

mobilizing the resources of their own companies, but they made no real attempt to tap the productive reservoir of small enterprises.

Although small business could have made invaluable contributions to the war effort during the period from 1940 through 1942, for these 2 years the small-business man was forgotten and ignored. His plants lay idle. His markets vanished. His supply of materials dried up. His industrial skills were unused. His labor drifted away to other plants. During these 2 years, 16 percent of the small businesses in the United States closed their doors.

#### CREATION OF SMALLER WAR PLANTS CORPORATION IN 1942 WAS RECOGNITION OF SMALL-BUSINESS CRISIS

Congress finally recognized this critical situation in 1942, and remedied it by creation of the Smaller War Plants Corporation. But SWPC did not really begin to function effectively until 1944, when the peak of war production had passed. Nevertheless, Smaller War Plants assisted small firms in obtaining nearly a billion dollars in subcontracts and more than \$5,500,000,000 in prime contracts. It loaned more than \$550,000,000 to small business, with insignificant losses. It stimulated a recognition of the importance of small business in the national economy.

Creation of the Smaller War Plants Corporation came almost too late to save small business during World War II. The Eighty-second Congress now has the opportunity to act in time to prevent a repetition of the conditions which proved so disastrous to small business from 1940 through 1942.

The Defense Production Act (Public Law 774, 81st Cong., September 8, 1950) included small-business provisions which did not contain standards to utilize effectively the facilities of small-business enterprise in the mobilization program. No assurance was offered that small business would participate in supplying essential civilian requirements. In essence, the Defense Production Act provided no more than a declaration of policy insofar as small business was concerned.

Experience with the administration of the Smaller War Plants Corporation, which was set up as a part of the War Production Board, has convinced us of the need for a separate and distinct agency to mobilize all small business. We also are convinced that certain permissive clauses in the Smaller War Plants Act were ineffective.

These defects are rectified in the Small Business Defense Plants Act of 1951, which we have introduced today. This legislation will establish a separate agency for small business, with the permissive clauses replaced by mandatory provisions assuring that positive action will be taken in behalf of the Nation's small enterprises.

In broad terms, the Small Business Defense Plants Act of 1951 provides that small business be assisted—

1. To secure a fair share of Government contracts under the national defense program;
2. To secure a fair share of scarce materials for essential civilian production;
3. To be assured fair and equitable treatment when acting as subcontractors;
4. To obtain loans for expansion and conversion in the interests of the national defense program; and
5. To achieve full economic and industrial mobilization.

#### SMALL-BUSINESS DEFENSE PLANTS ACT WILL PROVIDE A POSITIVE PROGRAM FOR SMALL BUSINESS

To accomplish these objectives, the bill provides a revolving fund of a maximum of \$500,000,000 to allow the Small Defense Plants Corporation to make loans and acquire property. It allows the Small Defense Plants Corporation to enter into contracts

with the United States Government and to let subcontracts to small-business concerns.

Other Government agencies would be required to consult with the Corporation in determining the means by which small business can be brought most fully and effectively into the effort to produce goods for defense and for essential civilian use. The Corporation also would be empowered to make or have made a complete inventory of productive facilities of small-business concerns which can be used for such production.

The Corporation would be authorized to take appropriate action to insure that small-business subcontractors receive fair and equitable prices, conditions, and terms from prime contractors.

The bill also would provide assurance that small enterprises receive a fair share of scarce materials, equipment, and supplies which may be allocated by the Government. In addition, there are provisions assuring that small businesses shall receive a fair proportion of Government contracts.

Response of small-business men throughout the Nation to the Small Business Defense Plants Act has been enthusiastic.

Since the act first was introduced last July, the Senate and House Small Business Committees have received many communications from small-business men urging that the bill be given prompt consideration and passage.

#### UTILIZATION OF SMALL BUSINESS IS ESSENTIAL TO FULL MOBILIZATION PROGRAM

When the Defense Production Act first was made law there was some ground for hope that partial mobilization of our resources would be sufficient for an indefinite period.

Unfortunately for the peace and happiness of the people of the world, this has not proved to be the case. In the late fall the human pawns in the vast movement for communistic domination advanced from the inner recesses of Red China. This horde came in such numbers that the modest forces of the United Nations on the Korean Peninsula found it necessary to retire.

