THE UNITED STATES ENVIRONMENTAL PROTECTION AGENCY

Legal Compilation

Statutes and Legislative History
Executive Orders
Regulations
Guidelines and Reports

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WILLIAM D. RUCKELSHAUS
Administrator

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FOREWORD

It has been said that America is like a gigantic boiler in that once the fire is lighted, there are no limits to the power it can generate. Environmentally, the fire has been lit!

With a mandate from the President and an aroused public concern over the environment, we are experiencing a new American Revolution, a revolution in our way of life. The era which began with the industrial revolution is over and things will never be quite the same again. We are moving slowly, perhaps even grudgingly at times, but inexorably into an age when social, spiritual and aesthetic values will be prized more than production and consumption. We have reached a point where we must balance civilization and nature through our technology.

The U.S. Environmental Protection Agency, formed by Reorganization Plan No. 3 of 1970, was a major commitment to this new ethic. It exists and acts in the public's name to ensure that due regard is given to the environmental consequences of actions by public and private institutions.

In a large measure, this is a regulatory role, one that encompasses basic, applied, and effects research; setting and enforcing standards; monitoring; and making delicate risk-benefit decisions aimed at creating the kind of world the public desires.

The Agency was not created to harass industry or to act as a shield behind which man could wreak havoc on nature. The greatest disservice the Environmental Protection Agency could do to American industry is to be a poor regulator. The environment would suffer, public trust would diminish, and instead of free enterprise, environmental anarchy would result.

It was once sufficient that the regulatory process produce wise and well-founded courses of action. The public, largely indifferent to regulatory activities, accepted agency actions as being for the "public convenience and necessity." Credibility gaps and cynicism make it essential not only that today's decisions be wise and well-founded but that the public know this to be true. Certitude, not faith, is de rigueur.

In order to participate intelligently in regulatory proceedings, the citizen should have access to the information available to the agency. EPA's policy is to make the fullest possible disclosure of

information, without unjustifiable expense or delay, to any interested party. With this in mind, the EPA Compilation of Legal Authority was produced not only for internal operations of EPA, but as a service to the public, as we strive together to lead the way, through the law, to preserving the earth as a place both habitable by and hospitable to man.

WILLIAM D. RUCKELSHAUS
Administrator
U.S. Environmental Protection Agency

PREFACE

Reorganization Plan No. 3 of 1970 transferred 15 governmental units with their functions and legal authority to create the U.S. Environmental Protection Agency. Since only the major laws were cited in the Plan, the Administrator, William D. Ruckelshaus, requested that a compilation of EPA legal authority be researched and published.

The publication has the primary function of providing a working document for the Agency itself. Secondarily, it will serve as a research tool for the public.

A permanent office in the Office of Legislation has been established to keep the publication updated by supplements.

It is the hope of EPA that this set will assist in the awesome task of developing a better environment.

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Assistant Director for Field Operations
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ACKNOWLEDGEMENT

The idea of producing a compilation of the legal authority of EPA was conceived and commissioned by William D. Ruckelshaus, Administrator of EPA. The production of this compilation involved the cooperation and effort of numerous sources, both within and outside the Agency. The departmental libraries at Justice and Interior were used extensively; therefore we express our appreciation to Marvin P. Hogan, Librarian, Department of Justice; Arley E. Long, Land & Natural Resources Division Librarian, Department of Justice; Frederic E. Murray, Assistant Director, Library Services, Department of the Interior.

For exceptional assistance and cooperation, my gratitude to: Gary Baise, formerly Assistant to the Administrator, currently Director, Office of Legislation, who first began with me on this project; A. James Barnes, Assistant to the Administrator; K. Kirke Harper, Jr., Special Assistant for Executive Communications; John Dezzutti, Administrative Assistant, Office of Executive Communications; Roland O. Sorensen, Chief, Printing Management Branch, and Jacqueline Gouge and Thomas Green, Printing Management Staff; Ruth Simpkins, Janis Collier, Wm. Lee Rawls, Peter J. McKenna, James G. Chandler, Jeffrey D. Light, Randy Mott, Thomas H. Rawls, John D. Whittaker, Linda L. Payne, Dana W. Smith, and John M. Himmelberg, a beautiful staff who gave unlimited effort; and to many others behind the scenes who rendered varied assistance.

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INSTRUCTIONS

The goal of this text is to create a useful compilation of the legal authority under which the U.S. Environmental Protection Agency operates. These documents are for the general use of personnel of the EPA in assisting them in attaining the purposes set out by the President in creating the Agency. This work is not intended and should not be used for legal citations or any use other than as reference of a general nature. The author disclaims all responsibility for liabilities growing out of the use of these materials contrary to their intended purpose. Moreover, it should be noted that portions of the Congressional Record from the 92nd Congress were extracted from the "unofficial" daily version and are subject to subsequent modification.

EPA Legal Compilation consists of the Statutes with their legislative history, Executive Orders, Regulations, Guidelines and Reports. To facilitate the usefulness of this composite, the Legal Compilation is divided into the eight following chapters:

A. General
B. Air
C. Water
D. Solid Waste
E. Pesticides
F. Radiation
G. Noise
H. International

RADIATION

The chapter labeled "Radiation" and color coded tan contains the legal authority of the Agency as it applies to radiation pollution abatement. It is well to note that any law which is applicable to more than one chapter of the Compilation will appear in each of the chapters; however, its legislative history will be cross referenced into the "General" chapter where it is printed in full.

SUBCHAPTERS

Statutes and Legislative History

For convenience, the Statutes are listed throughout the Compilation by a one-point system, i.e., 1.1, 1.2, 1.3, etc., and Legislative History begins wherever a letter follows the one-point system. Thusly, any 1.1a, 1.1b, 1.2a, etc., denotes the public laws comprising the 1.1, 1.2 statute. Each public law is followed by its

legislative history. The legislative history in each case consists of the House Report, Senate Report, Conference Report (where applicable), the Congressional Record beginning with the time the bill was reported from committee.

Example:

1.1 1954 Atomic Energy Act, as amended, 42 U.S.C. §§2013(d), 2021, 2051, 2073(b), (e), 2092, 2093, 2099, 2111, 2112, 2132, 2133, 2134, 2139, 2153, 2201, 2210 (1970).

1.1a Atomic Energy Act of 1946, August 1, 1946, P.L. 79–585, 60 Stat. 755.

(1) Senate Special Committee on Atomic Energy, S. REP. No. 1211, 79th Cong., 2d Sess. (1946).

(2) House Committee on Military Affairs, H.R. REP. No. 2478, 79th Cong., 2d Sess. (1946).

(3) Committee of Conference, H.R. REP. No. 2670, 79th Cong., 2d Sess. (1946).

(4) Congressional Record, Vol. 93 (1946):

(a) June 1: Passed Senate, pp. 6076–6098;

(b) July 16: House disagrees to Senate bill, pp. 9135–9144;

(c) July 17, 18, 19, 20: House debates and amends Senate bill, pp. 9249–9275, 9340–9386, 9463–9477, 9545–9563;

(d) July 22: Senate disagrees with House bill, asks for conference, pp. 9609–9611;

This example not only demonstrates the pattern followed for legislative history, but indicates the procedure where only one section of a public law appears. You will note that the Congressional Record cited pages are only those pages dealing with the discussion and/or action taken pertinent to the section of law applicable to EPA. In the event there is no discussion of the pertinent section, only action or passage, then the asterisk (*) is used to so indicate, and no text is reprinted in the Compilation. In regard to the situation where only one section of a public law is applicable, then only the parts of the report dealing with same are printed in the Compilation.

Secondary Statutes

Many statutes make reference to other laws and rather than have this manual serve only for major statutes, these secondary statutes have been included where practical. These secondary statutes are indicated in the table of contents to each chapter by a bracketed cite to the particular section of the major act which made the reference.

Citations

The United States Code, being the official citation, is used throughout the Statute section of the Compilation.

TABLE OF STATUTORY SOURCE

	Statutes	Source
1.1	1954 Atomic Energy Act, as amended, 42 U.S.C. §§2013(d), 2012, 2051, 2073(b), (e), 2092, 2093, 2099, 2111, 2112, 2131, 2133, 2134, 2139, 2153, 2201, 2210 (1970).	Direct reference in Reorg. Plan No. 3 of 1970.
1.2	Public Health Service Act, as amended, 42 U.S.C. §§203, 215, 241, 242(b), (c), (d), (f), (i), (j), 243, 244, 244a, 245, 246, 247 (1970).	Reorg. Plan No. 3 of 1970.
1.3	Public Contracts, Advertisements for Proposals for Purchases and Contracts for Supplies or Services for Government Departments; Application to Government Sales and Contracts to Sell and to Government Corporations, as amended, 41 U.S.C. §5 (1958).	Referred to in Public Health Service Act at §242c(e).
1.4	Research and Development Act, Contracts, as amended, 10 U.S.C. §§2353, 2354 (1956).	Referred to in Public Health Service Act at §241(h).
1.5	International Health Research Act, 22 U.S.C. §2101 (1960).	Referenced to in the Public Health Service Act at §242f(a).
1.6	Per Diem, Travel and Transportation Expenses; Experts and Consultants; Individuals Serving Without Pay, as amended, 5 U.S.C. §5703 (1966).	Referenced to in Public Health Service Act at §242f(b)(5), (6).
1.7	The Solid Waste Disposal Act, as amended, 42 U.S.C. §3254f (1970).	Section cited refers directly to national disposal sites for storage and disposal of hazardous waste including radioactivity.
1.8	National Environmental Policy Act, 42 U.S.C. §§4332(2)(c), 4344(5) (1970).	Reorganization Plan No. 3 of 1970.

Executive Orders

The Executive Orders are listed by a two-point system (2.1, 2.2, etc.). Executive Orders found in General are ones applying to more than one area of the pollution chapters.

Regulations

The Regulations are noted by a three-point system (3.1, 3.2, etc.). Included in the Regulations are those not only promulgated by the Environmental Protection Agency, but those under which the Agency has direct contact.

Guidelines and Reports

This subchapter is noted by a four-point system (4.1, 4.2, etc.). In this subchapter is found the statutorily required reports of EPA, published guidelines of EPA, selected reports other than EPA's and interdepartmental agreements of note.

UPDATING

Periodically, a supplement will be sent to the interagency distribution and made available through the U.S. Government Printing Office in order to provide an accurate working set of EPA Legal Compilation.

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(1) Joint Committee on Atomic Energy, S. REP. No. 871, 86th Cong., 1st Sess. (1959). 565

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(3) Congressional Record, Vol. 117 (1971): .....

