imperialist war," which it called a war for world markets. Speakers charged that the President was attempting to lead the country into war, and condemned the administration for its action in sending troops to quell the North American Aviation Co. strike and for its prosecution of Harry Bridges. The American Peace Mobilization and its picketing of the White House was endorsed. Less than a month later the league issued a call to all writers and writers' organizations for "all immediate and necessary steps in support of Great Britain and the Soviet Union."

Not only did the league follow the Communist Party line in regard to foreign affairs, but its program since 1940 has shown a close parallel to the leading domestic issues supported by the party, including a campaign in behalf of Negro rights, opposition to what is called political persecution in the United States, and praise of the Soviet Union and its leaders.

The League of American Writers maintains an annual writers' school in New York City, featuring courses in labor journalism and pamphlet writing taught by Communists. Once each week it sponsors a "work in progress" reading by some author. The Daily Worker, in its regular reports of these readings, indicates that the majority of invited readers are known Communists or fellow travelers.

The overt activities of the League of American Writers in the last 2 years leave little doubt of its Communist control. The resignations of many writers who had affiliated themselves with it in the era of the Trojan horse and their statements at the time of disassociating themselves from it largely remove all possible speculation as to the facts.

Mr. McCARTHY. I also ask unanimous consent to insert in the body of the RECORD at this point another document, entitled "National Committee for the Defense of Political Prisoners and National Committee for People's Rights," again stamped "Strictly confidential."

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

[Strictly confidential]

NATIONAL COMMITTEE FOR THE DEFENSE OF POLITICAL PRISONERS AND NATIONAL COMMITTEE FOR PEOPLE'S RIGHTS

(NOTE.—The following statement does not purport to be a complete report on the organization named. It is intended only to acquaint you, without undue burden of detail, with the nature of the evidence which has appeared to warrant an investigation of charges of participation.

(It is assumed that each employee's case will be decided on all the facts presented in the report of the Federal Bureau of Investigation and elicited, where a hearing is ordered, by the board or committee before which the employee is given an opportunity to appear.

(Please note that the statement is marked "Strictly confidential" and is available only for use in administration of the mandate of Public, No. 135.)

The National Committee for the Defense of Political Prisoners is an organization created ostensibly to support and defend civil liberties. In January 1938 its name was changed to the National Committee for People's Rights although so far as known, no substantial change was made in its set-up or functions. At the present time it is referred to interchangeably under both names.

Information regarding this organization is limited. It is not known when the National Committee for the Defense of Political Prisoners was formed but there is a record of its meeting as early as July 1921. At that time it appeared to follow an anarchistic trend and not to be connected with the Communist Party. In fact, a meeting held at New Orleans in 1925 was reported to have been broken up by Communists when a speaker attempted to address it regarding "Political Prisoners of Russia." Communist penetration appears to have begun about 1926 when Elizabeth Gurley Flynn, its then secretary, who was active in the International Workers of the World and the Peoples' Council, a radical organization, joined the Communist Party. She is presently a member of the party's national committee and one of its outstanding leaders.

Information secured from confidential informants, in a position to speak reliably, indicates that the National Committee for the Defense of Political Prisoners is substantially equivalent to International Labor Defense, legal arm of the Communist Party. Unlike International Labor Defense, however, which operates principally among the middle and lower classes, the subject organization caters to financially and socially prominent liberals to attract the influence of their patronage and their contributions in support of civil liberties cases selected for defense. Its membership, which in 1937 was stated under oath by a southern official to number approximately 150 persons, has never been sought to be increased substantially. It maintains a national office in New York City and from time to time has had branch offices at Boston, Philadelphia, Cleveland, and in northern and southern California. The organization works through local branch offices opened in the locality of an alleged "political persecution" selected for representation. Such local offices conduct publicity campaigns through press releases and solicit funds to defray the cost

of defending the alleged victims and of supporting their dependents during and after trial.

Information of the confidential character referred to above is to the effect that for a number of years past the NCDPP or NCPR has been infiltrated and controlled by the Communist Party. In one instance an informant reported that it received financial support from Amtorg Trading Co., the principal Soviet commercial agency in the United States, while another informant stated that funds of the NCDPP has been diverted to Communist Party uses. These allegations are supported by substantial evidence.

For years persons prominently identified with communism in this country have been associated with it, including members of the national committee of the Communist Party, Communist State officers, a present coowner of the Daily Worker, and numerous fellow travelers who were also closely associated with various Communist-front organizations, contributors to Communist publications, and otherwise outstanding in Communist activities. A former national chairman of the NCDPP, a member of the Communist Party, United States of America is confidentially reported to have toured the country with a German "political prisoner," lecturing on conditions in Germany and raising considerable funds, a portion of which were diverted to Communist Party uses. The organization has also collaborated with many other known Communist-front groups in their activities. According to another confidential source, plans for agitation and organization of the unemployed in the State of New York, leading eventually to the national hunger march of 1931, were partially formulated at its national office. It is significant that the cases selected for defense, so far as known, have, without exception, been those of Communists or cases publicized by the Communist Party.

The NCDPP figured prominently in demonstrations on behalf of the Scottsboro boys; vigorously protested the prosecution of Angelo Herndon, presently a high Communist official; condemned the "persecution" of William Schneiderman, California State secretary of the Communist Party, and Earl Browder, general secretary of the Communist Party, United States of America; came to the fore in defense of individuals prosecuted for soliciting recruits for armies of Loyalist Spain; defended those prosecuted for procuring forged signatures to a Communist election petition in Pennsylvania; organized the Oklahoma Committee to Defend Political Prisoners; and solicited funds and sought to obtain as much Nation-wide publicity as possible on behalf of Robert Wood, Oklahoma State secretary of the Communist Party, and his Communist codefendants in the recent syndicalism trials in that State.

It also has followed the Communist Party line in numerous instances, condemning the Dies committee and the methods of the Federal Bureau of Investigation, the use of troops in connection with the North American Aviation Co. strike in California in June 1941, and protesting the administration's foreign policy prior to the Nazi attack on Russia. Subsequent to the invasion it sponsored a people's meeting.

The organization has also engaged in activities which are not strictly civil liberties in character. In April 1938, for example, it cooperated with the Congress of Industrial Organizations, the American Civil Liberties Union, International Labor Defense, American League for Peace and Democracy, and Workers Defense League in staging a New Jersey Congress of Industrial Organizations organizing rally. In addition, it conducted an investigation of mining conditions in the States of Kansas, Missouri, and Oklahoma with particular regard to the development of silicotic and tubercular conditions. In connection with this project a former Kansas Communist State official testified before the Dies committee that the extensive correspondence between himself and various governmental agencies on silicosis in those States, introduced into evidence, had been prepared by the Communist Party headquarters in New York City and dispatched by him on behalf of the NCPR. Testimony before the Dies committee has characterized the NCDPP or NCPR as a "transmission belt" or front for the Communist Party.

Mr. McCARTHY. I also ask unanimous consent to insert in the body of the RECORD at this point another document entitled "The National Federation for Constitutional Liberties," again stamped "Strictly confidential."

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

[Strictly confidential]

THE NATIONAL FEDERATION FOR CONSTITUTIONAL LIBERTIES

(NOTE.—The following statement does not purport to be a complete report on the organization named. It is intended only to acquaint you without undue burden of detail with the nature of the evidence which has appeared to warrant an investigation of charges of participation.

(It is assumed that each employee's case will be decided on all the facts presented in the report of the Federal Bureau of Investigation and elicited, where a hearing is ordered, by the board or committee before which the employee is given an opportunity to appear.

(Please note that the statement is marked "Strictly confidential" and is available only for use in administration of the mandate of Public, No. 135.)

The National Federation for Constitutional Liberties, with headquarters in Washington, D. C., and affiliates throughout the United States, is part of what Lenin called the solar system of organizations, ostensibly having no connection with the Communist Party, by which Communists attempt to create sympathizers and supporters of their program among those who would never affiliate themselves openly with the party. Membership in the national federation or its affiliates likewise consists of those sympathetic to the stated aims of the organization, who may or may not be aware of its Communist control, as well as party members and fellow travelers.

The National Federation for Constitutional Liberties was established as a result of a conference on constitutional liberties held in Washington, D. C., June 7–9, 1940. Sixty-one organizations are said to have participated in this conference. In a pamphlet issued by the national federation it is stated that it was organized to coordinate several existing organizations concerned with the preservation and further realization of democratic rights as guaranteed by the Constitution. It has affiliates or chapters in various parts of the country, such as the Oklahoma Federation for Constitutional Rights, the Michigan Civil Rights Federation, and the Washington Committee for Democratic Action. Its method of operation, like that of International Labor Defense, the legal-aid arm of the Communist Party with which it is closely affiliated, is the creation of special committees for specific cases.

In one of its publications the federation states that it was founded because our constitutional guaranties are in danger, "as individuals we are powerless, but all together we are strong." The program of the federation seeks wider support by calling for the maintenance of the Bill of Rights, the preservation of the Wagner Act and of the guaranties to labor, the end of persecution of labor unions and aliens, and the repeal of poll-tax legislation. It demands the end of the "Gestapo activities" of the Federal Bureau of Investigation and the abolition of the Dies committee.

The program of the federation parallels closely the Communist Party line of 1940. This adherence to the party line is illustrated by the opposition, contained in much of the federation's pamphlet literature, to compulsory military training, which "would introduce dangerous major steps in the direction of Fascist control over the entire life of the community and especially over the labor movement." It was at this time that Communists were opposing conscription and the entire national defense program. One of the tactics which they used to attack the program was the emphasis on the threat to civil liberties and the rights of labor and of minority groups. Thus the National Federation the Constitutional Liberties served a useful function to Communists as it declared that "Ours is the task of true national defense."

The national federation represents the principle of interlocking leadership common to Communist-front and penetrated organizations. Owen A. Knox, the national chairman—resigned September 30, 1941—for example, is treasurer of the Michigan Civil Rights Federation and a member of the National Committee of International Labor Defense and of the Citizens Committee To Free Earl Browder. Most of the national sponsors and most of the national executive committee and many of the local heads of the federation are leaders of Communist organizations or are prominently identified with Communist activities.

The activities of the national federation have been manifest chiefly in the various committees specially created for the defense of certain individuals. The defenses of Communist leaders such as Sam Darcy and Robert Wood, party secretaries for Pennsylvania and Oklahoma, have been major efforts of the federation. Through pamphlet literature and by appearances of members before legislative committees, the federation has also been active in behalf of or in opposition to legislation. It has led the recent fight against the continuance of the Dies committee, taken up by all Communist-front organizations throughout the country. In both these aspects it has operated in close affiliation with the International Labor Defense. The latter has now become clearly identified as a Communist organization and has thus lost much of its usefulness in attracting adherents. The National Federation for Constitutional Liberties is one of the equivalent organizations set up to attract those who would not openly affiliate themselves with Communist groups if apprised of the facts.

Mr. McCARTHY. I also ask unanimous consent to insert in the body of the RECORD at this point another document entitled "National Negro Congress," stamped "Strictly confidential."

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

[Strictly confidential]

NATIONAL NEGRO CONGRESS

(NOTE.—The following statement does not purport to be a complete report on the organization named. It is intended only to acquaint you, without undue burden of detail, with the nature of the evidence which has appeared to warrant an investigation of charges of participation.

(It is assumed that each employee's case will be decided on all the facts presented in the report of the Federal Bureau of Investigation and elicited, where a hearing is ordered, by the board or committee before which the employee is given an opportunity to appear.

(Please note that the statement is marked "Strictly confidential" and is available only

for use in administration of the mandate of Public, No. 135).

The National Negro Congress is a federated organization of affiliated National, State, local, and community bodies which, according to the preamble of its constitution, "seeks to unite the Negro people and all friends of Negro freedom for complete social justice and full citizenship for the Negro Americans." Its stated aims and purposes include the abolition of Negro discrimination and intolerance, promotion of trade-unionism, broader employment opportunities, education and housing for colored people, and the spread of "truth regarding their traditions and contributions to American democracy." Earl Browder testified before the Dies committee, however, that it functions as a "transmission belt" for the Communist Party, and it has been characterized by James W. Ford, Communist Party Negro leader, as "a broadening of the people's front in America."

The National Negro Congress was proposed in May 1935 by a "national sponsoring committee," ostensibly unidentified with any organization, which issued a call for a convention, or congress, to be held at Chicago in February 1936. At this first congress A. Phillip Randolph, the president of the organization, in a keynote address, condemned the "hard, deceptive, and brutal capitalist order," and proclaimed that "the maneuvering and disposing of the forces of Negro peoples and their sympathetic allies against their enemies can only be effectively worked out through the tactics and strategy of the united front." He denied that the National Negro Congress was dominated by Communists or that he and John P. Davis, whom he described as "the moving spirit of the congress and secretary," were Communists although he was "willing to go down fighting for the rights of any Negro to exercise his constitutional right as a free man to join the Communist Party or any other party he may choose to join." Davis in fact was a prominent Communist Party "front" organization leader. Subsequently, however, at the Third National Negro Congress in April 1940, Randolph refused to be a candidate for the presidency of the organization on the ground that it was "deliberately packed with Communists and Congress of Industrial Organizations members who were either Communists or sympathizers with Communists.

Commencing with its formation in 1936, Communist Party functionaries and "fellow travelers" have figured prominently in the leadership and affairs of the congress. One of the principal speeches before the first congress in 1936 was delivered by James W. Ford, the perennial Communist Negro Vice-Presidential candidate, who previously, in 1935, had told the plenum of the central committee of the Communist Party that the National Negro Congress "promises to be one of the broadest movements ever organized among the Negroes of this country," which "the Communist Party endorses." Active at this congress also were Benjamin Davis, Jr., and Louise Thompson, both members of the central committee of the Communist Party, and Edward E. Strong, the chairman of the presiding committee of the youth section of the congress, a leader of the Young Communist League. The Second National Negro Congress, held in October 1937, was likewise addressed by leading Communists or fellow travelers, including James W. Ford, Clarence Hathaway, former editor of the Daily Worker, Dr. Harry F. Ward, chairman of the American League for Peace and Democracy, Louise Thompson and her husband, William E. Patterson, also a prominent Communist leader and vice president of International Labor Defense.

The National Negro Congress, throughout its existence, has closely followed the Communist Party lines, espousing causes and adopting issues sponsored by the party, and with regard thereto has sought to affiliate itself and form united fronts with other organizations. It has characterized all legislation deemed a threat to the civil liberties of Communists or any alien or minority group as repressive and Fascist and has endorsed the defense of the Scottsboro boys, Angelo Herndon, and Tom Mooney. It is also actively engaged in the current campaigns to free Earl Browder and for the discontinuance of the Dies committee. In the field of American foreign policy it called for united action on the part of the democracies (including the Soviet Union) against fascism prior to the Russo-German pact of nonaggression, but after the signing of the pact assailed the imperialist conflict as having nothing to do with saving and extending democracy. When the Nazis attacked Russia, however, the leaders of the congress advocated all-out aid to the Soviet Union and urged immediate entrance of the United States into the war on the side of Britain and the Allies.

In the fields of activity normally attractive to Negro organizations, the National Negro Congress has been an agitational force against lynching and all forms of so-called Negro discrimination, lobbying for or against legislation on such questions through mass demonstrations, picket lines, telegrams, letters, and petitions. In the field of organized labor it has assisted the unions in their strikes and organizational work, and advocates union membership for all Negroes. Presently it is in the forefront of the struggle, along with numerous other penetrated or Communist-led Negro organizations, for increased employment of colored persons in war industries, greater opportunities for the Negro in the Army and Navy, and for additional civil rights.

Throughout its existence, the congress has worked closely with other Communist-front organizations, all of which has been faithfully reported in the Communist press. Leaders of these groups are guests or speakers at functions of the congress or send their greetings and pledges of support, which, in turn, are reciprocated by officers of the Negro congress. It frequently joins such organizations in sponsoring meetings and demonstrations and is affiliated with some of them, such as the American Council on Soviet Relations. From time to time the National Negro Congress has received financial aid from International Workers Orders, one of the strongest Communist organizations, and according to A. Phillip Randolph, John P. Davis, secretary of the congress, has admitted that the Communist Party contributed $100 a month to its support.

From the record of its activities and the composition of its governing bodies, there can be little doubt that it has served as what James W. Ford, elected to the executive committee in 1937, predicted "an important sector of the democratic front," sponsored and supported by the Communist Party.

Mr. McCARTHY. I also ask unanimous consent to have inserted in the body of the RECORD at this point another document entitled "Washington Cooperative Book Shop," again stamped "Strictly confidential."

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

[Strictly confidential]

WASHINGTON COOPERATIVE BOOK SHOP

(NOTE.—The following statement does not purport to be a complete report on the organization named. It is intended only to acquaint you, without undue burden of detail, with the nature of the evidence which has appeared to warrant an investigation of charges of participation.

(It is assumed that each employee's case will be decided on all the facts presented in the report of the Federal Bureau of Investigation and elicited, where a hearing is ordered, by the board or committee before which the employee is given an opportunity to appear.

(Please note that the statement is marked "Strictly confidential," and is available only for use in administration of the mandate of Public, No. 135.)

The Washington Cooperative Book Shop, under the name "The Book Shop Association," was incorporated in the District of Columbia in 1938 for the stated purposes of providing a meeting place for persons interested in literary and cultural activities, providing for the cooperative purchase and resale of literature and works of art for the profit of its members as consumers, maintaining a r·nting library and ticket service, and fostering other activities of a literary, educational, and cultural nature. The association is a nonstock corporation operated on the cooperative plan, with 9 trustees elected by the membership, which, according to its announcements, have numbered 1,000. It maintains a book shop and art gallery at 916 Seventeenth Street NW., Washington, D. C., where literature is sold and meetings and lectures are held.

Evidence of Communist penetration or control is reflected in the following: Among its stock the establishment has offered prominently for sale, books and literature identified with the Communist Party, and certain of its affiliates and front organizations, including works on the Communist Party of the Soviet Union, reports concerning American Youth Congress, literature of American Peace Mobilization, articles on the Young Communist League, and Communist periodicals, such as New Masses. In this connection the Washington News of May 22, 1941, reported that the Washington delegates to the People's Convention of the American Peace Mobilization at New York City in that year were advised that only at the Washington Cooperative Book Shop could they buy literature approved by that organization. Information received from confidential sources indicates that certain of the officers and employees of the book shop, including its manager and executive secretary, have been in close contact with local officials of the Communist Party of the District of Columbia. One member of the association has reported that he received literature, unsolicited, from the Communist Party of the District of Columbia, a circumstance which he attributed only to his membership in the association. In May 1941, Joseph Starobin, one of the editors of New Masses and a teacher at the Communist Party Workers School in New York City, lectured at the book shop, reportedly following the Communist Party line of that day, stressing the invincibility of the Soviet Union, and criticizing the Roosevelt administration. A quantity of literature of the type above described was displayed near the entrance of the book shop on that occasion.

In May 1941, the book shop desired to promote a membership drive and solicited the cooperation of the Cooperative League of the District of Columbia. The league, having received reports that the book shop was Communist-controlled, requested it to provide certain information. The information was not furnished and the book shop resigned from the league, stating it was doing so as a result of unfavorable publicity attached to the incident. At about the same time the Washington press carried news items reporting seizure by representatives of the Dies committee of a membership list of the book shop allegedly initialed to indicate those members who were regarded as "Stalinists." A meeting of the members of the book shop denied Communist control, and thereafter adopted a resolution disclaiming Communist domination and affirming adherence to the foreign policy of the administration.

In view of the nature of the enterprise, investigations of charges of participation in the Washington Cooperative Book Shop have

been restricted to exclude mere patrons or subscribers and to include only those fairly charged with participation in its administration.

Mr. McCARTHY. Here is an interesting document entitled "Washington Committee for Democratic Action," which is stamped "Strictly confidential." It is interesting to note that the then Attorney General, Francis Biddle, listed this organization as a Communist front. This is the Washington Committee for Democratic Action, as distinguished from the Americans for Democratic Action, although, under the leadership of Mr. Biddle and Mr. Rauh, there appears to be but very little difference between the Washington Committee for Democratic Action and the Americans for Democratic Action. I ask that this document, entitled "Washington Committee for Democratic Action," be printed in the body of the RECORD at this point.

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

[Strictly confidential]

WASHINGTON COMMITTEE FOR DEMOCRATIC ACTION

(NOTE.—The following statement does not purport to be a complete report on the organization named. It is intended only to acquaint you, without undue burden of detail, with the nature of the evidence which has appeared to warrant an investigation of charges of participation.

(It is assumed that each employee's case will be decided on all the facts presented in the report of the Federal Bureau of Investigation and elicited, where a hearing is ordered, by the board or committee before which the employee is given an opportunity to appear.

Please note that the statement is marked "Strictly confidential" and is available only for use in administration of the mandate of Public, No. 135.)

The Washington Committee for Democratic Action is the affiliate in the District of Columbia of the National Federation for Constitutional Liberties.

The National Federation is part of what Lenin called "the solar system of organizations," ostensibly having no connection with the Communist Party but by which Communists attempt to create sympathizers and supporters of their program among those who would never affiliate themselves openly with the party. It was established at a conference of some 61 organizations held at Washington June 7–9, 1940, and it operates through affiliates or chapters in various parts of the country. In a pamphlet issued by the federation it is stated that it was organized to coordinate several existing organizations concerned "with the present and future realization of democratic rights" as guaranteed by the Constitution. Its method of operation, like that of the International Labor Defense, the legal aid arm of the Communist Party with which it is closely affiliated, is the creation of special committees for specific cases.

The program of the federation is made attractive by including the maintenance of the Bill of Rights and the preservation of the Wagner Act and of the guaranties to labor, the end of persecution of labor unions and aliens, and the repeal of poll-tax legislation. It further demands the end of the "Gestapo activities" of the Federal Bureau of Investigation and the abolition of the Dies committee.

This announced program of the federation shows a close parallel to the Communist Party line of 1940. The adherence to the party line is convincingly illustrated by the opposition of the federation to compulsory military training at the time that Communists were opposing conscription and the entire national defense program. One of the Communist tactics was to attack the program by emphasizing the threat to civil liberties and the rights of labor and of minority groups. In this way the national federation served a useful function to the Communists.

The national federation represents also the principle of interlocking leadership common to Communist-front and penetrated organizations. Most of the national sponsors and leaders and many of the local heads of the federation are prominent in Communist organizations or closely identified with Communist activities.

As a local chapter of the national federation, the Washington Committee for Democratic Action is reportedly an outgrowth of part of the membership of the American League for Peace and Democracy, which dissolved in the spring of 1940. The date of its formation thus probably coincides approximately with that of its parent organization. Many of its members were also active in the league's successor, the American Peace Mobilization.

The program of the Washington committee followed that of the national federation. National Communist leaders have addressed its meetings, and conferences sponsored by it have been attended by representatives of prominent Communist-front organizations. It has actively supported the right of Communists to meet whenever they please without police intervention and has otherwise followed the line of the national federation and of the Communist Party.

Just as membership in the national federation, or its affiliates, includes those sympathetic to the stated aims of the organization, who may or may not be aware of its Communist control, as well as Communist Party members and fellow travelers, so also some members of the Washington Committee for Democratic Action may be unaware of its Communist control. Ample opportunity to observe this affiliation and control has been present, however, throughout the committee's existence, and it is doubtful that many active members remain unsuspecting.

Mr. McCARTHY. I also ask unanimous consent to insert in the RECORD at this point the remainder of the remarks of Mr. Martin Dies, appearing in the CONGRESSIONAL RECORD, volume 88, part 6, beginning on page 7448 with the concluding paragraph of the second column, and ending on page 7449, near the end of the third column, with the words "Constitutional liberties."

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

In discussing the American League Against War and Fascism, and then the American League for Peace and Democracy, the Attorney General, and the Interdepartmental Committee established by him, confirmed all of the findings of our committee and as a matter of fact in stronger language than we ever used, they branded them as Communist-controlled organizations. And remember, 376 of these employees were members of the American League, according to the membership records obtained from the headquarters of the organization in the city of Washington, and identified under oath by the chairman of the organization who himself was a Government official, as representing the bona fide membership list of the organization. The American peace mobilization which succeeded the American League for Peace and Democracy and which was 100 percent a Communist organization was also in equally strong language branded by the Department of Justice as a Communist-controlled organization. Then the National Federation of Constitutional Liberties, which is the organization that published and distributed the pamphlet, excerpts from which I read a moment ago, was disposed of by the Department of Justice in the following language:

"The National Federation for Constitutional Liberties, with headquarters in Washington, D. C., and affiliates throughout the country, is part of what Lenin called the solar system of organizations, ostensibly having no connection with the Communist Party, by which Communists attempt to create sympathizers and supporters of their program among those who would not have affiliated themselves openly with the party. Membership in the national federation or its affiliates likewise consists of those sympathetic to the stated aims of the organization, who may or may not be aware of its Communist control, as well as party members and fellow travelers. The National Federation for Constitutional Liberties was established as a result of a conference on constitutional liberties held in Washington, June 7 to 9, 1940. In the pamphlet issued by the national federation, it is stated it was organized to coordinate several existing organizations concerned with the preservation and further realization of democratic rights as guaranteed by the Constitution. It has affiliates or chapters in various parts of the country such as the Oklahoma Federation for Constitutional Rights, the Michigan Civil Rights Federation, and the Washington Committee for Democratic Action."

That is the organization that published this pamphlet, and the majority of the Washington, D. C., officials of that organization are employees of the Federal Government, as I shall prove from their own letterheads. Now, let us see what the Attorney General had to say about the Washington Committee for Democratic Action, which is the local branch of the National Federation for Constitutional Liberties:

"Just as membership in the national federation, or its affiliates, includes those sympathetic to the stated aims of the organization, who may or may not be aware of its Communist control, as well as Communist Party members and fellow travelers, as also some members of the Washington Committee for Democratic Action may be unaware of its Communist control. Ample opportunity to observe this affiliation and control has been present, however, throughout the committee's existence and it is doubtful that many active members remain unsuspecting."

In the statement the Attorney General dealt with the question of whether or not the members of that organization could be innocent, and he stated in effect that this organization had been closely observed by the Government, that it was so openly communistic that he could not see how any active member could have any misgivings as to the control, nature, and purposes of the organization. I want to quote the exact language of the Department of Justice in order to hammer home the next point, which is that if the Attorney General, the Department and the Interdepartmental Committee found as a result of their painstaking and careful investigation that this organization was completely dominated by Communists, and that the Communist nature and purpose of it was so plain that few in it could mistake its purpose, then I want to address my inquiry to the Attorney General, whose representative is in the gallery, "Why is it that you exonerated 19 Government officials who are officers and sponsors of this organization?"

Under your own language, Mr. Attorney General, you have not only branded the organization as a Communist organization, but you have gone a step further and you have said that there could be little doubt about the nature of it, and yet when you come to report to the Members of Congress you did not report the discharge of 19 Gov-

ernment officials whose names and records I propose to read to Congress upon this occasion. You did not reprimand them, and as of September 15 of this year they are still on the Federal payroll.

There are 78 leaders, officers, and sponsors of the National Federation for Constitutional Liberties. Of that number, 53 were also leaders and officers of the American Peace Mobilization. They were identified with every Communist movement that sprang into existence from the time of the American League for Peace and Democracy, succeeded by the American Peace Mobilization, and finally the National Federation for Constitutional Liberties.

Mr. Speaker, for the time being I will pass from the question of reading the names of these officers and sponsors, whose names appear on the letterheads of the organization, to a discussion of the American Peace Mobilization. As I said a moment ago, 53 of the officers and sponsors of the National Federation were also leaders of the American Peace Mobilization, the most completely Communist organization that was ever formed in the United States. This is the same organization that picketed the White House for 1,500 hours. It is the same organization that provided services and advice for those who wanted to evade the draft law of the country. It is the same organization that instigated strikes in the defense industries of our land.

For instance, I hold here a telegram sent by the Washington office of the American Peace Mobilization to the Congress of Industrial Organizations strike headquarters of the North American aircraft workers, in Inglewood, Calif.:

"The perpetual peace vigil of the American Peace Mobilization now in its seven hundred and thirty-eighth hour supports you in your strike for decent wages. Today we put a sign on our picket line in front of the White House, "The right of labor to organize and strike goes hand in hand with the right to work. Strikebreaking by the American Army is Hitlerism."

This was the plant which the President ordered taken over by the Army after the Communist leadership of the union had halted production.

Let me read from their own files what they have to say about their purposes and intentions. For instance, in this folder from the American Peace Mobilization:

"By now we know for sure that all aid short of war to England means war. Admitted in 1917 the flag follows the dollar and our stake in England is growing daily. But even if we do not approve of England's war, is not her side still preferable to Hitler's and isn't it better to fight to beat Hitler with England than without her? No. An English victory will result in the same sort of imperialism and antidemocratic peace as will a Nazi victory. The basic question is not which side of the war is preferable, but what will happen to democracy in this world if we go to war. Democracy has long gone from Germany, is being blacked out fast in England, and is being strongly attacked here in the United States. Spread the war to the United States and the black-out of democracy will be complete in all three countries, with only fascism, native and foreign, the victor."

In the program they recommend opposition to the Conscription Act. They held a meeting in New York at which thousands of delegates, including 600 from the District of Columbia attended. At that meeting they went on record denouncing the President of the United States as a tool of the warmongers of Wall Street. They issued pamphlets characterizing the President as a warmonger, determined to lead the American people to destruction.

In other words, this was the organization that, prior to Hitler's invasion of Russia, was engaged in a bold and deliberate attempt to sabotage our preparations for war and our defense measures. Notwithstanding that fact, here are these same Government employees who are now active in the National Federation for Constitutional Liberties, who were active in the American Peace Mobilization and in its predecessor, the American League for Peace and Democracy.