It was apparent instantly that partial mobilization would not suffice. It was necessary for the President of the United States on December 16 to declare a national emergency. This meant the full mobilization of the military and economic resources of the Nation.

It also means that, if we are to mobilize completely, every single unit in our industrial family must be put to work, as every man and woman is expected to share in the responsibility for a total defense. Small-business concerns cannot be neglected or unused.

Strangely enough, it is well-nigh impossible to obtain more than recognition of this necessity under present defense laws. Recognition and savory phrases will not do the job. We must have new legislation if all of the component parts of business and industry are to bear their full share of the responsibility for strengthening our Military Establishment and providing for the necessities of life for the civilian population.

#### SEPARATION OF MAIL PAY FROM SUBSIDIES IN CASE OF CERTAIN AIR CARRIERS

Mr. McCARRAN. Mr. President, I send to the desk for appropriate reference a bill to provide for the separation of mail pay from subsidies in the case of air carriers engaged in international air transportation.

For some time past, considerable attention has been given to the question of separating airline subsidies from air-mail pay.

An investigation with respect to the domestic aspect of this problem has been made by the Senate Committee on Interstate and Foreign Commerce; and the report is current that a new bill on this subject, concerned with only domestic air transportation, has been agreed upon by airline representatives and others.

The further report is that the airlines are asking for another year of study, by the Civil Aeronautics Administration, concerning the problem involved in separation of subsidies from mail pay in the field of international air transportation.

I have been much interested in this question of the separation of subsidies from mail pay, as I am interested in all questions having to do with the growth and development of air transportation; and I have worked out a method of separation of mail pay from subsidies in the field of international air transportation which I believe is sound and fair and will, after study, have rather wide acceptance.

I do not wish at this time to claim for my bill any virtues which it may not have, or to enter into prolonged argument with respect to it. Therefore, I do not propose to summarize its provisions nor generalize with regard to them. I simply offer the bill for introduction, and I urge members of the Interstate and Foreign Commerce Committee, and others who are interested in this subject, to give it their careful study. I hope the bill may also have most serious and critical consideration by the air carriers whom it would affect, and by all others who are interested in this subject.

The VICE PRESIDENT. The bill introduced by the Senator from Nevada will be received and appropriately referred.

The bill (S. 535) to provide for the separation of mail pay from subsidies in the case of air carriers engaged in international air transportation, introduced by Mr. McCARRAN, was read twice by its title, and referred to the Committee on Interstate and Foreign Commerce.

#### SECURITY AND DEFENSE OF THE UNITED STATES AGAINST ATTACK

Mr. JOHNSON of Colorado. Mr. President, by request, I introduce for appropriate reference a bill to provide for the greater security and defense of the United States against attack, and for other purposes, and I ask unanimous consent that a copy of a letter addressed to me as chairman of the Committee on Interstate and Foreign Commerce, from the office of the Assistant Secretary of Defense, signed by Marx Leva, dated January 16, 1951, explaining the purpose of the proposed legislation, be printed in the RECORD.

The VICE PRESIDENT. The bill will be received and appropriately referred, and, without objection, the letter will be printed in the RECORD, as requested by the Senator from Colorado. The Chair hears no objection.

The bill (S. 537) to provide for the greater security and defense of the United States against attack, and for other purposes, introduced by Mr. JOHNSON of Colorado, was read twice by its

of Maine and the Province of New Brunswick and authorizing the appropriation of not to exceed \$3,900,000 to defray the cost thereof, and for other purposes; to the Committee on Foreign Relations.

By Mr. CORDON:

S. J. Res. 19. Joint resolution to designate the lake to be formed by the McNary lock and dam in the Columbia River, Oreg., and Wash., as Lake Umatilla; to the Committee on Public Works.

#### NIAGARA REDEVELOPMENT ACT OF 1951

Mr. LEHMAN. Mr. President, I introduce for appropriate reference a bill entitled "Niagara Redevelopment Act of 1951" and I ask unanimous consent that a statement on the bill, prepared jointly by myself and Representative FRANKLIN D. ROOSEVELT, Jr., of New York, who is introducing the same bill in the House, be printed in the body of the RECORD, together with a brief memorandum pointing out the differences between the Niagara Redevelopment Act of 1950 and the proposed bill.