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Statutes and Legislative History

1.1 1954 ATOMIC ENERGY ACT, AS AMENDED

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The Atomic Energy Act of 1954

§2013. Purpose of chapter

It is the purpose of this chapter to effectuate the policies set forth above by providing for—

(a) a program of conducting, assisting, and fostering research and development in order to encourage maximum scientific and industrial progress;

(b) a program for the dissemination of unclassified scientific and technical information and for the control, dissemination, and declassification of Restricted Data, subject to appropriate safeguards, so as to encourage scientific and industrial progress;

(c) a program for Government control of the possession, use, and production of atomic energy and special nuclear material, whether owned by the Government or others, so directed as to make the maximum contribution to the common defense and security and the national welfare, and to provide continued assurance of the Government's ability to enter into and enforce agreements with nations or groups of nations for the control of special nuclear materials and atomic weapons;

(d) a program to encourage widespread participation in the development and utilization of atomic energy for peaceful purposes to the maximum extent consistent with the common defense and security and with the health and safety of the public;

(e) a program of international cooperation to promote the common defense and security and to make available to cooperating nations the benefits of peaceful applications of atomic energy as widely as expanding technology and considerations of the common defense and security will permit; and

(f) a program of administration which will be consistent with the foregoing policies and programs, with international arrangements, and with agreements for cooperation, which will enable the Congress to be currently informed so as to take further legislative action as may be appropriate.

Aug. 1, 1946, c. 724, §3, as added Aug. 30, 1954, c. 1073, §1, 68 Stat. 922, and amended Aug. 26, 1964, Pub.L. 88–489, §3, 78 Stat. 602.

§2021. Cooperation with States—Purpose

(a) It is the purpose of this section—

(1) to recognize the interests of the States in the peaceful uses of atomic energy, and to clarify the respective responsibilities under this chapter of the States and the Commission

with respect to the regulation of byproduct, source, and special nuclear materials;

(2) to recognize the need, and establish programs for, cooperation between the States and the Commission with respect to control of radiation hazards associated with use of such materials;

(3) to promote an orderly regulatory pattern between the Commission and State governments with respect to nuclear development and use and regulation of byproduct, source, and special nuclear materials;

(4) to establish procedures and criteria for discontinuance of certain of the Commission's regulatory responsibilities with respect to byproduct, source, and special nuclear materials, and the assumption thereof by the States;

(5) to provide for coordination of the development of radiation standards for the guidance of Federal agencies and cooperation with the States; and

(6) to recognize that, as the States improve their capabilities to regulate effectively such materials, additional legislation may be desirable.

AGREEMENTS WITH STATES

(b) Except as provided in subsection (c) of this section, the Commission is authorized to enter into agreements with the Governor of any State providing for discontinuance of the regulatory authority of the Commission under subchapters V, VI, and VII of this chapter, and section 2201 of this title, with respect to any one or more of the following materials within the State—

(1) byproduct materials;

(2) source materials;

(3) special nuclear materials in quantities not sufficient to form a critical mass.

During the duration of such an agreement it is recognized that the State shall have authority to regulate the materials covered by the agreement for the protection of the public health and safety from radiation hazards.

COMMISSION REGULATION OF CERTAIN ACTIVITIES

(c) No agreement entered into pursuant to subsection (b) of this section shall provide for discontinuance of any authority and the Commission shall retain authority and responsibility with respect to regulation of—

(1) the construction and operation of any production or utilization facility;

(2) the export from or import into the United States of byproduct, source, or special nuclear material, or of any production or utilization facility;

(3) the disposal into the ocean or sea of byproduct, source, or special nuclear waste materials as defined in regulations or orders of the Commission;

(4) the disposal of such other byproduct, source, or special nuclear material as the Commission determines by regulation or order should, because of the hazards or potential hazards thereof, not be so disposed of without a license from the Commission.

Notwithstanding any agreement between the Commission and any State pursuant to subsection (b) of this section, the Commission is authorized by rule, regulation, or order to require that the manufacturer, processor, or producer of any equipment, device, commodity, or other product containing source, byproduct, or special nuclear material shall not transfer possession or control of such product except pursuant to a license issued by the Commission.

CONDITIONS

(d) The Commission shall enter into an agreement under subsection (b) of this section with any State if—

(1) The Governor of that State certifies that the State has a program for the control of radiation hazards adequate to protect the public health and safety with respect to the materials within the State covered by the proposed agreement, and that the State desires to assume regulatory responsibility for such materials; and

(2) the Commission finds that the State program is compatible with the Commission's program for the regulation of such materials, and that the State program is adequate to protect the public health and safety with respect to the materials covered by the proposed agreement.

PUBLICATION IN FEDERAL REGISTER; COMMENT OF INTERESTED PERSONS

(e) (1) Before any agreement under subsection (b) of this section is signed by the Commission, the terms of the proposed agreement and of proposed exemptions pursuant to subsection (f) of this section shall be published once each week for four consecutive weeks in the Federal Register; and such opportunity for comment by interested persons on the proposed agreement and exemptions shall be allowed as the Commission determines by regulation or order to be appropriate.

(2) Each proposed agreement shall include the proposed effective date of such proposed agreement or exemptions. The agreement and exemptions shall be published in the Federal Register within thirty days after signature by the Commission and the Governor.

EXEMPTIONS

(f) The Commission is authorized and directed, by regulation or order, to grant such exemptions from the licensing requirements contained in subchapters V, VI, and VII of this chapter, and from its regulations applicable to licensees as the Commission finds necessary or appropriate to carry out any agreement entered into pursuant to subsection (b) of this section.

COMPATIBLE RADIATION STANDARDS

(g) The Commission is authorized and directed to cooperate with the States in the formulation of standards for protection against hazards of radiation to assure that State and Commission programs for protection against hazards of radiation will be coordinated and compatible.

FEDERAL RADIATION COUNCIL; REPRESENTATIVE OF PRESIDENT; CHAIRMAN; CONSULTATIVE, ADVISORY AND MISCELLANEOUS FUNCTIONS

(h) There is established a Federal Radiation Council, consisting of the Secretary of Health, Education, and Welfare, the Chairman of the Atomic Energy Commission, the Secretary of Defense, the Secretary of Commerce, the Secretary of Labor, or their designees, and such other members as shall be appointed by the President. The Council shall consult qualified scientists and experts in radiation matters, including the President of the National Academy of Sciences, the Chairman of the National Committee on Radiation Protection and Measurement, and qualified experts in the field of biology and medicine and in the field of health physics. The Special Assistant to the President for Science and Technology, or his designee, is authorized to attend meetings, participate in the deliberations of, and to advise the Council. The Chairman of the Council shall be designated by the President, from time to time, from among the members of the Council. The Council shall advise the President with respect to radiation matters, directly or indirectly affecting health, including guidance for all Federal agencies in the formulation of radiation standards and in the establishment and execution of programs of cooperation with States. The Council shall also perform such other functions as the President may assign to it by Executive order.

INSPECTIONS AND OTHER FUNCTIONS; TRAINING AND OTHER ASSISTANCE

(i) The Commission in carrying out its licensing and regulatory responsibilities under this chapter is authorized to enter into agreements with any State, or group of States, to perform inspections or other functions on a cooperative basis as the Commission deems appropriate. The Commission is also authorized to provide training, with or without charge, to employees of, and such other assistance to, any State or political subdivision thereof or group of States as the Commission deems appropriate. Any such provision or assistance by the Commission shall take into account the additional expenses that may be incurred by a State as a consequence of the State's entering into an agreement with the Commission pursuant to subsection (b) of this section.

RESERVE POWER TO TERMINATE OR SUSPEND AGREEMENTS

(j) The Commission, upon its own initiative after reasonable notice and opportunity for hearing to the State with which an agreement under subsection (b) of this section has become effective, or upon request of the Governor of such State, may terminate or suspend its agreement with the State and reassert the licensing and regulatory authority vested in it under this chapter, if the Commission finds that such termination or suspension is required to protect the public health and safety.

STATE REGULATION OF ACTIVITIES FOR CERTAIN PURPOSES

(k) Nothing in this section shall be construed to affect the authority of any State or local agency to regulate activities for purposes other than protection against radiation hazards.

COMMISSION REGULATED ACTIVITIES; NOTICE OF FILING; HEARING

(l) With respect to each application for Commission license authorizing an activity as to which the Commission's authority is continued pursuant to subsection (c) of this section, the Commission shall give prompt notice to the State or States in which the activity will be conducted of the filing of the license application; and shall afford reasonable opportunity for State representatives to offer evidence, interrogate witnesses, and advise the Commission as to the application without requiring such representatives to take a position for or against the granting of the application.

LIMITATION OF AGREEMENTS AND EXEMPTIONS

(m) No agreement entered into under subsection (b) of this section, and no exemption granted pursuant to subsection (f) of

this section, shall affect the authority of the Commission under section 2201 (b) or (i) of this title to issue rules, regulations, or orders to protect the common defense and security, to protect restricted data or to guard against the loss or diversion of special nuclear material. For purposes of section 2201(i) of this title, activities covered by exemptions granted pursuant to subsection (f) of this section shall be deemed to constitute activities authorized pursuant to this chapter; and special nuclear material acquired by any person pursuant to such an exemption shall be deemed to have been acquired pursuant to section 2073 of this title.

DEFINITION

(n) As used in this section, the term "State" means any State, Territory, or possession of the United States, the Canal Zone, Puerto Rico, and the District of Columbia.

Aug. 1, 1946, c. 724, §274, as added Sept. 23, 1959, Pub.L. 86–373, §1, 73 Stat. 688.

SUBCHAPTER III.—RESEARCH

§2051. Research assistance; fields covered; conditions

(a) The Commission is directed to exercise its powers in such manner as to insure the continued conduct of research and development and training activities in the fields specified below, by private or public institutions or persons, and to assist in the acquisition of an ever-expanding fund of theoretical and practical knowledge in such fields. To this end the Commission is authorized and directed to make arrangements (including contracts, agreements and loans) for the conduct of research and development activities relating to—

(1) nuclear processes;

(2) the theory and production of atomic energy, including processes, materials, and devices related to such production;

(3) utilization of special nuclear material and radioactive material for medical, biological, agricultural, health, or military purposes;

(4) utilization of special nuclear material, atomic energy, and radioactive material and processes entailed in the utilization or production of atomic energy or such material for all other purposes, including industrial or commercial uses, the generation of usable energy, and the demonstration of advances in the commercial or industrial application of atomic energy;

(5) the protection of health and the promotion of safety

during research and production activities; and

(6) the preservation and enhancement of a viable environment by developing more efficient methods to meet the Nation's energy needs.

Aug. 1, 1946, c. 724, §31, as added Aug. 30, 1954, c. 1073, §1, 68 Stat. 927, and amended Aug. 6, 1956, c. 1015, §§2, 3, 70 Stat. 1069. Amended Dec. 19, 1970, Pub.L. 91-560, §1, 84 Stat. 1472. Amended Aug. 11, 1971, Pub.L. 92-84, Title II, §201(a), 85 Stat. 307.