Permit me to read for you one song that they sang at the convention of the American Peace Mobilization in New York:

"C for conscription and C for Capitol Hill.
C for conscription and C for Capitol Hill.
It's C for the Congress that passed that g—— d—— bill.
This here New York City water tastes like cherry wine.
This here New York City water tastes like cherry wine.
They tell me Army water tastes like turpentine.
I'd rather be here at home and live in a hollow log;
I'd rather be here at home and live in a hollow log;
Than go to the Army, be treated like a dirty dog."

Those excerpts will give you some idea of the true nature and purposes of this organization. I need not dwell upon the facts. I again mention it briefly that the leaders of the National Federation, this organization that has undertaken to indict the Committee on Un-American Activities, has had the effrontery to write to the Attorney General and demand a grand jury investigation of our committee; this organization was permitted to picket for 1,500 hours at the White House, to do all within its power to sabotage our defense program. It was active in the strikes that were then going on in the defense industries of America. Not one time was the organization ever prosecuted in the United States.

The same leaders were also prominent in other organizations; they were active in the American Committee for the Protection of the Foreign-Born. Among the 78 individuals making up the leadership of the National Federation for Constitutional Liberties a majority have also been identified with the American Committee for the Protection of the Foreign-Born. Their leaders have also been active in the American Committee for Democracy and Intellectual Freedom. I need not go into further details, because, as I have said, the Attorney General himself and the Department of Justice have confirmed the findings of our committee in branding this organization as Communist-controlled.

Where, Mr. Speaker, does the National Federation for Constitutional Liberties receive its funds? We recently investigated the funds of a foundation known as the Robert Marshall Foundation. Robert Marshall was at one time an important official of the Government. He left a will under which he bequeathed $1,535,000 to be used for the education of the people of the United States of America to the necessity and desirability of developing an organization of unions of persons engaged in work or unemployed persons in the advancement of our American system in the United States based upon the theory of production for use and not for profit and other purposes. Among the trustees he named was Gardner Jackson, the same Gardner Jackson who confessed before our committee that he paid the money which purchased the forged letters that attempted to link me with William Dudley Pelley. Mr. Jackson was later rewarded by a promotion; he is now the principal economist in the Department of Agriculture. I hold in my hand his telephone bills showing his active participation in an effort by Communist organizations to spread their propaganda to defeat the Special Committee on Un-American Activities.

I also have the telegrams that were received from time to time by the National Federation for Constitution Liberties.

Mr. McCARTHY. I also ask unanimous consent to have printed in the RECORD at this point in my remarks a letter dated September 3, 1942, addressed to the Honorable SAM RAYBURN, Speaker of the House of Representatives, signed by Martin Dies. The purpose of this is to show the character of the man who is making the attacks upon the present head of the Loyalty Board, because of his attempt to get rid of some of the unusual people who have been cluttering the Washington scene. It will show that, even at that early date, Mr. Biddle was following the same pattern he follows today. It will show, for example, that he claimed that the FBI had cleared a considerable number of individuals who were named as Communists or fellow travelers, and that he deliberately lied in so doing. It will show that the FBI did not investigate a sizable number of those individuals; that they were not investigated because Mr. Biddle had so provided in his orders in which he said "They shall not be investigated, unless the employing agency"—in other words, the man who hired them—"has first asked the FBI to investigate."

I ask that that letter be inserted in the body of the RECORD at this point. It appears in the CONGRESSIONAL RECORD, volume 88, part 10, pages A3231–A3233. I believe that this will give the country as a whole, and perhaps some of the members of the Loyalty Board, a better picture of the man who is so disturbed now because the Loyalty Board has sent back the cases of some 896 persons for further investigation. It will also give, I believe, a fairly good picture to some of the members of the ADA of what the officers of that organization are trying to do at this time.

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

SEPTEMBER 3, 1942.

The Honorable SAM RAYBURN,
Speaker, House of Representatives,
The Capitol, Washington, D. C.

MY DEAR MR. SPEAKER: The Attorney General has placed before you a report on his investigation of the membership of Federal Government employees in subversive organizations. I am compelled to charge that the Attorney General has utterly failed to carry out the mandate of the Congress as expressed in Public Law No. 135 of the Seventy-seventh Congress. Instead of fulfilling the mandate of the Congress, the Attorney General has issued a meaningless conglomeration of statistics set in a framework of general conclusions which are either totally irrelevant to the issues involved or dangerous to the internal safety of this country if applied to employment in the Federal Government. A brief analysis of the Attorney General's report will show wherein and in what manner he has failed to carry out his responsibilities:

1. Public Law No. 135 of the Seventy-seventh Congress instructed the Department of Justice to investigate the employees of every department, agency, and independent establishment of the Federal Government who are members of subversive organizations or advocate the overthrow of the Federal Government, and report its findings to Congress. The Attorney General has not done this. What he did do was to write a

letter on October 7, 1941, asking our committee to send him a list of the employees of the Federal Government who were members of subversive organizations. Our list was compiled largely from membership records which the committee had obtained by subpena and were identified as such by the officials of the organizations involved. Having received this list from us, it appears that the Attorney General set forth to discredit it rather than to make a thorough investigation and report to Congress on the Federal Government employees who are members of subversive organizations.

2. The device employed by the Attorney General in the attempt to discredit the list which we forwarded to him at his request is to announce that only two of those whose names we submitted have been discharged by their superiors, as a result his (the Attorney General's) investigation and his report to various departmental heads in the Government. The fact that their superiors have discharged only two persons whose names appeared on our list may mean several things other than a reflection upon the list itself. For example:

(1) It may reflect seriously upon the thoroughness or the sincerity of the Attorney General's investigation;

(2) It may reflect upon departmental heads who refuse to discharge their subordinates no matter what the evidence of their pro-Communist activities may be.

I call your attention, Mr. Speaker, to the fact that the Federal Bureau of Investigation's report to the departmental heads carried no recommendations whatever. Discharges were solely the responsibility of the departmental heads themselves. Furthermore, I am in possession of conclusive proof that some of those whose names we submitted to the Attorney General were put under strong pressure to resign "voluntarily" many weeks before the Federal Bureau of Investigation ever began its investigations under the mandate of Public Law No. 135. For example, there was the case of a departmental head himself who was publicly on record as advocating the violent overthrow of the United States Government. A few days after we submitted our list to the Attorney General this departmental head voluntarily gave up his $8,000 salary. According to the Attorney General's report, 97 of the persons whose names appeared on our list were "no longer employed by the Federal Government." The Attorney General's report does not state that they were not in the employ of the Federal Government at the time we submitted their names. Why and how they left their Government employment is a mystery so far as the Attorney General's report is concerned. But of two things I am sure, and for these things I can offer indisputable proof, they were on the Federal Government payroll at or about the time we submitted their names to the Attorney General, and they were all affiliated with subversive organizations which were designated as such by the Attorney General. Knowing, as I do, the case of the departmental head cited above who resigned voluntarily, I cannot exclude the possibility of a gigantic ruse in the form of forced "voluntary" resignations of 97 persons whose names appeared on our list, before their cases were ever considered by the Federal Bureau of Investigation's investigators.

3. I also call your attention, Mr. Speaker, to the fact that the Attorney General's report states that, in the cases of 100 of the persons investigated, the departmental heads have to date ignored the findings of his investigation. In the first place, this is a sad commentary on the cooperation which the administrative heads of Government agencies have offered in this investigation. Knowing, as I do, the strong disposition of some departmental heads in the Federal Government to shield and favor their subordinates, regardless of their subversive activities, I cannot exclude the possibility that these 100 cases include some of the most flagrant cases of employees who have worked long and hard for the Communist Party's "front organizations." Let the Attorney General provide the Congress with a list of the departmental heads who have thus thumbed their noses at this investigation of their departmental subordinates.

4. The Attorney General appears to think it a matter of noteworthy importance that out of a total of 501 cases on which he has reported to departmental heads, only two have resulted in dismissal from Government service. The Attorney General does not shed the smallest ray of light on what his report to these departmental heads contained in these 501 cases. Did he find that the employees involved were indeed members of subversive organizations? There is no answer to that question in the Attorney General's report. On my part, I am prepared to charge and prove beyond any doubt that in substantially all of the 501 cases the employees were affiliated with subversive organizations, and as a corollary to that proposition to level the indictment against these departmental heads that they do not care a two-pence how much their subordinates engage in the activities of the "front organizations" of the Communist Party. I can submit conclusive proof that many of these 501 employees have been affiliated with three or more subversive organizations. I may point out in this connection that the hands of many departmental heads are tied. Their own Government jobs would hardly be worth a nickel if they ordered wholesale dismissals on account of their subordinates' affiliations with subversive organizations and thereby proved the truthfulness of our charges that the Communist Party has obtained many Government positions for its fellow travelers.

5. One of the most important aspects of this whole problem has been entirely ignored in the Attorney General's report. Wholly apart from the guilt or innocence of the individual Government employee who has been affiliated with the subversive organizations of the Communist Party, there stands the all-important question of the degree to which the Communist Party and its front organizations have been able to penetrate into and influence the ranks of the Federal Government's personnel. If the Attorney General had said frankly in his report to the Congress that so many Government employees have been affiliated with this Communist front organization and so many with that, the Congress would have before it some indication of the magnitude of the problem of Communist influence in Washington. As the Attorney General's report stands, we have nothing that remotely bears on this question.

6. In his very able decision on the case of Harry Bridges, the Attorney General had the following to say concerning the front organizations of the Communist Party: "Testimony on front organizations showed that they were represented to the public for some legitimate reform objective, but actually used by the Communist Party to carry on its activities pending the time when the Communists believe they can seize power through revolution." Mr. Speaker, that is a succinct and altogether true statement concerning the sinister character of the front organizations of the Communist Party. Holding that view of these organizations, the very least which the Attorney General could have done in the report which he has just submitted to you was to state what his investigations disclosed as to the number of employees of the Federal Government who have been affiliated with such sinister organizations. He has not done that. In fact, there is not one word of information on that all-important point in his alleged investigation. Unless and until the Attorney General conveys to the Congress the results of his investigation on this fundamental point, he has not made a report of his findings in any true sense of the word. As a matter of fact, the present report of the Attorney General which has been placed before you takes an altogether different tone concerning the front organizations of the Communist Party. In his Bridges decision, these organizations are clearly described as the instruments of the Communist Party for the ultimate overthrow by force and violence of the Government of the United States. In his present report to the Congress, these same organizations are so innocuous that membership in them is wholly consistent with the highest qualifications for employment by the Federal Government.

7. In his decision on the Bridges case, the Attorney General did not hesitate to name the "front organizations" of the Communist Party which were in any way related to the Bridges matter. In that connection he named the Workers' Alliance, the International Labor Defense, and the American League Against War and Fascism. In his present report to the Congress he indicates that certain organizations were designated by him as "subversive," but their names are withheld from the Congress. In view of the fact that the Attorney General has so clearly pronounced upon the dangerous and subversive character of the Communist Party's front organizations, and in view of the fact that he rightly holds that innocent persons are sometimes drawn into the activities of these organizations, it is strange that he should fail to communicate the names of these organizations to the Congress. Such information would have contributed not only to the enlightenment of the Congress but also to the protection of the Federal Government employees who unwittingly associate themselves with subversive groups. I feel it incumbent on me to reveal the names of these organizations which the Attorney General himself designated as subversive for the purposes of this very investigation upon which he has now reported.

The following is the Attorney General's own list of subversive organizations which fall in the category of front organizations of the Communist Party:

American League Against War and Fascism.
American League for Peace and Democracy.
American Peace Mobilization.
American Youth Congress.
League of American Writers.
National Committee for the Defense of Political Prisoners.
National Committee for People's Rights.
National Federation for Constitutional Liberties.
National Negro Congress.
Washington Cooperative Bookshop.
Washington Committee for Democratic Action.

The foregoing organizations, 11 in number, together with the Communist Party itself, making 12 in all, are the subversive organizations referred to on pages 11 and 12 of the second section of the Attorney General's report.

8. I should like to point out that to my own knowledge approximately 400 of these Government employees who were allegedly investigated by the Attorney General knowingly affiliated themselves with the American League for Peace and Democracy and the American Peace Mobilization, two front organizations of the Communist Party which are somewhat familiar to the public generally. I should also like to remind you, Mr. Speaker, that the American League for Peace and Democracy is the same front organization which had Earl Browder as its vice president and numerous other Communist functionaries on its national executive committee. To give you a thorough insight into the

nature of this organization, I quote from the program of the league as follows:

"It (the American League) proposes a plan of action at the specific points where the war machine can and must be stopped. It builds on the fact that the conduct of war depends upon many men and women—those who run the mines and factories, railroads, and ships that manufacture and transport supplies for war, those who create and distribute war propaganda in schools and press, in churches and on the air, the farmers who raise the food supplies, and the millions of men, women, and children in all walks of life who make it possible—or impossible—for a nation to wage war. By withdrawing their services and support, these masses of people—industrial, middle class, agricultural—can stall the war machine in its tracks."

From the foregoing quotations, it is evident that this organization was not only Communist but was engaged in treasonable activities. The same was true of the American Peace Mobilization which, you will recall, spent much time picketing the White House, opposing lend-lease and preparedness, setting up committees to instruct draftees how to avoid the draft, and engaging in other despicable forms of sabotage of our preparedness program. This was all done upon direct instructions from the Communist Party. Now, the Attorney General's report completely exonerates those Government employees who were affiliated with these two organizations, and, as I review the Attorney General's report, I can come only to the conclusion that what he has done in effect is to give a license to every Government employee to engage in any Communist subversive activity so long as he does not go to the extent of actually carrying publicly a paid-up membership card in the Communist Party.

9. Included in the Attorney General's "Findings of Fact" in his decision on the case of Harry Bridges, is one which reads as follows: "That the Communist Party of the United States of America, from the time of its inception to the present time, is an organization * * * advising, advocating, and teaching the overthrow by force and violence of the Government of the United States." In view of this unequivocal statement of fact by the Attorney General, it is astonishing that he has not proceeded against the Communist Party. It is even more astonishing, if that be possible, that he now dismisses so flippantly the fact that hundreds of employees of the Federal Government have been affiliated with numerous organizations that are under the direct control of the Communist Party and, to use the Attorney General's own language, are "actually used by the Communist Party to carry on its activities pending the time when the Communists believe they can seize power through revolution.

10. Finally, Mr. Speaker, I call your attention to the fact that representatives of the Department of Justice appeared before the Senate Committee on Appropriations to urge the elimination from Public Law No. 135, of the provision calling for this investigation upon which the Attorney General has now reported. The Department of Justice has not at any time been in favor of this inquiry into the subversive activities of Federal Government employees. Now that the investigation has been almost completed, the Attorney General brands it as a sort of inquisitorial procedure. In view of this opposition, it is not strange that nothing but attempts to smear our committee has resulted from the Department's expenditure of $100,000.

In view of the facts which I have cited, I respectfully urge that the Congress reject the report of the Attorney General as having failed utterly to fulfill the mandate given the Department of Justice under Public Law No. 135.

Respectfully yours,

MARTIN DIES,
Member of Congress.

Mr. McCARTHY. I thank the Senator from California for having yielded to me.

After the conclusion of Mr. KNOWLAND's speech,

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

The PRESIDING OFFICER. The clerk will call the roll.

The Chief Clerk proceeded to call the roll.

Mr. KNOWLAND. Mr. President, I ask unanimous consent that further proceedings incident to the call of the roll be dispensed with and that the order for the call of the roll be rescinded.

The PRESIDING OFFICER. Is there objection? Without objection, it is so ordered.

Mr. NIXON. Mr. President——

The PRESIDING OFFICER. The junior Senator from California (Mr. NIXON) is recognized.

SENATOR McKELLAR'S RECORD ON FARM LEGISLATION

Mr. McKELLAR. Mr. President, will the Senator yield to me for a few minutes?

Mr. NIXON. Yes.

Mr. McKELLAR. I must leave the Chamber, to attend a committee meeting at 2 o'clock, and I wish to speak for 5 or 10 minutes on a subject entirely different from the one the Senator from California is about to discuss. If he will yield to me for this purpose, I shall appreciate it very much.

Mr. NIXON. I yield for that purpose.

Mr. McKELLAR. Mr. President, I was born and reared on a farm. I believe I have done every kind of work that is done on a farm. Naturally, therefore, since I have been in the House and Senate of the United States, I have been intensely interested in all legislation having for its purpose the welfare and protection of farmers. I have sought in every way to pass such legislation that would give them an even break with management, with labor, and all other interests of our great Republic.

The place of the farmer in peace and in war, in tranquillity or in crisis, is clear. He is, and has always been, indispensable in peace, and our national economy as primarily founded is dependent upon him and others who live and work with their hands and by the sweat of their brows.

When war comes, however, he is even more indispensable. An army cannot win a fight on an empty stomach. In our national set-up it is the farmer's job to supply the food and fiber to our own people, and especially to our Armed Forces, and to those who side with us in freedom's cause. The American farmer has always performed this outstanding duty faithfully and well; not only that, but he has ever been ready in peacetime to keep our own people well fed and to give aid to the people of other countries when famine came to such countries.

In the past few years the position of the farmer in America has been greatly improved. This has come about not by accident but by well-considered plans which brought the farmer and the Government into a working team. Most of this legislation has been passed in the last 50 years. Indeed, in that time the progress of the teamwork has been remarkable. It has been of vast importance to the Government itself and of vastly more importance to the farmer. Indeed, this partnership has worked for the benefit of all of our citizens. For the most part it has given us an adequate food supply. During all these years it has given us a bountiful food supply of the highest standard of nutrition in the world.

Under this dome of our Nation's Capitol, I have had the privilege for almost 40 years to take an active part in the development of the legislation and of the partnership between the farmers and the Government. I have not been a leader in this great work; I have only been a sincere and earnest worker in the great cause. I have helped to advance many bills that have become laws—laws that help form the pattern which today has brought our agricultural index of production from 83 percent, when I first came to Congress in 1911, to 137 percent in 1950. I have worked to keep the partnership between the farmer and the Government a going concern for the good of our country. I have advocated laws that have helped the farmer bring production to the point where on a per capita basis 150,000,000 Americans today are eating 11 percent more food than 132,000,000 were 10 years ago. I have seen how the farmers met the challenge of two wars, and have watched them year after year keep pace with the demands, normal and abnormal, put upon them by wars and world crises.

So it is with pardonable pride, I hope, that I look back over the last half century of farm legislation—legislation that has aided the American farmers to attain these magnificent heights of production and well-being for themselves and the Nation—legislation in which I say with pride that I have had a continuing part.

The act creating the Department of Agriculture stated that its first purpose was research and the dissemination of information to all the people. We have all lived to see this research of the Department grow 10 blades of grass where 1 grew before. We have seen them bring forth miracles in insect and pest control. We have seen our milk become pure and richer, and our livestock protected against epidemics such as the hoof-and-mouth disease, Bang's disease, to the point where there is negligible loss from these once wanton killers. In fact we have seen our livestock become the most healthy and productive the world has ever known.

The act creating the Department of Agriculture was passed on February 9, 1889. This was the first great step taken in the partnership between the farmers and the Congress. As I have said before, the first purpose of that act was

research and the dissemination of information to all the people. This research also has been remarkable in its improvement of our entire farm system.

I have had my record looked up, and I have received great satisfaction in having had an opportunity to introduce or support and advocate bills which encouraged research resulting in the increased production of our farms.

Among such bills were: one for providing for investigation and experimentation in the dairy industry; one for the inspection of contagious diseases in animals and their prevention and quarantine when necessary. Investigating the disease of hog cholera and its control and eradication was another research act I fostered that has paid dividends in millions of pounds of healthy pork and fine litters of good pigs.

Other acts to encourage research which I aided in passing included one for providing for investigation and experimentation in the dairy industry. Another was for the investigation and experimentation in animal feeding and breeding husbandry, including cooperation with State agricultural experiment stations. And a third related to livestock which I advocated was one for investigating animal tuberculosis and its prevention, independently or in cooperation with farmers' associations and State and county authorities.

I also worked for a bill for the investigation of plant diseases and another for the investigation of insects affecting fruits, orchards, vineyards, and nuts. Still more research that I encouraged was for the investigation of insects affecting southern field crops, including insects affecting cotton, tobacco, rice, and sugarcane; also a measure for control of insects affecting potatoes, sugar beets, cabbage, onions, tomatoes, and peas. I also advocated a bill for the investigation and improvement of cereals and methods of cereal production and the study of cereal diseases—and another that provided for the investigation and improvement of grades of alfalfa, clover, and other forage crops.

In the field of marketing research, I aided in drafting the bill to establish the Bureau of Markets, giving valuable assistance and information to both producers and consumers. Among the many marketing bills I advocated was another providing for investigating the preparation for marketing and grading, packing, drying, storing, transportation, and preservation of poultry and eggs. And in 1946 I advocated the passing of the Research and Marketing Act, which provided for continuous research to improve the marketing, handling, storage processing, transportation, and distribution of agricultural products.

When the results of agricultural research in the field and laboratory began to produce results in finding better ways of farming, another step was called for. This was to find the best means of getting this vital information to the farmer. The knowledge of the scientist locked up in his own head of course is no good to the farmer unless it is transmitted to him in terms that enable him to put it to practicable use. It was because of this urgent need that I advocated one of the first pieces of major legislation that had as its aim getting to the farmer the results of research.

I gave my ardent support to the Agricultural Extension Act which was passed in 1914 and revolutionized the techniques of bringing the best farming methods to the farmers in terms which they could utilize. This act authorized cooperative action with the land-grant colleges in giving instruction in agriculture and home economics to persons not attending State colleges. It brought the information to the farmer by means of establishment of county agent and home demonstration agents, who, working with the land-grant colleges and the Department of Agriculture, took on to every farm and into every home information in a usable form on the latest discoveries of the scientists.

There were many other informational channels which I advocated opening to the farmer—channels that brought to him the knowledge which made possible the record achievements of agriculture of which I have already spoken. There was a bill authorizing bulletins on hogs and cattle raising in the South which I long ago worked for. I advocated and aided in passing laws providing for the publication and distribution of farmers' bulletins which passed on to the farmer in simple terms the thousand practical means of making his way of life better and increasing his profits.

Prior to 1914 there was dire need by the farmer for information on the market price of his products. Private channels had their own reports which were kept secret, but a farmer had no way of knowing what other farmers were getting for a product of a type similar to that which he wanted to offer for sale.

I advocated a bill which was passed for collecting and distributing by telegraph and otherwise information as to supply, demand, commercial distribution, quality, and market prices of dairy and poultry products. I also worked for a similar bill for collecting and distributing information concerning market prices and commercial movements of fruits and vegetables.

As a corollary of this assistance to the farmer, it was necessary that he also have some standard grades by which he could determine whether the price offered was to his advantage or not. I therefore stood firmly for a bill for investigating, demonstrating, and promoting the use of standards of the different grades, qualities, and conditions of cotton, and for investigating the ginning, grading, stapling, baling, marketing, compressing, and tare of cotton.

I have believed throughout my legislative career that when the farmers are not receiving a reasonable return for their labors, it is the function and duty of democracy, as I understand it, to see that these inequalities of return are wiped out and the farmer is put on the same basis as other classes of people.

When this condition does not obtain all our people suffer because the farmer, existing at a substandard of income, cannot buy the products of our mines, mills, and factories and in turn labor and the whole economic system finally pays the penalty. So it is that I have labored, worked, and fought to see the farmer secure his rightful place in the economy of our country. To this end I have initiated legislation and worked for legislation on literally thousands of bills which in some way or other affected the economy of the farmers. A few of the outstanding ones I should like to recall.

There was the first AAA which in the light of my basic precepts I supported.

In 1933 with mounting surpluses and stagnant markets staring farmers in the face, the argument for production control began to gain ground. Control legislation was freely discussed in 1932, and prototypes heralding the coming Agricultural Adjustment Act in Congress during the winter of 1932–33.

In the spring of 1933, the AAA, several times amended, was passed. This act was enacted to establish and maintain such balance between the production and consumption of agricultural commodities and such marketing conditions therefore as would reestablish prices to farmers at a level that would give agricultural commodities a purchasing power with respect to articles which farmers buy equivalent to the purchasing power of agricultural commodities in the base period, namely, August 1909 to July 1914, except in the case of tobacco and potatoes for which the base period was August 1919 to July 1929. I played an active part in the passage of this legislation, offered five amendments to improve the provisions of this bill when it was before the Senate, and gave special attention to the tobacco and cotton provisions of the bill.

When the adjustment program was brought to a sharp halt by the Supreme Court in January 1936 I took a part in shaping the Agricultural Adjustment Act of 1938 and the Soil Conservation and Domestic Act of 1936. The Soil Conservation and Domestic Allotment Act stressed as its objective, in addition to those present in the Soil Erosion Act, the preservation and improvement of soil fertility and the promotion of the economic use and conservation of lands, by the encouragement of soil-conserving and soil-rebuilding practices rather than the growing of soil-depleting commercial crops.

When the REA legislation was before the Senate I was not only very much in favor of it but also submitted a clarifying amendment to the bill. Rural Electrification Act of 1933 created and established the REA as an agency of the United States. The administrator is authorized and empowered to make loans to persons, corporations, States, Territories, subdivisions, and agencies thereof, municipalities, people's utility districts, and cooperatives, nonprofit organizations, and others for establishing systems for the furnishing of electric energy to persons in rural areas who are not receiving central station service. Loans are also authorized for the purpose of financing the wiring of premises of persons in rural areas and the acquisition and installation of electrical and plumbing appliances and equipment. We have all witnessed the fabulous achievement of this legislation in the form of electric lights and power machinery on farms.

I voted for the Lend-Lease Act which passed the Senate March 8, 1941, and provided for the lease, loan, and so forth of war materials, including agricultural commodities or articles in the interest of the defense of the United States. Inadequate provision was being made for the American farmer for his all-out production to meet the war conditions and in defense of the farmer.

I stated on the floor in 1941:

> Surely, if we are authorizing the Secretary of War to subsidize industrialists in order to get the materials of war, we certainly have a right to subsidize the farmers, through the Secretary of Agriculture, when greater production of agricultural commodities is needed for the same purpose. * * * It would not be honest for the Government to ask farmers to increase their production of corn, vegetables, and dairy products and then leave them in the lurch after the matter is concluded. I do not believe the Congress ever has done that in our history. We pursued a plan similar to this during the last war of 1917–19, and I am sure that the Congress will pursue the same course at this time.

I supported the so-called Steagall amendment of the act of July 1, 1941, which authorized the Secretary of Agriculture to support a price for the producers of any nonbasic agricultural commodity at 85 percent of the parity or comparable price therefor through commodity loan, purchase, or other operations, when he found it necessary to encourage the production of such commodity. By the act of October 2, 1942, the rate was increased from 85 to 90 percent. By the act of June 30, 1944, the rate on cotton was increased to 92½ percent, and by the act of October 3, 1944, the rate on cotton was again increased to 95 percent.

I was happy that I was in the Senate to support the Bankhead-Jones Farmer-Tenant Act at a time when conditions of farm tenants had reached its lowest ebb. The act provided for: First, loans to farm tenants and other eligible individuals to enable them to acquire farms; second, rehabilitation loans to eligible individuals for operating and subsistence needs; and third, a program of land conservation and land utilization, including the retirement of submarginal lands.

In commenting on this bill on July 1, 1937, I stated:

> I can conceive of no more desirable condition of our country than that those engaged in farming should own the lands which they cultivate. Nothing, perhaps, contributes so much to independent citizenship as the ownership of land. A farmer who owns his land will rarely become a Communist or a Socialist or any other kind of improper "ist"; and, in my judgment, an ideal agricultural situation in this country would be for all farmers to own their farms and have no mortgages on them.

I also voted for the Federal Crop Insurance Act of 1938. This act was created as an agency of the Department of Agriculture, in order to promote national welfare by alleviating the economic distress caused by wheat-crop failures, by insuring producers against loss of yields and to purchase, handle, store, insure, provide storage facilities for, and sell wheat, and pay any expenses incident thereto in connection with crop insurance.

I have steadfastly throughout the years devoted my effort to expending the credit facilities for farmers at reasonable interest rates. I was behind the Farm Credit Act passed in 1933. This act authorized the Governor of the Farm Credit Administration to organize and charter production credit corporations and production credit associations for the purpose of providing short-term credit for general agricultural purposes. In addition, this act authorizes the creation of "banks for cooperatives" to make loans to cooperative associations in order to aid them in financing the handling of readily marketable agricultural commodities, and for other purposes. I found a great deal of satisfaction in aiding the passage of this legislation, since I had worked many years in Congress for adequate authority to provide loans for the production and marketing of agricultural products.

I voted for the Jones-Costigan Sugar Act of 1933 and have actively supported similar Sugar Acts of 1937 and 1948. These acts provide for making benefit payments to producers of sugar and quota allotments to restrict the amount of sugar imported as well as the amount moving in interstate commerce.

The Agricultural Marketing Agreement of 1937, which I advocated, authorizes the Secretary of Agriculture to enter into marketing agreements and, in the case of certain specified commodities, to issue orders regulating the handling of agricultural commodities by fixing the grade, size, or quantity of such commodities that may be shipped and in the case of milk, by fixing the minimum prices to be paid the producers. I supported this legislation because it was another measure which sought to improve the quality and marketing of agricultural commodities and increased the farmers' income.

The legislative work to which I have called attention, of course, represents but a few high lights in the vast and intricate pattern of our agricultural problems and achievements over the past 40 years. It does point out, however, that the farmer today is not being called upon to do his part in the world crisis without the earnest and understanding help of his Government.

As I said in the beginning, I was born and reared on a farm, planting cotton and corn and other products. I turned the land, I planted the crops, constantly plowing and growing the crops. I did every other kind of work that is done on a farm. I am proud of it. I am proud that I have had a hand in the passing of legislation that has made the work of the farmer more bearable, more lucrative, and altogether more satisfying and gratifying to the farmers themselves.

All honor to the farmers of America. I hope in the years to come the partnership between the farmers and the people of the world will be maintained and will continue to bring the wonderful results which were the fruit of the efforts which were begun by the Houses of Congress in the administration of President Wilson and which have continued through the succeeding administrations.