The VICE PRESIDENT. The bill will be received and appropriately referred, and, without objection, the statement and memorandum will be printed in the RECORD, as requested by the Senator from New York. The Chair hears no objection.

The bill (S. 517) to preserve the scenic beauty of the Niagara Falls and River and to authorize the construction of certain public works on that river for power and other purposes, and for other purposes, introduced by Mr. LEHMAN, was read twice by its title, and referred to the Committee on Public Works.

The statement and memorandum presented by Mr. LEHMAN are as follows:

#### STATEMENT BY SENATOR LEHMAN

We are today introducing a bill for the redevelopment of the waters of the Niagara River for public power purposes.

This bill differs only in some technical aspects from the measure we drafted and introduced last year and on which hearings were held before the House Public Works Committee. The differences between last year's bill and the present one are described in an attached memorandum.

The present budget contains an item of \$2,000,000 for a preliminary survey and for the preparation of engineering designs for this project. It is to be assumed that funds will be requested from the Congress in the appropriations bill for this purpose.

Before these funds are voted, it would be highly desirable to have formal authorization for this project on the statute books.

The needs of the national defense program and of the mobilization of our full industrial potential for the critical period ahead call for vastly expanded power. The availability of 8,000,000,000 kilowatts of power annually from the Niagara redevelopment—power which can be developed at low cost and marketed at low cost—is a mandate in itself for speedy congressional action on our bill. The Senate, in its reservation to the Niagara Treaty, specified that this power was to be developed for public use and benefit in such a manner as Congress might direct. I believe that our bill fulfills all the requisites for protecting all the interests of New York State, of the Federal Government, and of national defense. It provides against all exigencies, placing the chief emphasis on the earliest possible completion of the project and the most prompt availability of the power from this project to meet the public and national need.

If the project work is rushed by the Corps of Engineers, the first power can be coming

off generators by the end of 1952, if not before. This will be at a time when national mobilization will be at its peak and when the power from the Niagara will be desperately needed.

This power will save the consumers of New York and of the surrounding area \$65,000,000 annually. There will be a saving to the taxpayers, too, because the low cost of this power will be immediately reflected in the decreased cost of the defense items that must be purchased by the Government. In the case of such products as aluminum, the cost of power is the chief component of the total cost of production.

The record of last year's hearings before the House Public Works Committee furnishes a good start. We shall urge the chairman of the appropriate House and Senate committees to begin hearings on this bill at the earliest possible date.

#### COMPARISON BETWEEN NIAGARA REDEVELOPMENT ACT OF 1951 AND S. 3528 (H. R. 8343)

1. Language changes have been made in recognition of the fact that the Niagara Treaty has already been ratified and is now the law of the land.

2. Provision is made for submission of the plans for the remedial works (to preserve the beauty of Niagara Falls) to the International Joint Commission and for the carrying out of the remedial works under the supervision of the International Joint Commission.

3. The primary rights and interests of national defense are spelled out in terms of section 16 of the Federal Power Act, and the Department of Defense is included among the entities to be given preference in the distribution of the power from the Niagara project.

4. There has been a comprehensive change in the legislative format of section 3 for purposes of simplification. This did not involve a change in substance.

#### SMALL DEFENSE PLANTS CORPORATION

Mr. SPARKMAN. Mr. President, on behalf of the Senator from Maryland [Mr. O'CONNOR], the Senator from Louisiana [Mr. LONG], the Senator from Iowa [Mr. GILLETTE], the junior Senator from Minnesota [Mr. HUMPHREY], the Senator from Wyoming [Mr. HUNT], the Senator from Connecticut [Mr. BENTON], the Senator from New Hampshire [Mr. TOBEY], the Senator from Massachusetts [Mr. SALTONSTALL], the senior Senator from Minnesota [Mr. THYE], the Senator from New Jersey [Mr. HENDRICKSON], the Senator from Kansas [Mr. SCHOEPFEL], and myself, I introduce for appropriate reference a bill to create the Small Defense Plants Corporation, and I ask unanimous consent that an explanatory statement of the bill by me be printed in the RECORD.

The VICE PRESIDENT. The bill will be received and appropriately referred, and, without objection, the statement will be printed in the RECORD, as requested by the Senator from Alabama. The Chair hears no objection.