§2073. Domestic distribution of special nuclear material—Licenses

MINIMUM CRITERIA FOR LICENSE

(a) The Commission is authorized (i) to issue licenses to transfer or receive in interstate commerce, transfer, deliver, acquire, possess, own, receive possession of or title to, import, or export under the terms of an agreement for cooperation arranged pursuant to section 2153 of this title, special nuclear material, (ii) to make special nuclear material available for the period of the license, and, (iii) to distribute special nuclear material within the United States to qualified applicants requesting such material—

(1) for the conduct of research and development activities of the types specified in section 2051 of this title;

(2) for use in the conduct of research and development activities or in medical therapy under a license issued pursuant to section 2134 of this title;

(3) for use under a license issued pursuant to section 2133 of this title;

(4) for such other uses as the Commission determines to be appropriate to carry out the purposes of this chapter.

MINIMUM CRITERIA FOR LICENSES

(b) The Commission shall establish, by rule, minimum criteria for the issuance of specific or general licenses for the distribution of special nuclear material depending upon the degree of importance to the common defense and security or to the health and safety of the public of—

(1) the physical characteristics of the special nuclear material to be distributed;

(2) the quantities of special nuclear material to be distributed; and

(3) the intended use of the special nuclear material to be distributed.

MANNER OF DISTRIBUTION; CHARGES FOR MATERIAL SOLD; AGREEMENTS; CHARGES FOR MATERIAL LEASED

(c) (1) The Commission may distribute special nuclear material licensed under this section by sale, lease, lease with option to buy, grant, or through the provision of production or enrichment services: *Provided, however,* That unless otherwise authorized by law, the Commission shall not after December 31, 1970, distribute special nuclear material except by sale or through the provision of production or enrichment services to any person who possesses or operates a utilization facility under a license issued pursuant to section 2133 or 2134 (b) of this title for use in the course of activities under such license; nor shall the Commission permit any such person after June 30, 1973, to continue leasing for use in the course of such activities special nuclear material previously leased to such person by the Commission.

(2) The Commission shall establish reasonable sales prices for the special nuclear material licensed and distributed by sale under this section. Such sales prices shall be established on a nondiscriminatory basis which, in the opinion of the Commission, will provide reasonable compensation to the Government for such special nuclear material.

(3) The Commission is authorized to enter into agreements with licensees for such period of time as the Commission may deem necessary or desirable to distribute to such licensees such quantities of special nuclear material as may be necessary for the conduct of the licensed activity. In such agreements, the Commission may agree to repurchase any special nuclear material licensed and distributed by sale which is not consumed in the course of the licensed activity, or any uranium remaining after irradiation of such special nuclear material, at a repurchase price not to exceed the Commission's sale price for comparable special nuclear material or uranium in effect at the time of delivery of such material to the Commission.

(4) The Commission may make a reasonable charge, determined pursuant to this section, for the use of special nuclear material licensed and distributed by lease under subsection (a) (1), (2) or (4) of this section and shall make a reasonable charge determined pursuant to this section for the use of special nuclear material licensed and distributed by lease under subsection (a) (3) of this section. The Commission shall establish criteria in writing for the determination of whether special nuclear material will be distributed by grant and for the determination of whether a charge will be made for the use of special

nuclear material licensed and distributed by lease under subsection (a) (1), (2) or (4) of this section, considering, among other things, whether the licensee is a nonprofit or eleemosynary institution and the purposes for which the special nuclear material will be used.

DETERMINATION OF CHARGES

(d) In determining the reasonable charge to be made by the Commission for the use of special nuclear material distributed by lease to licensees of utilization or production facilities licensed pursuant to section 2133 or 2134 of this title, in addition to consideration of the cost thereof, the Commission shall take into consideration—

(1) the use to be made of the special nuclear material;

(2) the extent to which the use of the special nuclear material will advance the development of the peaceful uses of atomic energy;

(3) the energy value of the special nuclear material in the particular use for which the license is issued;

(4) whether the special nuclear material is to be used in facilities licensed pursuant to section 2133 or 2134 of this title. In this respect, the Commission shall, insofar as practicable, make uniform, nondiscriminatory charges for the use of special nuclear material distributed to facilities licensed pursuant to section 2133 of this title; and

(5) with respect to special nuclear material consumed in a facility licensed pursuant to section 2133 of this title, the Commission shall make a further charge equivalent to the sale price for similar special nuclear material established by the Commission in accordance with subsection (c) (2) of this section, and the Commission may make such a charge with respect to such material consumed in a facility licensed pursuant to section 2134 of this title.

LICENSE CONDITIONS

(e) Each license issued pursuant to this section shall contain and be subject to the following conditions—

(1) Repealed. Pub.L. 88–489, §8, Aug. 26, 1964, 78 Stat. 604.

(2) no right to the special nuclear material shall be conferred by the license except as defined by the license;

(3) neither the license nor any right under the license shall be assigned or otherwise transferred in violation of the provisions of this chapter;

(4) all special nuclear material shall be subject to the right of recapture or control reserved by section 2138 of this title and to all other provisions of this chapter;

(5) no special nuclear material may be used in any utilization or production facility except in accordance with the provisions of this chapter;

(6) special nuclear material shall be distributed only on terms, as may be established by rule of the Commission, such that no user will be permitted to construct an atomic weapon;

(7) special nuclear material shall be distributed only pursuant to such safety standards as may be established by rule of the Commission to protect health and to minimize danger to life or property; and

(8) except to the extent that the indemnification and limitation of liability provisions of section 2210 of this title apply, the licensee will hold the United States and the Commission harmless from any damages resulting from the use or possession of special nuclear material by the licensee.

DISTRIBUTION FOR INDEPENDENT RESEARCH AND DEVELOPMENT ACTIVITIES

(f) The Commission is directed to distribute within the United States sufficient special nuclear material to permit the conduct of widespread independent research and development activities to the maximum extent practicable. In the event that applications for special nuclear material exceed the amount available for distribution, preference shall be given to those activities which are most likely, in the opinion of the Commission, to contribute to basic research, to the development of peacetime uses of atomic energy, or to the economic and military strength of the Nation.

Aug. 1, 1946, c. 724, §53, as added Aug. 30, 1954, c. 1073, §1, 68 Stat. 930, and amended Sept. 2, 1957, Pub.L. 85–256, §2, 71 Stat. 576; Aug. 19, 1958, Pub.L. 85–681, §§1, 2, 72 Stat. 632; Aug. 26, 1964, Pub.L. 88–489, §§5–8, 78 Stat. 603, 604; Dec. 14, 1967, Pub.L. 90–190, §§9, 10, 81 Stat. 577.

§2092. License requirements for transfers

Unless authorized by a general or specific license issued by the Commission, which the Commission is authorized to issue, no person may transfer or receive in interstate commerce, transfer, deliver, receive possession of or title to, or import into or export from the United States any source material after removal from its place of deposit in nature, except that licenses shall not be required for

quantities of source material which, in the opinion of the Commission, are unimportant.

Aug. 1, 1946, c. 724, §62, as added Aug. 30, 1954, c. 1073, §1, 68 Stat. 932.

§2093. Domestic distribution of source material—License

(a) The Commission is authorized to issue licenses for and to distribute source material within the United States to qualified applicants requesting such material—

(1) for the conduct of research and development activities of the types specified in section 2051 of this title;

(2) for use in the conduct of research and development activities or in medical therapy under a license issued pursuant to section 2134 of this title;

(3) for use under a license issued pursuant to section 2133 of this title; or

(4) for any other use approved by the Commission as an aid to science or industry.

MINIMUM CRITERIA FOR LICENSES

(b) The Commission shall establish, by rule, minimum criteria for the issuance of specific or general licenses for the distribution of source material depending upon the degree of importance to the common defense and security or to the health and safety of the public of—

(1) the physical characteristics of the source material to be distributed;

(2) the quantities of source material to be distributed; and

(3) the intended use of the source material to be distributed.

DETERMINATION OF CHARGES

(c) The Commission may make a reasonable charge determined pursuant to section 2201(m) of this title for the source material licensed and distributed under subsection (a) (1), (a) (2), or (a) (4) of this section and shall make a reasonable charge determined pursuant to section 2201(m) of this title, for the source material licensed and distributed under subsection (a) (3) of this section. The Commission shall establish criteria in writing for the determination of whether a charge will be made for the source material licensed and distributed under subsection (a) (1), (a) (2), or (a) (4) of this section, considering, among other things, whether the licensee is a nonprofit or eleemosynary institution and the purposes for which the source material will be used.

Aug. 1, 1946, c. 724, §63, as added Aug. 30, 1954, c. 1073, §1, 68 Stat. 933.

§2099. Prohibitions against issuance of license

The Commission shall not license any person to transfer or deliver, receive possession of or title to, or import into or export from the United States any source material if, in the opinion of the Commission, the issuance of a license to such person for such purpose would be inimical to the common defense and security or the health and safety of the public.

Aug. 1, 1946, c. 724, §69, as added Aug. 30, 1954, c. 1073, §1, 68 Stat 934.

SUBCHAPTER VII.—BYPRODUCT MATERIALS

§2111. Domestic distribution; license; price limitations

No person may transfer or receive in interstate commerce, manufacture, produce, transfer, acquire, own, possess, import, or export any byproduct material, except to the extent authorized by this section or by section 2112 of this title. The Commission is authorized to issue general or specific licenses to applicants seeking to use byproduct material for research or development purposes, for medical therapy, industrial uses, agricultural uses, or such other useful applications as may be developed. The Commission may distribute, sell, loan, or lease such byproduct material as it owns to licensees with or without charge: *Provided, however,* That, for byproduct material to be distributed by the Commission for a charge, the Commission shall establish prices on such equitable basis as, in the opinion of the Commission, (a) will provide reasonable compensation to the Government for such material, (b) will not discourage the use of such material or the development of sources of supply of such material independent of the Commission, and (c) will encourage research and development. In distributing such material, the Commission shall give preference to applicants proposing to use such material either in the conduct of research and development or in medical therapy. Licensees of the Commission may distribute byproduct material only to applicants therefor who are licensed by the Commission to receive such byproduct material. The Commission shall not permit the distribution of any byproduct material to any licensee, and shall recall or order the recall of any distributed material from any licensee, who is not equipped to observe or who fails to observe such safety standards to protect health as may be established by the Commission or who uses such material in violation

of law or regulation of the Commission or in a manner other than as disclosed in the application therefor or approved by the Commission. The Commission is authorized to establish classes of byproduct material and to exempt certain classes or quantities of material or kinds of uses or users from the requirements for a license set forth in this section when it makes a finding that the exemption of such classes or quantities of such material or such kinds of uses or users will not constitute an unreasonable risk to the common defense and security and to the health and safety of the public.

Aug. 1, 1946, c. 724, §81, as added Aug. 30, 1954, c. 1073, §1, 68 Stat. 935.