Mr. President, I thank my friend, the Senator from California [Mr. NIXON] very much for his kindness in permitting me to make this statement at this time.

THE CENTRAL ARIZONA PROJECT

The Senate resumed the consideration of the bill (S. 75) authorizing the construction, operation, and maintenance of a dam and incidental works in the main stream of the Colorado River at Bridge Canyon, together with certain appurtenant dams and canals, and for other purposes.

Mr. NIXON. Mr. President, in the discussion of this project, I recognize that our friends from Arizona have presented their case, both on the floor and off the floor, to other Members of the Senate in a very eloquent and persuasive fashion. I also know that one of the issues upon which they have seized particularly is the issue referred to as justiciability—the necessity, in other words, of having the Congress approve this project, so that the water rights between Arizona, California, and Nevada may be settled through a Supreme Court decision.

The argument runs somewhat like this: Clearly apart from whether the project is feasible from an economic standpoint, clearly apart from whether any project involving this amount of money should be approved at this time when we have so many expenditures which are required for military purposes, this project can be justified and can be supported solely on the basis that it is the only way by which we can obtain a determination of the rights of the States of California and Arizona to the water of the Colorado River.

Mr. President, referring to the very technical and also very important issue of justiciability, I think it would be well to set forth in the RECORD, at this point, the position not only of those from California who oppose this proposed legislation, but also the position of many within the legal field who have studied this problem.

The contention of Arizona is that the controversy between the States of the lower Colorado River Basin is not now justiciable and that to make it justiciable a project must be authorized in order to create a threat to injure the other States. Hence, say its proponents, S. 75 should be passed. I may say, incidentally, this is a sharp reversal of the position taken by Arizona in the Senate hearings in the Eightieth and Eighty-first Congresses, in which she denied the necessity of, and opposed, a judicial settlement of the controversy.

A legal controversy, in varying form, has existed among the States of the lower basin for more than a quarter of a century. There seem to be only two methods of resolving it, either by interstate compact or by an action in the original jurisdiction, in the Supreme Court. The States have exhausted the possibility of a compact and are unable to agree. A suit is the only alternative.

The Supreme Court has squarely held—*Arizona* v. *California* (298 U. S. 558, 1936)—that the United States, by reason of its manifold interests in the

subject matter, is a necessary party to any interstate litigation on the lower Colorado River. It cannot be sued without its consent. The only function of Congress in the matter is to determine whether, in view of the grave importance of the controversy, it should exercise its authority and consent that the United States be made a party to the suit, in order that the existing deadlock among the States may be resolved. It is not the function of the Congress to decide the controversy. That is the function of the court. Accordingly, I shall not undertake to make any extended statement on the merits of the legal questions which are involved. It is sufficient to say that the controversy is real, it is substantial, and it has for many years beclouded the rights of the States. More important to us in the Congress, it creates a situation which plainly forbids the authorization of a new project for the use of waters of the lower basin.

Thus, the Secretary of the Interior has said in his report entitled "The Colorado River"—House Document 419, Eightieth Congress, first session, page 5:

> That further development of the water resources of the Colorado River Basin, particularly large-scale development, is seriously handicapped, if not barred, by lack of a determination of the rights of the individual States to utilize the waters of the Colorado River system.

Since the date of this report, the making of the upper Colorado River Basin compact has clarified the rights of the upper basin States. No change has taken place as to the lower basin.

Commenting on this report, the Director of the Budget in a letter of July 23, 1947—hearings on S. 75, Eighty-first Congress, first session, page 127—stated:

> The authorization of any of the projects inventoried in your report should not be considered to be in accord with the program of the President until a determination is made of the rights of the individual States to utilize the waters of the Colorado River system.

In 1947 hearings were held by the House Committee on Public Lands on a bill reauthorizing the Gila project, near Yuma in Arizona. It was pointed out by California witnesses that the block of water intended for the Gila project, 600,000 acre-feet, was the last noncontroversial water available for use in Arizona. California suggested that Arizona should choose whether that block of water should be used on the vacant public lands in the Gila project, or should be reserved for the central Arizona project, which was then in the planning stage. The House committee, in its report—hearings on S. 75, Eighty-first Congress, first session, page 127—stated:

> The committee feels the dispute between these two States on the lower Colorado River Basin should be determined and settled by agreement between the two States or by court decision, because the dispute between these two States jeopardizes and will delay the possibility of prompt development of any further projects for the diversion of water from the main stream of the Colorado River in the lower Colorado River Basin.
>
> Therefore the committee recommends that immediate settlement of this dispute by a compact or arbitration be made or that the Attorney General of the United States promptly institute an action in the United States Supreme Court against the States of the lower basin and other necessary parties requiring them to assert and have determined their claims and rights to the use of the waters of the Colorado River system available for use in the lower Colorado River Basin.

It was then that California permitted the Gila bill to pass both Houses on the consent calendar.

Thus it is plain that the committee put Arizona squarely on notice nearly 4 years ago that the controversy must be resolved, or, failing that, further authorization of Arizona projects could not be expected. It is plain, also, that Arizona made her choice, and knew, when she obtained the authorization of her public land project, that she would shortly be presenting to the Congress an impassioned and ostensibly desperate plea that that the Congress must rescue her whole economy by authorizing an additional project, based wholly upon controversial water. Either the good sense or the good faith of such procedure is open to question.

Nevertheless, in the Eightieth and Eighty-first Congresses Arizona strenuously opposed enactment of resolutions—Senate Joint Resolution 145 and Senate Joint Resolution 4—which would have consented to the joinder of the United States and thus opened the door of the Court. The Senate Committee on Interior and Insular Affairs, however, saw that a determination of the issues was indispensable and approved certain amendments to the bill which we now have under consideration, which I shall discuss later. Arizona now reverses her position and claims that the great objective of S. 75 is to furnish a basis for the commencement of a suit in the Supreme Court.

Let us now examine this claim. The Supreme Court has jurisdiction to hear and determine interstate suits. Arizona asserts that the Court will not exercise this jurisdiction unless the case is justiciable. Arizona says, further, that a case is not justiciable unless there is involved the element of either present injury to the complaining State, or a threat of imminent injury. Next, she says that unless a project is authorized which would take water from the river, and thereby threaten the rights of other States, there is no injury, nor threat of injury. Hence, says Arizona, it is essential that the Congress adopt such a bill as S. 75, in order that a justiciable case may be presented to the Court. Parenthetically, as I have said, this now seems to be the main immediate purpose of S. 75, for its author, the Senator from Arizona [Mr. MCFARLAND], in the committee report on the bill—Report No. 163, page 15—frankly says:

> Section 15 of the bill provides that no construction shall be begun so long as materials or labor necessary for construction of the project are needed for national defense. This section will probably mean no part of the project will be constructed for years, but inasmuch as the project is authorized it will constitute a threat sufficient to make a justiciable issue for the courts and the issues can be litigated during the present emergency.

How far is Arizona's argument valid and what are its weak spots? It is true that the Supreme Court will not take a case unless it is justiciable. It is true that in some types of cases, of which the chief example is an injunction case, it is necessary that there be shown either injury or threat of injury, or the case is not justiciable. This, however, is by no means a universal rule. In other cases, such, for example, as a quiet title case, there need be no injury nor threat of injury. The plaintiff in a quiet title case, as all lawyers will recognize, need simply allege that there is an invalid adverse claim made against his property, and that is enough to entitle him to a hearing and, if proved, to a judgment.

Next, it is not true that it has ever been held that it is necessary to show that a project has been authorized in order to make an interstate water case justiciable. There is simply no authority for that statement. It rests in pure assertion on Arizona's part, assertion so often repeated that it seems to have substance. This is the weak link in her argument. It will not support the weight she puts on it, and the chain falls apart.

Not only has the Supreme Court never held that the authorization of a project is essential to make a case justiciable. It has directly held the opposite in the last great water suit between States which it has decided. That was the case of *Nebraska* v. *Wyoming and Colorado* (325 U. S. 589), decided in 1944. In that case, Nebraska originally sued Wyoming alone, complaining that existing diversions of water from the North Platte River in Wyoming were presently interfering with Nebraska's ability to get water she needed downstream on that river. Also mentioned in that phase of the case was the fact that Congress had authorized construction of the Kendrick project in Wyoming, which would further prejudice Nebraska's ability to get water. In Nebraska's complaint—page 592 of the Court's opinion—the Court said:

> The prayer was for a determination of the equitable share of each State in the water and of the priorities of the appropriations in both States, and for an injunction restraining the alleged wrongful diversions.

Wyoming, mindful of the facts that some upper headwaters of tributaries of the North Platte extended from Wyoming into the northern Colorado mountains and knowing that Colorado had some plans for new diversions from these tributaries, desired that all parties be before the Court, so that it would have all the phases of the North Platte problem before it and could deal with the river system as a whole. Accordingly, Wyoming impleaded Colorado as a defendant.

Now let us note that the Kendrick project lay on one part of the river system, namely the main stream of the North Platte. It was, therefore, an important element in the issues between Nebraska and Wyoming, but only in a most indirect way was it a factor in any issues between Wyoming and Colorado. On the other hand, Colorado's inchoate plans for development related to a different part of the river system, namely, the headwater tributaries in Colorado. Colorado's plans affected directly the

issues between Colorado and Wyoming, in fact were the crux of those issues, but only remotely, if at all, affected the issues between Wyoming and Nebraska. There were, in effect, two lawsuits in one, with separate subject matters, consolidated because geographically Wyoming was in the middle.

With this background, what did Colorado do and what did the Court hold?

As the Court says—page 592:

Colorado argues here that there should be no affirmative relief against her and that she should be dismissed from the case.

Page 607:

As we have noted, Colorado moves to dismiss the proceeding. She asserts that the pleadings and evidence both indicate that she has not injured nor presently threatens to injure any downstream user.

And that is the precise test which Arizona would apply to the justiciability of the case in the lower basin of the Colorado River.

Colorado supported her motion by arguments which Senators will recognize as being exactly those which Arizona now advances—page 608:

The argument is that the case is not of such serious magnitude and the damage is not so fully and clearly proved as to warrant the intervention of this Court under our established practice. (*Missouri* v. *Illinois* (200 U. S. 496, 521; 50 L. Ed. 572, 579; 26 S. Ct. 268); *Colorado* v. *Kansas* (320 U. S. 383, 393, 394; 88 L. Ed. 116, 123, 124; 64 S. Ct. 176).) The argument is that the potential threat of injury, representing as it does only a possibility for the indefinite future, is no basis for a decree in an interstate suit, since we cannot issue declaratory decrees. (*Arizona* v. *California* (283 U. S. 423, 462–464; 75 L. Ed. 1154, 1169–1171; 51 S. Ct. 522) and cases cited.)

We fully recognize those principles. But they do not stand in the way of an entry of a decree in this case.

The factual situation, as described by the Court, was—page 608:

The evidence supports the finding of the special master that the dependable natural flow of the river during the irrigation season has long been overappropriated. A genuine controversy exists. The States have not been able to settle their differences by compact. The areas involved are arid or semiarid. Water in dependable amounts is essential to the maintenance of the vast agricultural enterprises established on the various sections of the river. The dry cycle which has continued over a decade has precipitated a clash of interests which, between sovereign powers, could be traditionally settled only by diplomacy or war. The original jurisdiction of this Court is one of the alternative methods provided by the framers of our Constitution.

Every word of the Court's statement of the facts might have been written about the lower Colorado River. The facts are not only parallel, they are identical. The natural flow of the lower Colorado has long been overappropriated. A genuine controversy is admitted to exist. The States have not been able to settle it by compact. The area involved is arid. Water is essential to maintenance of vast agricultural enterprises which are established. Even the 10-year dry cycle—1931–40—is identical.

So the Court's comments on the fact that Colorado had certain "proposed projects," just as Arizona now has a proposed project, have special significance. The Court says—page 609:

The claim of Colorado to additional demands may not be disregarded. The fact that Colorado's proposed projects are not planned for the immediate future is not conclusive in view of the present overappropriation of natural flow. The additional demands on the river which those projects involve constitute a threat of further depletion.

Senators will observe that the Court states that Colorado's proposed projects constituted a threat and does so entirely irrespective and independent of the existence of the Kendrick project. That fact the Court was, for the time, eliminating from its consideration of, and action on, the case.

If the Colorado projects, which were "not planned for the immediate future" were a threat, how much greater threat is the central Arizona project, which is planned for immediate development. The Secretary of the Interior has filed with the Congress his project report—House Document 136, Eighty-first Congress, first session—and the pending bill, S. 75, is the vehicle for its implementation.

The Court summarizes the controversy in Nebraska against Wyoming thus—page 610:

What we have then is a situation where three States assert against a river, whose dependable natural flow during the irrigation season has long been overappropriated, claims based not only on present uses but on projected additional uses as well. The various statistics with which the record abounds are inconclusive in showing the existence or extent of actual damage to Nebraska. But we know that deprivation of water in arid or semiarid regions cannot help but be injurious. That was the basis for the apportionment of water made by the Court in *Wyoming* v. *Colorado* (259 U. S. 419, 66 L. Ed. 999, 42 S. Ct. 552, supra). There the only showing of injury was the inadequacy of the supply of water to meet all appropriative rights. As much if not more is shown here. If this were an equity suit to enjoin threatened injury, the showing made Nebraska might possibly be insufficient. But *Wyoming* v. *Colorado*, supra, indicates that where the claims to the water of a river exceed the supply a controversy exists appropriate for judicial determination. If there were a surplus of unappropriated water, different considerations would be applicable. Cf. *Arizona* v. *California* (298 U. S. 558, 80 L. Ed. 1331, 58 S. Ct. 848). But where there is not enough water in the river to satisfy the claims asserted against it, the situation is not basically different from that where two or more persons claim the right to the same parcel of land. The present claimants being States we think the clash of interests to be of that character and dignity which makes the controversy a justiciable one under our original jurisdiction.

So the Court held, again, in words that might have been written about the lower Colorado, instead of the North Platte, that the controversy was justiciable, and that the rights of the States to the water could be determined, even though the facts constituting the threat might not be sufficient in an injunction case.

The Court clinches the point, after discussing the case of *Colorado* v. *Kansas* (320 U. S. 383), by saying in reference to that case—page 611:

Moreover, we made clear (320 U. S., p. 392, note 2, 88 L. Ed. 123, note 2, 64 S. Ct. 176) that we were not dealing there with a case like *Wyoming* v. *Colorado* (259 U. S. 419, 66 L. Ed. 999, 42 S. Ct. 552, supra), where the doctrine of appropriation applied in each of the States which were parties to the suit and where there was not sufficient water to meet all the present and prospective needs.

The Court's action is stated—page 611—as follows:

Colorado's motion to dismiss is accordingly denied.

No amount of argument can distort what the Court thus did, nor the premises upon which it acted. It plainly based its action upon a broad ground, which entirely disregards the existence of the Kendrick project. Nor can any amount of argument, based on generalities to the effect that the Court will not issue declaratory judgments nor advisory opinions, be convincing in the face of the accomplished fact, the Nebraska-Wyoming decision. In fact, this thought is pointed up by the dissenting opinion of Mr. Justice Roberts. He said—page 657:

I am sure that, on the showing in the present case, none of the States is entitled to a declaration of rights.

Yet, that is exactly what the Court held should be done, and that is the law of the United States.

One more quotation from the decision in the Nebraska case in which the Court discusses the fruitless efforts of the States in that case to arrive at an interstate compact. In the case of the lower Colorado, the States have failed to make a compact after scores of intense efforts, running over nearly 30 years. The Court said—page 616:

There is some suggestion that if we undertake an apportionment of the waters of this interstate river, we embark upon an enterprise involving administrative functions beyond our province. We noted in *Colorado* v. *Kansas*, supra (320 U. S., p. 392, 88 L. Ed. 123, 64 S. Ct. 176), that these controversies between States over the waters of interstate streams "involve the interests of quasi-sovereigns, present complicated and delicate questions, and, due to the possibility of future change of conditions, necessitate expert administration rather than judicial imposition of a hard and fast rule. Such controversies may appropriately be composed by negotiation and agreement, pursuant to the compact clause of the Federal Constitution. We say of this case, as the Court has said of interstate differences of like nature, that such mutual accommodation and agreement should, if possible, be the medium of settlement, instead of invocation of our adjudicatory power." But the efforts at settlement in this case have failed. A genuine controversy exists. The gravity and importance of the case are apparent. The difficulties of drafting and enforcing a decree are no justification for us to refuse to perform the important function entrusted to us by the Constitution.

I have laid before the Senate the decision of the Supreme Court in the Nebraska case so thoroughly because—

First. It is one of the most important and most exhaustively considered decisions of the Court in an interstate water rights case;

Second. It is the most recent such case;

Third. It is the most recent important decision on the question of justiciability;

Fourth. It is based on facts which could hardly be more precisely identical

with the situation in the lower Colorado River Basin; and

Fifth. The Court, if it had so chosen, might have decided the case on the ground which Arizona now so vigorously asserts to be the law. It did not do so, but elected to hold the opposite.

So much for the decision in the Nebraska case. What other support is there for the view that the present controversy in the lower basin is justiciable? The Secretary of the Interior has advised the Senate of his opinion, and it is unequivocal. After analyzing the legal questions which are in controversy he states—hearings, House Committee on Public Lands on H. R. 934 and 935, Eighty-first Congress, first session, page 1150:

> The bare statement of these questions, the knowledge that there is disagreement between Arizona and California about the answers to be given them, and the fact that, if the contentions of either State are accepted in full and if full development of the upper basin within the limits fixed by the Colorado River compact is assumed, there is not available for use in the other State sufficient water for all the projects, Federal and local, which are already in existence or authorized would seem to indicate that there exists a justiciable controversy between the States.

It is true that he added—page 1150:

> Should the Congress, however, entertain doubt about the existence of such a controversy, it could dispel that doubt by authorizing the construction of the central Arizona project, a report which has been prepared by this Department and has been sent, pursuant to the provisions of section 1 of the Flood Control Act of 1944, to the States of the Colorado River Basin and to the Secretary of the Army for consideration and comment.

But the Secretary either did not intend that suggestion seriously—the Budget Bureau frowned on it in a letter dated May 7, 1943, idem., page 1154, and reported the project not to be in accord with the program of the President in a letter dated February 4, 1949, idem., page 1156—or else he was offering that suggestion as a hedge in case the proposed suit should be cast as an injunction action; for he followed at once with this language:

> It is probably true that, in view of the existing physical water supply in the lower basin—a supply which is as ample as it is chiefly because the upper basin States are using far less than the 7,500,000 acre-feet apportioned to them by the compact—the situation is not such that the Court would be warranted in granting an injunction against either California or Arizona if it were found to be using more water than it is entitled to use. The controversy, nevertheless, appears to be the sort that would justify the Court's determining the rights of the parties and definitely adjudicating their respective interests in the waters available to the lower basin. It matches in every particular the requirements for a case or a controversy in the constitutional sense of these words as those requirements were spelled out by the Supreme Court in *Aetna Life Insurance Company* v. *Haworth* (300 U. S. 227, 240 (1937)). "A 'controversy' in this sense," the Court said, "must be one that is appropriate for judicial determination.* * * The controversy must be definite and concrete, touching the legal relations of parties having adverse legal interests. * * * It must be a real and substantial controversy admitting of specific relief through a decree of a conclusive character, as distinguished from an opinion advising what the law would be upon a hypothetical state of facts. * * * Where there is such a concrete case admitting of an immediate and definitive determination of the legal rights of the parties in an adversary proceeding upon the facts alleged, the judicial function may be appropriately exercised although the adjudication of the rights of the litigants may not require the award of process or the payment of damages. * * * And as it is not essential to the exercise of the judicial power that an injunction be sought, allegations that irreparable injury is threatened are not required."

This positive opinion of the Secretary of the Interior is referred to in a later letter of March 18, 1949, to the chairman of the Senate committee—hearings on S. 75 and Senate Joint Resolution 4, Senate Committee on Interior and Insular Affairs—in which the Secretary says—page 9:

> A report of this Department upon those resolutions was presented to your committee in a letter dated May 13, 1948. In that letter it was pointed out that the United States is an indispensable party to any litigation that may be brought to decide the dispute which now exists among the States of the lower basin of the Colorado River and that that dispute appears to have the elements of a justiciable controversy. There is, therefore, no need for me to elaborate on these matters here.

Thus Arizona, in order to convince the Senate that the present controversy is not justiciable, must not only overcome the decision of the Supreme Court in a strikingly similar case, but must show the Senate that the same Secretary of the Interior who has filed his project report with the Senate holds an opinion as to the justiciability of the present controversy, which is flatly wrong.

If Arizona cannot convince the Senate that both the Secretary and the Supreme Court are wrong, her house of cards falls.

THE CONTROVERSY IS JUSTICIABLE UNDER ARIZONA'S OWN CRITERIA

There is another major reason why there is no need to authorize a billion-dollar project in order to permit the Supreme Court to entertain the case. This reason does not depend upon the controlling force which the Court set upon purely prospective projects in the Nebraska case. Testimony of responsible witnesses before congressional committees shows that there is already a deficit of several hundred thousand acre-feet a year in the water supply of the lower basin, compared with the demands upon that supply to serve existing projects, projects already authorized and those for which other commitments exist—hearings on S. 75, Senate Committee on Interior and Insular Affairs, page 265; letter from Commissioner of Reclamation to Senator MCCARRAN, Senate Document 39, Seventy-first Congress, page 8.

The Secretary of the Interior has found the facts in slightly different terms—hearings on H. R. 934, House Committee on Public Lands, Eighty-first Congress, first session, page 1152:

> The water which California projects, Federal or other, now in existence or under construction will require when they are in full operation is a great deal more than the amount which that State is entitled to use if all of Arizona's contentions are taken to be true. Similarly, the water which Arizona projects now in existence, under construction, or authorized, will require when they are fully developed is much more than the supply available to that State, if all of California's contentions are taken to be true.

Put in this way, it is clear that one State or the other has already invaded the other's water entitlement. It makes no difference which State has done so, the fact is that the water supply is already overencumbered. This, too, without including the proposed central Arizona project. The conclusion is inescapable that the controversy is now justiciable under the very tests and criteria of justiciability for which Arizona contends.

WHAT IS WRONG WITH SECTIONS 12 AND 13 OF S. 75

I now come to comment on the provisions of sections 12 and 13. They read as follows:

> SEC. 12. If any State or States within 6 months after the effective date of this act shall begin a suit or suits in the Supreme Court of the United States to determine the right to the use of water for diversion from the main stream of the Colorado River through aqueducts or tunnels to be constructed pursuant to this act for beneficial consumptive use in Arizona, and to adjudicate claims of right asserted by such State or States or by any other State or States, under the Colorado River compact, the Boulder Canyon Project Act (45 Stat. 1057), the California Self-Limitation Act (Cal. Stat. 1929, ch. 16), and the Boulder Canyon Project Adjustment Act (54 Stat. 774), consent is hereby given to the joinder of the United States of America as a party in such action or actions. Any State of the Colorado River Basin may intervene or be impleaded in such suit or suits. Any such claims of right affected by the project herein authorized and asserted by any defendant State, impleaded State, or intervening State under said compact and statutes, or by the United States may be adjudicated in such action. In any such suit or suits process directed against the United States shall be served upon the Attorney General of the United States.
>
> SEC. 13. There are hereby authorized to be appropriated, out of any moneys in the Treasury not otherwise appropriated, such sums as may be necessary to carry out the provisions of this act: *Provided*, That no moneys appropriated under the authority of this act shall be expended for the construction of works authorized by this act which are required solely for the purpose of diverting, transporting and delivering water from the main stream of the Colorado River for beneficial consumptive use in Arizona, during the period of 6 months after the enactment of this act and during the pendency of any suit or suits in which the United States shall be joined as a party under and by virtue of the consent granted in section 12 of this act. The pendency of a motion for leave to file a bill of complaint shall be considered pendency of a suit or suits for the purposes of this act: *Provided further*, That power sales contracts shall be made with a view to the reservation of generating capacity sufficient for the operation of all features of the project and that rates for power shall be fixed in accordance with the Federal reclamation laws; and that revenues derived from the sale of power shall be credited in accordance with the provisions of the act of May 9, 1938 (52 Stat. 291, 318).

(At this point Mr. NIXON yielded to Mr. GEORGE, who submitted the conference report on H. R. 1612, the Trade Agreements Extension Act of 1951, which, after debate was agreed to. On request of Mr. GEORGE, and by unanimous consent, the debate and proceedings on the conference report were ordered to be printed in the RECORD following Mr. NIXON's remarks.)

Mr. NIXON. Mr. President, referring again to sections 12 and 13 of the bill, these sections and their provisions are now pointed to by Arizona as the prime objective of S. 75. In the words of Representative MURDOCK, of Arizona, in the hearings recently held in the House Committee on Interior and Insular Affairs, of which he is chairman, speaking on March 1, 1951—volume III, report, transcript, page 251:

> On this matter of a suit in the Supreme Court, I want to tell you that as author of the bill, it is my first and prime objective to get authorization which will make it possible to have a final determination of this suit in the highest court of the land.

Again Mr. MURDOCK declared, on March 16, 1951—volume XIV, report, transcript, page 1276:

> I hope I have made myself clear to the committee, but one further word: I would give my right arm if we could get the highest court of the land to tell us within the briefest possible time, "Arizona, you have so much water coming to you," or even if we have not water coming to us, I would like to know that.

Arizona thus seems to accept the suit as inevitable and desirable, although from 1947 to 1949 she vehemently denounced the idea as a red herring cast in her way for the sole purpose of delaying the consummation of the central Arizona project. The sincerity of her conversion may be open to question, as I shall later point out, but she has high authority for the necessity of the suit.

The Director of the Budget, in a letter of April 19, 1950, to Chairman MURDOCK, said:

> The first question raised was whether there is enough water in the Colorado River, available for use in Arizona, to satisfy the needs of this project on a permanent basis. The President has stated many times that he would like to see a definitive settlement of the rights of the various States to waters of the Colorado River system, in order that decisions on projects to be developed in the public interest may be made on a firm basis with respect to water rights. The President consistently has indicated his unwillingness to take any position favorable to authorization of the central Arizona project until settlement of the water-rights controversy has been brought about.
>
> S. 75, in its present form, is intended to provide one means by which this controversy might be settled. I am unable to express to the committee at this time any views concerning the efficacy of the bill for this purpose.

Mr. President, I now wish to lay before the Senate some of the things that are wrong with sections 12 and 13.

First. They are totally inequitable.

Second. As a matter of policy, they are improvident, sham, and stultifying.

Third. As a matter of law, they are unworkable.

Taking up my first point, it is only simple justice that Arizona should be required to prove her right to sufficient water for the central Arizona project. As the Director of the Budget indicates, the very first prerequisite of a sound irrigation project is the existence of an adequate and permanent water supply. To take an every-day illustration, a man owns a lot and wants to borrow money on it to build a house. The lending agency asks for a title search. It discloses that there is on record in the name of a third person an unreleased claim to the title of the lot. The borrower says the claim is bad. The lending agency, as a matter of course, insists that he bring suit to quiet title, or have no loan.

That is exactly the position Arizona is in, except that Arizona has nothing as definitive as a plain record title to the water right she claims. Arizona wants to borrow $788,000,000 from the United States; that is, she wants the United States to advance that amount for her benefit, although she does not make any gesture toward binding herself to pay it back. It develops from the public records, indeed, it is a matter of common knowledge, that the claims of another State overlap Arizona's to such a great extent that, if the other State is correct, as the Secretary of the Interior says—House Document 136, Eighty-first Congress, first session, page 122:

> There will be no dependable water supply available from the Colorado River for this diversion.

In common fairness, if Arizona wants the United States to advance the money, she should assume the burden of proving first that she has the water right. That is, in the ordinary course of business, her natural obligation. The very fact that, after denying for years that any suit was necessary, she now is reluctant to go forward and prove her case, leads to the surmise that she has no confidence that she can prove her case.

At any rate, it is wholly out of order, and inequitable, that California or any other State should be called upon, as sections 12 and 13 require, to take the laboring oar and prove the negative fact that Arizona has no water right for the project.

One of the early drafts of these sections—Committee Print No. 1—expressed the correct theory. It provided that no appropriations should be made to carry Colorado River water to central Arizona during the pendency of the suit:

> Nor thereafter unless the Supreme Court * * * shall have held that water is available therefor.

For another reason sections 12 and 13 are unjust. Arizona's chief counsel, Mr. Charles A. Carson, testified before committees of both Houses that, in his judgment, the bill as drawn would be susceptible of use, and he intended to use it, as evidence of the fact that Congress had, by approving the project, thrown the weight of the United States into the scales in favor of Arizona. It is inconceivable that Congress would so intend to affect a lawsuit between States.

The present provisions of S. 75 are thoroughly unusual and totally inequitable and indefensible.

My second point is that the provisions of the bill are improvident, sham and stultifying.

The bill purports to commit the United States Treasury to an expenditure of $788,000,000, of which $450,000,000 is for the irrigation scheme, and the rest is for power. To authorize the expenditure of nearly half a billion dollars on the assertion that it is necessary to get a lawsuit started, is more grandiose in conception than merely burning down a house to roast a pig. Why, it has been asked by a member of the House Committee in its recent hearings on the project, could not some $10,000,000 project be found in one of the States of the lower basin which would definitely overdraw the water supply and create a threat, if any threat is needed? The answer is, of course, that no new threat is needed to get the case into court. Arizona's theory is one that enables her to get her foot in the door, and that is the reason for its existence.

The suit provision in sections 12 and 13 are sham. The consent that the United States be sued is coupled with and based on an authorization of the Arizona irrigation scheme. That authorization is essentially so conditioned upon the court's degree that it is thoroughly fictitious. What does it mean? At the outset, the authorization is, by section 13, one under which no expenditures may be made while the suit is pending. It is, therefore, one in suspended animation, having no present vigor or consequence. It is not what the chairman of the House committee, Mr. MURDOCK, has correctly declared to be necessary, an authorization that is real and bona fide. Hearings on House Resolution 1500, volume 13 of reporter's transcript, 1143. Is there any reason to believe that the Supreme Court, if it thought that a threat was material to the case, would regard such a floating and disembodied ghost of an authorization as a threat? Or would it say that Congress certainly was not so careless of the taxpayers' money as to intend to authorize a project whether it had a water supply or not?