The bill (S. 533) to create the Small Defense Plants Corporation and to preserve small-business institutions and free, competitive enterprise, introduced by Mr. SPARKMAN (for himself and other Senators) was read twice by its title, and referred to the Committee on Banking and Currency.

The statement presented by Mr. SPARKMAN is as follows:

#### STATEMENT BY SENATOR SPARKMAN

In this period of national emergency, it has become imperative for Congress to cre-

ate an agency with the power to make small business a full partner in the mobilization effort and to solve the special problems which small enterprises will face in the months ahead.

It is for this purpose that we, as chairmen of the Senate and House Small Business Committees, today have introduced legislation known as the Small Defense Plants Act of 1951. We have the unanimous backing of our committees in presenting this legislation; all the members of the Senate Small Business Committee are acting as sponsors of the bill—Senators HERBERT R. O'CONNOR, RUSSELL B. LONG, GUY M. GILLETTE, LESTER C. HUNT, WILLIAM BENTON, CHARLES W. TOBEY, LEVERETT SALTONSTALL, EDWARD J. THYE, ROBERT C. HENDRICKSON, ANDREW F. SCHOEPFEL. The bill has also been endorsed unanimously by the House Small Business Committee members—Eugene J. Keogh, Mike Mansfield, Joe L. Evans, Clarence G. Burton, Charles A. Halleck, William S. Hill, R. Walter Riehlman, Franklin H. Lichtenwalter.

This legislation is similar to the Small Defense Plants Act of 1950, introduced on July 26, 1950. We cannot emphasize too strongly that its passage during this session of Congress is more urgently needed than ever before.

The necessity for the passage of such legislation arises from the critical conditions now faced by the Nation. There is no question but that small businesses could make a major contribution to the mobilization effort. Located in towns and cities of every State, our smaller industrial facilities represent great productive capacity, are flexible and capable of manufacturing hundreds of types of articles urgently needed for the defense effort.

In addition, small business is the prime source of our strength, the system of competitive free enterprise which has made us the preeminent industrial Nation of the world. It is the fount of initiative, growth, and development in the economic life of the Nation. Big business grows from small business.

Failure to give small business its adequate place during the present mobilization is fully as serious as failure to protect the Nation from foreign aggressors. Injury to small business is the equivalent of letting our system of free, competitive enterprise be riddled beyond repair.

#### SPECIAL SMALL-BUSINESS LEGISLATION URGENTLY NEEDED IN THE PRESENT DEFENSE PROGRAM

Small firms were facing handicaps even before the present mobilization period. Since the Korean outbreak, small-business problems have intensified, and they will increase manifold as we enter full mobilization, unless Congress and the executive agencies are alert to preserve small business as a vital portion of our economy.

During the months ahead, the small-business man inevitably will face curtailment of civilian production. Materials will be scarce and more costly. Additional controls and restrictions on production will be imposed. The small-business man cannot face these curtailments as easily as can big business, with its backlog of materials and financial reserves.

Unless immediate action is taken, large producers almost certainly will allocate the bulk of materials to affiliate or subsidiary fabricators, and the small, independent companies will be forced to take what, if anything, is left. The small-business man will find it almost impossible to compete with large manufacturers for defense contracts unless specific action is taken to aid him.

Small enterprises have learned through bitter experience that legislative action on their behalf is essential in periods of mobilization.

During the early years of World War II, the larger corporations were successful in

a discussion of the points raised by the Secretary is required.

#### COPPER SHIPMENTS

After denying that exports of copper from the United States occurred during 1950, the Secretary admitted that one transshipment of copper took place in February 1950 from Japan through this country and around the world to the Communists in China. He declares, however, that no copper has been shipped since that date.

The facts concerning the copper transshipped through the United States to Red China are as follows: (1) 658,142 pounds; left New York on the steamship *Flying Cloud* on January 5, 1950; (2) 440,923 pounds; left New York on the steamship *Flying Arrow* on March 14, 1950; (3) 731,523 pounds; left New York on the steamship *Flying Arrow* on March 14, 1950; (4) 618,163 pounds; left New York on the steamship *Flying Arrow* on April 3, 1950; (5) 354,954 pounds; left New York on the steamship *Brooklyn Heights* on April 3, 1950; (6) 354,954 pounds; left New York on the steamship *Brooklyn Heights* on April 3, 1950; (7) 1,120,000 pounds; left New York on the steamship *Empire Glencoe* after April 3, 1950.