§2112. Foreign distribution of byproduct material—Cooperation with other Nations

(a) The Commission is authorized to cooperate with any nation by distributing byproduct material, and to distribute byproduct material, pursuant to the terms of an agreement for cooperation to which such nation is party and which is made in accordance with section 2153 of this title.

DISTRIBUTION TO INDIVIDUALS

(b) The Commission is also authorized to distribute byproduct material to any person outside the United States upon application therefor by such person and demand such charge for such material as would be charged for the material if it were distributed within the United States: *Provided, however,* That the Commission shall not distribute any such material to any person under this section if, in its opinion, such distribution would be inimical to the common defense and security: *And provided further,* That the Commission may require such reports regarding the use of material distributed pursuant to the provisions of this section as it deems necessary.

DISTRIBUTOR'S LICENSE

(c) The Commission is authorized to license others to distribute byproduct material to any person outside the United States under the same conditions, except as to charges, as would be applicable if the material were distributed by the Commission.

Aug. 1, 1946, c. 724, §82, as added Aug. 30, 1954, c. 1073, §1, 68 Stat. 935.

§2132. Utilization and production facilities for industrial or commercial purposes

(a) Except as provided in subsections (b) and (c) of this section, or otherwise specifically authorized by law, any license hereafter issued for a utilization or production facility for industrial or commercial purposes shall be issued pursuant to section 2133 of this title.

(b) Any license hereafter issued for a utilization or production facility for industrial or commercial purposes, the construction or operation of which was licensed pursuant to section 2134(b) of this title prior to enactment into law of this subsection, shall be issued under section 2134(b) of this title.

(c) Any license for a utilization or production facility for industrial or commercial purposes constructed or operated under an arrangement with the Commission entered into under the Cooperative Power Reactor Demonstration Program shall, except as otherwise specifically required by applicable law, be issued under section 2134(b) of this title.

As amended Dec. 19, 1970, Pub.L. 91–560, §3, 84 Stat. 1472.

§2133. Commercial licenses—Conditions

(a) The Commission is authorized to issue licenses to persons applying therefor to transfer or receive in interstate commerce, manufacture, produce, transfer, acquire, possess, use, import, or export under the terms of an agreement for cooperation arranged pursuant to section 2153 of this title, utilization or production facilities for industrial or commercial purposes. Such licenses shall be issued in accordance with the provisions of subchapter XV of this chapter and subject to such conditions as the Commission may by rule or regulation establish to effectuate the purposes and provisions of this chapter.

NONEXCLUSIVE BASIS

(b) The Commission shall issue such licenses on a nonexclusive basis to persons applying therefor (1) whose proposed activities will serve a useful purpose proportionate to the quantities of special nuclear material or source material to be utilized; (2) who are equipped to observe and who agree to observe such safety standards to protect health and to minimize danger to life or property as the Commission may by rule establish; and (3) who agree to make available to the Commission such technical information and data concerning activities under such licenses as the Commission may determine necessary to promote the common defense and security and to protect the health and safety of the

public. All such information may be used by the Commission only for the purposes of the common defense and security and to protect the health and safety of the public.

LICENSE PERIOD

(c) Each such license shall be issued for a specified period, as determined by the Commission, depending on the type of activity to be licensed, but not exceeding forty years, and may be renewed upon the expiration of such period.

LIMITATIONS

(d) No license under this section may be given to any person for activities which are not under or within the jurisdiction of the United States, except for the export of production or utilization facilities under terms of an agreement for cooperation arranged pursuant to section 2153 of this title, or except under the provisions of section 2139 of this title. No license may be issued to an alien or any corporation or other entity if the Commission knows or has reason to believe it is owned, controlled, or dominated by an alien, a foreign corporation, or a foreign government. In any event, no license may be issued to any person within the United States if, in the opinion of the Commission, the issuance of a license to such person would be inimical to the common defense and security or to the health and safety of the public.
Aug. 1, 1946, c. 724, §103, as added Aug. 30, 1954, c. 1073, §1, 68 Stat. 936, Aug. 6, 1956, c. 1015, §§12, 13, 70 Stat. 1071, and amended Dec. 19, 1970, Pub.L. 91–560, §4, 84 Stat. 1472.

§2134. Medical therapy, research, and development licenses; limitations

(a) The Commission is authorized to issue licenses to persons applying therefor for utilization facilities for use in medical therapy. In issuing such licenses the Commission is directed to permit the widest amount of effective medical therapy possible with the amount of special nuclear material available for such purposes and to impose the minimum amount of regulation consistent with its obligations under this chapter to promote the common defense and security and to protect the health and safety of the public.

(b) As provided for in subsection (b) or (c) of section 2132 of this title, or where specifically authorized by law, the Commission is authorized to issue licenses under this subsection to persons applying therefor for utilization and production facilities for

industrial and commercial purposes. In issuing licenses under this subsection, the Commission shall impose the minimum amount of such regulations and terms of license as will permit the Commission to fulfill its obligations under this chapter.

(c) The Commission is authorized to issue licenses to persons applying therefor for utilization and production facilities useful in the conduct of research and development activities of the types specified in section 2051 of this title and which are not facilities of the type specified in subsection (b) of this section. The Commission is directed to impose only such minimum amount of regulation of the licensee as the Commission finds will permit the Commission to fulfill its obligations under this chapter to promote the common defense and security and to protect the health and safety of the public and will permit the conduct of widespread and diverse research and development.

(d) No license under this section may be given to any person for activities which are not under or within the jurisdiction of the United States, except for the export of production or utilization facilities under terms of an agreement for cooperation arranged pursuant to section 2153 of this title or except under the provisions of section 2139 of this title. No license may be issued to any corporation or other entity if the Commission knows or has reason to believe it is owned, controlled, or dominated by an alien, a foreign corporation, or a foreign government. In any event, no license may be issued to any person within the United States if, in the opinion of the Commission, the issuance of a license to such person would be inimical to the common defense and security or to the health and safety of the public.

Aug. 1, 1946, c. 724, §104, as added Aug. 30, 1954, c. 1073, §1, 68 Stat, 937, and amended Dec. 19, 1970, Pub.L. 91–560, §5, 84 Stat. 1472.

§2139. General licenses; export licenses

With respect to those utilization and production facilities which are so determined by the Commission pursuant to section 2014(v)(2) or 2014(cc)(2) of this title the Commission may (a) issue general licenses for activities required to be licensed under section 2131 of this title, if the Commission determines in writing that such general licensing will not constitute an unreasonable risk to the common defense and security, and (b) issue licenses for the export of such facilities, if the Commission determines in writing that each export will not constitute an unreasonable risk to the common defense and security.

Aug. 1, 1946, c. 724, §109, as added Aug. 30, 1954, c. 1073, §1,

68 Stat. 939, and amended Aug. 29, 1962, Pub.L. 87–615, §9, 76 Stat. 411; Oct. 13, 1966, Pub.L. 89–645, §1(b), 80 Stat. 891.

§2153. Cooperation with other nations

No cooperation with any nation or regional defense organization pursuant to sections 2073, 2074, 2077, 2094, 2112, 2121, 2133, 2134, or 2164 of this title shall be undertaken until—

SUBMISSION OF AGREEMENTS TO PRESIDENT

(a) the Commission or, in the case of those agreements for cooperation arranged pursuant to section 2121(c) or 2164(b) of this title which are to be implemented by the Department of Defense, the Department of Defense has submitted to the President the proposed agreement for cooperation, together with its recommendations thereon, which proposed agreement shall include (1) the terms, conditions, duration, nature, and scope of the cooperation; (2) a guaranty by the cooperating party that security safeguards and standards as set forth in the agreement for cooperation will be maintained; (3) except in the case of those agreements for cooperation arranged pursuant to section 2121(c) of this title a guaranty by the cooperating party that any material to be transferred pursuant to such agreement will not be used for atomic weapons, or for research on or development of atomic weapons or for any other military purpose; and (4) a guaranty by the cooperating party that any material or any Restricted Data to be transferred pursuant to the agreement for cooperation will not be transferred to unauthorized persons or beyond the jurisdiction of the cooperating party, except as specified in the agreement for cooperation;

PRESIDENTIAL APPROVAL AND AUTHORIZATION

(b) the President has approved and authorized the execution of the proposed agreement for cooperation, and has made a determination in writing that the performance of the proposed agreement will promote and will not constitute an unreasonable risk to the common defense and security;

SUBMISSION TO JOINT COMMITTEE; WAITING PERIOD

(c) the proposed agreement for cooperation, together with the approval and the determination of the President, has been submitted to the Joint Committee and a period of thirty days has elapsed while Congress is in session (in computing such thirty days, there shall be excluded the days on which either

House is not in session because of an adjournment of more than three days): *Provided, however,* That the Joint Committee, after having received such agreement for cooperation, may by resolution in writing waive the conditions of all or any portion of such thirty-day period; and

SUBMISSION TO THE CONGRESS

(d) the proposed agreement for cooperation, together with the approval and determination of the President, if arranged pursuant to section 2121(c), 2164(b), or 2164(c) of this title, has been submitted to the Congress and referred to the Joint Committee and a period of sixty days has elapsed while Congress is in session, but any such proposed agreement for cooperation shall not become effective if during such sixty-day period the Congress passes a concurrent resolution stating in substance that it does not favor the proposed agreement for cooperation: *Provided, however,* That during the Eighty-fifth Congress such period shall be thirty days (in computing such sixty days, or thirty days, as the case may be, there shall be excluded the days on which either House is not in session because of an adjournment of more than three days).

Aug. 1, 1946, c. 724, §123, as added Aug. 30, 1954, c. 1073, §1, 68 Stat. 940, and amended July 2, 1958, Pub.L. 85–479, §§3, 4, 72 Stat. 277; Aug. 19, 1958, Pub.L. 85–681, §4, 72 Stat. 632; Aug. 26, 1964, Pub.L. 88–489, §15, 78 Stat. 606.