Looking forward, what is the intention of Congress as to how the authorization shall operate after the Court has rendered its decree? Proponents of S. 75 must admit that there is nothing in sections 12 or 13 to suspend the authorization, the minute the Court has spoken. Unless Arizona wins 100 percent on every point in contention, there will not be water available to her sufficient to serve the project, as designed. But suppose that Arizona does not win 100 percent. Suppose that Arizona loses 100 percent and there is no water supply at all for the project. Is Congress then to be understood as meaning that nevertheless the project shall be built, as a monument to its mistaken judgment? Of course not, I suppose proponents would say. No Appropriations Committee would do such a foolish thing. Would Congress then repeal the act and thereby admit that it had to stultify itself?

The possibilities of an intermediate decision by the Court are endless. As the

Secretary of the Interior has said—hearings on H. R. 934, 935, House Committee on Public Lands, Eighty-first Congress, first session, page 1152:

> I have not attempted to examine the merits of the contentions made by the spokesmen for Arizona and California on these questions. Assuming, however, that there is some merit to both sides on all four of the major questions, it is obvious that there are many answers, in terms of the number of acre-feet of water which California may use under section 4 (a) of the Boulder Canyon Project Act, that might conceivably be given. Using the long-run average flows shown in this Department's report on the Colorado River Basin as a basis for computations, the answers might range from as much as 6,250,000 acre-feet per year to approximately 4,000,000 acre-feet. Likewise, there is a great range in the amount of water from the Colorado River system which might be found available for use in Arizona. The maximum might be somewhat over 3,500,000 acre-feet, the minimum nearly as little as 2,250,000 acre-feet.

Suppose the Court holds that Arizona has a right to only a third, or a half, of the 1,200,000 acre-feet a year required to serve the project, as designed. Would it now be taken as the intention of Congress that the full-size aqueduct be built? Or would it be taken as the intention of Congress that in such an event the canal, pumps and all other features would have to be redesigned and their feasibility and financial plan be reexamined and justified? Of course, the latter is the only course that would be rational and I cannot believe that the courts would willingly interpret an act of Congress as being irrational.

If what I have said is true, what becomes of the authorization? It is plainly not a fixed and firm decision of the Congress. It seems to be nothing "real and genuine." In fact, it seems to be an act which Congress is asked to pass with its tongue in its cheek and with its fingers crossed. It is superficially a cleverly designed stepping stone to the Court. The Court, however, is thoroughly accustomed to looking through the superficial to the real. I cannot believe that it would be deceived by such a sham.

Sections 12 and 13 are unworkable. They would not achieve the object which proponents of the bill profess to advocate.

The rights of the five States in the lower basin of the Colorado, Arizona, California, Nevada, New Mexico, and Utah, to the use of the waters of the river, constitute an interrelated complex. The rights of any one State cannot be ascertained alone, but depend on definition of their relation to the whole. The settlement of the controversy in the lower basin can only be arrived at when the rights of each State, and all, are determined. It is such a settlement to which the suit should be directed, or it has failed to serve its purpose.

Does Section 12 consent that the United States be sued in such a suit? Definitely, no. Such narrow limitations are cast about the suit that it may be doubted whether it will serve any purpose.

Section 12 limits the suit to one "to determine the right to the use of water for diversion from the main stream of the Colorado River through aqueducts or tunnels to be constructed pursuant to this act for beneficial consumptive use in Arizona." Thus, it is at least arguable that the suit is not an equitable apportionment suit, nor a quiet-title suit, in which there could be determined Arizona's total entitlement, and what commitments she has made from that entitlement and what residue may remain for the project authorized by the act. Apparently it would be a suit to determine only the narrow question of Arizona's right to take water for this one project. I presume Arizona would argue that it must be an injunction suit and subject to the limitations of that type of case. At any rate, the burden of proving the negative of such a limited proposition as the right to water for one project should not be cast on any other State, as I have said.

Section 12 provides—"and to adjudicate claims of right asserted by such State or States or by any other State or States, under" four specific documents, the Colorado River Compact, the Boulder Canyon Project Act, the California Limitation Act, and the Boulder Canyon Project Adjustment Act. This language might be taken as opening the door to a full-scale investigation of the rights of all the States. It may not. In the first place the language ignores four significant pieces of the puzzle, first, the Mexican Water Treaty; second, the act of the Arizona Legislature of February 11, 1944, by which Arizona recognized California's rights within the terms of her Limitation Act; third, the upper Colorado River compact; and, fourth, the appropriative rights in each of the States which existed before any of the statutes and compacts. It may be that the Court would choose to consider these elements. Certainly, however, section 12 is not so drawn as to demonstrate that it should do so.

The second reason why the clause of section 12 last quoted may be inadequate is that in the second sentence following it is declared:

> Any such claim of right affected by the project herein authorized and asserted by any defendant State, impleaded State, or intervening State under said compact and statutes, or by the United States may be adjudicated in such action.

Here I ask whether it is the intent that the claims of the States shall only be adjudicated to the extent they are affected by the project. If so, is not the controlling clause of section 12 the first one, which, as I have suggested, may be taken as limiting the scope of the action to the naked question whether Arizona has a water right for the one project?

If the Court should hold as I have suggested, would it not hold that it is utterly impracticable and futile for it to examine into the water right for one project in one State, without having before it the subject matter by which it could approach that result, namely, all the rights and all the present uses in all the five States? If so, the plan of section 12 is unworkable. It would not lead to any useful result.

In order to let the Members of the Senate know why I am perhaps a shade skeptical of the real intent behind the drafting of section 12 and the uncertainties which I find in it, I should say that in the hearings held in March 1951, before the House committee the chief counsel for Arizona, Mr. Carson, disclosed that in his opinion and judgment, California could never state a justiciable case of action, even though the central Arizona project was authorized, unless California could truthfully allege that Arizona was presently interfering with California's satisfying her rights to take water from the river. In view of the fact that there is now flowing down the river to the Gulf of California around 5,000,000 acre-feet of water which belongs to the upper basin under the Colorado River Compact, but which the upper basin is not now using, and in view of the fact that this unused water may not be put to use by the upper basin for 25, 50, or 100 years, and in view of the fact that during such a period the unused upper basin water would be physically present in the river and temporarily available to meet California's needs, I am led to wonder just what Mr. Carson means. Taking his statement at face value, and assuming he is correct, which I emphatically deny, then no justiciable cause of action could be stated by California, or any other State in this generation, or perhaps the next. What becomes, then, of the compelling necessity which the Arizona Senators allege, I assume in the utmost good faith, to authorize the central Arizona project in order to make the case immediately justiciable? The sober truth is that sections 12 and 13 are unworkable and Mr. Carson thinks he knows how to prevent them from working.

Arizona's present excuse for authorizing the central Arizona aqueduct is that it will make the controversy justiciable and permit it to be settled by the Court. But we now discover that Arizona's chief counsel believes he can convince the Court that, notwithstanding the act, the controversy is still not justiciable and will not be justiciable until some distant day when one State or another is unable to draw water from the river to satisfy her rights.

If he should succeed in this dubious maneuver, the result is that, under section 13, as soon as the court dismisses the suit, the authorization of the aqueduct becomes immediately and fully operative. Such a result would not comport with the representations which have been made to the Senate and cannot be squared with good faith.

To sum up:

First. Under the decision of the Supreme Court in the case of Nebraska against Wyoming such a controversy as that existing in the lower basin of the Colorado River is now justiciable.

Second. Under the opinion of the Secretary of the Interior, that particular controversy is now justiciable.

Third. Independent of both opinions, the factual situation in the lower basin is that there is already a shortage of water supply to meet all lawful demands which may be made on it by existing and presently authorized projects and other commitments; hence, the case is now justiciable under the very criteria urged by Arizona. This statement does not

take into account the remarkable and revealing position of Mr. Carson.

Fourth. Sections 12 and 13 of the bill are inequitable, improvident, sham, and unworkable. Indeed, if Mr. Carson were correct, they would accomplish nothing.

We are approaching the fourth anniversary of the introduction of the first central Arizona project bill—S. 1175, Eightieth Congress; S. 75, Eighty-first Congress; S. 75, Eighty-second Congress. Through this period there have been pending before the Congress brief, clean-cut resolutions introduced by all four Senators from Nevada and California providing for joinder of the United States in an immediate suit in the Supreme Court—Senate Joint Resolution 145, Eightieth Congress; Senate Joint Resolution 4, Eightieth Congress; Senate Joint Resolution 26, Eighty-second Congress.

Arizona has vehemently opposed the California-Nevada resolutions. She originally opposed any provision for suit, but has now reversed herself, and insists that the suit must proceed, but only after she has obtained the ambiguous authorization of her project provided for in S. 75.

While the debates have been running on in the political forum, the issue of justiciability could have been decided by the Court several times over. That issue lies at the threshold of the litigation. The Court is able to dispose of such a preliminary question in a matter of months. We know this is true. In the three cases brought by Arizona against the other States in the basin—*Arizona* v. *California et al.* (283 U. S. 423); *Arizona* v. *California et al.* (292 U. S. 341); *Arizona* v. *California et al.* (298 U. S. 558) issues of similiar legal character were presented, argued, and determined with a promptness which may be surprising. The actual elapsed time from the filing of the bill to the date of decision in those three cases was 5 months, 3½ months, and 8 months, respectively.

I respectfully submit that had not Arizona opposed Senate Joint Resolution 145 in 1947 and thereafter, any question as to the justiciability of the case could long since have been settled by the Court. The Senate could be relieved of this argument and could have gone about more pressing and productive business.

TRADE AGREEMENTS EXTENSION ACT OF 1951—CONFERENCE REPORT

During the delivery of Mr. NIXON's speech,

Mr. GEORGE. Mr. President, will the Senator from California yield to me so that I may present a conference report? I do not think it will provoke any controversy.

Mr. NIXON. I am very glad to yield.

Mr. GEORGE. Mr. President, I ask that all proceedings in connection with the conference report be printed in the RECORD at the conclusion of the remarks of the distinguished Senator from California.

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

Mr. GEORGE submitted the following report:

The committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H. R. 1612) to extend the authority of the President to enter into trade agreements under section 350 of the Tariff Act of 1930, as amended, and for other purposes, having met, after full and free conference, have agreed to recommend and do recommend to their respective Houses as follows:

That the House recede from its disagreement to the amendments of the Senate numbered 1, 2, 3, 4, 7, and 8 and agree to the same.

Amendment numbered 5: That the House recede from its disagreement to the amendment of the Senate numbered 5, and agree to the same with the following amendments: On page 2, of the Senate engrossed amendments, strike out lines 12, 13, and 14, and insert the following: "imported into the United States in such increased quantities, either actual or relative, as to cause or threaten serious injury to the"; on page 3 of the Senate engrossed amendments, strike out lines 12 and 13, and insert the following: "increased quantities, either actual or relative, as to cause or threaten serious"; on page 4 of the Senate engrossed amendments, strike out lines 4, 5, and 6, and insert the following: "cession, being imported in such increased quantities, either actual or relative, as to cause or threaten serious injury to the."

And the Senate agree to the same.

Amendment numbered 6: That the House recede from its disagreement to the amendment of the Senate numbered 6, and agree to the same with an amendment, as follows: On page 6 of the Senate engrossed amendments, line 11, strike out "20" and insert "25."

And the Senate agree to the same.

Amendment numbered 9: That the House recede from its disagreement to the amendment of the Senate numbered 9, and agree to the same with an amendment, as follows: In lieu of the matter proposed to be inserted by the Senate amendment, insert the following:

"SEC. 11. The President shall, as soon as practicable, take such measures as may be necessary to prevent the importation of ermine, fox, kolinsky, marten, mink, muskrat, and weasel furs and skins, dressed or undressed, which are the product of the Union of Soviet Socialist Republics or of Communist China."

And the Senate agree to the same.

WALTER F. GEORGE,
TOM CONNALLY,
HARRY F. BYRD,
E. D. MILLIKIN,
ROBERT A. TAFT,
Managers on the Part of the Senate.

R. L. DOUGHTON,
JERE COOPER,
JOHN D. DINGELL,
W. D. MILLS,
DANIEL A. REED,
THOMAS JENKINS,
RICHARD M. SIMPSON,
Managers on the Part of the House.

Mr. GEORGE. Mr. President, as the conference report shows, the House recedes from its disagreement to the amendments of the Senate numbered 1, 2, 3, 4, 7 and 8.

In the case of amendment numbered 5 the House recedes from its disagreement to the amendment of the Senate and agrees to it with the following amendments:

On page 2 of the Senate engrossed amendments, strike out lines 12, 13, and 14 and insert the following: "imported into the United States in such increased quantities, either actual or relative, as to cause or threaten serious injury to the"—

Then follows the language in the bill.

Mr. MORSE. Mr. President, will the Senator yield on that particular amendment?

Mr. GEORGE. I am glad to yield to the Senator from Oregon.

Mr. MORSE. Will the Senator explain to the Senate what, in his opinion, is the difference between that section of the Senate bill and the section as amended by the conferees?

Mr. GEORGE. The amendment as agreed to is in the nature of a clarification. It is intended to meet a situation which might not have been met by the language of the Senate bill. In the Senate bill the language read:

Imported into the United States in such relatively increased quantities, measured by a prior representative period—

And so forth. In conference our attention was called to the fact, which I think persuaded our conferees, that during World War II some of our industries were virtually choked off, and new industries were established, which had no comparative prior period to which the relatively increased imports might be compared. For that reason we thought it best to make it clear that whenever the articles were imported into the United States in such increased quantities, either actual or relative, as to cause or threaten serious injury to the domestic industry, the American industry should have the full advantage of the escape-clause provision in the bill.

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

Mr. GEORGE. I am pleased to yield. I think the distinguished Senator from Colorado [Mr. MILLIKIN] will verify our reason for making this change.

Mr. MORSE. Will the Senator permit me to make an observation, and then comment upon it, or permit the Senator from Colorado to comment upon it?

Mr. GEORGE. I am pleased to yield.

Mr. MORSE. Do the Senator from Georgia and the Senator from Colorado agree that I am correct in my interpretation of the language which was adopted in the conference by way of modification of the Senate language, in that the new language strengthens and makes more effective the operation of both the peril-point and escape-clause principles?

Mr. GEORGE. I think undoubtedly it does. I should be very glad to have the distinguished Senator from Colorado express himself on that point.

Mr. MILLIKIN. Mr. President, I will say to the distinguished Senator from Oregon that I think there is a strengthening of the escape-clause procedure, for the reasons stated by the distinguished senior Senator from Georgia. We might arrive at a case in which there was not a fair representative period prior to a concession. So since we are not only planning to take care of matters now, but also requiring a new standard to be placed in the escape clauses in the future, we thought this would tend to round out the subject in a better fashion.

Mr. MORSE. At the same time, it also makes more effective the operation of the principle of the peril point, because the two cannot really be separated, can they?

Mr. MILLIKIN. I think there is a separation. In the first instance, we are trying to prevent the future occurrence of an injury under a particular standard.

In the second instance we are trying to escape from injury if injury should occur.

Mr. MORSE. But to the extent that we have a procedure for handling the escape problem, we also serve notice upon the individuals who negotiate the reciprocal trade program that they should continue to pay attention to the peril-point problem at the time of negotiation, and in the subsequent administration thereof.

Mr. MILLIKIN. I think the Senator is entirely correct. If they pay proper attention to the rates when they make them, they will greatly minimize the need for the escape-clause procedure.

Mr. MORSE. That is my point.

Mr. GEORGE. On page 3 of the Senate engrossed amendments, the same amendment is inserted; and on page 4, the new language which we have just discussed is again inserted.

The Senate conferees agreed to these changes.

In the case of amendment No. 6, the House recedes from its disagreement to the amendment, and agrees to it with an amendment as follows:

On page 6 of the Senate engrossed amendment, line 11, strike out "20" and insert "25."

The Senate conferees agreed to this change.

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

Mr. GEORGE. I yield to the distinguished Senator from Florida.

Mr. HOLLAND. Is this portion of the report the one which deals with section 8 (a) of the Senate bill?

Mr. GEORGE. The Senator is correct.

Mr. HOLLAND. Is it correct to say that the House has accepted section 8 (a) of the Senate bill, with the exception of the fact that the conferees changed the period of time in which the Tariff Commission must act from 20 days to 25 days?

Mr. GEORGE. The Senator is correct. The House conferees accepted section 8 (a) in its entirety, with this change, from 20 days to 25. The Tariff Commission, through its Chairman, advised that 20 days was hardly ample, and the House conferees strongly insisted upon 30 days. The Senate conferees insisted upon 20 days. Finally it was compromised by inserting 25 days.

It was strongly believed, and is strongly believed by the conferees on the part of both House and the Senate, that in the case of highly perishable fruits or vegetables the President himself will act without referring the matter to the Tariff Commission; but if he should refer it to the Commission and await action by the Commission, both the Commission and the President must act within 25 days. That is an over-all limitation upon the time in which they must act.

Mr. HOLLAND. Mr. President, will the Senator yield for one more question?

Mr. GEORGE. Yes.

Mr. HOLLAND. In the event that the President does send the matter to the Tariff Commission, after having received the report and recommendation of the Secretary of Agriculture, the President may, notwithstanding the fact that he has sent the matter to the Commission, act at any time within the 25-day period without awaiting the report of the Tariff Commission, may he not?

Mr. GEORGE. That is correct. As a matter of fact, the bill contemplates that the Secretary of Agriculture will find the facts, that he will notify both the President and the Tariff Commission, and that the President may act immediately, without awaiting the lapse of even 1 day, if he should determine to do so and think it wise to do so. I believe it should be worth something in the construction of the provision that the conferees, both on the part of the House and on the part of the Senate, were of the opinion that in all cases of highly perishable fruits and vegetables, to which injury or threat of injury was imminent, the President probably would act without awaiting action or recommendation by the Tariff Commission.

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

Mr. GEORGE. I am glad to yield.

Mr. MILLIKIN. I should like to add one thought. I believe the conferees were unanimous in the view that if the matter went to the Tariff Commission, the Tariff Commission should not always take 25 days, but should take action as rapidly as possible, and under no circumstances take more than 25 days.

Mr. HOLLAND. Mr. President, I thank the distinguished Senators. In my judgment they have done excellent work in conference, because it seems to me the House has substantially accepted the Senate amendment, which is designed to help domestic producers of perishable commodities. Heretofore there has been no adequate machinery in existence for their protection under the act.

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

Mr. GEORGE. Yes.

Mr. MILLIKIN. I believe there was also general agreement among the conferees that both the Tariff Commission and the Secretary of Agriculture should do what is necessary to be done so as to be able to anticipate emergencies, and thus be able to expedite the procedure when requests for action are made.

Mr. HOLLAND. I thank the distinguished Senator.

Mr. GEORGE. In the case of amendment No. 9, the House recedes from its disagreement and agrees to it with an amendment, as follows:

In lieu of the matter proposed to be inserted by the Senate amendment, insert the following:

"SEC. 11. The President shall, as soon as practicable, take such measures as may be necessary to prevent the importation of ermine, fox, kolinsky, marten, mink, muskrat, and weasel furs and skins, dressed or undressed, which are the product of the Union of Soviet Socialist Republics or of Communist China."

It was the opinion of the conferees on the part of both the Senate and the House that with this mandatory provision for action to prevent the importation of the several named furs into the United States from the Union of Soviet Socialist Republics and from Communist China the chief source of supply of these furs or of importation of them would be cut off. Not only that, but immediately upon the passage and approval of this act, the fur producers of this country would have the complete right to proceed under the escape clause. It was believed by the conferees that the matter inserted by the conference committee, with the remedy then available to the producers of furs, would give reasonable relief against the importation of the furs, from which they have undoubtedly suffered in the past.

Mr. President, I should like to say that included in the amendment numbered one is the provision which relates to the effective date of the act and its duration. The House conferees agreed with the Senate, and the act would be extended for 2 years only, from June 12, 1951.

Mr. President, I move the adoption of the conference report.

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

THE FLOOR UNDER WAGES AND INVESTMENTS

Mr. MALONE. Mr. President, reserving the right to object, I should like to ask the distinguished Senator from Georgia if any language was inserted by the conference committee which would direct the President to take cognizance of the recommendations of the Tariff Commission in regard to any trade agreements about to be made under the peril-point provision, or if any language was inserted which would direct the President to take any action under the escape clause.

ONLY FURS EXEMPTED

Mr. GEORGE. There was no change made by the conference committee in either one of the provisions named, to wit, the peril point provision or the escape clause. The last amendment to which I have invited attention is an express mandatory directive to the President to take steps as early as practicable which will prevent the importation of the furs from the two countries named.

Mr. MALONE. The junior Senator from Nevada approves of the amendment as far as it goes. It covers one product out of several thousand. In other words, it covers only the furs named.

Mr. GEORGE. The Senator is perhaps correct. I do not know the number of products. It covers only furs.

Mr. MALONE. That is correct.

Mr. GEORGE. We were faced with the situation, as I am sure the Senator will appreciate, that, whether or not one agrees with the Trade Agreements Act and the agreements made thereunder, such agreements are international in character, and until appropriate steps are taken to escape from an agreement it is a rather high-handed piece of business on the part of any state a party to the agreement to disregard it. In the case of furs, it is absolutely necessary to provide for the termination, so to speak, of present arrangements and to prevent the importation of the furs, and then to leave the parties, whether they be producers of furs or producers of other commodities, free to act under the escape clause in the bill. The Senator is quite correct in saying that no change has

been made in the language of the peril point or escape clause provisions on the point to which he directs attention.

ALL PROVISIONS OPTIONAL WITH THE PRESIDENT

Mr. MALONE. In other words, to keep the record straight no change has been made in the bill as first reported to the Senate by the Committee on Finance or as finally passed by the Senate which would direct the President to do anything about any injury to a domestic business, or direct the President to take action under the escape clause after such business is injured. It is entirely optional with the President as was categorically stated by the junior Senator from Nevada during the Senate debate on the 21st, 22d, and 23d of this month.

Mr. GEORGE. We had considerable argument on the floor. The distinguished Senator from Nevada insists that this matter is entirely optional. The senior Senator from Georgia and others on the Finance Committee do not think it is entirely optional except in the sense that the absolute power to act is left with the President; but there are many limitations, which we think are highly persuasive, upon the exercise of that power.

However, the Senator is correct; the same issues were raised in the debate, and there has been no change with respect to those issues, except in the case of furs. I think there is a slight change in that case, but otherwise there has been no change.

Mr. MALONE. Mr. President, further to clarify the RECORD as to the provisions of the bill actually agreed upon in conference, let me say that the only product out of the several thousand products upon which there has been a change is furs. I heartily agree about the exception; it seems strange however that one product should be exempted from the operation of the act out of several thousand.

The point I wish to make is that nothing in this measure directs the President to do anything.

This means that the President must write a letter to Congress explaining his reasons if he disregards the report by the Tariff Commission pointing out the danger point for an existing industry.

Of course, Mr. President, in my judgment, having had 4½ years' experience with the fantastic reasoning advanced by the President of the United States and a distinguished but entirely discredited Secretary of State, little attention will be paid to any suggestion by a tariff commission.

OBJECTIVES ALREADY ANNOUNCED

The provisions amount only to suggestions—which would interfere with the already announced administration objectives. In the last 4 years, at least once each year—four or five times—testimony by the Secretary of State or his assistants before congressional committees, has definitely stated that their program is the division of the markets of the United States with the nations of the world.

OUR CHIEF EXPORT IS CASH

That is their announced program; it is not something which is left to conjecture by Congress. We know what the program is, and in the meantime we make up in cash the trade-balance deficits of the other nations through Marshall plan and ECA.

Much was made by committee members of the promise of the Secretary of State that the International Trade Organization would not be brought before the Senate again.

INTERNATIONAL TRADE ORGANIZATION COMPLETED

Mr. President, but chapter 4 of the ITO Charter, the commercial policy chapter of the International Trade Organization, was adopted through the General Agreement on Tariffs and Trade, generally known as GATT, an arrangement which was begun in Geneva and has been added to, from time to time until the holding of the Torquay Conference, where the job of setting the stage for the adoption of the ITO was practically completed.

The result has been that practically every commercial provision of the International Trade Organization—which was made a part of the CONGRESSIONAL RECORD during the debate—will now be effective, except in the case of the points which need approval by the Congress of the United States, and avenues are being used now to secure that approval.

In a release made at that time by the Secretary of State, there was a warning that that would be done.

THE CUSTOMS SIMPLIFICATION BILL

A very innocuous-looking bill, under the heading "Simplification of Customs," is now before the Senate committee.

I have found six separate "sleepers" in that bill. If the bill were passed by the Congress, the result would be that the job of adopting ITO would be practically complete.

Mr. President, the bill as it now stands has been passed upon by the Senate.

So, for the purpose of the RECORD, I say again that the bill simply extends for two more years the effective provisions of the original bill.

Under this legislation, everything is left to the judgment and discretion of the President of the United States and is the same free-trade bill passed in 1934; and under which the administration has effectively removed the floor under wages and investments.

The President and the Secretary of State, if they so desire, may call another Torquay Conference and can go through the same procedure as the one they went through at Torquay, where several thousand products were either frozen at their existing rates or lower tariffs imposed.

There is nothing in this measure to prevent the continued raid upon American markets by foreign nations.

IMPORT FEES NOW LARGELY BELOW PERIL POINT

I would point out further, Mr. President, as was proven on the floor of the Senate during the debate, that the great majority of the tariffs and import fees which have been tinkered with and manipulated during the last 18 years, now are below the peril point.

Therefore, the peril-point provision—even if mandatory, which it is not—comes after the tariff structure has been effectively destroyed.

The VICE PRESIDENT. Is there objection to the request for the present consideration of the conference report?

There being no objection, the report was considered and agreed to.

Mr. GEORGE. Mr. President, I wish to thank the Senator from California, and I desire to express regret that so much of his time has been consumed.

Mr. NIXON. That is perfectly all right.

STANDING COMMITTEE ON VETERANS' AFFAIRS

After the conclusion of Mr. NIXON's speech,

Mr. FERGUSON. Mr. President, on behalf of the Senator from Vermont [Mr. FLANDERS], myself, and 34 other Senators, I am about to submit for appropriate reference a Senate resolution to create in the Senate a standing Committee on Veterans' Affairs, to consist of 13 Senators.

For the RECORD, I should like to read the name of each of the cosponsors who have joined the Senator from Vermont and me in offering this revision of the Senate rules:

Mr. WHERRY, Mr. MORSE, Mr. GILLETTE, Mr. KILGORE, Mr. O'CONOR, Mr. SALTONSTALL, Mr. MCCARTHY, Mr. ECTON, Mr. HOLLAND, Mr. LODGE, Mr. WELKER, Mr. MUNDT, Mr. IVES, Mr. MALONE, Mr. WILEY, Mr. CHAVEZ, Mrs. SMITH of Maine, Mr. MCCARRAN, Mr. YOUNG, Mr. CASE, Mr. SMATHERS, Mr. MARTIN, Mr. BUTLER of Maryland, Mr. BUTLER of Nebraska, Mr. LANGER, Mr. MOODY, Mr. SCHOEPPEL, Mr. NEELY, Mr. CARLSON, Mr. JENNER, Mr. DWORSHAK, Mr. MURRAY, Mr. HENDRICKSON, and Mr. NIXON.

Mr. President, tomorrow will be Memorial Day. On the eve of that occasion it is entirely fitting that this bipartisan group, comprising more than one-third of the Senate's membership, should pay tribute to the veterans of military service in this country by recognizing the essential importance of veterans' legislation in the business of the United States Congress.

There are today in the United States approximately 19,000,000 living veterans of military service. More are being added to the veterans' rolls daily. Approximately $4,900,000,000, or 7 percent, of the Federal Government's annual budget is devoted to various phases of veterans' benefits and care.

It is extraordinary that a phase of our national life so sweeping in its scope should not have the benefit of specialized committee attention in the United States Senate. A field of such broad legislative implications deserves specialized attention for the full protection, not just of the veterans, but of the Nation as a whole.

The field has such specialized attention in the House of Representatives by virtue of its Committee on Veterans' Affairs. We propose that a committee of identical jurisdictional authority be established in the Senate. It would assume jurisdiction over matters now handled principally by two other standing committees, Finance, and Labor and Public Welfare. Under the terms of this resolution, the new committee would have jurisdiction over the following matters:

First. Veterans' measures generally.

Second. Pensions of all wars of the United States, general and special.

Third. Life insurance issued by the Government on account of service in the Armed Forces.

Fourth. Compensation of veterans.

Fifth. Vocational rehabilitation and education of veterans.

Sixth. Veterans' hospitals, medical care, and treatment of veterans.

Seventh. Soldiers' and sailors' civil relief.

Eighth. Readjustment of servicemen to civil life.

Mr. President, this proposal for a standing Committee on Veterans' Affairs is not novel. A similar recommendation came in 1946 from no less an authority than the noted Joint Committee on the Organization of Congress. The bill embodying the joint committee's recommendations, which was introduced in the Senate by former Senator La Follette, contained provision for just such a committee.

In response to objections on the floor that the two-committee assignment rule would deprive the new committee of the long experience with veterans' affairs possessed by members of the Finance Committee which had had jurisdiction of such affairs since World War I, the provision for the new committee was stricken from the bill by Senator La Follette.

At the time, however, Senator La Follette observed that a Veterans' Affairs Committee would have to be set up "in the near future in order to relieve the Finance Committee of a tremendous burden." A part of that argument by Senator La Follette may have been met by the subsequent division of veterans' matters between the Finance, and Labor and Public Welfare Committees. At the same time that division of responsibility lessens the force of the argument which prompted Senator La Follette to drop his original recommendation for a standing Committee on Veterans' Affairs.