#### SILICON STEEL SHEETS

But confining attention to the Secretary's assertion that there have been no shipments of anything, strategic or otherwise, to Communist China since they entered the war in Korea, let me remind him that as late as November 16, 1950, a shipment of 24,672 pounds of silicon steel sheets was allowed to leave New York on the steamship *Igadi* destined for Taku Bar, Red China.

The Secretary stresses the fact that last February his Department learned of the subterfuge of transshipping from a foreign port to New York and thence to Communist China. Well, the fact is that other transshipments occurred after his Department was on notice of this evasion of our export control regulations. Here are the facts regarding these transshipments of steel sheets through the United States to Red China: 368,642 pounds left New York on or about July 19, 1950, on the steamship *Cape Race* destined for Taku Bar, North China; 53,635 pounds left New York on or about August 4, 1950, on the steamship *Flying Arrow* destined for Taku Bar, North China; 42,282 pounds left New York on or about July 31, 1950, on the steamship *Berghold* destined for Taku Bar, North China.

In addition, one company imported two further shipments, amounting to 55,115 pounds and 44,890 pounds, respectively, which arrived in the port of New York on November 3, 1950. However, by this time the president of the company had been served with a subpoena to appear before the Senate subcommittee. He thereupon changed his plans for shipping these silicon steel sheets to China and disposed of them on the United States market. Ascertaining that the steamship *Igadi* was to touch at a Pacific port, we telegraphed the Secretary of Commerce requesting that these steel sheets and other shipments of strategic importance be removed from ships before they left United States shores, which was done.

We further called attention to the loophole in the OIT regulations which permitted transshipments of strategic materials through United States ports and by means of United States vessels, and it was not until after this complaint was made that the Department of Commerce, on December 3, 1950, established new regulations prohibiting transshipments of any goods of foreign origin through the ports of the United States or by use of American vessels.

This belated action was taken 5 months after hostilities began in Korea and after China had entered the war against us.

This was followed by additional regulations issued on December 6, revoking all li-

censes on shipments to Red China, Manchuria, Hong Kong, and Macao. It was not until December 8, 1950, that the Department of Commerce finally issued an order which barred the transportation or discharge by American ships and aircraft of strategic and critical materials destined for countries in the Soviet bloc, China, Hong Kong, and Macao.

#### PETROLATUM

The Secretary in his address claims that he stopped shipments of lubricating oil to China in 1949, and he observed that "about 2 months ago we noticed an increase in mineral-oil shipments which we had assumed would be used internally by human beings. When it appeared that this mineral oil might be used as a substitute—though a very poor substitute—for lubricating oil, we shut that off, too. He added that he personally ordered 1,250 drums taken off the docks in New York when they were about to be loaded.

Here it is pertinent to note that, at the very time a portion of the petrolatum shipment was being removed, the Federal officials gave formal consent for the remaining portion to go to China, and that shipment was delivered to our Communist foes. If it was dangerous to have allowed one portion of the load to go, why was permission given to transport the remaining drums on the very same vessel, the steamship *Flying Cloud*? This authorization was given by the Office of International Trade after we had protested and submitted data in support of our demands.

The facts are that the subcommittee called these unusually large shipments of petrolatum to the attention of the Secretary of Commerce after our staff had examined export declarations and ship manifests of boats leaving United States ports. Attention had been drawn to the fact that more than 50,000 gallons were being loaded for China on one vessel alone. When the chairman called these facts to the attention of the Department of Commerce, the Department issued a notice on November 1, 1950, effective at 10 a. m. putting petrolatum and petrolatum jelly on the positive list and prohibiting their export without a license.

It is clear that it was the Senate subcommittee which took the initiative in this matter, and it is further clear that if the Senate subcommittee had not issued its protest, all of this petrolatum would have been shipped to our enemies. It is pertinent to point out that the Department of Commerce had been very slow to perceive the enormous increase in the shipments of petrolatum, because 2,254,311 pounds of this product had been shipped since the onset of the Korean war from the port of New York alone between the months of June and October, 1950.