SUBCHAPTER XIII.—GENERAL AUTHORITY OF COMMISSION

§2201. General duties of Commission

In the performance of its functions the Commission is authorized to—

ESTABLISHMENT OF ADVISORY BOARDS

(a) establish advisory boards to advise with and make recommendations to the Commission on legislation, policies, administration, research, and other matters, provided that the Commission issues regulations setting forth the scope, procedure, and limitations of the authority of each such board;

STANDARDS GOVERNING USE AND POSSESSION OF MATERIAL

(b) establish by rule, regulation, or order, such standards and instructions to govern the possession and use of special nuclear material, source material, and byproduct material as

the Commission may deem necessary or desirable to promote the common defense and security or to protect health or to minimize danger to life or property;

STUDIES AND INVESTIGATIONS

(c) make such studies and investigations, obtain such information, and hold such meetings or hearings as the Commission may deem necessary or proper to assist it in exercising any authority provided in this chapter, or in the administration or enforcement of this chapter, or any regulations or orders issued thereunder. For such purposes the Commission is authorized to administer oaths and affirmations, and by subpena to require any person to appear and testify, or to appear and produce documents, or both, at any designated place. Witnesses subpenaed under this subsection shall be paid the same fees and mileage as are paid witnesses in the district courts of the United States;

EMPLOYMENT OF PERSONNEL

(d) appoint and fix the compensation of such officers and employees as may be necessary to carry out the functions of the Commission. Such officers and employees shall be appointed in accordance with the civil-service laws and their compensation fixed in accordance with the Classification Act of 1949, as amended, except that, to the extent the Commission deems such action necessary to the discharge of its responsibilities, personnel may be employed and their compensation fixed without regard to such laws: *Provided, however,* That no officer or employee (except such officers and employees whose compensation is fixed by law, and scientific and technical personnel up to a limit of the highest rate of grade 18 of the General Schedule of the Classification Act of 1949, as amended) whose position would be subject to the Classification Act of 1949, as amended, if such Act were applicable to such position, shall be paid a salary at a rate in excess of the rate payable under such Act for positions of equivalent difficulty or responsibility. Such rates of compensation may be adopted by the Commission as may be authorized by the Classification Act of 1949, as amended, as of the same date such rates are authorized for positions subject to such Act. The Commission shall make adequate provision for administrative review of any determination to dismiss any employee;

ACQUISITION OF MATERIAL, PROPERTY, ETC.; NEGOTIATION OF COMMERCIAL LEASES

(e) acquire such material, property, equipment, and facilities, establish or construct such buildings and facilities, and modify such buildings and facilities from time to time, as it may deem necessary, and construct, acquire, provide, or arrange for such facilities and services (at project sites where such facilities and services are not available) for the housing, health, safety, welfare, and recreation of personnel employed by the Commission as it may deem necessary, subject to the provisions of section 2224 of this title: *Provided, however,* That in the communities owned by the Commission, the Commission is authorized to grant privileges, leases and permits upon adjusted terms which (at the time of the initial grant of any privilege grant, lease, or permit, or renewal thereof, or in order to avoid inequities or undue hardship prior to the sale by the United States of property affected by such grant) are fair and reasonable to responsible persons to operate commercial businesses without advertising and without advertising [1] and without securing competitive bids, but taking into consideration, in addition to the price, and among other things (1) the quality and type of services required by the residents of the community, (2) the experience of each concession applicant in the community and its surrounding area, (3) the ability of the concession applicant to meet the needs of the community, and (4) the contribution the concession applicant has made or will make to the other activities and general welfare of the community;

UTILIZATION OF OTHER FEDERAL AGENCIES

(f) with the consent of the agency concerned, utilize or employ the services or personnel of any Government agency or any State or local government, or voluntary or uncompensated personnel, to perform such functions on its behalf as may appear desirable;

ACQUISITION OF REAL AND PERSONAL PROPERTY

(g) acquire, purchase, lease, and hold real and personal property, including patents, as agent of and on behalf of the United States, subject to the provisions of section 2224 of this title, and to sell, lease, grant, and dispose of such real and personal property as provided in this chapter;

[1] So in original.

CONSIDERATION OF LICENSE APPLICATIONS

(h) consider in a single application one or more of the activities for which a license is required by this chapter, combine in a single license one or more of such activities, and permit the applicant or licensee to incorporate by reference pertinent information already filed with the Commission;

REGULATIONS GOVERNING RESTRICTED DATA

(i) prescribe such regulations or orders as it may deem necessary (1) to protect Restricted Data received by any person in connection with any activity authorized pursuant to this chapter (2) to guard against the loss or diversion of any special nuclear material acquired by any person pursuant to section 2073 of this title or produced by any person in connection with any activity authorized pursuant to this chapter, and to prevent any use or disposition thereof which the Commission may determine to be inimical to the common defense and security, and (3) to govern any activity authorized pursuant to this chapter, including standards and restrictions governing the design, location, and operation of facilities used in the conduct of such activity, in order to protect health and to minimize danger to life or property;

DISPOSITION OF SURPLUS MATERIALS

(j) without regard to the provisions of the Federal Property and Administrative Services Act of 1949, as amended, except section 488 of Title 40, or any other law, make such disposition as it may deem desirable of (1) radioactive materials, and (2) any other property, the special disposition of which is, in the opinion of the Commission, in the interest of the national security: *Provided, however,* That the property furnished to licensees in accordance with the provisions of subsection (m) of this section shall not be deemed to be property disposed of by the Commission pursuant to this subsection;

CARRYING OF FIREARMS

(k) authorize such of its members, officers, and employees as it deems necessary in the interest of the common defense and security to carry firearms while in the discharge of their official duties. The Commission may also authorize such of those employees of its contractors engaged in the protection of property owned by the United States and located at facil-

ities owned by or contracted to the United States as it deems necessary in the interests of the common defense and security to carry firearms while in the discharge of their official duties;

(l) Repealed. Pub.L. 87–456, Title III, §303(c), May 24, 1962, 76 Stat. 78.

AGREEMENTS REGARDING PRODUCTION

(m) enter into agreements with persons licensed under section 2133, 2134, 2073(a)(4), or 2093(a)(4) of this title for such periods of time as the Commission may deem necessary or desirable (1) to provide for the processing, fabricating, separating, or refining in facilities owned by the Commission of source, byproduct, or other material or special nuclear material owned by or made available to such licensees and which is utilized or produced in the conduct of the licensed activity, and (2) to sell, lease, or otherwise make available to such licensees such quantities of source or byproduct material, and other material not defined as special nuclear material pursuant to this chapter, as may be necessary for the conduct of the licensed activity: *Provided, however,* That any such agreement may be canceled by the licensee at any time upon payment of such reasonable cancellation charges as may be agreed upon by the licensee and the Commission: *And provided further,* That the Commission shall establish prices to be paid by licensees for material or services to be furnished by the Commission pursuant to this subsection, which prices shall be established on such a nondiscriminatory basis as, in the opinion of the Commission, will provide reasonable compensation to the Government for such material or services and will not discourage the development of sources of supply independent of the Commission;

DELEGATION OF FUNCTIONS

(n) delegate to the General Manager or other officers of the Commission any of those functions assigned to it under this chapter except those specified in sections 2071, 2077(b), 2091, 2138, 2153, 2165(b) of this title (with respect to the determination of those persons to whom the Commission may reveal Restricted Data in the national interest), 2165(f) of this title and subsection (a) of this section;

REPORTS

(o) require by rule, regulation, or order, such reports, and the keeping of such records with respect to, and to provide

for such inspections of, activities and studies of types specified in section 2051 of this title and of activities under licenses issued pursuant to sections 2073, 2093, 2111, 2133, and 2134 of this title, as may be necessary to effectuate the purposes of this chapter, including section 2135 of this title; and

RULES AND REGULATIONS

(p) make, promulgate, issue, rescind, and amend such rules and regulations as may be necessary to carry out the purposes of this chapter.

EASEMENTS FOR RIGHTS-OF-WAY

(q) The Commission is authorized and empowered, under such terms and conditions as are deemed advisable by it, to grant easements for rights-of-way over, across, in, and upon acquired lands under its jurisdiction and control, and public lands permanently withdrawn or reserved for the use of the Commission, to any State, political subdivision thereof, or municipality, or to any individual, partnership, or corporation of any State, Territory, or possession of the United States, for (a) railroad tracks; (b) oil pipe lines; (c) substations for electric power transmission lines, telephone lines, and telegraph lines, and pumping stations for gas, water, sewer, and oil pipe lines; (d) canals; (e) ditches; (f) flumes; (g) tunnels; (h) dams and reservoirs in connection with fish and wildlife programs, fish hatcheries, and other fish-cultured improvements; (i) roads and streets; and (j) for any other purpose or purposes deemed advisable by the Commission: *Provided,* That such rights-of-way shall be granted only upon a finding by the Commission that the same will not be incompatible with the public interest: *Provided further,* That such rights-of-way shall not include any more land than is reasonably necessary for the purpose for which granted: *And provided further,* That all or any part of such rights-of-way may be annulled and forfeited by the Commission for failure to comply with the terms and conditions of any grant hereunder or for nonuse for a period of two consecutive years or abandonment of rights granted under authority hereof. Copies of all instruments granting easements over public lands pursuant to this section shall be furnished to the Secretary of the Interior,

SALE OF UTILITIES AND RELATED SERVICES

(r) Under such regulations and for such periods and at such prices the Commission may prescribe, the Commission may sell or contract to sell to purchasers within Commission-owned communities or in the immediate vicinity of the Commission community, as the case may be, any of the following utilities and related services, if it is determined that they are not available from another local source and that the sale is in the interest of the national defense or in the public interest:

(1) Electric power.
(2) Steam.
(3) Compressed air.
(4) Water.
(5) Sewage and garbage disposal.
(6) Natural, manufactured, or mixed gas.
(7) Ice.
(8) Mechanical refrigeration.
(9) Telephone service.

Proceeds of sales under this subsection shall be credited to the appropriation currently available for the supply of that utility or service. To meet local needs the Commission may make minor expansions and extensions of any distributing system or facility within or in the immediate vicinity of a Commission-owned community through which a utility or service is furnished under this subsection.

SUCCESSION OF AUTHORITY

(s) establish a plan for a succession of authority which will assure the continuity of direction of the Commission's operations in the event of a national disaster due to enemy activity. Notwithstanding any other provision of this chapter, the person or persons succeeding to command in the event of disaster in accordance with the plan established pursuant to this subsection shall be vested with all of the authority of the Commission: *Provided,* That any such succession to authority, and vesting of authority shall be effective only in the event and as long as a quorum of three or more members of the Commission is unable to convene and exercise direction during the disaster period: *Provided further,* That the disaster period includes the period when attack on the United States is imminent and the post-attack period necessary to reestablish normal lines of command;

CONTRACTS

(t) enter into contracts for the processing, fabricating, separating, or refining in facilities owned by the Commission of source, byproduct or other material, or special nuclear material, in accordance with and within the period of an agreement for cooperation while comparable services are available to persons licensed under section 2133 or 2134 of this title: *Provided,* That the prices for services under such contracts shall be no less than the prices currently charged by the Commission pursuant to subsection (m) of this section;

ADDITIONAL CONTRACTS; GUIDING PRINCIPLES; APPROPRIATIONS

(u) (1) enter into contracts for such periods of time as the Commission may deem necessary or desirable, but not to exceed five years from the date of execution of the contract, for the purchase or acquisition or reactor services or services related to or required by the operation of reactors;

(2) (A) enter into contracts for such periods of time as the Commission may deem necessary or desirable for the purchase or acquisition of any supplies, equipment, materials, or services required by the Commission whenever the Commission determines that: (i) it is advantageous to the Government to make such purchase or acquisition from commercial sources; (ii) the furnishing of such supplies, equipment, materials, or services will require the construction or acquisition of special facilities by the vendors or suppliers thereof; (iii) the amortization chargeable to the Commission constitutes an appreciable portion of the cost of contract performance, excluding cost of materials; and (iv) the contract for such period is more advantageous to the Government than a similar contract not executed under the authority of this subsection. Such contracts shall be entered into for periods not to exceed five years each from the date of initial delivery of such supplies, equipment, materials, or services or ten years from the date of execution of the contracts excluding periods of renewal under option.