Mr. President, all the reasoning behind the recommendation for a veterans' committee in the original La Follette-Monroney report of 1946 remains valid. And there are even more impelling reasons today.

The Korean war, the extension of selective service, and the possible advent of some form of universal military training—all within the context of an accelerated defense effort of perhaps limitless duration—point to a gradual accumulation rather than any lessening of veterans' problems in the future. It has also became increasingly clear that the proper conduct of the Veterans' Administration is of such vital concern to the veteran and the public that Congress should have a single committee in each House to exercise the responsibility of pin-pointed overseeing.

I am pleased to say that the proposal I am bringing forth today bears the endorsement of the Veterans of Foreign Wars, the Disabled Veterans of America, the AMVETS, and the American Legion. The Senator from Vermont [Mr. FLANDERS] and I are indebted to each of these organizations for their counsel and support in the preparation of this resolution.

Mr. President, there were some technical problems involved in the creation of a new or sixteenth standing committee in the Senate. One problem was the upset of committee assignments and alinements which would occur with its introduction in the midst of any Congress. To avoid any general disruption in other phases of the legislative process, we propose that the new committee become operative with the organization of the next Congress.

Another problem was mathematical—to assure a full complement of Members on the new committee while observing the two-committee assignment rule. To solve that mathematical problem it was necessary to designate a third committee—we designated the Committee on Post Office and Civil Service—as a committee on which service would not count under the two-committee assignment rule. Also, in order to assure complete committee representation and balance no matter what the party make-up of the Senate might be, it is provided that 18 members of the majority and 6 of the minority shall come within the exceptions to the two-committee assignment rule.

These, however, are details. They have been worked out in consultation with authorities on congressional organization, but we have no pride of authorship in them and grant they may be subjected to revision upon further examination.

The important thing which this resolution represents, and which we urge upon the Senate for speedy action, is the creation of a specialized agency in this body for the handling of veterans' affairs. The American veteran and the American public deserve no less.

Mr. President, I send the resolution to the desk and ask unanimous consent that it be received and appropriately referred.

The PRESIDING OFFICER (Mr. HOLLAND in the chair). Without objection the resolution will be received and appropriately referred.

The resolution (S. Res. 148) submitted by Mr. FERGUSON, for himself and other Senators, was referred to the Committee on Rules and Administration, as follows:

Resolved, That commencing with the Eighty-third Congress, rule XXV of the Standing Rules of the Senate (relating to standing committees) is amended by—

(1) striking out subparagraphs 10 through 13 in paragraph (h) of section 1;

(2) striking out subparagraphs 16 through 19 in paragraph (1) of section 1;

(3) inserting in section 1 after paragraph (o) the following new paragraph:

"(p) Committee on Veterans' Affairs, to consist of 13 Senators, to which committee shall be referred all proposed legislation, messages, petitions, memorials, and other matters relating to the following subjects:

"1. Veterans' measures, generally.

"2. Pensions of all wars of the United States, general and special.

"3. Life insurance issued by the Government on account of service in the Armed Forces.

"4. Compensation of veterans.

"5. Vocational rehabilitation and education of veterans.

"6. Veterans' hospitals, medical care, and treatment of veterans.

"7. Soldiers and sailors' civil relief.

"8. Readjustment of servicemen to civil life.";

(4) striking out section 4 and inserting in lieu thereof the following:

"(4) Each Senator shall serve on 2 standing committees and no more; except that 18 Senators of the majority party, and 6 Senators of the minority party, who are members of the Committee on the District of Columbia, the Committee on Expenditures in the Executive Departments, or the Committee on Post Office and Civil Service, shall serve on 3 standing committees and no more. During any period in which the minority party has a total membership of 15 Senators or less, such 6 Senators of such party who shall be members of 3 committees may be members of any 3 standing committees."

WASTEFUL GOVERNMENT EXPENDITURES

Mr. FERGUSON. Mr. President, last week, when we were discussing the fourth supplemental appropriation bill, I made passing reference to some truly amazing figures which appear in another bill, to provide luncheons for certain exchange students coming to this country under the sponsorship of the Department of State. I want to discuss those figures further at this time, as they appear in the State Department's budget requests for fiscal 1952.

In referring to these figures I want to make two points:

First. This all-time record budget which has been submitted to us for 1952 is overloaded with items which might find some justification in normal times but for which there can be no justification whatsoever in times when Government is taking every third dollar earned by an individual and when only the minimum conduct of essential governmental business can be justified as an expenditure superimposed upon our terrifying defense requirements.

Second. I want to point out graphically as I can the impact which some of these nonessential expenditures have upon an average citizen's pocketbook. I am going to show how many American families it takes to support this particular State Department operation.

The amount involved is small in number of dollars, but I think it is significant as pointing out what will happen unless we are willing to screen, and very carefully screen, the different appropriations.

Mr. President, there is too little appreciation of the personalized consequences of governmental extravagance. Let us say we have a program whose wastefulness is proved beyond any shadow of doubt, and let us say it costs $1,500,000. Some might think that breaks down into only 1 cent for each person in the country, and that does not amount to much. But multiply that single wasteful program, or the amount of waste in that program, and we see where our money goes.

An even better way of figuring the effect of that waste is to compute how many individual taxpayers are paying for it. If an average wage earner's income tax payment is $250, then something like 6,000 American families are paying for the hypothetical waste of $1,500,000 I mentioned a minute ago.

In effect, that wasteful project belongs to them—that particular 6,000. I should like to see how long those 6,000 families would stand for the continuation of that waste if they could see that

it was their hard-earned money that was being poured down such a rat hole.

I think such an approach to the subject of governmental extravagance is what we need, Mr. President. We must impress upon every American taxpayer the personal interest that he has in every dollar of governmental waste. I am very sure that waste would be eliminated once its cost becomes personalized, as it would be if, let us say, a community of 6,000 taxpayers of average income assumed full responsibility for the hypothetical program I have mentioned. If the program was not worth the $1,500,000 being spent on it, it would not take those 6,000 families long to see to it that it was placed in the scrap pile where it belongs.

Mr. President, the President of the United States has taken great pains to tell the American people about what he has called the "tight" budget he has submitted for the next fiscal year.

Some time ago when questioned by reporters with reference to possible economies to be effected in the 1952 budget as presented to the Congress, the President replied that any reduction made in his budget would be a curtailment of absolutely necessary programs, and he actually dared the Congress to cut the budget.

The President was unequivocal and most positive in stating that there was no "water" in this budget. In other words, any cut at all would represent the curtailment of an absolutely necessary program.

I believe the Director of the Budget, too, has since testified before the House Ways and Means Committee that the budget as submitted was not susceptible to reduction without seriously impairing absolutely necessary governmental services to our citizens. I emphasize the words "impairing absolutely necessary governmental services to our citizens."

I invite the attention of the Senate to one minor item appearing in the budget for the Department of State under the title "International Information and Educational Activities." My reason for mentioning this item at this time is that I referred to it in passing the other day on the floor of the Senate, and I think it deserves an explanation. The item appears in the activity "exchange of persons." The 1952 estimate for the whole program is $10,652,960, an increase of $4,757,689, or 80.7 percent, over the 1951 allowance of $5,895,271. That small item—I say "small" because we are accustomed to speak of Government figures in terms of billions of dollars— representing an increase of 80 percent, can be multiplied over and over. That is why the budget is increasing enormously from year to year.

Justification for one item for which a mere $31,875 is sought—an increase of $22,477 or 239.16 percent, over the 1951 allowance of $9,398—appears on page 657 of the justifications furnished the Committee on Appropriations. Imagine the situation. This one item has gone up 239 percent over the 1951 allowance of $9,398.

This item makes very interesting reading, and I quote it in full:

The estimate will provide: (a) entertainment within the United States at an estimated cost of $24,875, and (b) transportation (limousine and taxi service), newspapers, publications, and so forth, for orientation and service centers at an estimated cost of $7,000 for a total of $31,875.

Entertainment within the United States: The Department's experience over many years with the Latin American program, and the more recent experience with Eastern Hemisphere programs, has demonstrated the very real value of hospitality (official luncheons, receptions, etc.), given by the Department to leader grantees from other countries as a means of official recognition of a welcome to the grantee.

Through these affairs, also, the grantee is brought in contact under official auspices with prominent persons from American public and private life who may be interested in his visit and the inclusion of such persons as guests has had a definite public relations value to the exchange of persons program. Activities of this type are considered an important element in the programs undertaken by foreign leaders visiting this country under the auspices of the Department.

It is requested that the appropriation limitation be increased for 1952 to provide for a substantial increase for expenses of official entertainment which has a very definite and positive effect in connection with the success of the program.

It is estimated that 679 leaders and specialists will visit the United States during the fiscal year 1952. Of this number, it is estimated that luncheons will be given for 375. The breakdown is as follows:

Number of functions and estimated cost

75 regular luncheons, 14 persons per luncheon at $125	$9,375
100 luncheons for 3 grantees each 18 persons per luncheon at $155	15,500
Total	24,875

When one reads the language in the average budget message, one is inclined to be impressed with the great necessity for such a program, and the necessity for these expenditures. But let us break it down and look at it as it really exists.

The number of functions is 75 regular luncheons, with 14 persons per luncheon, at $125, or $9,375.

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

The PRESIDING OFFICER (Mr. SMATHERS in the chair). Does the Senator from Michigan yield to the Senator from Illinois?

Mr. FERGUSON. I am glad to yield to the Senator from Illinois.

Mr. DOUGLAS. How much does that come to on the basis of each meal?

Mr. FERGUSON. I have it figured out. For the first item it is $8.93 for each meal served, and for the second item it is $8.61 for each meal.

Mr. DOUGLAS. How many of such meals will be eaten by members of the State Department?

Mr. FERGUSON. I will figure that out a little later. I shall try to obtain that figure.

Mr. DOUGLAS. Would the Senator from Michigan propose a diet for these gentlemen?

Mr. FERGUSON. I believe it is Mr. Wheeler who is now writing in the newspapers about his diet. It might be well to give some of our State Department representatives a copy of his diet book. It might help some.

I am glad to have the Senator interrupt me, because I know that he is interested in some of these items. It may be said that we are talking about peanuts today, when we consider the amount of money involved. However, these items show what goes on unless we really dissect the budget and look underneath to see what is going on.

I shall never forget what occurred one day as we were coming out of the Appropriations Committee. I am pretty sure it was a day when we had under consideration one of the large war budgets of approximately $80,000,000,000.. Another Senator remarked to the Senator from Michigan, "You know, I really understood the last two items which we discussed." I recalled what the last two items were. One item was for $50 for stamps for the office of the Sergeant at Arms. The other item represented an increase of $150 for William, in the cloakroom. We could very thoroughly understand those two items, in relation to the billions about which we were talking.

So unless we boil them down and understand what these things are costing, we are likely not to understand what is going on in the way of expenditures.

The second item involves 100 luncheons for three grantees each, or 18 persons per lunch at $155 for each luncheon, or $15,500. If we add up the two totals we get $24,875.

I continue to read:

Miscellaneous contractual services for orientation and service centers: These services cover transportation (limousine and taxi service) expenses of meeting grantees at the various ports of entry and for newspapers, publications, and other miscellaneous services of the orientation and service centers. The small increase for 1952 is attributable to the increase in program.

Now let us analyze the cost of furnishing our foreign visitors with luncheons, which are necessary services, of course, or they would not be in the budget. As the President would have it their absence would permit the spread of communism and hazard our defenses. In the function designated 1, there will be 75 regular luncheons, each for 14 persons—1 foreign visitor and 13 State Department emissaries—at a cost of $125 for each luncheon, or $8.93 for each meal served.

In the function designated 2, there will be 100 luncheons each for 18 persons—3 foreign visitors and 15 State Department emissaries—at a cost of $155 for each luncheon, or $8.61 for each meal served.

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

Mr. FERGUSON. I yield.

Mr. DOUGLAS. Do I correctly understand that there would be 13 State Department functionaries for each foreigner at these luncheons?

Mr. FERGUSON. That is the way the list is given in the budget.

Mr. DOUGLAS. Does it remind the Senator from Michigan of the way in which parents sometimes feel it is necessary to take their children to the circus?

Mr. FERGUSON. Yes; I would say so.

Mr. DOUGLAS. Could this be called a form of outdoor relief for starving members of the State Department?

Mr. FERGUSON. It may be called relief. I know many parents enjoy going to the circus enough to take their children to it. I am inclined to think that there are plenty of State Department employees who will enjoy going to the luncheons. It does remind one of the combination of one elephant and one rabbit.

Mr. DOUGLAS. In other words, in order to feed one foreigner it is necessary to feed 13 State Department officials?

Mr. FERGUSON. That is the way the figures are listed. The second group of functions covers 100 luncheons each for three grantees, for 18 persons—three foreign visitors and 15 State Department emissaries—at a cost of $155 for each luncheon, or $8.61 for each meal served. That represents a little higher percentage. It is 15 to 3.

Mr. DOUGLAS. Is the Senator from Michigan certain that he is correct in the figures?

Mr. FERGUSON. I have looked at the figures. I shall be glad to check them again after I leave the Chamber. I am glad the Senator calls the point to my attention. Of course we have a large State Department. There are almost 28,000 persons employed in the State Department.

Mr. DOUGLAS. I know we have a large State Department, but it does not follow that each member of the State Department has to be large.

Mr. FERGUSON. I do not need to ask how many of my constituents, or even how many of my fellow Senators, enjoy a diet of $8 luncheons. A fair question, however, is how it is possible to eat $8 worth of food at one sitting. Yet that is what the budget data say these luncheons will cost, per plate.

The total sum requested, $24,875, for serving these simple luncheons as a bulwark against communism and for the attainment of the objectives of the Campaign of Truth, is perhaps insignificant in comparison with the total cost of running our Government—a drop in the budget, as it were. But let us project the cost of this entertainment of visitors to its effect on individual taxpayers, which, as I have said, we must do if we are to bring home to the people the true meaning of governmental waste.

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

Mr. FERGUSON. I yield to the Senator from Delaware.

Mr. WILLIAMS. Do I understand correctly that the expense is justified on the basis that the State Department desires to keep these people from going Communist?

Mr. FERGUSON. We do almost everything for that purpose, and that is one of the purposes of our foreign policy.

Mr. WILLIAMS. Is it for the purpose of keeping the foreigners from going Communist, or keeping the State Department employees from going Communist?

Mr. FERGUSON. I do not believe I am capable of answering that question.

The Bureau of the Census has reported that for the calendar year 1949, the average income per average family of 3.6 persons was $3,107. They have no figures for the year 1950, and hesitate to hazard an estimate as to the average income per family for 1950, for which year we recently completed our tax returns and tax payments. But let us say that the average family income during 1950 was $4,200, and that the average family was composed of four persons. The average cited may be an optimistic one, but will serve for this comparison. The Bureau of Labor Statistics reported that the total annual cost of a city worker's family budget in 34 large cities ranged from $3,453 in New Orleans and $3,507 in Mobile, to $3,926 in Washington, D. C., and $3,933 in Milwaukee, as shown by an analysis for October 1950. So it can be seen that the figure I shall use for illustration is adequate.

Taking the income of $4,200 for the average family of four persons, their tax for 1950, using the short form table on page 4 of Form 1040, would have been $244.

To meet the cost of these luncheons, which add so much to the defense of this country and are such a bulwark against Communism, and which are set at $24,875 in the justifications, would require all the individual income taxes paid by approximately 102 family heads. While the sum requested for this purpose is small in relation to the total cost of government, it would use all the taxes paid by 102 family heads receiving an average family income of $4,200 during 1950.

I suppose the President, the Secretary of State, and the Budget Director all deem this expenditure of public moneys for luncheons costing in excess of $8 per person to be inviolate, and not susceptible of reduction by the Congress. I hardly believe this view will be shared by the American taxpayer. I am very certain that the 102 family heads in this country who would be called upon to bear the burden of this luncheon program do not subscribe to that view.

I wish that our fiscal situation were such that we could readily afford such grandiose gestures of good-will to our neighbors—neighbors whose budgets are perhaps in better condition than our own. I wish that our Government could afford to pay for the meals for our own Government employees who wish to entertain these visiting functionaries. But I know, and everyone else knows, that we cannot. Yet it is this very spendthrift habit which keeps our tax rates soaring.

It is not the necessary expenditures for defense and other needed purposes that alarm us. Rather, it is the very obviously water-soaked budget in which an appalling number of these items are not only countenanced by the President and the Bureau of the Budget but which, in fact, are stoutly defended as absolutely essential.

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

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. KNOWLAND. Mr. President, I ask that the further proceedings incident to the quorum call be dispensed with and that the order for the call of the roll be rescinded.

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

THE CENTRAL ARIZONA PROJECT

The Senate resumed the consideration of the bill (S. 75) authorizing the construction, operation, and maintenance of a dam and incidental works in the main stream of the Colorado River at Bridge Canyon, together with certain appurtenant dams and canals, and for other purposes.

Mr. KNOWLAND. Mr. President, I desire to discuss certain of the features of Senate bill 75, the central Arizona project measures.

THE BUREAU AND THE PROJECT

First. In September 1948 the Secretary of the Interior transmitted to the Congress the report of the Bureau of Reclamation on the central Arizona project—House Document 136, Eighty-first Congress, first session. In this report—page IV—the Secretary frankly admits:

> Assurance of a water supply is an important element of the plan yet to be resolved. The showing in the report of the availability of a substantial quantity of Colorado River water for diversion to central Arizona for irrigation and other purposes is based upon the assumption that the claims of the State of Arizona to this water are valid. It should be noted, however, that the State of California has challenged the validity of Arizona's claim. If the contentions of California are correct, there will be no dependable water supply from the Colorado River for this diversion.

These facts were as well known to the Bureau of Reclamation in the year 1944 as they are today. The Bureau knew then that, in the absence of an interstate compact on the subject, the only means by which the controversy could be authoritatively settled would be by a decision of the Supreme Court in an interstate suit. Nevertheless, in July 1944 the Bureau made an agreement with Arizona to investigate and report on the project and allocated $200,000 of taxpayers' money to start financing the investigation—Hearings on S. 75, Senate committee, page 566. I presume, from the elaborate character of the studies and reports that have ensued, that the total cost to the taxpayers must have been well over $1,000,000. I ask to have printed at this point in my remarks a letter which I have received from the Bureau of Reclamation, showing the costs of these various investigations.

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

> UNITED STATES
> DEPARTMENT OF THE INTERIOR,
> BUREAU OF RECLAMATION,
> *Washington, D. C., April 6, 1951.*
>
> Hon. WILLIAM F. KNOWLAND,
> *Committee on Appropriations,*
> *United States Senate,*
> *Washington, D. C.*
>
> MY DEAR SENATOR KNOWLAND: Reference is made to your letter dated April 3, 1951, wherein you request the total amount of funds

expended or obligated for expenditure in behalf of the Central Arizona project.

Please be advised that the cost of this project totals $1,543,759.12, which covers expenditures for investigation and planning up to and including February 1951.

Sincerely yours,

G. W. LINEWEAVER,
Acting Commissioner.

Mr. KNOWLAND. Mr. President, this has been done by the Bureau on the very dubious foundation of a naked assumption that Arizona's claims are valid. It strikes me that the most unusual procedure followed by the Bureau in this project puts the cart before the horse. Knowing that, as the Secretary says—House Document 136, page IV—"The Bureau of Reclamation and the Secretary of the Interior cannot authoritatively resolve this conflict," and knowing that there was open to Arizona a method of resolving it, by suit, and knowing that the existence of a dependable water supply is the first prerequisite of an irrigation project, the Bureau chose to expend large amounts of public money on a detailed investigation which took it 4 years to complete. It appears to me that in so doing the Bureau laid itself open to censure.

The financial plan of the project, as presented by the Bureau, violates the standards of feasibility and financing prescribed by general law. General law—Reclamation Project Act of 1939, sections 9a, 9d—requires that the irrigators repay the capital costs allocated to irrigation within 40 years, following a development period of not more than 10 years. As we pointed out heretofore, the requirement of a maximum period of 40 years plus the 10-year development period, or a total of 50 years, is violated, on the face of it, by this project, which the proponents themselves admit will take at least 73 years to pay out, and which we believe will take nearer to 90 or 100 years, and will not even then pay itself out. The Bureau's plan calls for 78 years—S. 75, section 3, says 75 years—and contemplates a development period—House Document 136, page 166. Assuming a 10-year development period and a 15-year construction period—hearings on S. 75, Senate committee, page 599—those hearings being in the Eighty-first Congress, because no hearings were held by the Senate committee in the Eighty-second Congress—and that the "paper" estimates of the Bureau are actually realized, then the project would not pay out until 100 years from the time construction commences. It is open to serious doubt, considering current crop surpluses, that this country needs farm products so badly that it should finance irrigation projects on a 100-year basis.

General law—Reclamation Project Act of 1939, section 9c—has always been understood to express the policy of the Congress that the power features of a reclamation project should repay to the Treasury their construction cost, plus 3 percent interest thereon. Congress has never considered that power plants should be subsidized by being put on an interest-free basis, as is irrigation.

Nevertheless, some years ago the Solicitor of the Interior Department issued an opinion under which the Bureau claims the right to divert to the repayment of irrigation capital cost the entire interest component of power revenues. The effect is twofold: The Treasury does not get the interest to offset the interest which it pays on the public debt, and power is relieved of contributing to the aid of irrigation to the extent of the interest diverted; in other words, power is actually made interest-free. This Solicitor's opinion seems to me, though I am not a lawyer, to be a pure trick of legal sleight of hand. It was promptly so denounced both in Congress and by many responsible leaders in the reclamation States. The Congress has never approved it. Bills to correct it and to reaffirm the fixed policy of the Congress were introduced in the Seventy-ninth, Eightieth, and Eighty-first Congresses, but failed of passage by reason of the determined opposition of the Bureau of Reclamation. The Appropriations Committees in two successive years voiced their disapproval of the Solicitor's opinion—House Conference Report No. 1013, Eightieth Congress, first session, page 15; House Conference Report No. 2398, Eightieth Congress, second session, page 28. Also, the recent report of the President's Water Resources Policy Commission likewise opposes the diversion of the interest component to repayment of irrigation costs—volume 1, page 71.

The Bureau's financial plan for the central Arizona project requires that the interest component of power revenues be applied to the payment of irrigation capital cost. In fact, the interest component would pay practically all the irrigation costs—hearings on S. 75 before Senate committee, Eighty-first Congress, page 922. This is, I believe, the first time that the Bureau has directly asked the Congress to sanction the Solicitor's opinion. An indirect and evasive proposal for a like purpose was made in connection with the Columbia Basin account feature of the 1950 rivers and harbors bill. The Columbia Basin account amendment was rejected by the Senate.

I submit that there is no honest way to use a single dollar to pay a dollar's worth of interest and at the same time to pay a dollar's worth of capital. I respectfully ask the Senate to rebuke that kind of double-dealing financial sleight of hand.

Existing law (Reclamation Project Act of 1939, sec. 9a) requires that the Bureau of Reclamation justify the financial feasibility of a reclamation project. The criterion is whether or not the project will repay its reimbursable costs. No law requires or authorizes the Bureau to justify a project on the basis of its so-called benefit-cost ratio. The data submitted in the project report as to the ability of the central Arizona project to repay are scanty and lacking in detail. The report does set out with great elaboration and argument the Bureau's views as to the ratio between national benefits of the project and its costs. Why is this?

In this and other recent reports the Bureau has borrowed the benefit-cost-ratio practice from the Corps of Engineers. The corps is obliged by law to use this method of project justification because its projects are nonreimbursable. Why does the Bureau do it?

The answer seems to be that the benefit-cost method readily lends itself, in willing hands, to unsound theorization as to "paper" national benefits. It also lends itself to the concealment of real national costs, or as they are sometimes called, negative values.

Let us look at a few of the ways that the Bureau figures benefits. The Bureau set up a national benefit from irrigation of $25,268,000—House Document 136, page 188. The greater part of this national benefit, $18,306,000—House Document 136, page 164—is the gross value of the crops raised, due to the building of the project. As to such use of gross crop values, the Secretary of Agriculture comments—House Document 136, page 105:

> Frankly, we were unable to determine from your report whether or not the benefits actually would exceed the costs. In the estimate of benefits, gross, rather than net, crop values have been used in the calculation of irrigation benefits. You will recall that in commenting upon previous reports prepared by the Bureau of Reclamation, we have pointed out that this procedure disregards the cost of producing the crops.

Is it not remarkable that all the Bureau's experts could have overlooked this fact? In other words, they took the gross value of the crops and entirely ignored the cost of producing the crops. Since we know that in many instances the Commodity Credit Corporation and the Department of Agriculture have had to subsidize crops, it could very well mean that some of the crops which are proposed to be produced in central Arizona will not only have to be paid for once by the Federal taxpayers out of the $2,000,000,000 cost, but the Commodity Credit Corporation and the Department of Agriculture will have to subsidize new crops because of the general economic situation.

The Secretary of Agriculture is not alone in his opinion. The President's Water Policy Commission says in its recent report—volume 1, page 60:

> Estimates of benefits should add together the expected gains to all beneficiaries, beginning with those most immediately affected and going as far as available information will allow and similarly deducting costs and losses. This is known as the net contribution to national income basis for evaluation.

At any rate, the $25,000,000 of irrigation benefits is more than half of the $41,000,000 of total benefits claimed by the Bureau—House Document 136, page 190. If it were trimmed down to a net figure, the benefit cost ratio would likely be reduced to less than 1 to 1.

Even on the preposterous theory that gross crop values constitute a national benefit, there is one item within the Bureau's figure that warrants scrutiny. The Bureau first lists the acreage at present in various crops. Thus it finds that there are 213,000 acres in cotton and 40,000 acres in vegetables—House Document 136, page 141. Then it gets out its crystal ball and estimates the changes in crops that will occur during the next 75 years. So it finds that there will be a decrease of 55,000 acres in cotton and

an increase of 40,000 acres in vegetables—House Document 136, page 164—due to the building of the project. This is the purest nonsense. Both the growing of cotton and the growing of vegetables are responsive to market demand and prices. Cotton today is a notable example. If there is a market demand and an attractive price for vegetables, the shift to 40,000 more acres of vegetables will take place, whether the project is built or not. So the increased value of vegetables, in comparison with cotton, is not a national benefit due to the project. That particular item, by the way, happens to be about $7,000,000 of the $18,000,000 which the Bureau's expert estimators have estimated as the total gain in gross crop values due to the existence of the project.

Perhaps the most entertaining example of imaginative estimation of national benefits in the Bureau's report is its presentation of recreation benefits. They are not small. They were used originally to support a claim that $34,000,000 of the project costs should be assigned to recreation and made nonreimbursable—House Document 136, page 203, table F-5. Better judgment has prevailed and this item is not authorized in the present version of Senate bill 75. Nevertheless it remains as a part of the computation of benefit-cost ratio, and the process of reasoning employed is an excellent illustration of what willing hands may do by way of converting into money figures the wholly intangible values of recreation.

First, an attempt is made to estimate the number of people who will, in the uncertain future, visit Bridge Canyon Dam for recreation; then the proportions of that number that will come from different parts of the Union; then the distance they will travel to see the dam; the number who will stay one night and those who will stay longer—appendixes to Bureau report, page G-51. Estimates are then carefully made as to just what it will cost the visitors to travel to the dam, and what their meals, lodging, and incidentals will cost. These figures are added up, and the total is $1,717,000, which is announced to be the annual national benefit of recreation at Bridge Canyon. The theory seems to be that the visitors must be presumed to have gotten their money's worth. That may or may not be. But the leap by which this is made out to be a national benefit is a pure feat of gymnastic brilliance. Senators may be surprised to know that the meal they will buy beside Bridge Canyon Dam is a national benefit, whereas the one they buy in a Washington restaurant is of interest only to themselves. But that is the view of the Bureau of Reclamation.

A similar bit of nonsense crops up in connection with the estimate of fish and wildlife benefit, practically all of which is derived from fish—appendixes to Bureau report, page G-30. Neither the report nor the appendixes containing its substantiating material shows how the fish benefit was computed. I am informed, however, that an inquiry made of the Bureau's planning officials elicited this information: An estimate was first made of the number of fish which would be in the future reservoir, and of the weight of each. It was assumed that all the fish would be fished out each year. Accordingly, the value of the fish, at 50 cents a pound, is found to be an annual national benefit. No offset is allowed for the fisherman's labor, his expenses, nor his occasional mental suffering and frustration.

And since the act of August 14, 1946, so permits, the annual fish benefit, capitalized at 3 percent, becomes a nonreimbursable factor in the bill, S. 75. It is small, but it sheds a light on the Bureau's way of thinking.

The four items discussed thus far are on the benefit side. Let us turn now to the matter of costs, the other side of the ledger: The Secretary of Agriculture, in his comments on the project report says—House Document 136, page 104:

> The actual relation of benefits to costs is still further obscured by what appears to be a failure to use the market value of power, in estimating, for evaluation purposes, the cost of pumping the water supply. Market value must be used in economic evaluation, because the power has alternative uses.

What the Bureau has done is to set up as a cost only the price of two mills per kilowatt-hour which it proposes to charge the farmers for pumping, instead of the market value of 5.17 mills. The difference, as I have elsewhere explained, applied to the 1,500,000,000 kilowatt-hours per year to be used for pumping, is a matter of national loss or cost in the sum of $4,700,000 per year.

The plan to divert water from the Colorado River to central Arizona could not be carried out unless, first, there were Hoover Dam, to conserve the floodwaters of the river and make them available for use and unless, second, there were Parker Dam, to create the diversion pool from which the water is to be pumped. Hoover Dam is being paid for by the power consumers of Nevada and California. Parker Dam was paid for exclusively by the Metropolitan Water District of Southern California. There is no pretense in the financial plan of the central Arizona project that Arizona is to pay anything for these benefits. There is no accounting for the costs of the dams as a national cost, yet they are as truly a part of the benefit-cost picture as the cost of Bridge Canyon Dam.