#### TIN PLATE

With reference to tin plate the Secretary of Commerce points to the fact that tin plate rejects had not been placed on the positive list, requiring license, stating that these rejects are of such low grade that the interagency committee responsible for deciding which exports are strategic saw no reason to give them such a classification. Incidentally, this interagency committee includes representatives of the defense agencies.

A review of the shipping documents filed between August and October 1950, at the port of New York alone, revealed that more than 19,381,014 pounds of tin mill waste waste had been shipped from the port of New York in this 3-month period, together with more than 4,000,000 pounds of other steel products, 2,500,000 pounds of galvanized pipe, 167,774 pounds of boiler tube, 419,171 pounds waste tin plate could readily be used for strategic purposes of petrolatum, and 709,000 pounds of lubricating oil and grease, among other products.

Testimony given to us in executive session by experts was to the effect that the waste waste tin plate could readily be used for strategic purposes, such as making ammunition containers, and so forth. The subcommittee likewise was reliably informed by officials in the National Defense Agency that after they learned of the extremely large shipments they had taken the position that tin plate waste waste should be placed on the positive list.

Again, however, it was only after hearings were held and the enormous shipments were publicly revealed that the Secretary of Commerce announced, on December 3, 1950, that all shipments from the United States to mainland China, Hong Kong, and Macao were subject to license.

#### PENICILLIN

In the matter of important "miracle drugs" the Secretary has this to say in his statement regarding the shipment from this country to the Communists of antibiotics: "About the time the Chinese Communists came into the war in Korea it appeared that these drugs were being purchased in abnormal quantities for shipment to China. These shipments were thereupon stopped. We even stopped shipments on the high seas."

The facts are that in 1949 China imported 37,012,300,000 oxford units of penicillin. For the 9-month period from January to September 1950, the importations of penicillin practically tripled, to the figure of 98,092,800,000 oxford units. It is even more important to note that the imports to Hong Kong in the year 1949 from the United States totaled 3,139,607,100,000 penicillin oxford units; that in the 9-month period from January to September 1950, the amount of penicillin imported was more than doubled, and there were shipped to Hong Kong from the United States 6,735,390,400,000 oxford units.

It must be pointed out that there is no doubt in the minds of any of the experts that almost all imports to Hong Kong are virtually absorbed by China. It can safely be assumed that this enormous amount of penicillin was shipped inland to China. The fact is that it was not until mid-November 1950, after Communist China had openly entered the Korean war, that Commerce placed penicillin on the positive list.

Again the question must be raised as to why the Department of Commerce had to wait until this committee initiated its investigation and started to examine the figures on the shipments of penicillin before taking action to stop the export of this commodity. There can be no doubt that the excessive amount of penicillin exported to China was to be devoted to Communist warfare in Korea. We have been advised that military intelligence became alarmed at this large quantity going to Hong Kong and China. Here again it seems evident that our Office of International Trade was slow to take action to prevent these shipments from reaching China.

#### COTTON

In a statement on the Senate floor on December 21, 1950, it was pointed out that since the outbreak of the Korean war on June 25, 1950, six shipments involving almost 50,000,000 pounds of cotton are known to have been exported to Manchuria and Red China direct. These shipments from this country have been made with the full knowledge and consent of Federal officials. They were shipped from New Orleans as follows: On July 13, 1950, 13,000 bales to Dairen, Manchuria; on July 13, 1950, 1,857 bales to Dairen, Manchuria; on July 17, 1950, 7,520 bales to Dairen, Manchuria; on August 7, 1950, 10,127 bales to Dairen, Manchuria; on August 7, 1950, 3,946 bales to Dairen, Manchuria; on August 21, 1950, 3,615 bales to Taku Bar, China; on August 24, 1950, 800 bales to Taku Bar, China; on August 24, 1950, 2,839 bales to Dairen, Manchuria; on August

title, and referred to the Committee on Interstate and Foreign Commerce.

The letter presented by Mr. JOHNSON of Colorado is as follows:

ASSISTANT SECRETARY OF DEFENSE,  
Washington, D. C., January 16, 1951.