(B) In entering into such contracts the Commission shall be guided by the following principles: (i) the percentage of the total cost of special facilities devoted to contract performance and chargeable to the Commission should not exceed the ratio between the period of contract deliveries and the anticipated useful life of such special facilities; (ii) the desirability of obtaining options to renew the contract for

reasonable periods at prices not to include charges for special facilities already amortized; and (iii) the desirability of reserving in the Commission the right to take title to the special facilities under appropriate circumstances; and

(3) include in contracts made under this subsection provisions which limit the obligation of funds to estimated annual deliveries and services and the unamortized balance of such amounts due for special facilities as the parties shall agree is chargeable to the performance of the contract. Any appropriation available at the time of termination or thereafter made available to the Commission for operating expenses shall be available for payment of such costs which may arise from termination as the contract may provide. The term "special facilities" as used in this subsection means any land and any depreciable buildings, structures, utilities, machinery, equipment, and fixtures necessary for the production or furnishing of such supplies, equipment, materials, or services and not available to the vendors or suppliers for the performance of the contract.

CONTRACTS FOR PRODUCTION OR ENRICHMENT OF SPECIAL NUCLEAR MATERIAL; DOMESTIC LICENSEES; OTHER NATIONS; PRICES; MATERIALS OF FOREIGN ORIGIN; CRITERIA FOR AVAILABILITY OF SERVICES UNDER THIS SUBSECTION; CONGRESSIONAL REVIEW

(v) (A) enter into contracts with persons licensed under sections 2073, 2093, 2133 or 2134 of this title for such periods of time as the Commission may deem necessary or desirable to provide, after December 31, 1968, for the producing or enriching of special nuclear material in facilities owned by the Commission; and

(B) enter into contracts to provide, after December 31, 1968, for the producing or enriching of special nuclear material in facilities owned by the Commission in accordance with and within the period of an agreement for cooperation arranged pursuant to section 2153 of this title while comparable services are made available pursuant to paragraph (A) of this subsection:

Provided, That (i) prices for services under paragraph (A) of this subsection shall be established on a nondiscriminatory basis; (ii) prices for services under paragraph (B) of this subsection shall be no less than prices under paragraph (A) of this subsection; and (iii) any prices established under this subsection shall be on a basis of recovery of the Government's costs over a reason-

able period of time: *And provided further,* That the Commission, to the extent necessary to assure the maintenance of a viable domestic uranium industry, shall not offer such services for source or special nuclear materials of foreign origin intended for use in a utilization facility within or under the jurisdiction of the United States. The Commission shall establish criteria in writing setting forth the terms and conditions under which services provided under this subsection shall be made available including the extent to which such services will be made available for source or special nuclear material of foreign origin intended for use in a utilization facility within or under the jurisdiction of the United States: *Provided,* That before the Commission establishes such criteria, the proposed criteria shall be submitted to the Joint Committee, and a period of forty-five days shall elapse while Congress is in session (in computing the forty-five days there shall be excluded the days in which either House is not in session because of adjournment for more than three days) unless the Joint Committee by resolution in writing waives the conditions of, or all or any portion of, such forty-five-day period.

Aug. 1, 1946, c. 724, §161, as added Aug. 30, 1954, c. 1073, §1, 68 Stat. 948, and amended July 14, 1956, c. 608, 70 Stat. 553; Aug. 6, 1956, c. 1015, §4, 70 Stat. 1069; Aug. 21, 1957, Pub.L. 85–162, Title II, §§201, 204, 71 Stat. 410; Sept. 4, 1957, Pub.L. 85–287, §4, 71 Stat. 613; July 7, 1958, Pub.L. 85–507, §21(b) (1), 72 Stat. 337; Aug. 19, 1958, Pub.L. 85–681, §§6, 7, 72 Stat. 633; Sept. 21, 1959, Pub.L. 86–300, §1, 73 Stat. 574; Sept. 6, 1961, Pub.L. 87–206, §13, 75 Stat. 478; May 24, 1962, Pub.L. 87–456, Title III, §303(c), 76 Stat. 78; Aug. 29, 1962, Pub.L. 87–615, §12, 76 Stat. 411; Oct. 11, 1962, Pub.L. 87–793, §1001(g), 76 Stat. 864; Aug. 26, 1964, Pub.L. 88–489, §16, 78 Stat. 606; Dec. 14, 1967, Pub.L. 90–190, §11, 81 Stat. 578; Oct. 15, 1970, Pub.L. 91–452, Title II, §237, 84 Stat. 930; and amended Dec. 19, 1970, Pub.L. 91–560, §§7, 8, 84 Stat. 1474.

§2210. Indemnification and limitation of liability—Financial protection for public liability claims; indemnification agreement; waiver of immunity

(a) Each license issued under section 2133 or 2134 of this title and each construction permit issued under section 2235 of this title shall, and each license issued under section 2073, 2093, or 2111 of this title may, have as a condition of the license a requirement that the licensee have and maintain financial protection of such type and in such amounts as the Commission shall require in accordance with subsection (b) of this section to cover public li-

ability claims. Whenever such financial protection is required, it shall be a further condition of the license that the licensee execute and maintain an indemnification agreement in accordance with subsection (c) of this section. The Commission may require, as a further condition of issuing a license, that an applicant waive any immunity from public liability conferred by Federal or State law.

AMOUNT AND TYPES OF FINANCIAL PROTECTION

(b) The amount of financial protection required shall be the amount of liability insurance available from private sources, except that the Commission may establish a lesser amount on the basis of criteria set forth in writing, which it may revise from time to time, taking into consideration such factors as the following: (1) the cost and terms of private insurance, (2) the type, size, and location of the licensed activity and other factors pertaining to the hazard, and (3) the nature and purpose of the licensed activity: *Provided,* That for facilities designed for producing substantial amounts of electricity and having a rated capacity of 100,000 electrical kilowatts or more, the amount of financial protection required shall be the maximum amount available from private sources. Such financial protection may include private insurance, private contractual indemnities, self insurance, other proof of financial responsibility, or a combination of such measures.

INDEMNIFICATION FROM PUBLIC LIABILITY IN EXCESS OF LEVEL OF FINANCIAL PROTECTION; AGGREGATE INDEMNITY

(c) The Commission shall, with respect to licenses issued between August 30, 1954, and August 1, 1977, for which it requires financial protection, agree to indemnify and hold harmless the licensee and other persons indemnified, as their interest may appear, from public liability arising from nuclear incidents which is in excess of the level of financial protection required of the licensee. The aggregate indemnity for all persons indemnified in connection with each nuclear incident shall not exceed $500,000,000 including the reasonable costs of investigating and settling claims and defending suits for damage: *Provided, however,* That this amount of indemnity shall be reduced by the amount that the financial protection required shall exceed $60,000,000. Such a contract of indemnification shall cover public liability arising out of or in connection with the licensed activity. With respect to any production or utilization facility for which a construction permit is issued between August 30, 1954, and August 1, 1977, the re-

quirements of this subsection shall apply to any license issued for such facility subsequent to August 1, 1977.

INDEMNIFICATION AGREEMENTS FOR CONSTRUCTION OR OPERATION OF PRODUCTION OR UTILIZATION FACILITIES, OR OTHER ACTIVITIES; APPLICABILITY TO CONTRACTS; SOVEREIGN IMMUNITY

(d) In addition to any other authority the Commission may have, the Commission is authorized until August 1, 1977, to enter into agreements of indemnification with its contractors for the construction or operation of production or utilization facilities or other activities under contracts for the benefit of the United States involving activities under the risk of public liability for a substantial nuclear incident. In such agreements of indemnification the Commission may require its contractor to provide and maintain financial protection of such a type and in such amounts as the Commission shall determine to be appropriate to cover public liability arising out of or in connection with the contractual activity, and shall indemnify the persons indemnified against such claims above the amount of the financial protection required, in the amount of $500,000,000, including the reasonable costs of investigating and settling claims and defending suits for damage in the aggregate for all persons indemnified in connection with such contract and for each nuclear incident: *Provided,* That this amount of indemnity shall be reduced by the amount that the financial protection required shall exceed $60,000,000: *Provided further,* That in the case of nuclear incidents occurring outside the United States, the amount of the indemnity provided by the Commission shall not exceed $100,000,000. The provisions of this subsection may be applicable to lump sum as well as cost type contracts and to contracts and projects financed in whole or in part by the Commission. A contractor with whom an agreement of indemnification has been executed and who is engaged in activities connected with the underground detonation of a nuclear explosive device shall be liable, to the extent so indemnified under this section, for injuries or damage sustained as a result of such detonation in the same manner and to the same extent as would a private person acting as principal, and no immunity or defense founded in the Federal, State, or municipal character of the contractor or of the work to be performed under the contract shall be effective to bar such liability.

AGGREGATE LIABILITY FOR A SINGLE NUCLEAR INCIDENT

(e) The aggregate liability for a single nuclear incident of persons indemnified, including the reasonable costs of investigat-

ing and settling claims and defending suits for damage, shall not exceed the sum of $500,000,000 together with the amount of financial protection required of the licensee or contractor: *Provided, however,* That such aggregate liability shall in no event exceed the sum of $560,000,000: *Provided further,* That with respect to any nuclear incident occurring outside of the United States to which an agreement of indemnification entered into under the provisions of subsection (d) of this section is applicable, such aggregate liability shall not exceed the amount of $100,000,000 together with the amount of financial protection required of the contractor.

COLLECTION AND AMOUNT OF FEE

(f) The Commission is authorized to collect a fee from all persons with whom an indemnification agreement is executed under this section. This fee shall be $30 per year per thousand kilowatts of thermal energy capacity for facilities licensed under section 2133 of this title. For facilities licensed under section 2134 of this title, and for construction permits under section 2235 of this title, the Commission is authorized to reduce the fee set forth above. The Commission shall establish criteria in writing for determination of the fee for facilities licensed under section 2134 of this title, taking into consideration such factors as (1) the type, size, and location of facility involved, and other factors pertaining to the hazard, and (2) the nature and purpose of the facility. For other licenses, the Commission shall collect such nominal fees as it deems appropriate. No fee under this subsection shall be less than $100 per year.

USE OF FACILITIES AND SERVICES OF PRIVATE INSURANCE ORGANIZATIONS

(g) In administering the provisions of this section, the Commission shall use, to the maximum extent practicable, the facilities and services of private insurance organizations, and the Commission may contract to pay a reasonable compensation for such services. Any contract made under the provisions of this subsection may be made without regard to the provisions of section 5 of Title 41 upon a showing by the Commission that advertising is not reasonably practicable and advance payments may be made.