I have shown that there is no uncommitted water belonging to the lower basin of the Colorado River, and that, as a consequence, water can only be taken from the river for central Arizona by limiting existing projects in the basin and rendering idle in whole or in part the facilities whch have been constructed to serve those projects.

There is, in the Bureau's benefit-cost accounting, however, no indication of this national loss. It should, like all elements of loss, be shown as a cost.

Enough has been shown to explain why the Secretary of Agriculture says:

> Frankly, we were unable to determine from your report whether or not the benefits actually would exceed the costs.

And why he says further—House Document 136, page 104:

> In at least the respects mentioned above, the benefits and costs used in testing out the economic soundness of the project are in error. We would suggest, therefore, that further and more careful consideration be given to the economic evaluation of the proposed irrigation project.

Enough has been said to explain why the Secretary of the Army said, in his comments on the Bureau's project report—House Document 136, page 102:

> The legal and economic premises upon which the project as a whole is based appear to be open to serious question, particularly with respect to water rights and to the analysis of the economics of the works.

Enough has been said to show why the Director of the Budget said in his letter of February 4, 1949—House Document 136, page 5:

> From an examination of your report, of the comments of the affected States, and of the remarks of other interested Federal agencies, it is apparent that there are a number of important questions and unresolved issues connected with the proposed central Arizona project.
>
> The foregoing summary and the project report have been reviewed by the President. He has instructed me to advise you that authorization of the improvement is not in accord with his program at this time * * *.

And enough has been said to explain why the very regional director of the Bureau of Reclamation who drafted the project report, after remarking that the project had engineering feasibility, said—House Document 136, page 118:

> Financial feasibility of the project is more difficult to determine.

I ask unanimous consent that there may be printed at this point in my remarks the series of letters written by the Director of the Bureau of the Budget relative to this matter.

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

The letters are as follows:

EXECUTIVE OFFICE OF THE PRESIDENT,
BUREAU OF THE BUDGET,
Washington, D. C., March 2, 1951.

Hon. JOSEPH C. O'MAHONEY,
Chairman, Committee on Interior and Insular Affairs,
United States Senate,
Washington, D. C.

MY DEAR SENATOR O'MAHONEY: This will acknowledge receipt of your letter dated January 11, 1951, requesting a report on S. 75, a bill "Authorizing the construction, operation, and maintenance of a dam and incidental works in the main stream of the Colorado River at Bridge Canyon, together with certain appurtenant dams and canals, and for other purposes."

S. 75 as introduced in this session of Congress is understood to provide, except for the elimination of Bluff Dam and Reservoir, for substantially the same works as contained in the project planning report of the Department of the Interior, published in House Document 136, Eighty-first Congress, first session.

You are advised that there has been no change in the relationship of the proposed legislation to the program of the President as outlined in our letters to the Secretary of the Interior dated February 4 and April 20, 1949, our letter to you dated February 11, 1949, and our letter to the Chairman of the Public Lands Committee of the House

of Representatives dated April 19, 1950, copies of which have been furnished you.

In our letter of April 19, 1950, to the Chairman of the Public Lands Committee of the House of Representatives we drew attention to the fact that national policies governing Federal participation in water resources developments were then under study by the President's Water Resources Policy Commission. Since that time the Commission has reported and its recommendations are now under review within the executive branch. Until we have had an opportunity to complete this review, I am unable to inform the committee on the effect which the Commission's recommendations might have upon the authorization contemplated in S. 75.

Sincerely yours,

F. J. LAWTON,
Director.

EXECUTIVE OFFICE OF THE PRESIDENT,
BUREAU OF THE BUDGET,
Washington, D. C., April 19, 1950.

Hon. J. HARDIN PETERSON,
Chairman, Committee on Public Lands,
House of Representatives,
Washington, D. C.

MY DEAR MR. PETERSON: On February 28, 1950 you wrote me on behalf of your committee requesting the comments of the Bureau of the Budget on S. 75, now before your committee for consideration. This bill would authorize certain works on the Colorado River and in Arizona, commonly referred to as the central Arizona project, mainly for irrigation and hydroelectric power purposes.

As you know, the President strongly supports the sound development and use of land and water resources, not only in the West, but in every part of the Nation. Despite the difficult budgetary situation, the President has felt it necessary to recommend in recent budgets increased amounts for the Bureau of Reclamation, Corps of Engineers, and other agencies which carry out investment programs to conserve and use the waters of our river systems for irrigation, flood control, navigation, power, and other purposes. For example, the appropriation estimates for the Bureau of Reclamation submitted in the President's 1951 budget are more than twice as large as those in the 1947 budget. At the same time, the President firmly believes that these investment programs must proceed on a basis of comprehensive and long-range planning, in order to avoid waste and to assure lasting benefits at minimum cost.

It is against this background that I write you now in reference to S. 75. The Budget Director has commented on the central Arizona project in previous letters: to the Secretary of the Interior, on February 4, 1949; to the Chairman of the Senate Committee on Interior and Insular Affairs, on February 11, 1949; and to the Secretary of the Interior, on April 20, 1949. Copies of those letters are attached for convenient reference. Those letters raised two main questions about the project.

The first question raised was whether there is enough water in the Colorado River, available for use in Arizona, to satisfy the needs of this project on a permanent basis. The President has stated many times that he would like to see a definitive settlement of the rights of the various States to waters of the Colorado River system, in order that decisions on projects to be developed in the public interest may be made on a firm basis with respect to water rights. The President consistently has indicated his unwillingness to take any position favorable to authorization of the central Arizona project until settlement of the water rights controversy has been brought about.

Senate 75, in its present form, is intended to provide one means by which this controversy might be settled. I am unable to express to the committee at this time any views concerning the efficiency of the bill for this purpose.

The second question raised in the previous letters of the Budget Director, particularly the letter of February 4, 1949, related to the economic feasibility of the project as outlined in the report of the Secretary of the Interior.

S. 75, as passed by the Senate, would authorize a project which is different in certain respects from that outlined in the Secretary of the Interior's report on the central Arizona project. The bill provides for a tunnel and canal between Bridge Canyon and Cunningham, Wash., and omits authorization for construction of a dam at the Bluff site on the San Juan River. It omits certain nonreimbursable cost allocations. Taking these changes into account, the comments on economic feasibility made in the previous letters of the Budget Director still apply to the project which would be authorized by S. 75.

Since the Budget Director commented on the central Arizona project last year, the President has established a Water Resources Policy Commission to study existing national policies for the development, conservation and use of water (and related land) resources, and to recommend improvements in those policies which the Commission may find to be desirable. The President has asked the Commission, among other things, to consider the basic policy questions relating to the Federal reclamation programs, in order that he may be prepared to recommend to the Congress definite legislative proposals with regard to these matters. A copy of the Executive order establishing the Commission and a letter from the President to its chairman is attached for convenient reference.

Your attention is also called to the position taken by the President in his budget message to the Congress in January, 1950 (p. M 65) relative to changes in water-resources legislation pending the completion of the report of the Water Resources Policy Commission.

Sincerely yours,

F. J. LAWTON,
Director.

EXECUTIVE OFFICE OF THE PRESIDENT,
BUREAU OF THE BUDGET,
Washington, D. C., April 20, 1949.

The honorable the SECRETARY OF THE INTERIOR.

MY DEAR MR. SECRETARY: Conversations with the Office of the Under Secretary and with Mr. Vernon Northrop confirm the delivery to you of a copy of a letter addressed to me on April 13 by the Honorable CECIL R. KING, Member of Congress for the Seventeenth District of California. In his letter, Mr. KING requests that I either transmit directly, or through you, to the Speaker of the House, a copy of my letter to you of February 4, 1949, relative to the central Arizona project.

In view of the fact that the letter of February 4 is the official notification of action by the Bureau of the Budget in accordance with the provisions of Executive Order 9384, I believe that it should be transmitted by you to the Speaker with a recommendation for inclusion as a part of House Document 136, Eighty-first Congress, now in type. However, since my letter of February 11, 1949, address to Senator O'MAHONEY indicates a modification of Presidential position, I believe that it also should be forwarded to the Congress together with a copy of this letter.

The modification of the President's position is to be found in the last sentence of the last paragraph of the February 11 letter to Senator O'MAHONEY which reads as follows:

"If the Congress, as a matter of national policy, makes a determination that there is a water supply available for the central Arizona project, the President will consider all factors involved in any legislation to authorize the project and will inform the Congress of his views respecting the specific provisions of this legislation."

The intent of this language was to indicate exactly what it says, namely, that in spite of the announced position of opposition contained in my letter of February 4, the President would reconsider his position if the Congress, by affirmative action, should settle the water-rights controversy.

I shall be grateful if you will forward the letters to the Speaker at your earliest convenience.

A copy of my letter to Representative KING is attached.

Sincerely yours,

FRANK PACE, Jr.,
Director.

EXECUTIVE OFFICE OF THE PRESIDENT,
BUREAU OF THE BUDGET,
Washington, D. C., February 11, 1949.

Hon. JOSEPH C. O'MAHONEY,
Chairman, Committee on
Interior and Insular Affairs,
United States Senate,
Washington, D. C.

MY DEAR SENATOR O'MAHONEY: Members of the Congress have raised a question as to the interpretation to be placed upon the last clause of the last sentence of my letter of February 4, 1949 addressed to the Secretary of the Interior advising him of the relationship to the program of the President of the Central Arizona project. The clause referred to reads as follows: "* * * and that he (the President) again recommends that measures be taken to bring about prompt settlement of the water-rights controversy."

During the last Congress in connection with consideration of Senate Joint Resolution 145 and House Joint Resolution 227, this office advised the Attorney General that it would be in accord with the program of the President to resolve the water-rights controversy by waiving immunity of the United States to suit and by granting permission to the States to bring such actions as they might desire, if the Congress felt it to be necessary to take such action. This advice was transmitted to the Congress by the Attorney General. Similar advice was also transmitted by the Secretary of the Interior, together with specific suggestions as to a form of a resolution whch the Congress might consider.

In order that there may be no misunderstanding of the President's position, I shall be grateful if you will advise the members of your committee that the President has not at any time indicated that suit in the Supreme Court is the only method of resolving the water-rights controversy which is acceptable to him. On the contrary, the letters addressed to the Congress last year, as indicated above, stated specifically that enactment of the resolution authorizing suit would be acceptable to the President "* * * if the Congress feels that it is necessary to take such action in order to compose differences among the States with reference to the waters of the Colorado River * * *".

The project report and materials relating to the positions of the several States affected are now before your committee for consideration. If the Congress, as a matter of national policy, makes a determination that there is a water supply available for the central Arizona project, the President will consider all factors involved in any legislation to authorize the project and will inform the Congress of his views respecting the specific provisions of this legislation.

Sincerely yours,

FRANK PACE, Jr.,
Director.

EXECUTIVE OFFICE OF THE PRESIDENT,
BUREAU OF THE BUDGET,
Washington, D. C., February 4, 1949.

The honorable the SECRETARY OF THE INTERIOR.

MY DEAR MR. SECRETARY: In Director Webb's letter of September 16, 1948, concerning your report on the central Arizona project, he pointed out that the Bureau of the Budget had not completed its review and analysis but agreed with your suggestion that the report should be forwarded to the Congress. I am now able to advise you that the Bureau of the Budget has completed its study of the report and a determination has been made of the relationship of the proposed project to the program of the President.

The report proposes the construction of the Bridge Canyon Dam and power plant, a pumping plant at Lake Havasu, and an aqueduct from there to Granite Reef Dam in central Arizona, together with other appurtenant works for the purpose of providing supplemental water to irrigation areas in central Arizona and hydroelectric power in the Arizona-southern California area. The total estimated cost of the project as of January 1948 is $738,408,000, of which (based on existing law) $420,000,000 would be allocated to irrigation, $291,000,000 to electric power, $18,000,000 to municipal water supply, $6,000,000 to flood control, and about $3,000,000 to fish and wildlife. It is proposed to install 750,000 kilowatts capacity of power generation at Bridge Canyon Dam, with about 2 percent additional generation at smaller dams on the project.

The report calls for an ultimate annual diversion of 1,200,000 acre-feet of water from the Colorado River at Lake Havasu (Parker Dam) with a pump lift of 985 feet to the Granite Reef Aqueduct through which it would be conveyed for a distance of 241 miles to the Phoenix area of Arizona as a supplemental supply of irrigation water. The use of such supplemental water would be "(1) to replace the overdraft on the groundwater basins, (2) to permit the drainage of excess salts out of the area and maintain a salt balance, (3) to provide a supplemental supply to lands now in production but not adequately irrigated, (4) to increase the water supply for the city of Tucson, and (5) to maintain irrigation of 73,500 acres of land formerly irrigated but now idle for lack of water." It is proposed to charge the district $4.50 per acre-foot of water. The duty of water varies between projects and between surface and pumped water. However, diversion demand of surface water at district headgate is given as an average of something about 5 acre-feet per acre. The rate for power would be (under existing law) 6.22 mills.

It is the opinion of the Regional Director of the Bureau of Reclamation that the "project has engineering feasibility in the sense that there are no physical obstacles * * * that could not be overcome." He states, however, that "financial feasibility of the project is more difficult to determine" and further in his report to the Commissioner of Reclamation, he raises the question of adequacy of the water supply for this project.

It is pointed out in the report that the project as proposed is economically infeasible under existing reclamation laws and that it is essentially a "rescue" project designed to eliminate the threat of a serious disruption of the area's economy. Modifications in these laws are therefore proposed in the report to extend the repayment period for the entire project, including power, to 78 years and to use one-fifth of the interest component on the commercial power investment to aid in the repayment of irrigation features.

The State of Arizona says that under the Colorado River compact, other agreements, and California's self-limitation act, Arizona has allocated to its use 3,670,000 acre-feet of water per year. It states that it is now using from the mainstream of the Colorado and its tributaries in Arizona a grand total of 1,408,000 acre-feet of water per year, thus leaving 2,262,000 acre-feet for additional consumption which cannot be lawfully used elsewhere than in Arizona. It estimates the (consumptive) use for the central Arizona project at 1,077,000 acre-feet, which together with the other planned uses will still leave in the mainstream, according to the State's estimate, a balance of 619,000 acre-feet apportioned to Arizona for future use and for reservoir losses. Arizona bases its case for diversion of water from the Colorado River upon these figures and proposes to use such water as a supplemental supply for lands now inadequately irrigated. It states further that the irrigation of lands in central Arizona has been expanded beyond the water-supply of central Arizona and that this is resulting in an exhaustion of their underground supply with insufficient surface stream flow to maintain production in the lands now irrigated. To avoid the danger to the entire economy of the State, it considers it essential that the central Arizona project be expedited.

The Commissioner of Reclamation states that assurance of a water supply is an extremely important element of the plan yet to be resolved; that the showing in the report of there being a substantial quantity of Colorado River water for diversion to central Arizona for irrigation and other purposes is based upon the assumption that claims of the State of Arizona to this water are valid. He states that the State of California challenges the validity of Arizona's claim and that if the contentions of the State of California are correct, there will be no dependable water supply from the Colorado River for this diversion. He further states that the Bureau of Reclamation and the Department of the Interior cannot authoritatively resolve this conflict between States and that it can be resolved only by agreement among the States, by court action, or by an agency having proper jurisdiction.

The comments of the several affected State governments and interested Federal agencies with respect to his report contain a number of objections and reservations with respect to the proposed project. Specifically the Department of Agriculture questions whether the benefits actually exceed costs. It questions, as it has on numerous other occasions in commenting on proposed reclamation projects, the use of the gross rather than the net crop return method of computing benefits. The Department further says: "The actual relation of benefits to costs is still further obscured by what appears to be a failure to use the market value of power in estimating for evaluation purposes the cost of pumping the water supply. Market value must be used in economic evaluation because the power has alternative uses." Commenting further on benefits, the Secretary of Agriculture states "* * * while it is necessary that benefits exceed costs if a project is to be considered economically justified, this alone is not sufficient. Sound economics and common sense require: First, the consideration of possible alternatives; and second, the choice of that alternative yielding the largest return on the investment." The comments of the Department of Agriculture go even further and state: "At least in the respects mentioned above, the benefits used in testing the economic soundness of the project are in error. We would recommend, therefore, that further and more careful consideration be given to the economic evaluation of the proposed project."

The Federal Power Commission points out that there is no essential physical relationship between the Bridge Canyon power project and the central Arizona diversion project, but that the two are linked together in the report because of the need for subsidies from electric power income to help finance the irrigation improvement. It also indicates that the burden of the irrigation costs are considerable and that the proposed charges for electric power consequently approach a level where such power cannot be classed as "low cost" in this region. The Federal Power Commission also suggests that further studies are required before the proper installed capacity at Bridge Canyon power plant can be finally determined and that it could probably be considerably more than the 750,000 kilowatts proposed.

The State of Nevada says: "There is a grave question regarding the availability of water to Arizona to supply the project. * * * Studies have been made by California and Nevada engineers which show there will be little or no water for the central Arizona project. * * * Investigations and reports should be held up or be only preliminary in character where there is a question as to availability of water." The State of Nevada further says that some engineers have expressed an opinion that the Bridge Canyon Dam and Reservoir cannot be utilized properly and to its full extent as a power project because of the limited storage behind the dam which in a few years would fill with silt and power service would depend on natural fluctuating river flow. They raise questions as to whether it would not be desirable to construct Glen Canyon, which would provide much additional storage capacity at the same time as Bridge Canyon.

The State of Nevada, in commenting on the economic justification of the project, computes the net irrigation construction costs on the acreage which will be salvaged by the project at $1,469 per acre and questions the justification of such costs in the fact of an estimated farm-land value with irrigation of $300 per acre.

The State of California says that a controversy has existed between California and Arizona for many years as to their respective claims to Colorado River water and that conferences held on this subject throughout have not brought a solution. The State further says that until there is a final settlement of the water rights, the aggregate of Arizona and California claims to Colorado River water will exceed the amount of water available to the lower basin States under the Colorado River compact and relevant statutes and decisions. It states that as long as the present unsettled situation exists, each State in the lower basin must, of necessity, interest itself in the others' projects which would overlap its claims. Accordingly, the State of California submits the following conclusions: (a) The plan for construction, operation, and maintenance of the proposed project is not financially feasible under existing Federal Reclamation law and the modifications thereof considered in the report; (b) consideration of an authorization for the central Arizona project should be withheld until a determination has been made of the respective rights of the lower basin States to the waters of the Colorado River system; and (c) extensive and detailed studies and investigations should be made by the Bureau of Reclamation of local water supply and use in order to determine accurately the amount of supplemental water needed for existing irrigated lands in the Salt River and Middle Gila River valleys and to formulate plans for additional conservation of local water supplies.

With reference to the controversy that exists between the claims of the States of the lower basin, it is concluded that the situation has not changed since your interim report of July 14, 1947, on the status of your investigations of potential water resource developments in the Colorado River Basin. In the report of the Commissioner of Reclamation, approved by you, it is stated "that further development of the water resources of the Colorado River Basin, particularly large-scale development, is seriously handicapped, if not barred, by lack of a determination of

the rights of the individual States to utilize the waters of the Colorado River system."

On July 23, 1947, Director Webb replied to your letter of July 19, 1947, as follows:

"Acting under authority of the President's directive of July 2, 1946, I am able to advise you that there would be no objection to submission of the proposed interim report to the Congress, but that the authorization of any of the projects inventoried in your report should not be considered to be in accord with the program of the President until a determination is made of the rights of the individual States to utilize the waters of the Colorado River system."

From an examination of the report, of the comments of the affected States, and of the remarks of other interested Federal agencies, it is apparent that there are a number of important questions and unresolved issues connected with the proposed central Arizona project. The provision of adequate water supply, if found to be available, is admittedly a high-cost venture which is justified in the report essentially on the basis of an urgent need to eliminate the threat of a serious disruption of the area's economy. Even so, the life of certain major parts of the project is appreciably less than the recommended 78-year-pay-out period. The work could be authorized only with a modification of existing law or as an exception thereto. Furthermore, there is no assurance that there will exist the extremely important element of a substantial quantity of Colorado River water available for diversion to central Arizona for irrigation and other purposes.

The foregoing summary and the project report have been reviewed by the President. He has instructed me to advise you that authorization of the improvement is not in accord with his program at this time and that he again recommends that measures be taken to bring about prompt settlement of the water rights controversy.

Sincerely yours,

FRANK PACE, Jr.,
Director.

Mr. KNOWLAND. I may say at this time, Mr. President, lest anyone feel that the picture has changed since those letters were written, that only a week ago I had the privilege of seeing the President of the United States on another matter. The President made it very clear to me at that time that he was not participating in the controversy over the Central Arizona project, and that he felt the matter should be settled, so far as the controversy was concerned, prior to the time the project was constructed. I merely mention that because it so happens that the able Senator from Arizona, in addition to having his duties as a representative of his State, which he ably represents, is also majority leader of the Senate of the United States. I do not think any impression should thereby be given to the Senate that this is an administration measure. I think the record is very clear that the Director of the Bureau of the Budget on several occasions, speaking for the President of the United States, indicated that, as I have stated, he was not participating in this controversy relative to the Central Arizona project and the dispute growing out of the Colorado River controversy.

THE PRESENT BILL MAKES FULFILLMENT OF THE BUREAU'S FINANCIAL PLAN IMPOSSIBLE

The provisions of the bill now under consideration destroy this project from an engineering and financial standpoint. I refer to page 3 of the bill beginning with the last word in line 22:

Provided, That this authorization shall not include (a) any works, dam, or reservoir at the Glen Canyon site or any other site in the upper Colorado River Basin which would flood the Glen Canyon site.

It is to be noted that this language expressly prohibits any authorization by this bill of any dam in the upper Colorado River Basin. The project, as originally designed by the Bureau of Reclamation, which is to be constructed under the bill, provided for the construction of Bluff Dam on the San Juan River in the upper basin. On page 145 of House Document 136, in the Report and Findings of the Secretary of the Interior, there appears a list of the features comprising the Central Arizona project. The first feature there listed is the Bluff Dam. On that page is a description of this dam and a statement of its purpose:

This dam would be constructed on the San Juan River at a point 12 miles downstream from the town of Bluff, Utah, and 132 miles upstream from the confluence of the San Juan and Colorado Rivers. It would be built primarily as an adjunct to the Bridge Canyon Dam with primary functions of silt retention, river regulation, and flood control. Bluff Dam would prolong the useful life of the Bridge Canyon Reservoir by retention of about 30,000 acre-feet of silt a year. In addition, by regulating the flow of the San Juan River, stored water could be released in such a manner as to increase the firm energy output of the Bridge Canyon Dam.

The last sentence of the Secretary of Interior is to be particularly noted, for he says that Bluff Dam would firm up the energy generated at the Bridge Canyon Dam. That is most important because the whole financial structure of this project is dependent upon the amount of commercial power available from the Bridge Canyon Dam for sale in the power markets of the Southwest. Leaving out of consideration the interest lost to the Nation's taxpayers, it is intended that the sale of the commercial power will pay the construction cost of this entire project in approximately a century.

The Bluff Dam was also made a part of the project by the Bureau in order to retain a large part of the silt that would otherwise flow into the Bridge Canyon Reservoir. Thus, it had two very important purposes in the project plan. It would regulate the flow and thus increase the firm power for sale at Bridge Canyon Dam and it would protect the Bridge Canyon Reservoir from silt.

The report of the Senator from Arizona [Mr. MCFARLAND] from the Committee on Interior and Insular Affairs under date of March 12, 1951, shows what happened to the authorization of the Bluff Dam. I quote from page 2:

The bill also contains what was known as the Watkins amendment which was adopted by the committee in the Eighty-first Congress, which eliminates from the project the construction of a dam, designed for silt control, on the San Juan River at what is known as the Bluff site. Construction of the Bluff Dam was, in the committee's opinion, made unnecessary in view of abundant evidence before it that entire problem of silt control for the over-all project herein authorized would be fully and adequately solved by the construction of a dam at the Glen Canyon site, a project strongly favored by the Colorado River Basin States, and on which a report is being prepared by the Bureau of Reclamation for consideration by the committee.

This statement by the Senator from Arizona is interesting for what it does not say as much as it is for what it does say. It is to be noted that this statement entirely overlooks the fact that the Bluff Dam was a part of the project and designed by the Bureau in order to store water that could be released in such a manner as to increase the firm energy output of the Bridge Canyon power plant.

It has become a matter of considerable interest how much the Bluff Dam would increase the firm energy output of the Bridge Canyon Dam. In the recent hearings in the House Interior and Insular Affairs Committee this year, questions were asked of the representatives of the Bureau of Reclamation as to what this difference would amount to. The answer was that with Bluff Dam eliminated and the Glen Canyon Dam prohibited, the firm energy would be reduced from 4,675,000,000 kilowatt-hours per year to 3,500,000,000 kilowatt-hours. This is a loss of more than a billion kilowatt-hours of firm energy each year. The Bureau now expects to market its firm energy at a rate of 5.171 mills per kilowatt-hour. By simple multiplication this lost power amounts to a loss in revenue to the project of over $6,000,000 per year. The exact figure is $6,056,000 annually. This loss of revenue will continue as long as Glen Canyon Dam is not in operation.

In recent testimony before the House committee, Bureau witnesses have assumed that Glen Canyon Dam will be authorized and that it will be in operation 15 years after Bridge Canyon goes into operation. On this assumption, the revenues of Bridge Canyon Dam will fall short, by over $90,000,000 of fulfilling the financial plan of the project.

The simple fact, then, is that this project as designed by the Bureau will not pay out its own construction cost in the period estimated by the Bureau, unless either Bluff Dam or Glen Canyon Dam is constructed. The terms of this bill require that the project pay out in 75 years. This is found on page 5, lines 13 to 21, of the bill.

This bill cannot serve as an authorization for either the Bluff Dam or the Glen Canyon Dam because the one is omitted and the other is expressly prohibited. Unless one or the other is built, there is only one remaining alternative, and that is to increase the rate for the sale of commercial power. On that point the Bureau officials have testified positively in the recent House hearings. They stated that without Bluff Dam or Glen Canyon Dam the power rate would have to be increased to a point above the market value of commercial power. It would have to be increased to between 8 and 9 mills per kilowatt-hour. The power could not be sold for such a high figure.

I began by stating that the provisions of the bill destroy this project from an engineering standpoint. There can be no escape from that fact unless the proponents of the bill are willing to say

that Glen Canyon Dam must be in operation when the Bridge Canyon Dam begins to produce hydroelectric power. If they are willing to concede that fact, then we should be assured that the Glen Canyon Dam is at least authorized for construction before this project is authorized.

The project as designed by the Bureau, which includes Bluff Dam, contemplates full coordination with Hoover Dam in the production of hydroelectric power. In order to do this, the existing Hoover power contracts would have to be renegotiated. Hoover power is now being sold to Nevada and California agencies. Since Hoover Dam was completed, Arizona has had a right to apply for 18 percent of that power. Arizona has just exercised that right recently and generators are now being installed to furnish that additional power. The effect of a coordination of Hoover Dam power and Bridge Canyon power is a subject of sharp conflict. The Hoover power contractors are under no legal obligation to revise their contracts. They consider that it would be disadvantageous for them to do so. If Hoover Dam power cannot be coordinated with Bridge Canyon power, then Bridge Canyon power output will be reduced by another billion kilowatt-hours of energy annually. The loss of revenue will be $12,000,000 annually instead of $6,000,000 annually. This makes the financial plan of this project impossible for a second reason. Either reason is sufficient standing alone.

This analysis has demonstrated that the Glen Canyon Dam must be in operation as soon as the Bridge Canyon Dam begins to produce hydroelectric energy. Unless this fact is assured, the project cannot produce sufficient commercial energy to pay its own capital cost. This leaves out of consideration the billions of cost borne by the Nation's taxpayers in the form of lost interest. This is concerned solely with the question whether the project can pay its own construction cost as a project completely free from any obligation to pay interest in any amount.

There is another factor that requires that the Glen Canyon Dam be in operation as soon as the Bridge Canyon Dam below it becomes a barrier to the flow of the Colorado River. To come back now to the problem of silt, we find the Secretary of the Interior has spoken on the subject.

The Chairman of the House Committee on Public Lands submitted certain questions to Secretary Chapman last year regarding this project. He was asked this question as question No. 12:

Without the construction of upstream storage for reservoir regulation and sediment control, what is the estimated useful life of the Bridge Canyon Reservoir and power plant?

His answer in substance assumes that the Glen Canyon Dam will be constructed, but I quote a few sentences from his letter to the Chairman of the House Public Lands Committee in answer to that question:

The Bridge Canyon Reservoir is relatively small as compared to Lake Mead or the Glen Canyon Reservoir. Its useful life as an effective storage reservoir is particularly dependent upon its being protected from excessive sediment inflow. Sound conservation principles demand that not one acre-foot of sediment be allowed to flow into Bridge Canyon Reservoir Basin which could, as a practical and economical matter, be withheld in longer-lived reservoirs or in reservoirs of little or no other economic value.

The underlying reason for this statement is the startling fact that, without upstream storage to receive the silt, Bridge Canyon Dam will be filled with silt to the spillway level in 35 to 45 years. This is admitted by the Secretary. He says in his answer to question 12:

It is estimated that Bridge Canyon Reservoir would be essentially filled with sediment within 35 to 45 years.

Yet the payout time, according to the proponents of the bill, is to be 73 years. We believe that the facts will demonstrate that it will require a century to pay out, if, indeed, it ever does pay out.

Thereafter it would operate, if at all, as a run-of-the-river plant with a far smaller power production than is indispensable to fulfill the financial plan. It obviously could not pay out the construction cost within 75 years.

If, as the Secretary of Interior states, "sound conservation principles demand that not one acre-foot of sediment be allowed to flow into Bridge Canyon Reservoir Basin," then the Glen Canyon Dam must be constructed. This bill prohibits its construction as a part of this project. It is true that the Bureau of Reclamation has recently submitted a project which includes Glen Canyon to the affected Colorado River Basin States for comment. That project provides for the ultimate construction of ten dams in the upper basin, including the Glen Canyon Dam. The total cost of the ten dams is estimated at $1,139,100,000. The Glen Canyon Dam will cost more than any of the others. Its contemplated cost is $363,900,000 at 1949 prices. It would probably be around $400,000,000 at 1951 prices.