Hon. EDWIN C. JOHNSON,

Chairman, Committee on Interstate  
and Foreign Commerce, United  
States Senate, Washington, D. C.

DEAR MR. CHAIRMAN: There is forwarded herewith a draft of proposed legislation, "To provide for the greater security and defense of the United States against attack, and for other purposes." This proposal is a part of the Department of Defense legislative program for 1951, and has been approved by the Bureau of the Budget. The Department of Defense recommends that it be enacted by the Congress at an early date.

Purpose of the legislation: The purpose of the proposed legislation is to provide the necessary Executive authority to control electromagnetic radiation, not only during hostilities or a proclaimed emergency, but also during time of strained international relationships when a surprise attack on the United States is a possibility.

Current concepts of warfare and recent experience demonstrate the necessity to control electromagnetic radiation in the United States, its Territories, and possessions, during periods of critical international relationships, for the purpose of denying their use to a potential enemy for navigation of piloted or pilotless aircraft or missiles directed toward targets in the United States. The authority of this proposed legislation must be provided now in order that further planning and preparations may be completed so that air defense plans may be implemented without delay in the event of an air attack. It is requested that further justification for the urgent necessity of this legislation be given to you in secret session.

Legislative references: Some executive authority is provided by section 606 (c) of the Communications Act of 1934, as amended. However, it is believed that that authority is inadequate for the purpose stated above.

Cost and budget data: Section 3 provides for just compensation to the owner for use by a department or agency of the United States of any instrument, device, apparatus, or thing. It is impossible to estimate the extent of such compensation and the resulting cost to the Government.

Department of Defense action agency: The Department of the Air Force has been designated as the representative of the Department of Defense for this legislation.

In accordance with a long-established custom, the Department of Defense submitted to the Senate Committee on Armed Services a proposal identical with this proposal for consideration by the Eighty-first Congress. We have been informed that that earlier proposal was referred by the Committee on Armed Services to your committee. In view of the referral of that earlier proposal to your committee and in view of the urgency of this proposal, we are forwarding this proposal directly to your committee for consideration.

Sincerely yours,

MARX LEVA.

CONTINUATION OF AUTHORITY FOR  
STUDY AND SURVEY OF HEALTH INSURANCE  
PLANS BY COMMITTEE ON LABOR  
AND PUBLIC WELFARE

Mr. MURRAY submitted the following resolution (S. Res. 39), which was referred to the Committee on Labor and Public Welfare:

Resolved, That the authority of the Committee on Labor and Public Welfare, or any duly authorized subcommittee thereof, under

Senate Resolution 273, Eighty-first Congress, agreed to May 26, 1950 (providing for study and survey of health insurance plans in the United States, the activities of State and local governments in the field of health services, and related matters), is hereby continued until March 31, 1951.

PRINTING ADDITIONAL COPIES OF PAMPHLET ENTITLED "SELLING TO YOUR GOVERNMENT"

Mr. SPARKMAN submitted the following resolution (S. Res. 40), which was referred to the Committee on Rules and Administration:

Resolved, That there be printed 30,000 additional copies of the pamphlet entitled "Selling to Your Government," such additional copies to be for the use of the Select Committee on Small Business.

A PLAN FOR PEACE—ADDRESS BY  
SENATOR ROBERTSON

[Mr. STENNIS asked and obtained leave to have printed in the RECORD an address entitled "A Plan for Peace," delivered by Senator ROBERTSON at the meeting of the Senate breakfast group on January 17, 1951, which appears in the Appendix.]

INAUGURAL ADDRESS OF GOV. JOHN S.  
FINE, OF PENNSYLVANIA

[Mr. MARTIN asked and obtained leave to have printed in the RECORD the inaugural address delivered by Gov. John S. Fine, of Pennsylvania, on January 16, 1951, at Harrisburg, Pa., which appears in the Appendix.]

HOPE: AN AMERICAN EXPORT—ADDRESS  
BY THE SECRETARY OF AGRICULTURE

[Mr. SPARKMAN asked and obtained leave to have printed in the RECORD an address on the subject, Hope: An American Export, delivered by Secretary of Agriculture Charles F. Brannan at the annual meeting of the Association of Land-Grant Colleges and Universities in Washington November 16, 1950, which appears in the Appendix.]