CONDITIONS OF AGREEMENT OF INDEMNIFICATION; SETTLEMENT OF CLAIMS

(h) The agreement of indemnification may contain such terms as the Commission deems appropriate to carry out the purposes

of this section. Such agreement shall provide that, when the Commission makes a determination that the United States will probably be required to make indemnity payments under this section, the Commission shall collaborate with any person indemnified and may approve the payment of any claim under the agreement of indemnification, appear through the Attorney General on behalf of the person indemnified, take charge of such action, and settle or defend any such action. The Commission shall have final authority on behalf of the United States to settle or approve the settlement of any such claim on a fair and reasonable basis with due regard for the purposes of this chapter. Such settlement may include reasonable expenses in connection with the claim incurred by the person indemnified.

SURVEY OF CAUSES AND EXTENT OF DAMAGE; REPORT TO JOINT COMMITTEE

(i) After any nuclear incident which will probably require payments by the United States under this section, the Commission shall make a survey of the causes and extent of damage which shall forthwith be reported to the Joint Committee, and, except as forbidden by the provisions of sections 2161 to 2166 of this title or any other law or Executive order, all final findings shall be made available to the public, to the parties involved and to the courts. The Commission shall report to the Joint Committee by April 1, 1958, and every year thereafter on the operations under this section.

CONTRACTS IN ADVANCE OF APPROPRIATIONS

(j) In administering the provisions of this section, the Commission may make contracts in advance of appropriations and incur obligations without regard to section 665 of Title 31.

EXEMPTION FROM FINANCIAL PROTECTION REQUIREMENT; INDEMNIFICATION FROM PUBLIC LIABILITY IN EXCESS OF $250,000; AGGREGATE INDEMNITY; WAIVER

(k) With respect to any license issued pursuant to section 2073, 2093, 2111, 2134(a), or 2134(c) of this title, for the conduct of educational activities to a person found by the Commission to be a nonprofit educational institution, the Commission shall exempt such license from the financial protection requirement of subsection (a) of this section. With respect to licenses issued between August 30, 1954, and August 1, 1977, for which the Commission grants such exemption:

(1) the Commission shall agree to indemnify and hold

harmless the licensee and other persons indemnified, as their interests may appear, from public liability in excess of $250,000 arising from nuclear incidents. The aggregate indemnity for all persons indemnified in connection with each nuclear incident shall not exceed $500,000,000, including the reasonable cost of investigating and settling claims and defending suits for damage;

(2) such contracts of indemnification shall cover public liability arising out of or in connection with the licensed activity; and shall include damage to property of persons indemnified, except property which is located at the site of and used in connection with the activity where the nuclear incident occurs; and

(3) such contracts of indemnification, when entered into with a licensee having immunity from public liability because it is a State agency, shall provide also that the Commission shall make payments under the contract on account of activities of the licensee in the same manner and to the same extent as the Commission would be required to do if the licensee were not such a State agency.

Any licensee may waive an exemption to which it is entitled under this subsection. With respect to any production or utilization facility for which a construction permit is issued between August 30, 1954, and August 1, 1977, the requirements of this subsection shall apply to any license issued for such facility subsequent to August 1, 1977.

INDEMNIFICATION AGREEMENTS IN CONNECTION WITH NUCLEAR SHIP SAVANNAH

(l) The Commission is authorized until August 1, 1977, to enter into an agreement of indemnification with any person engaged in the design, development, construction, operation, repair, and maintenance or use of the nuclear-powered ship authorized by section 1206 of Title 46, and designated the "nuclear ship *Savannah*". In any such agreement of indemnification the Commission may require such person to provide and maintain financial protection of such a type and in such amounts as the Commission shall determine to be appropriate to cover public liability arising from a nuclear incident in connection with such design, development, construction, operation, repair, maintenance or use and shall indemnify the person indemnified against such claims above the amount of the financial protection required, in the amount of $500,000,000 including the reasonable costs of investigating and settling claims and defending suits for damage in the aggregate for all persons

indemnified in connection with each nuclear incident: *Provided,* That this amount of indemnity shall be reduced by the amount that the financial protection required shall exceed $60,000,000.

AGREEMENTS FOR ESTABLISHMENT OF PROCEDURES FOR HANDLING, INVESTIGATION, AND SETTLEMENT OF PUBLIC LIABILITY CLAIMS; EMERGENCY ASSISTANCE PAYMENTS

(m) The Commission is authorized to enter into agreements with other indemnitors to establish coordinated procedures for the prompt handling, investigation, and settlement of claims for public liability. The Commission and other indemnitors may make payments to, or for the aid of, claimants for the purpose of providing immediate assistance following a nuclear incident. Any funds appropriated to the Commission shall be available for such payments. Such payments may be made without securing releases, shall not constitute an admission of the liability of any person indemnified or of any indemnitor, and shall operate as a satisfaction to the extent thereof of any final settlement or judgment.

WAIVER OF DEFENSES; JURISDICTION AND VENUE OF PUBLIC LIABILITY ACTIONS; REMOVAL OR TRANSFER OF ACTIONS; PROCESS

(n) (1) With respect to any extraordinary nuclear occurrence to which an insurance policy or contract furnished as proof of financial protection or an indemnity agreement applies and which—

(a) arises out of or results from or occurs in the course of the construction, possession, or operation of a production or utilization facility, or

(b) arises out of or results from or occurs in the course of transportation of source material, byproduct material, or special nuclear material to or from a production or utilization facility, or

(c) during the course of the contract activity arises out of or results from the possession, operation, or use by a Commission contractor or subcontractor of a devise utilizing special nuclear material or byproduct material,

the Commission may incorporate provisions in indemnity agreements with licensees and contractors under this section, and may require provisions to be incorporated in insurance policies or contracts furnished as proof of financial protection, which waive (i) any issue or defense as to conduct of the claimant or fault of persons indemnified, (ii) any issue or defense as to charitable or governmental immunity, and (iii) any issue or defense based on any statute of limitations if suit is instituted within three years from the date on which the claimant first knew, or reasonably

could have known, of his injury or damage and the cause thereof, but in no event more than ten years after the date of the nuclear incident. The waiver of any such issue or defense shall be effective regardless of whether such issue or defense may otherwise be deemed jurisdictional or relating to an element in the cause of action. When so incorporated, such waivers shall be judicially enforcible in accordance with their terms by the claimant against the person indemnified. Such waivers shall not preclude a defense based upon a failure to take reasonable steps to mitigate damages, nor shall such waivers apply to injury or damage to a claimant or to a claimant's property which is intentionally sustained by the claimant or which results from a nuclear incident intentionally and wrongfully caused by the claimant. The waivers authorized in this subsection shall, as to indemnitors, be effective only with respect to those obligations set forth in the insurance policies or the contracts furnished as proof of financial protection and in the indemnity agreements. Such waivers shall not apply to, or prejudice the prosecution or defense of, any claim or portion of claim which is not within the protection afforded under (i) the terms of insurance policies or contracts furnished as proof of financial protection, or indemnity agreements, and (ii) the limit of liability provisions of subsection (e) of this section.

(2) With respect to any public liability action arising out of or resulting from an extraordinary nuclear occurrence, the United States district court in the district where the extraordinary nuclear occurrence takes place, or in the case of an extraordinary nuclear occurrence taking place outside the United States, the United States District Court for the District of Columbia, shall have original jurisdiction without regard to the citizenship of any party or the amount in controversy. Upon motion of the defendant or of the Commission, any such action pending in any State court or United States district court shall be removed or transferred to the United States district court having venue under this subsection. Process of such district court shall be effective throughout the United States.

PERCENTAGE LIMITATION; DISTRIBUTION PLANS; CLAIM DISPOSITION AND FUND DISTRIBUTION PLANS; ALLOCATION FOR PERSONAL INJURY, PROPERTY DAMAGE, AND POSSIBLE LATENT INJURY CLAIMS; APPROVAL, DISAPPROVAL, OR MODIFICATION; ADOPTION OF OTHER PLAN; ORDERS FOR IMPLEMENTATION AND ENFORCEMENT OF PROVISIONS; AREA ORDERS EFFECTIVE

(o) Whenever the United States district court in the district where a nuclear incident occurs, or the United States District

Court for the District of Columbia in case of a nuclear incident occurring outside the United States, determines upon the petition of any indemnitor or other interested person that public liability from a single nuclear incident may exceed the limit of liability under subsection (e) of this section:

(1) Total payments made by or for all indemnitors as a result of such nuclear incident shall not exceed 15 per centum of such limit of liability without the prior approval of such court;

(2) The court shall not authorize payments in excess of 15 centum of such limit of liability unless the court determines that such payments are or will be in accordance with a plan of distribution which has been approved by the court or such payments are not likely to prejudice the subsequent adoption and implementation by the court of a plan of distribution pursuant to subparagraph (3) of this subsection (o); and

(3) The Commission shall, and any other indemnitor or other interested person may, submit to such district court a plan for the disposition of pending claims and for the distribution of remaining funds available. Such a plan shall include an allocation of appropriate amounts for personal injury claims, property damage claims, and possible latent injury claims which may not be discovered until a later time. Such court shall have all power necessary to approve, disapprove, or modify plans proposed, or to adopt another plan; and to determine the proportionate share of funds available for each claimant. The Commission, any other indemnitor, and any person indemnified shall be entitled to such orders as may be appropriate to implement and enforce the provisions of this section, including orders limiting the liability of the persons indemnified, orders approving or modifying the plan,

orders staying the payment of claims and the execution of court judgments, orders apportioning the payments to be made to claimants, and orders permitting partial payments to be made before final determination of the total claims. The orders of such court shall be effective throughout the United States.

Aug. 1, 1946, c. 724, §170, as added Sept. 2, 1957, Pub.L. 85–256, §4, 71 Stat. 576, and amended Aug. 8, 1958, Pub.L. 85–602, §§2, 2[3], 72 Stat. 525; Aug. 23, 1958, Pub.L. 85–744, 72 Stat. 837; Sept. 6, 1961, Pub.L. 87–206, §15, 75 Stat. 479; Aug. 29, 1962, Pub.L. 87–615, §§6, 7, 76 Stat. 410; Aug. 1, 1964, Pub.L. 88–394,

§§2, 3, 78 Stat. 376; Sept. 29, 1965, Pub.L. 89–210, §§1–5, 79 Stat. 855–857; Oct. 13, 1966, Pub.L. 89–645, §§2, 3, 80 Stat. 891.

1.1a ATOMIC ENERGY ACT OF 1946

August 1, 1946
P.L. 79–585, §§1, 3, 4, 5, 7, 8, 9, 12, 18, 60 Stat. 755, 758, 770, 774

AN ACT

For the development and control of atomic energy.