In the face of our present emergency, how can we authorize this central Arizona project, at a construction cost of almost a billion dollars, that will cost the taxpayers of the Nation additional billions, when it is dependent for both economic and engineering feasibility upon another dam that is only in the planning stage, particularly when that dam must be a completed structure when this project goes into operation, and more particularly when that dam will cost nearly four hundred million, and is a part of a project that includes nine other dams and will cost over a billion? I do not mean by what I have said to take the position that Glen Canyon Dam will not be built. If it is sound as an engineering matter, which has not been determined, and if it can be soundly financed, as to which we have little information, then, if and when our national economy will permit, it should be built. It is plain, however, that there are serious problems yet to be solved. It is still plainer that each year of delay in the completion of Glen Canyon Dam will enhance the extent to which Bridge Canyon power plant will fail to produce the power necessary to carry out the financial plan. Proponents of S. 75 assert that the project will liquidate its capital cost in 75 years. From what has been said, it is clear that every year of delay in building Glen Canyon Dam makes that result progressively more impossible. In a word, to build Bridge Canyon Dam first is to put the cart before the horse.

(At this point Mr. KNOWLAND yielded to Mr. BUTLER of Nebraska for the purpose of making a statement on the beef-limitation order of the Office of Price Stabilization, which, on request of Mr. BUTLER of Nebraska, and by unanimous consent, was ordered to be printed at the conclusion of Mr. KNOWLAND's speech.)

CONSTRUCTION COST PER ACRE

Mr. KNOWLAND. Let us examine this project in the terms of its cost. The figure submitted by the Bureau of Reclamation for January 1951 is $788,265,000. This is the figure submitted by the representatives of the Bureau of Reclamation to the House committee on February 28, 1951, as shown in table I. This is the construction cost.

However, the Bureau says that the local water supply is not enough to water all the lands in central Arizona, and that without the project, 152,000 acres would have to go out of production. There are 73,000 acres more, that once were irrigated, but now are not irrigated, that will be returned to production by this project. That is a total of 225,000 acres that Arizona and the Bureau of Reclamation say will be rescued if this project is constructed—see table C–5, page C–22, Project Planning Report No. 3–8b.4–2, December 1947; also page 35 of hearings on S. 75 where Senator MCFARLAND gives this figure as 226,020.

The construction cost of the irrigation features of this project, at January 1951 prices, according to the Bureau of Reclamation, is $450,056,000. It is most elementary arithmetic to divide this $450,000,000 of irrigation construction cost by the 225,000 acres benefited. The resulting capital cost is $2,000 per acre. The United States Treasury, then, will advance $2,000 for construction cost to each acre of the land to be rescued. The average market value of that land today is less than $300.

This raises a very serious national problem. Last year the President appointed a Water Resources Policy Commission. In December that Commission reported in a large volume what it termed a "water policy for the American people." The Commission urged that the Congress enact legislation to set standards and yardsticks to measure what was and what was not a good investment of Federal funds in the Nation's rivers. It discussed in the following words the matter of construction cost per acre benefited; I quote from pages 171–172:

The cost per acre of reclamation projects has been tending upward. In connection with certain proposed projects it is greatly in excess of the value of the land after it has been irrigated. Thus, while the cost of existing irrigation projects in the Columbia Basin averages only $65 per acre, the costs of projects now under construction will average just under $350 and the corresponding cost per acre of potential projects is estimated at $450.

These costs are increasingly beyond the repayment abilities of prospective users of irrigated lands, even if some additional repayment is sought through conservancy districts embracing commercial communities which will gain indirectly from the projects. The question naturally arises as to whether there is any reasonable limit to the extent of Federal investment. Stated differently, the question is whether projects involving relatively high Federal investment per acre should be approved.

Let me repeat some of those statements, Mr. President. We are advised by the Commission that the cost of projects now under construction will average $350 per acre, and the corresponding cost per acre of potential projects is estimated at $450 per acre. In this project we have a construction cost alone of $2,000 per acre. It is over four times the average cost of the potential projects as envisioned by the President's Commission. So the question posed by the Commission, namely, "Is there any reasonable limit to the extent of Federal investment in irrigation projects?" is in these uncertain days acutely pertinent. With a stupendous national debt, with deficit budgets, with a crushing load of taxation on our people, which is about to increase, there can be only one answer, which is that the cost of the central Arizona project presently before us grossly exceeds any reasonable limit which our people should be required to bear at this or any other time.

TOTAL COST TO THE NATION

I have mentioned only the construction cost of the central Arizona project, Mr. President; but that cost is only the beginning. What is the real total cost of this project to the Nation?

Last year the House Committee on Public Lands submitted to the Secretary of the Interior 17 questions with regard to the central Arizona project. The last question reads as follows:

How much interest on the national debt, occasioned by the project, would be borne by the Nation's taxpayers, assuming a 75-year-repayment period and a reasonable construction period?

The Secretary answered the question in a letter to the chairman of the Public Lands Committee of the House of Representatives, under date of June 28, 1950. In his answer to the last question he assumed 8 years to be a reasonable construction period. Assuming 2½ percent as the interest rate paid by the United States, his answer was $2,075,000,000—over $2,000,000,000. What is this figure of $2,000,000,000, and how did he arrive at it? There is nothing complicated or difficult about the answer.

He began with the cost of the project, which at that time was called $708,000,000, at 1947 prices. Parenthetically, Mr. President, I say again that this year they testified that the price estimate was up to $788,000,000. According to the financial plan of this project, not 1 cent of interest is ever to be paid as such to the United States Treasury on any part of the cost, either during the assumed construction period of 8 years or during the 75-year-repayment period. In this project there is one large power dam that will produce power that will be sold in the commercial market. The power rate set up by the Bureau includes, it is true, a factor of interest on the cost of the power features. General law requires that the rate charged for power amortize the construction cost of power features and cover interests on such cost. In this project, however, the interest will not go back to the Federal Treasury as compensation for the use of money; it is to be diverted from that purpose, and is to be applied to pay the construction cost of the irrigation features. The irrigation features of this project will cost $450,000,000. The farmers who will get the water will barely be able to pay for the operation and maintenance of the irrigation system after it is built. All the interest that power would ordinarily pay back to the Treasury will therefore be diverted to irrigation-construction costs. Since 1902, it has been the policy of Congress not to require interest to be paid on the Federal money which is used for irrigation purposes. It has been the policy of Congress that a profitable power installation should pay interest. The small amount of municipal water supply in this project will pay no interest. The result then is clear, namely, that not 1 cent of interest on any part of this project is ever to be returned as such to the Treasury of the United States.

Let us examine this result briefly. The situation is that three-quarters of a billion dollars would be borrowed from the United States for an 8-year construction period and a 75-year repayment period, and not 1 cent of interest would be paid into the Treasury over the 83-year period. President Coolidge once remarked that England should repay its war debt. He expressed it this way: "They hired the money, didn't they?" That is the situation here. Arizona hires the money for this project for at least 83 years, but no interest is to be paid for the use of it. The Treasury, however, will have to borrow this money at 2½ percent in order to let this project have the use of it for 83 years. In addition, the Treasury will have to borrow the money to pay the interest. The national debt will be increased by that much. The accumulating interest over the 83-year period will be over $2,000,000,000. That is how the Secretary of the Interior figured it, and that is his answer. This $2,000,000,000 in lost interest is an entirely separate item from the construction cost. Suppose we add this burden of lost interest, as figured by the Secretary, to the construction cost of the irrigation features of the project. Then let us see how much benefit each acre of Arizona land gets from this Federal investment.

Again the arithmetic is simple. When the irrigation construction cost of $450,000,000 is divided by the 225,000 acres benefited the result is $2,000 per acre. We now add $2,000,000,000 of lost interest. Four hundred and fifty million dollars is about one-fourth of $2,000,000,000, and four times $2,000 is $8,000. So we should add $8,000 to $2,000, giving a total figure of about $10,000 invested in each acre of Arizona land benefited. The exact figure is $10,888.38. Call it $10,000 or $11,000, it is the amount of Federal money which goes into each acre of Arizona land benefited by this project, and each acre has a present value not to exceed $300.

It was contended in the Senate last year by its proponents that this project is self-liquidating. A brief examination discloses that the project as proposed by the Bureau intends to return to the Treasury, after a construction period and 75 years, the construction cost of the project, leaving out of consideration entirely this matter of $2,000,000,000 in lost interest. The Secretary admits that the taxpayers of the Nation will be carrying this separate load of lost interest while the power revenues and so-called interest component of the project are paying off the construction cost of three-fourths of a billion dollars. But in his attempt to keep this interest load of $2,000,000,000 as low as he could, the Secretary performed an interesting feat of mathematics. He not only answered the question asked by the chairman of the Public Lands Committee of the House, but he accompanied his answer with his method of computation. An examination of his method of computation discloses that he kept reducing the amount of lost interest as he went along through the 83-year period by the amount of all the net revenue from the project. When he announced the figure of $2,000,000,000, he had used all the project returns in order to reduce it to that sum. The result is that the interest burden of the taxpayer is lower, but he leaves no revenues with which to pay off the project. The figure then is $2,000,000,000 of lost interest, with a project unpaid for at the end of 83 years. Of course, the project must be paid for, so one has a choice; either leave the project revenues alone to pay off the project, in which event the lost interest will be nearly $3,000,000,000, or reduce the lost interest by project revenues and leave to the Treasury at the end of 83 years a project unpaid for. In either event, the burden on the taxpayers of the Nation, based on the Secretary's own answer, is nearer $3,000,000,000 than $2,000,000,000.

Of course, the consideration of a national burden of $3,000,000,000 for this one project for a small area within a single State should be more than sufficient to preclude further argument. However, it is only reasonable to go a step further to bring these figures up to present prevailing prices, in accordance with the facts of the situation. This can be done briefly and the subject concluded.

In his computations the Secretary was using 1947 construction costs, $708,780,000, just as the report of the Senate Interior and Insular Affairs Committee does this year. Testimony from the Interior Department in the House committee this year discloses that construction costs on this project as of January 1951 would be $788,265,000, instead of $708,780,000. The addition, then, of $80,000,000 to the construction cost is a substantial one.

Furthermore the Secretary used an 8-year construction period in making his

calculations. That would require almost $100,000,000 a year to be appropriated by Congress for the construction of this one project in this one State. The Bureau of Reclamation engineers testified last year, as shown on page 599 of the hearings on S. 75, that they anticipated a construction period of 15 years, and the Senator from Arizona [Mr. MCFARLAND] agreed to that as "more likely." This would extend the period of use of the money, and would thereby increase the national debt by the amount of the lost interest.

Furthermore, the Secretary is permitted, under existing reclamation law, to allow a 10-year development period. In his report on this project, House Document 136, at page 166 (e), he goes into some detail regarding the irrigation development contemplated on central Arizona lands. It is only realistic to expect him to allow the development period permitted by law, before any capital returns are expected from this phase of the project. Again, interest will be lost to the Nation's taxpayers during this period of deferment. Correcting the Secretary's figures, then, for these three items, namely, the increased cost, the greater construction period, and the irrigation development period, we find that the actual burden to the Nation's taxpayer is increased from $3,000,000,000 to $4,526,255,000.

The money, then, is hired for a construction period of 15 years, for a development period of 10 years on the irrigation features, and for 75 years while power is repaying the project construction costs. The total is 100 years. During all of this long period the taxpayer is carrying this enormous debt without a return of interest. The Nation loses interest on the borrowed money in the amount of $4,500,000,000.

Compare such a plan with Hoover Dam. That project is by law required to pay, and is paying, 3 percent interest to the Treasury every year for its repayment period, including a like amount of interest during its construction period. It can be stated without reservation that Hoover Dam has not cost and will not cost the taxpayers of this Nation one dollar.

Again, let us recompute the cost per acre of this project. The Nation donates, without any possibility of repayment, $4,500,000,000 in order to improve approximately 225,000 acres of land in Arizona. That amounts to a Federal grant of $17,000 for each Arizona acre benefited.

The proponents of this project contend that 725,000 acres will receive benefit from the project. That is the whole irrigated area affected by the project. We find on the first page of the Senate committee report under date of March 12, 1951, that one of the primary purposes of the project is to provide needed irrigation water for 725,000 acres. That statement is not in accordance with the facts. Admittedly there is enough water for two-thirds of this land. Assuming, for the sake of argument, that all of this area will get some benefit either directly or indirectly, what does it cost the Nation? The answer is $6,206.89 per acre. This, then, is a Federal grant of more than $600,000 to every 100-acre farm. How can the proponents of the project contend that it is self-liquidating?

BEEF-LIMITATION ORDER OF THE OFFICE OF PRICE STABILIZATION

During the delivery of Mr. KNOWLAND'S address,

Mr. BUTLER of Nebraska. Mr. President, I ask unanimous consent that the Senator from California may yield to me at this point, with the understanding that he will not lose his right to the floor, and with the further understanding that my remarks will appear at the conclusion of the address being made by the Senator from California.

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

Mr. BUTLER of Nebraska. Mr. President, from the most recent order issued by the Office of Price Stabilization, it is clear that this administration is not through making experiments with the cattle industry. I refer to the order issued over the week end limiting packing houses to a slaughter quota for the coming month of 80 percent of the weight of cattle slaughtered during the base period; in other words, slightly over 80 percent of the same period last year.

Mr. President, I cannot think of a more ridiculous order than this one. Farmers have cattle to sell; meat packers have customers to serve; and consumers want beef: So the OPS announces that the quantity of beef to be made available to the general public will be only a little over 80 percent of what was available last year.

Since the OPS issued its orders establishing ceiling prices on meat and cattle a few weeks ago, there has been a good deal of criticism of the cattle industry for opposing the orders. Yet, as each week goes by, it becomes more and more clear that the cattlemen know what they are talking about when they say this system of regulations will prevent the housewife from getting the beef she wants. In fact, the evidence shows that the cattle industry has tried desperately to expand production and to provide increased quantities of meat, but it has been hampered and restricted at every turn by the OPS.

During 1950, the number of cattle increased by approximately 4,000,000 head, and the number of cattle on hand on the first of this year was approximately 84,200,000. That was near an all-time-record-high number. Prior to these orders it was freely predicted that by the end of this year we would have a new record in cattle numbers and that we might even go up to 90,000,000 head within another year or two. Hog numbers last year likewise increased by 5,000,000 head, and sheep numbers by 1,000,000 head.

Furthermore, there were 4 percent more cattle on feed in the Corn Belt this year than last year. Last year was a good production year.

All the evidence shows that increased supplies of beef were on the way until these orders were issued.

Now we are told that instead of being permitted to sell more beef to consumers, cattlemen will not be allowed to sell as much as they did last year. The housewife is expected to reduce her purchases of beef by something like 20 percent in order to permit the OPS to try out some impractical theory of manipulation of the cattle industry.

Mr. President, just what are farmers and cattlemen supposed to do with the cattle which the packers are not allowed to buy? I wish some responsible leader in this administration would answer that question. Let us suppose that during this month cattle continue to be shipped to market at the normal rate. The packers purchase cattle for slaughter as usual until they begin to reach their quota limits. Then they must tell the farmers that they are not allowed to buy any more cattle. Just what is the livestock man supposed to do with his additional cattle which the packers are not permitted to buy from him? Again, I wish a responsible leader in the administration would answer the question.

Mr. President, I will tell you the answer to that question. Those cattle will go into the black market. There is no place else for them to go. If the legitimate packers are not allowed to buy all the cattle that are sent to market for sale, it is obvious that those extra cattle will have to go somewhere.

Old-timers around the stockyards are already commenting that there are a great many new faces among the buyers. There are many new men in the market buying cattle, and taking them no one knows where. In this very brief time since the OPS started trying to regulate the cattle industry, already the black market has moved in. The boys who got their training in black marketing during the war years—1941 to 1946—are back on the job.

Mr. President, I do not know just how long it would take to create a shortage of meat in this country under this type of regulation if it continues. Unfortunately, there is little doubt that such a shortage is on the way. Already the slaughter of cattle in federally inspected plants has dropped off sharply from last year. I have secured figures showing federally inspected slaughter by months for the first 4 months of 1951 and 1950. In January, before the first freeze order went on, cattle slaughter increased from 1,103,000 last year to 1,160,000 this year.

Immediately after the freeze in January, federally inspected slaughter dropped rapidly. In February 1951, 52,000 fewer head of cattle were slaughtered than in February of 1950. In March cattle slaughter declined 117,000 head from March of the previous year. In April cattle slaughter declined 65,000 head from the same month of the previous year.

These are the figures for federally inspected slaughter, not total slaughter. We have no way of knowing how many cattle were slaughtered under other conditions. Of course these other slaughtering facilities provide the principle source for black-market beef.

Mr. President, as I said at the beginning of my remarks, it appears that the OPS has picked the cattle industry as a sort of example for its experiments in the technique of price control. The Nation's meat supply has been put into a test

tube in the price-control laboratory, while the OPS officials stand around watching to see how their theories work out.

I would like to have some responsible official in the OPS explain how OPS arrived at the idea that exactly 80 percent of last year's beef production is the correct amount to produce this year. If a reduction was considered best for the people, then why not 60 or 50 percent or even 30 percent of last year's quota Who ever heard of lower costs to the consumer through a restriction of production?

I shall give you my personal answer to those questions, Mr. President. We have been given new faces in the top-flight officials, but it is my idea that back of the front offices of Wilson, Johnston, and DiSalle, we shall find thousands of the old OPA gang writing these foolish quota and similar regulations. However, America did not become strong through an economy controlled by bureaucrats.

I do not believe these price regulations will work, Mr. President. In particular, I do not believe the 80-percent slaughter quota order will work. I believe the Nation's meat supply has fallen into the hands of impractical theorists who are more interested in the results of their experiments than they are in providing a steady, dependable supply of beef to the consumer. I believe the Congress should think twice or perhaps three times before extending the power of the OPS to continue to disrupt the productive efficiency and the marketing machinery of the cattle and beef industry.

Mr. President, I thank the Senator from California for yielding to me.

THE INCONSPICUOUS MR. FINLETTER—ARTICLE BY ALFRED DOUGLAS

Mr. McFARLAND. Mr. President, I ask unanimous consent to have printed in the body of the RECORD the stimulating article entitled "The Inconspicuous Mr. Finletter," written by Mr. Alfred Douglas, and published in the April issue of Harper's magazine.

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

THE INCONSPICUOUS MR. FINLETTER

(By Albert Douglas)

The private office of the Secretary of the Air Force, a long room on the fourth floor of the Pentagon, is furnished with many of the perquisites of high governmental station, including a separate table for conferences. Assembled here on one occasion, following a change in occupants of the job, were the general officers of this, the newest service. In spite of the fact that on their shoulders, together with the stars of rank, rests the future of national air power, they are aggressively youthful in appearance. The most familiar would be Gen. Hoyt S. Vandenberg, chief of staff, thin-lipped and thin-figured, or Lt. Gen. Lauris Norstad, now commander of the United States Air Force in Europe, whose small bony face is capped with a crop of boyish hair. As they left the room, one of the others, a brigadier, is said to have asked: "What do you think of the new boss?"

"Can't figure him out," was the reply reported, "but thank God he's a sucker for logic."

This impromptu characterization, though the subject of the remark denies that it was made, is probably the best that circumstances will allow; for Thomas Knight Finletter, master of the Air Force and custodian of one of the most powerful strike weapons on the face of the earth, is not the most dramatic person in Washington, nor does he stimulate descriptive comment. Set beside the flash and glitter of his officers, in fact, Finletter is a bald-headed, medium-sized citizen as American as the First National Bank on the corner and twice as plain. "Yes, I know," he says of himself, "no points."

Though it is anomalous that the man chosen by the President to run interference for the razzle-dazzle Air Force should be so untheatrical, Finletter has little "ham" in his make-up. But he is not without humor. Talking off the record at the Mayflower Hotel in January, he was asked a lengthy question as to whether Korean refugees might be transported to Southeast Asia following the end of the Korean campaign, and quickly replied: "That is a very interesting question. It is also one on which I will yield to no man in Washington on lack of information." His speech is plain and unadorned, and the bare facts of his everyday life are so unspectacular that one of the Secretary's close associates cannot remember whether or not he ever takes a drink. His posture and general appearance are formal, yet he would be lost in a crowd of three.

Other vitally unimportant statistics: the Secretary lives in a rented house in the heart of Washington. He arrives at the office at 8:30. He lunches there, usually combining sustenance with business, and remains at the Pentagon until any hour of the night. He works 7 days a week. Anyone who did not know him might make the mistake of labeling Finletter a lightweight Government drone who knows just enough to do his job and keep out of hot water, but the appearance is deceptive. For example, he does not look athletic, but Maj. Robin Hippensteil, all-Services tennis champion in 1949, once took the Secretary on in doubles. "Sure, we beat him," Hippensteil says, "but not by much. He plays a hard brain game. I would rank him one of the best doubles players in town."

Similarly, an Air Force general, after a conference with Finletter, found that he had swung from one impression to another. "That man," he told a colleague, "first told me that he knew nothing about my problem, then listened carefully while I explained it to him, and finally asked one question—which led directly to the solution. He's a damn genius."

The question of whether or not he is a "damn genius" is one that Finletter himself would presumably answer in the negative, but a list of his acknowledged accomplishments (since he took office last April) might include the following:

1. If not inventing, at least promoting real understanding of the "joint task concept"—the philosophy of judging what has to be done for defense in terms of how the combination of Army, Navy, and Air Force can best do it—which has lifted military teamwork a long way above the bitter wrangle of the "B-36 investigation" by the House Armed Services Committee, a few months before Finletter took office;

2. Strengthening the principle that the strategic air arm have first priority in United States military planning by arguing persuasively to his colleagues and superiors that the atomic bomb, plus our ability to deliver it, is the greatest single force for peace in the world today;

3. Building up the total Air Force, with the aid of popular support resulting from the Korean war, from 48 groups (at the time he took office) to somewhere along the road toward the 95 "wings" scheduled for sometime in 1952 (a "wing" is equivalent to a combat "group," plus its necessary housekeeping attachments);

4. Introducing to Air Force councils, in the words of Under Secretary of the Air Force John A. McCone, "a vast international experience, an atmosphere of thoughtfulness, an insistence on facts and research, and an ability to cooperate and get along with the officials of the other two services. He is today the Air Force's chief critic and its most determined advocate."

Add to this record the facts that to date he has made no enemies and that he appears to be able to work calmly and objectively in an atmosphere of political high tension. Nominally a Democrat, Finletter is rarely seen at party conclaves but paradoxically is a whiz on Capitol Hill, where his testimony of last July before the House Appropriations Committee, on the delicate subject of future funds for his service, was so well received that Congress appropriated all he asked and more besides.

At the time he took charge of the Air Force, however, very little was known about Finletter in the country at large. He had served the year before as ECA administrator in England, and the year before that he had been chairman of the President's Air Policy Commission, which described our defense against atomic attack as "hopelessly lacking" and recommended a 70-group Air Force. In 1945 he had been consultant to the United States delegation at the United Nations Conference at San Francisco, and during the war he had worked for the State Department as a special assistant to the Secretary of State.

Even in the Government, where this much was known, many people had a hard time remembering what Finletter looked like when he returned to Washington. "Funny thing about Tom," one of his friends remarks, "he is as anonymous as a bug under a rock. It isn't that he objects to notoriety—he just doesn't bother about it."

II

This past November 11, Secretary Finletter was 57 years old, though he looks 10 years younger. He was born in Philadelphia; his father, the late Judge Thomas Dickson Finletter, was presiding judge of a common-pleas court for 36 years (his grandfather had been a common-pleas judge for 20 years). Young Finletter was as clearly headed for the bar as anyone could be.

Two facts of his early life are worth mentioning. First, he was born smart as paint: at the age of 17 he was graduated at the top of his class from Philadelphia's Episcopal Academy. Second, he lived in France for a year. He went there with his mother to learn French and grow up, as he describes it today. He also took piano lessons. As a result, he speaks French today almost without an accent, and he still plays, according to his daughter, Margot, a "mean four-handed piano."

In the fall of 1911, Finletter entered the University of Pennsylvania and in due course was graduated with top honors. He went on to the university's law school. Before we entered the war, he left law school halfway through to join the first Plattsburg encampment, the extraordinary volunteer group which turned out so many trained junior officers at a time when the Army needed them most. Shipped to France with the Three Hundred and Twelfth Field Artillery, he emerged a captain. Today, when he discusses it, which he does only under protest, the Secretary privately dismisses this period in his life as "my Napoleonic war" and neglects to mention having met an attractive volunteer worker at a Paris YWCA canteen.

She was Margaret Blaine Damrosch, better known as Gretchen, daughter of the late conductor and granddaughter of President Harrison's Secretary of State (later she was to write winningly of her childhood in a book called From the Top of the Stairs). Shortly after the armistice, Captain Finletter was released from the Army and the two were engaged. Returning to the States and law

school, Finletter graduated with top honors and was editor in chief of the law review; in mid-July 1920, back in Paris, they were married.

On his return to America, Finletter decided not to practice law in Philadelphia, in spite of the advantages his family tradition might have offered. Though he might well have wound up a judge in his own right had he chosen to stay, on talking the matter over with his father and his new wife he decided to move to New York, where he thought there would be more opportunity for a bright 24-year-old lawyer. The gamble paid off; he started with the law firm of Cravath & Henderson and shifted at the age of 32 to Coudert Bros., where he has been ever since, except for the periods he has spent in the Government. In 1926 he became a full Coudert partner.

Why and how Finletter decided to go into teaching in his mid-thirties is hard to determine, but teach he did, commuting for 10 years between his Manhattan office and his old law school in Philadelphia. One of Finletter's academic innovations, since widely adopted by other law schools, was to permit students to bring into the examination rooms any notes or books they chose. "We're training future lawyers how to use books, not to memorize them," was his explanation. Not content merely with practicing law and teaching it he also wrote three texts on the general subject of corporation bankruptcy in his spare time. "I marveled then and I marvel now," a New York publisher who has known him well remarks. "He is a hard worker."

By the time he was 45 Finletter had apparently done pretty much what he set out to do—he had become a corporation lawyer in a good New York firm, won an enviable reputation, and provided comfortably for his wife and two daughters. He had a small country house in East Norwich, Long Island, and he could well afford, as he did in 1939, to take his family abroad in the summer for a cycling trip through Germany. In some ways the trip was a turning point in his career and the beginning of his Government service, for anyone who saw Germany at the peak of her prewar power could make a good guess at her future intentions.

Finletter came home convinced that we would have to do something to stop the Nazis. He didn't have long to wait. In 1939 France called on Coudert Bros., who did considerable foreign business, to prepare the legal groundwork for a large order of military aircraft in the United States, and Finletter was handed the job. Even though from the start it was hopeless, this assignment did serve to expose the future Secretary to some of the difficulties of getting aircraft production under way. The French were desperate for planes, and the job was to expand our production in time to get the badly needed aircraft to the French front and stop the German assault. Actually, few of the planes ever got there, and this introduction to the perplexing problem of "lead time" in the building of aircraft was something Finletter never forgot.

In March 1941—9 months before Pearl Harbor—he willingly accepted an offer by Secretary of State Cordell Hull to be his special assistant. The job has never received the publicity it might have, and even today the Secretary merely comments that it was a "stockpiling" operation—purchasing critical materials from all over the world which would be needed in a war economy. Later on it turned out to be a double-edged business, obtaining substances which would be useful to the Nazis and thus depriving them of essential supplies. In 1943 Secretary Hull established the Office of Foreign Economic Coordination, and Finletter was appointed, first, Executive Director and, later, Deputy Director of the new organization.

Herbert Feis, a State Department adviser on international affairs, recalls that Finletter "threw himself into every task with intensity" and was in his element when handed a complex assignment. "He could slice to the heart of any matter with the dispatch of a sharp knife cutting bread." Some of Finletter's assignments were broad in scope—for example, the obtaining of badly needed chrome ore from abroad. We needed chrome to make steel, and our supplies were dangerously low. The Turks possessed chrome ore in quantity, but Turkey was neutral and constantly threatened with war by the watchful Nazis. Finletter was handed the task of buying chrome ore under the noses of the Nazi Embassy in Ankara, arranging secret transportation from Turkish mines to a seacoast port via a carefully watched railroad, and finding neutral shipping to haul the load to this country while avoiding German submarines. It is to his credit that thousands of tons of chrome ore did arrive here from Turkey, maintaining the quality of our steel production. (This past February, at the request of the Turkish Government, the State Department sent Finletter on a 2-week tour of inspection of Turkey's military preparedness.)

When Stettinius became Acting Secretary of State early in 1944, there was a general shake-up in the Department, and Finletter's OFEC was absorbed by the Foreign Economic Administration. Thereupon Finletter resigned. Various reasons have been given for his action, but the concensus is that he was unhappy about the bickering and rivalry in the Department and felt sure that the war was coming to a close. A man who worked in the Department and knew him well during this period recalls, "He was a remarkably good chairman. He was one of the few who would accept responsibility without being called to do it. If he took charge of a meeting, for example, it would never adjourn without something getting done. He probably left the Department for the same reasons he went into teaching—he was thinking through and beyond his job."

The same characteristic caused Finletter to become an author. Returning to his law practice, he wrote in 1945 a book called Can Representative Government Do the Job? in which he proposed linking the executive and legislative leaders of the Government in a joint Cabinet. He suggested a sort of parliamentary compromise in which the President and Members of Congress would each serve a term of 6 years in office; in any deadlock between the Congress and the President, the latter would be empowered to dissolve Congress and the Presidency and call a national election. "I got the idea from the way Mr. Hull worked with Congress," Finletter observes. Both President Roosevelt and his Secretary of State had been determined that lack of cooperation between Congress and the Executive would not prevent United States acceptance of the United Nations, as the rift between President Wilson and the Senate resulted in the rejection of the Treaty of Versailles and the League of Nations.