PRESENT POLITICAL TRENDS—EDITORIAL  
COMMENT ON ADDRESS BY HON. JAMES  
A. FARLEY

[Mr. RUSSELL asked and obtained leave to have printed in the RECORD various editorial comments regarding an address by Hon. James A. Farley on present political trends, which appear in the Appendix.]

UNIVERSAL MILITARY SERVICE—STATE-  
MENT BY THE COMMITTEE ON THE  
PRESENT DANGER

[Mr. O'CONNOR asked and obtained leave to have printed in the RECORD a statement regarding universal military service, issued by the Committee on the Present Danger, which appears in the Appendix.]

TACTICS—NOT A STRATEGY—OF FREE-  
DOM—ARTICLE BY PROF. LEV E. DO-  
BRIANSKY

[Mr. SMITH of New Jersey asked and obtained leave to have printed in the RECORD an article entitled "Tactics—Not a Strategy—of Freedom," written by Prof. Lev E. Dobriansky, and published in the January 1, 1951, issue of the Ukrainian Bulletin, which appears in the Appendix.]

REGULATIONS ON INDIAN COUNSEL—  
LETTER FROM ALDEN STEVENS

[Mr. CHAVEZ asked and obtained leave to have printed in the RECORD a letter on the subject of regulations on Indian counsel, written by Alden Stevens, secretary, Association of American Indian Affairs, Inc., of New York, and printed in a recent publication, which appears in the Appendix.]

ASSIGNMENT OF GROUND TROOPS FOR  
SERVICE IN EUROPE—ARTICLE BY  
JAMES RESTON

[Mr. LEHMAN asked and obtained leave to have printed in the RECORD an article entitled "Congress Veto on Troops Could Cripple United States Policy," written by James Reston, and published in the New York Times of January 15, 1951, which will appear hereafter in the Appendix.]

WHERE SHALL WE LOOK FOR LEADERSHIP?—EDITORIAL BY DAVID LAWRENCE

[Mr. MCCARRAN asked and obtained leave to have printed in the RECORD an editorial entitled "Where Shall We Look for Leadership?" written by David Lawrence, and published in the United States News and World Report December 29, 1950, which appears in the Appendix.]

THE ROAD TO BIPARTISANSHIP—ARTICLE  
BY HOLMES ALEXANDER

[Mr. WATKINS asked and obtained leave to have printed in the RECORD an article entitled "The Road to Bipartisanship," written by Holmes Alexander, and published in his column entitled "Washington Affairs" in the Worcester (Mass.) Telegram of December 20, 1950, which appears in the Appendix.]

MONTHLY BENEFITS ASSUMING BASIC  
PENSION RATE OF \$50 PER MONTH

[Mr. BUTLER of Nebraska asked and obtained leave to have printed in the RECORD a tabulation prepared by him showing the monthly benefits which would be paid to those aged 65 or over under the proposal for a universal-eligibility social security, which appears in the Appendix.]

SHIPMENT OF STRATEGIC MATERIALS  
TO COMMUNIST-DOMINATED AREAS—  
STATEMENT BY SENATOR O'CONNOR

Mr. O'CONNOR. Mr. President, recently there has been discussion regarding the shipping of strategic materials to Communist-dominated areas, and the Secretary of Commerce has given his version in regard to the matter. I have prepared a detailed statement based upon the findings and investigations of the Subcommittee of the Interstate and Foreign Commerce Committee, and I ask unanimous consent that it be inserted in the body of the RECORD.

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

STATEMENT BY SENATOR O'CONNOR

I would have preferred not to make this statement, particularly when it had been our intention to concentrate our future efforts upon a different phase of foreign trade, namely, continued shipping of strategic materials by Western European nations to Communist-dominated areas.

In fact, I had hoped that the discussion had ended about shipments from the United States to our Communist foes in China. But in the past few days the Secretary of Commerce has seen fit to reopen the controversy. In a Boston speech he invited further debate about the matter.

The Secretary charged falsification and misrepresentation to those of us who had felt obliged to reveal facts about shipments to Red China of critical materials. He further alleged unfairness in the accusations and indicated, in a thinly disguised reference, that the Senate subcommittee's statements were concocted or misinterpreted in order to create a sensation.

Under the circumstances, and in order that the record be clear and unmistakable, I think