Arthur Krock, of the New York Times, commented that the idea was "the most original and ingenious suggestion for the stabilization of the American Government this correspondent has seen." Other critics, however, like Finletter's friend Robert Moses, New York's outspoken parks commissioner, found the plan stimulating, visionary, and unworkable. Perhaps the best explanation for the book is that the author had to get it out of his system, and though it may have been an intellectual exercise, it led him directly to the problem of representative government for the world as a whole.

First, he was called as consultant to join the United States delegation to the United Nations Conference at San Francisco; Finletter's job there was largely to meet the press and represent the American contingent, though the post did offer a liberal education in the problems of international government. That job done, he returned to his desk at Coudert Bros. He joined a group known as Americans United for World Organization—which merged in 1947 with the United World Federalists—and he did considerable work, including articles for the Atlantic, to stimulate interest in the idea of preventing aggression by applying internationally the rule of law. In October 1949, he testified before the House Foreign Affairs Committee in favor of a congressional resolution approving in principle the theory of giving the United Nations sufficient, though limited, powers to prevent war. To date the resolution has not passed Congress but the concept has survived. It can be found in a document the New York Times described on its publication as "one of the most solemn reports on the defense of the United States ever prepared in time of peace," the President's Air Policy Commission report entitled "Survival in the Air Age."

Why the President picked Finletter to head the temporary Air Policy Commission is something of a mystery, except that he was known to be impartial, if not ignorant, in aviation matters, and he was credited with tackling and solving complex economic and logistical problems in the State Department. In a letter dated July 18, 1947, the President wrote five men expressing his concern over "danger that our security may be jeopardized * * * by a failure of the aircraft industry to keep abreast of modern methods" in aviation development; he asked them to form a commission to make "an objective survey into national aviation policies and problems." The survey was to include commercial as well as military aspects, for if Russian rearmament threatened our military position in the air, the domestic airlines at home were also in critical financial shape, and the overseas airlines could be considered commercial instruments of national policy.

For almost 4 months, Finletter and his four commissioners listened to the testimony of 150 witnesses, the leaders of the Nation's military and commercial aviation establishment. There is probably no more individualistic group of men than those who run American aviation, and the majority were bitter over the drop-off in size of the Air Force and the plight of the aircraft industry following the war. Finletter and his colleagues listened patiently, toured the Nation's air bases and aircraft factories, and in December settled down to write the report.

"Survival in the Air Age" made good reading for aviation enthusiasts. Painstakingly it reviewed every aspect of national aviation; in plain nontechnical language the commission described what it had found and warned that the old safeguards of armies, navies, and oceans were "no longer enough" in an atomic age; it submitted that 1952 was the date beyond which it would be "reckless" to assume that other nations might not have the atomic bomb in quantity, and made long-range recommendations for strengthening the forces of the military and commercial air arms. It also called for funds for pure research, a reorganization of civilian aviation policy, a 70-group Air Force, and a modernized air reserve of military planes and pilots. The New York Times remarked editorially that the report presented a "policy so well thought out, so calmly presented, so well buttressed by straight thinking that it is difficult to see where it can be attacked except in details." And the Times did not go into details.

Finletter worked hard on the report—in fact, he wrote a major portion, the section dealing with military requirements, himself. The introduction of the report stated Fin-

letter's own conclusions on the necessity for establishing the rule of law in the United Nations. "We will not be rid of war," he wrote, "until the nations * * * give the United Nations * * * the legal and physical powers * * * to keep the peace." For this view he was to be attacked when he later became Secretary. The president of the Veterans of Foreign Wars complained that the World Federalists were "making capital" out of Finletter's appointment. Truman replied characteristically:

"There is no better or more able public servant than Finletter * * * he is better equipped to be Secretary of the Air Force than any man in the United States, and that is the reason I appointed him."

On May 19, 1948, Paul G. Hoffman, Economic Cooperation Administrator, appointed Finletter Chief of the agency's Special Mission to the United Kingdom, and shortly afterward, with his wife and daughter, Margot, Finletter left for London to tackle one of the most ambitious assignments in Europe—nothing less than the economic revival of Great Britain and the whole sterling area.

Times were bad in England in the spring of 1948. At a moment when Americans were enjoying an economic boom, the average Englishman considered himself lucky to get one egg a week, and a single slice of bacon with the egg was not only luxurious, but in many cases illegal under the rationing system. The Government was making every effort to maintain full employment, control inflation, and with the aid of the American gift money to close the dollar gap.

Eight months later, in January of 1949, Finletter reported to the Senate Foreign Relations Committee that he had spent $1,200,000,000 and that England was on her way to recovery. Thanks to American aid, British exports were on the increase, and the fear of collapse—including the threat of actual starvation—was no longer felt. Furthermore, he reported that United States aid to England in the second year could be reduced to $900,000,000, and that a dollar balance between the two countries at the end of 4 years was probable.

Perhaps just as important as the financial results was the manner in which Finletter played the part of Santa Claus to a proud and desperately dollar-poor nation. The British had to accept the American gift whether they liked it or not. The fact that the aid was offered through Finletter with care and courtesy did much to keep our relations with England something more than cordial. Sir Stafford Cripps, commenting on the achievement, remarked that there was a Finletter cult within the British Treasury which was prepared apparently to do anything he asked.

In June 1949, feeling that his job was over the hump and that England was getting back on her feet, Finletter resigned, and after a short rest again returned to his law practice. Less than a year later, he was back in Government harness as Secretary of the Air Force.

III

From the moment he entered the Pentagon, Finletter was under sharp appraisal, for there was much at stake in the way he handled his job. The interservice brawl, in which Navy and marine elements had been quarreling publicly with the Air Force over money and missions, was only 4 months dead, and there were still officers on both sides so bitter they were scarcely on speaking terms. The critics of strategic air power had been baying at it like hounds after a treed coon, and at the same time President Truman had impounded $735,000,000 which Congress had earmarked for a 58-group Air Force.

The Air Force was then at 48 groups, far below the 70-group level for which Finletter had argued in Survival in the Air Age, and there was no evidence of willingness on the part of high officials in the National Military Establishment to go for a bigger force. It might have been asked whether Finletter had not been compromised in accepting the apparent policy to hold the Air Force near its 48-group strength.

His answer would be that he made no commitment when he took the job to advocate an Air Force of any size other than that in which he believed, and once in the Pentagon he began a series of studies to bring Survival in the Air Age up to date—to find out how big an Air Force was now desirable. Within 24 hours of taking office, he attended an Air Force commanders' meeting in Puerto Rico, and for 2 days and nights he listened to officers from all over the world talking with complete frankness of their own problems and proposals. Back in Washington, he spent most of the next 2 months in briefings, the Pentagon's question-and-answer sessions with charts.

Gen. Curtis E. LeMay, the cigar-chewing chief of the Strategic Air Command, came in from Omaha with his staff to tell the Secretary what targets they could hit, how long it would take to do how much damage, and how long an attack could be kept up with the existing supply of bombs and bombers. Lt. Gen. Ennis C. Whitehead, then commander of the Continental Air Command, and his officers came down from Mitchel Air Force Base, N. Y., to tell the Secretary how well the United States could be defended against air attack. They told him that an enemy raid in force would get through, and that the best radar and interceptor defense money could buy would stop only a relatively small part of the invading aircraft. These reports were supplemented by those from other commands.

In all of this, Finletter sat and listened and asked thousands of questions. From time to time he would interrupt to say, "Excuse me, General, I'm a little stupid. Would you go over that again." Or, "If I get this correctly, what you have been saying, General, is that * * *" and then sum up in a few sentences the substance of a long discussion. These briefings did two things: First, they acquainted the Secretary and his officers with each other; second, they left Finletter with a burning conviction that in order to keep peace in the world this counrty must give first priority to long-range bombers.

To be sure, this belief had been implicit in Survival in the Air Age, in which Finletter had forcefully expressed his feeling that a strong counteroffensive weapon would be the best "deterrent"—a word he still uses frequently—to discourage an aggressor from a war with the United States. Thus he was already identified with a plea for a strong Air Force, and when he returned to Washington it remained to be seen how this would affect his dealings with the other services.

By the time Finletter became Secretary, the Air Force-Navy difficulties which centered around the B–36 investigation were over. The appointment of Admiral Forrest Sherman as Chief of Naval Operations had brought this unhappy period to a close, and cooperation between the three services had been much improved. But it can be said of Finletter that he has consolidated the peace, and by his friendly personal relations with his co-Secretaries, Frank Pace of the Army and Frank Matthews of the Navy, he has done much to stimulate an indispensable spirit of objectivity.

"I do not attempt," he said in a speech at the University of Pennsylvania last June, "to arrogate to any one service a special position of importance in our Defense Establishment. * * * We must not have each service carrying out its assignments all by itself with a sharp division of responsibility such as used to characterize the operation of allies. * * * Loyalty to a service, however important, must be subordinated to the interest of the country." Finletter believes that each task which is put before the Department of Defense must receive the coordinated effort of all three arms, and though this "joint task concept" is not revolutionary it differs greatly from the idea of narrow and limited loyalty to one service merely because one happens to be in it.

The joint task concept, in Finletter's hands, is also applied to matters outside the Air Force. He believes that in defending the free world the idea must be extended to all nations who decide to act together, and he argues this view persuasively as representative of the Department of Defense in the relatively new senior staff of the National Security Council, which meets three times a week in the old State Department Building next door to the White House.

The place of strategic air power in that defense, and in preserving the peace, has been debated at length, but Finletter's thesis is briefly this. The nations of the free world today cannot hope to compete with an enemy such as Russia in terms of our outnumbered ground forces. Similarly, Russia has no great naval power with which to launch a major attack by sea. In the air, however, Russia is believed to have an air force great in numbers and growing fast—and, more important still, an atomic bomb stockpile that is also growing. But as long as her stockpile is substantially less than ours, or at least insufficient to mount a major attack on the United States, Russia cannot hope to be anything but the loser in an all-out war. Our strategic bombers, if she were to launch such an action, would immediately strike at the Russian heartland in such numbers and intensity that industrial and military Russia would be devastated and demoralized.

As long as our Air Force can keep the Russian leaders aware of this awesome possibility, Secretary Finletter will argue devoutly that we must maintain and develop long-range bombers with all possible speed and efficiency. While this force is operating as an effective "deterrent," he hopes that it will be possible for the statesmen of the world to keep talking, and through the United Nations to work for an equilibrium in which peace through agreement might possibly be maintained.

Though a variety of divergent opinions will no doubt continue to be voiced, one of the main objections to this thesis so far has been a moral one, centering on the threat of the atomic bomb. On this point Secretary Finletter is clear and categorical. "I do not believe," he said in the same speech at the University of Pennsylvania, "that the moral position of the United States will be judged by the kind of weapons we have in our arsenal or the kind of strategy and tactics we use. I believe that our moral position will be judged by the vigor with which we push our efforts to achieve peace.

"There is no merit, moral or otherwise, in having a defense force which is no good. Nor is there the slightest sense in trying to make a war a bearable business. But if anyone can say truthfully that we are not doing all we should to eliminate war as a human institution, then we would have cause to worry about our moral position.

"I have little sympathy with the idea that we should not be ready to defend ourselves if despite all our efforts to achieve peace we are attacked. Indeed I conceive the morality to be the opposite. I believe we would be faithless to our duty to ourselves and to our friends and allies of the free world if we were not to have a military force which would make it very plain to all that it would be a mistake to break the peace."

EXECUTIVE SESSION

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

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

EXECUTIVE MESSAGES REFERRED

The PRESIDING OFFICER (Mr. SMATHERS in the chair) laid before the Senate messages from the President of the United States submitting sundry nominations, which were referred to the appropriate committees.

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

EXECUTIVE REPORT OF A COMMITTEE

The following favorable report of a nomination was submitted:

By Mr. McMAHON, from the Joint Committee on Atomic Energy: Henry DeWolf Smyth, of New Jersey, to be a member of the Atomic Energy Commission for a term of 5 years expiring June 30, 1956 (reappointment).

The PRESIDING OFFICER. If there be no further reports of committees, the clerk will state the nominations on the Executive Calendar.

POSTMASTER

The legislative clerk read the nomination of Arthur L. Jennings, to be postmaster at Texarkana, Ark.-Tex.

The PRESIDING OFFICER. Without objection, the nomination is confirmed.

UNITED STATES ATTORNEY

The legislative clerk read the nomination of Noel Malone, of Mississippi, to be United States attorney for the northern district of Mississippi.

The PRESIDING OFFICER. Without objection, the nomination is confirmed.

Mr. McFARLAND. Mr. President, I ask that the President be immediately notified of the confirmations of nominations made this day.

The PRESIDING OFFICER. Without objection, the President will be immediately notified of the confirmations of nominations made today.

RECESS TO THURSDAY

Mr. McFARLAND. Mr. President, as in legislative session, I move that the Senate stand in recess until next Thursday at 12 o'clock noon.

The motion was agreed to; and (at 4 o'clock and 51 minutes p. m.) the Senate took a recess until Thursday, May 31, 1951, at 12 o'clock meridian.

NOMINATIONS

Executive nominations received by the Senate May 29 (legislative day of May 17), 1951:

INTERNATIONAL MONETARY FUND AND INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT

John W. Snyder, of Missouri, to be United States Governor of the International Monetary Fund, and United States Governor of the International Bank for Reconstruction and Development for a term of 5 years. (Reappointment.)

UNITED NATIONS EDUCATIONAL, SCIENTIFIC, AND CULTURAL ORGANIZATION

The following-named persons to be representatives of the United States of America to the sixth session of the General Conference of the United Nations Educational, Scientific, and Cultural Organization:

Howland H. Sargeant, of Rhode Island.
George D. Stoddard, of Illinois.
Mrs. Helen C. Russell, of California.
Elvin C. Stakman, of Minnesota.
George F. Zook, of Virginia.

IN THE AIR FORCE

The following-named persons for appointment in the United States Air Force, in the grades indicated, with dates of rank to be determined by the Secretary of the Air Force under the provisions of section 506, Public Law 381, Eightieth Congress (Officer Personnel Act of 1947), and title II, Public Law 365, Eightieth Congress (Army-Navy-Public Health Service Medical Officer Procurement Act of 1947):

To be major USAF (medical)

Archibald G. M. Martin III, O509520.

To be captains, USAF (medical)

Ferdinand Barnum, AO1718415.
Earl R. Claiborne, AO1906127.
George C. Jernigan, Jr., O348598.
Clair D. Langner.
Jack R. Robison, AO1907216.
Harry N. Simmonds, O1764996.
Paul M. Walczak, AO1718974.
Dale H. Weifenbach, AO2213529.
Wesley C. Whitehouse, Jr., AO1765910.

To be first lieutenants, USAF (medical)

George N. Austin, AO396031.
William S. Gaines, AO971608.
John W. George, AO630204.
Billy Grimmer, AO2212172.
Francis Kruse, Jr., AO2209668.
Robert Levine, AO401188.
Edward C. Mann, AO689322.
Paul D. Murphy, AO2213530.
Paul V. Nolan, AO2213626.
Willard H. Pennell, AO2213393.
Josiah F. Reed, Jr., AO1906403.
Frederic R. Simmons, AO1540386.
Arthur G. Smith, AO1906318.
Leonard S. Staudinger, AO2213452.
Merton J. Vanderhoof, AO2213625.
Stephen Wartella, Jr., AO977430.

The following-named persons for appointment in the United States Air Force, in the grades indicated, with dates of rank to be determined by the Secretary of the Air Force under the provisions of section 506, Public Law 381, Eightieth Congress (Officer Personnel Act of 1947):

To be first lieutenants

Gerhard R. Abendhoff, AO767718.
Bruce H. Abraham, Jr., AO686440.
Charles J. Adams, AO804642.
William A. Alden, AO814482.
Zane S. Amell, AO1012838.
Douglas M. Ames, AO590245.
James W. Babb, AO718499.
Ralph T. Ballard, Jr., AO761536.
Gabriel P. Bartholomew, AO817875.
Robert M. Beall, AO720122.
Carroll H. Bledsoe, AO938039.
Ewald C. Braeunig, AO695405.
John L. Bridges, AO789666.
Lloyd E. Brunson, AO829155.
John R. Burgess, AO2081887.
Welbon D. Burnham, AO784853.
Richard C. Burriss, AO784854.
Russell L. Bush, AO802530.
John L. Butz, AO929854.
John G. Callahan, AO2091022.
Keith L. Christensen, AO783914.
Kenneth B. Clark, AO756492.
Richard L. Clay, AO794638.
Winston H. Clisham, AO748914.
Victor P. Coletti, AO721975.
Archie L. Cook, AO2070775.
Paul D. Copher, AO751725.
Peter Cotellesse, AO2087408.
Donald D. Cross, AO720694.
Harry T. Cummins, Jr., AO691730.
Harlan F. Daniel, AO559076.
B. H. Davidson, AO523333.
Joseph P. Davies, Jr., AO2093173.
Charley L. Davis, AO2092658.
Harry W. Deffebach, AO715158.
Eugene P. DeMartini, AO801804.
Irvin H. Derrick, AO718257.
Glenn E. Dill, Jr., AO746702.
Franklin P. Dixon, AO590040.
Richard C. Dumm, AO558805.
Robert L. Eckman, Jr., AO780396.
William R. Edgar, AO825810.
Robert F. Edwards, AO795718.
Hixon B. Eldridge, AO726347.
Frank W. Elliott, Jr., AO825605.
William O. Ezell, AO797497.
Luther W. Feagin, AO2056081.
Relf A. Fenley, AO720233.
Theodore P. Ferrato, AO520622.
Ralph F. Findlay, AO771681.
Bruce B. Fish, AO755908.
Frank L. Gailer, Jr., AO688813.
Donald H. Gehri, AO563082.
Keith L. Gillespie, AO524329.
Rowley E. Gillingham, AO747703.
John F. Gonge, AO700921.
Granville I. Gore, AO666274.
Harold W. Grace, Jr., AO2068909.
Edward M. Grey, AO819260.
Robert E. Grovert, AO538576.
Joseph L. Gulinson, AO859610.
Joseph A. Hagemann, AO806667.
Keith C. Hanna, AO786105.
LeRoy B. Hansen, AO556604.
Warren W. Harding, AO2033311.
Paul R. Hartmann, AO2100229.
Alvin P. Herrewig, AO776305.
George J. Homza, AO694875.
Robert W. Hopkins, AO817946.
Raymond S. Horey, AO691104.
Thomas P. Hubbard, AO684728.
Joseph V. Johns, AO2062668.
Arthur H. Johnson, AO1699353.
Fon E. Johnson, AO695425.
Robert C. Johnson, AO797137.
Robert L. Jones, AO2068397.
Byron R. Kalin, AO756608.
Nelson Kasten, AO722324.
Walter A. Keils, AO695426.
Walter G. Kelley, AO877492.
Oran R. Key, Jr., AO671662.
Joseph C. Kinkead, AO926775.
Joseph H. Kipping, AO583326.
Don R. Kohl, AO802580.
Michael M. Kovach, AO1113792.
William A. Lafferty, Jr., AO826212.
Robert F. LaLonde, AO2099522.
Victor J. Loughnan, AO515817.
Arthur M. Lien, AO521663.
George M. Lunsford, AO794262.
David W. Lykins, AO777733.
Gerald R. Marshall, AO695195.
Oren V. Maxwell, AO778878.
Floyd M. McAllister, AO777738.
Chauncey L. McDermott, AO772091.
William T. McDonald, AO862722.
James G. McDonnell, AO2101907.
Robert H. McDonnell, AO2072493.
Joseph F. McKone, AO825932.
Orville E. Miller, AO767852.
Clarence H. Mills, AO797876.
Collins P. Mitchell, AO442216.
D. P. Morgan, Jr., AO2056814.
James E. Muldoon, Jr., AO799051.
William J. Murphy, Jr., AO937183.
George B. Myers, AO753236.
Arthur M. Neal, AO748221.
Charles D. Owens, AO722144.
Robert E. Pace, AO2056153.
Waldo M. Page, AO707801.
Henry O. Parman, Jr., AO2079905.
Cuthbert A. Pattillo, AO826756.
Charles T. A. Paul, AO753414.
Walter A. Petkus, AO730742.
William C. Phillips, AO2061256.
Fletcher S. Porter, AO860904.
Barton S. Pulling, AO410832.
Harvey B. Roberson, AO669499.
Howard G. Roberts, AO709653.
Warren A. Rodewald, AO930250.
Wilson Rolfe, AO837054.

Eric W. Rood, AO752907.
David W. Saxton, AO866101.
Jack C. Schwab, AO773829.
James G. Silliman, AO792353.
Lloyd D. Smith, AO590459.
Richard W. Smith, AO590144.
Andrew W. Smoak, AO800062.
Orrin W. Snyder III, AO938421.
William G. Solomon, AO766106.
William N. Steele, AO2059858.
Walter T. Steves, Jr., AO570399.
Douglas D. Stewart, AO933521.
James L. Stewart, AO2066061.
Jimmie Taylor, AO465462.
Reginald F. Thibodeau, AO828351.
Howard N. Tomchak, AO707751.
Armand L. Tremblay, AO756127.
Leslie B. Van Hoy, AO793868.
Charles D. Vollmer, AO771591.
William H. Walding, AO722402.
Joseph B. Warren, AO668675.
Audrey H. Watkins, AO823180.
William F. Welsh, AO881067.
Fielding F. West, AO734286.
Raymond E. White, AO818059.
James M. Whitler, AO1701035.
Morris F. Williams, AO772627.
Willie G. Williamson, AO2068148.
Richard C. Wilson, AO671324.
William W. Wilson, AO448075.
Thomas B. Wood, AO2034653.
William A. Wood, AO693443.
Clyde W. Younger, Jr., AO711056

To be second lieutenants

LeDewey E. Allen, Jr., AO942534.
Paul C. Arndt, AO877345.
Jacob C. Baird, AO2098450.
John C. Ball, AO693249.
James W. Barkwill, AO2058394.
Donald E. Beebe, AO812918.
Jack R. Benson, AO2020704.
Robert J. Bissell, AO709267.
Kenneth R. Bland, AO2076513.
Eugene L. Brady, AO2066793.
Albert W. Buesking, AO2101606.
Stuart R. Childs, AO667942.
Robert W. Clark, Jr., AO2076549.
George D. Cooksey, Jr., AO761041.
Arthur S. Cooper, AO785761.
Roderick W. Coward, AO8070424.
Darrell S. Cramer, AO730390.
Wallace L. Criswell, AO556380.
Clarence G. Curry, Jr., AO590504.
Robert W. Daniels, AO663869.
Samuel A. Darby, Jr., AO772031.
John Deas, AO834617.
John F. Disharoon, Jr., AO840356.
William Djinis, AO873732.
Walter L. Doerty, Jr., AO1908527.
Joe B. Dougherty, AO2017030.
Henry J. Dunn, Jr., AO841177.
Nathan B. Durham, Jr., AO2093327.
Burns R. Eastman, AO769405.
John J. Eddington, AO727704.
James I. Eden, AO587724.
James B. Fagan, AO714685.
Walter B. Favorite, AO758973.
Thomas J. Flake, Jr., AO791808.
Donald S. Floyd, AO827413.
Albert D. Fowler, AO568180.
Elwood S. Fraser, Jr., AO707255.
John T. Gaffey, AO739764.
Kenneth H. Gallagher, AO756214.
Robert J. Goebel, AO681645.
Edmond D. Gray, AO833086.
Robert G. Hageman, AO691748.
Ermine L. Hales, AO689045.
Grover L. Heater, Jr., AO1848508.
Clarence L. Hewitt, III, AO706390.
John K. Higdon, AO1847085.
William M. Higgins, AO821012.
Joseph W. Hinerman, AO825170.
John P. Honaker, Jr., AO802115.
Anderson B. Honts, Jr., AO817679.
Gene Hopkins, AO2080701.
Alden F. Hughes, Jr., AO1908681.
Milo F. Hunter, Jr., O2208626.
Kenneth D. Hurley, AO2078997.
Thomas J. Hutchison, AO859622.
Paul G. Jameson, AO729344.
Dale S. Jeffers, AO809812.
Marvin W. Johnson, AO685233.
Melvin E. Johnson, Jr., AO2080603.
Dale N. Jones, AO827212.
Ralph F. Jones, AO424965.
Richard W. Jones, AO721007.
Charles Kaiser, Jr., AO711418.
William C. Kaufman, AO2092289.
Bertram Kemp, AO2057943.
Eugene C. Kiger, Jr., AO565848.
Iven C. Kincheloe, Jr., AO1904137.
Edward E. Lane, AO773165.
Arthur M. Lilley, AO481919.
John L. Mansfield, AO842228.
Reese S. Martin, AO834845.
Ralph S. Matsen, AO2093375.
Joseph J. McCabe, AO794268.
Charles G. McCarthy, AO930112.
Richard M. McClure, AO1846838.
Carlton H. McConnell, AO729772.
Eugene P. McGlauflin, AO820530.
Thomas B. Meeker, AO664217.
Norman F. Merritt, Jr., AO649092.
William S. Miller, AO799224.
Joseph P. Minton, AO710999.
Theodore E. Mock, AO2087681.
Walter S. Moe, Jr., AO777212.
Wilner P. Moon, AO772222.
William J. Mulcahy, AO731323.
David J. Murphy, AO725631.
Naaman L. Myers, AO789587.
George H. Normand, AO927371.
James R. Norris, AO429971.
Clyde A. Northcott, Jr., AO930213.
Timothy G. O'Shea, AO1559737.
Henry G. Parrish, Jr., AO670227.
Floyd A. Peede, Jr., AO820906.
Jack I. Posner, AO834881.
Jack B. Price, AO669923.
George Rhodes, AO581130.
Paul B. Rice, AO840855.
Robert O. Rollman, AO561937.
Marvin O. Rowland, AO1848730.
Donald F. Rudolph, AO728739.
Marvin W. Russell, Jr., AO779228.
Gilmore L. Sanders, AO2057418.
Julius F. Sanks, AO2071713.
Floyd E. Saunders, AO591048.
George H. Saylor, AO713969.
Robert E. Schellhous, AO769954.
Earl C. Schmeling, AO733735.
Willis G. Shaneyfelt, AO1849148.
John L. Sherburne, AO808748.
Clayton C. Sherman, AO2093788.
Robert W. Smothers, AO927836.
Richard H. Spooner, AO701695.
Ellis E. Stanley, AO1846851.
Philip Steiner, AO1854146.
Wesley T. Stewart, AO715635.
John H. Strand, Jr., AO730988.
Carl R. Swartz, AO738498.
Milton G. Swearengin, AO861727.
Ralph J. Swofford, AO688982.
Harry W. Taylor, Jr., AO1850152.
Harvey J. Taylor, AO2030078.
Charles E. Teague, AO2059374.
Hal M. Terry, Jr., AO800968.
William G. Thomas, AO439742.
James W. Thompson, Jr., AO427791.
James E. Tidwell, AO2076041.
Artyv T. Tisdail, AO778618.
George E. Tormoen, AO743218.
Joseph M. Tyndall, AO874094.
John J. Voll, AO705511.
Ernie A. Walker, AO835728.
Ivan Ware, AO1848706.
Thomas W. Whitlock, AO1908785.
Johnny T. Williams, AO1905387.
Marshall G. Williams, AO719524.
Alvin L. Wimer, AO785038.
Voy A. Winders, AO797756.
Francis L. Wright, AO2093266.
Henry C. Yawn III, AO2068328.
William H. Young, AO833454.

The following-named persons for appointment in the United States Air Force, in the grade indicated, with dates of rank to be determined by the Secretary of the Air Force under the provisions of section 506, Public Law 381, Eightieth Congress (Officer Personnel Act of 1947), and section 301, Public Law 625, Eightieth Congress (Women's Armed Services Integration Act of 1948):

To be second lieutenants

Marguerite Butler, AL1908804.
Dolores J. Cleary, AL1908805.
Marjorie L. Riepma, AL1904020.
Mary B. Wilkinson, AL1853888.

The following-named distinguished aviation cadets for appointment in the United States Air Force, in the grade indicated, with dates of rank to be determined by the Secretary of the Air Force under the provisions of section 506, Public Law 381, Eightieth Congress (Officer Personnel Act of 1947):

To be second lieutenants

William T. Capers III
Robert J. Ford
Gene R. Johnson
Otto K. Lahlum
Donald E. Leiffert
Eugene C. Wicker

Subject to physical qualification and subject to designation as distinguished military graduates, the following-named distinguished military students of the Senior Division, Reserve Officers' Training Corps, for appointment in the United States Air Force, in the grade of second lieutenant, with dates of rank to be determined by the Secretary of the Air Force under the provisions of section 506, Public Law 381, Eightieth Congress (Officer Personnel Act of 1947):

Earl J. Collins
David P. Frizell
Edwin E. Lee, Jr.
Thomas C. Pinckney, Jr.

CONFIRMATIONS

Executive nominations confirmed by the Senate May 29 (legislative day of May 17), 1951:

UNITED STATES ATTORNEY

Noel Malone, of Mississippi, to be United States attorney for the northern district of Mississippi.

POSTMASTER

ARKANSAS-TEXAS

Arthur L. Jennings, Texarkana.

SENATE

THURSDAY, MAY 31, 1951

(Legislative day of Thursday, May 17, 1951)

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

Dr. Clarence W. Cranford, Calvary Baptist Church, Washington, D. C., offered the following prayer:

We thank Thee, O God, for the dream that has made America great—the dream that on these shores men would find a sanctuary of freedom in which they could breathe the invigorating air of liberty. We thank Thee that here we believe man is a child of God, and not just a creature of the state; that here we believe it is the truth that sets men free, and therefore men must be free to seek the truth. We thank Thee for our freedom to acknowledge Thee according to the dictates of our conscience. Help us to use this freedom, not as a privilege to be abused but as a heritage to be preserved and to be shared with all. We pray in Jesus' name. Amen.