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

DECLARATION OF POLICY

SECTION 1. (a) FINDINGS AND DECLARATION.—Research and experimentation in the field of nuclear chain reaction have attained the stage at which the release of atomic energy on a large scale is practical. The significance of the atomic bomb for military purposes is evident. The effect of the use of atomic energy for civilian purposes upon the social, economic, and political structures of today cannot now be determined. It is a field in which unknown factors are involved. Therefore, any legislation will necessarily be subject to revision from

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time to time. It is reasonable to anticipate, however, that tapping this new source of energy will cause profound changes in our present way of life. Accordingly, it is hereby declared to be the policy of the people of the United States that, subject at all times to the paramount objective of assuring the common defense and security, the development and utilization of atomic energy shall, so far as practicable, be directed toward improving the public welfare, increasing the standard of living, strengthening free competition in private enterprise, and promoting world peace.

(b) PURPOSE OF ACT.—It is the purpose of this Act to effectuate the policies set out in section 1 (a) by providing, among others, for the following major programs relating to atomic energy:

(1) A program of assisting and fostering private research and development to encourage maximum scientific progress;

(2) A program for the control of scientific and technical information which will permit the dissemination of such information to encourage scientific progress, and for the sharing on a reciprocal basis of information concerning the practical industrial application of atomic energy as soon as effective and enforceable safeguards against its use for destructive purposes can be devised;

(3) A program of federally conducted research and development

to assure the Government of adequate scientific and technical accomplishment;

(4) A program for Government control of the production, ownership, and use of fissionable material to assure the common defense and security and to insure the broadest possible exploitation of the fields; and

(5) A program of administration which will be consistent with the foregoing policies and with international arrangements made by the United States, and which will enable the Congress to be currently informed so as to take further legislative action as may hereafter be appropriate.

* * * * * * *

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RESEARCH

SEC. 3. (a) RESEARCH ASSISTANCE.—The Commission is directed to exercise its powers in such manner as to insure the continued conduct of research and development activities in the fields specified below by private or public institutions or persons and to assist in the acquisition of an ever-expanding fund of theoretical and practical knowledge in such fields. To this end the Commission is authorized and directed to make arrangements (including contracts, agreements, and loans) for the conduct of research and development activities relating to—

(1) nuclear processes;

(2) the theory and production of atomic energy, including processes, materials, and devices related to such production;

(3) utilization of fissionable and radioactive materials for medical, biological, health, or military purposes;

(4) utilization of fissionable and radioactive materials and processes entailed in the production of such materials for all other purposes, including industrial uses; and

(5) the protection of health during research and production activities.

The Commission may make such arrangements without regard to the provisions of section 3709 of the Revised Statutes (U. S. C., title 41, sec. 5) upon certification by the Commission that such action is necessary in the interest of the common defense and security, or upon a showing that advertising is not reasonably practicable, and may make partial and advance payments under such arrangements, and may make available for use in connection therewith such of its equipment and facilities as it may deem desirable. Such arrangements shall contain such provisions to protect health, to minimize danger from explosion

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and other hazards to life or property, and to require the reporting and to permit the inspection of work performed thereunder, as the Commission may determine; but shall not contain any provisions or conditions which prevent the dissemination of scientific or technical information, except to the extent such dissemination is prohibited by law.

(b) RESEARCH BY THE COMMISSION.—The Commission is authorized and directed to conduct, through its own facilities, activities and studies of the types specified in subsection (a) above.

PRODUCTION OF FISSIONABLE MATERIAL

SEC. 4. (a) DEFINITION.—As used in this Act, the term "produce", when used in relation to fissionable material, means to manufacture, produce, or refine fissionable material, as distinguished from source materials as defined in section 5 (b) (1), or to separate fissionable material from other substances in which such material may be contained or to produce new fissionable material.

(b) PROHIBITION.—It shall be unlawful for any person to own any facilities for the production of fissionable material or for any person to produce fissionable material, except to the extent authorized by subsection (c).

(c) OWNERSHIP AND OPERATION OF PRODUCTION FACILITIES.—

(1) OWNERSHIP OF PRODUCTION FACILITIES.—The Commission, as agent of and on behalf of the United States, shall be the exclusive owner of all facilities for the production of fissionable material other than facilities which (A) are useful in the conduct of research and development activities in the fields specified in section 3, and (B) do not, in the opinion of the Commission, have a potential production rate adequate to enable the operator of such facilities to produce within a reasonable period of time a sufficient quantity of fissionable material to produce an atomic bomb or any other atomic weapon.

(2) OPERATION OF THE COMMISSION'S PRODUCTION FACILITIES.—The Commission is authorized and directed to produce or to provide for the production of fissionable material in its own facilities. To the extent deemed necessary, the Commission is authorized to make, or to continue in effect, contracts with persons obligating them to produce fissionable material in facilities owned by the Commission. The Commission is also authorized to enter into research and development contracts authorizing the contractor to produce fissionable material in facilities owned by the Commission to the extent that

the production of such fissionable material may be incident to the conduct of research and development activities under such contracts. Any contract entered into under this section shall contain provisions (A) prohibiting the contractor with the Commission from subcontracting any part of the work he is obligated to perform under the contract, except as authorized by the Commission, and (B) obligating the contractor to make such reports to the Commission as it may deem appropriate with respect to his activities under the contract, to submit to frequent inspection by employees of the Commission of all such activities, and to comply with all safety and security regulations which may be prescribed by the Commission. Any contract made under the provisions of this paragraph may be made without regard to the provisions of section 3709 of the Revised Statutes (U. S. C., title 41, sec. 5) upon certification by the Commission that such action is necessary in the interest of the common defense and security, or upon a showing that advertising is not reasonably practicable, and partial and advance

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payments may be made under such contracts. The President shall determine at least once each year the quantities of fissionable material to be produced under this paragraph.

(3) OPERATION OF OTHER PRODUCTION FACILITIES.—Fissionable material may be produced in the conduct of research and development activities in facilities which, under paragraph (1) above, are not required to be owned by the Commission.

(d) IRRADIATION OF MATERIALS.—For the purpose of increasing the supply of radioactive materials, the Commission and persons lawfully producing or utilizing fissionable material are authorized to expose materials of any kind to the radiation incident to the processes of producing or utilizing fissionable material.

(e) MANUFACTURE OF PRODUCTION FACILITIES.—Unless authorized by a license issued by the Commission, no person may manufacture, produce, transfer, or acquire any facilities for the production of fissionable material. Licenses shall be issued in accordance with such procedures as the Commission may by regulation establish and shall be issued in accordance with such standards and upon such conditions as will restrict the production and distribution of such facilities to effectuate the policies and purposes of this Act. Nothing in this section shall be deemed to require a license for such manufacture, production, transfer, or acquisition incident to or for the conduct of research or development activities in the United States of the types specified in sec-

tion 3, or to prohibit the Commission from manufacturing or producing such facilities for its own use.

CONTROL OF MATERIALS

SEC. 5. (a) FISSIONABLE MATERIALS.—

(1) DEFINITION.—As used in this Act, the term "fissionable material" means plutonium, uranium enriched in the isotope 235, any other material which the Commission determines to be capable of releasing substantial quantities of energy through nuclear chain reaction of the material, or any material artificially enriched by any of the foregoing; but does not include source materials, as defined in section 5 (b) (1).

(2) GOVERNMENT OWNERSHIP OF ALL FISSIONABLE MATERIAL.—All right, title, and interest within or under the jurisdiction of the United States, in or to any fissionable material, now or hereafter produced, shall be the property of the Commission, and shall be deemed to be vested in the Commission by virtue of this Act. Any person owning any interest in any fissionable material at the time of the enactment of this Act, or owning any interest in any material at the time when such material is hereafter determined to be a fissionable material, or who lawfully produces any fissionable material incident to privately financed research or development activities, shall be paid just compensation therefor. The Commission may, by action consistent with the provisions of paragraph (4) below, authorize any such person to retain possession of such fissionable material, but no person shall have any title in or to any fissionable material.

(3) PROHIBITION.—It shall be unlawful for any person, after sixty days from the effective date of this Act to (A) possess or transfer any fissionable material, except as authorized by the Commission, or (B) export from or import into the United States any fissionable material, or (C) directly or indirectly engage in the production of any fissionable material outside of the United States.

(4) DISTRIBUTION OF FISSIONABLE MATERIAL.—Without prejudice to its continued ownership thereof, the Commission is authorized to distribute fissionable material owned by it, with or without charge, to applicants requesting such material (A) for the conduct of research or development activities either independently or under contract or

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other arrangement with the Commission, (B) for use in medical therapy, or (C) for use pursuant to a license issued under the authority of section 7. Such material shall be distributed in such

quantities and on such terms that no applicant will be enabled to obtain an amount sufficient to construct a bomb or other military weapon. The Commission is directed to distribute sufficient fissionable material to permit the conduct of widespread independent research and development activity, to the maximum extent practicable. In determining the quantities of fissionable material to be distributed, the Commission shall make such provisions for its own needs and for the conservation of fissionable material as it may determine to be necessary in the national interest for the future development of atomic energy. The Commission shall not distribute any material to any applicant, and shall recall any distributed material from any applicant, who is not equipped to observe or who fails to observe such safety standards to protect health and to minimize danger from explosion or other hazard to life or property as may be established by the Commission, or who uses such material in violation of law or regulation of the Commission or in a manner other than as disclosed in the application therefor.

(5) The Commission is authorized to purchase or otherwise acquire any fissionable material or any interest therein outside the United States, or any interest in facilities for the production of fissionable material, or in real property on which such facilities are located, without regard to the provisions of section 3709 of the Revised Statutes (U. S. C., title 41, sec. 5) upon certification by the Commission that such action is necessary in the interest of the common defense and security, or upon a showing that advertising is not reasonably practicable, and partial and advance payments may be made under contracts for such purposes. The Commission is further authorized to take, requisition, or condemn, or otherwise acquire any interest in such facilities or real property, and just compensation shall be made therefor.

(b) SOURCE MATERIALS.—

(1) DEFINITION.—As used in this Act, the term "source material" means uranium, thorium, or any other material which is determined by the Commission, with the approval of the President, to be peculiarly essential to the production of fissionable materials; but includes ores only if they contain one or more of the foregoing materials in such concentration as the Commission may by regulation determine from time to time.

(2) LICENSE FOR TRANSFERS REQUIRED.—Unless authorized by a license issued by the Commission, no person may transfer or deliver, receive possession of or title to, or export from the United States any source material after removal from its place of deposit in nature, except that licenses shall not be required for quantities

of source materials which, in the opinion of the Commission, are unimportant.

(3) ISSUANCE OF LICENSES.—The Commission shall establish such standards for the issuance, refusal, or revocation of licenses as it may deem necessary to assure adequate source materials for production, research, or development activities pursuant to this Act or to prevent the use of such materials in a manner inconsistent with the national welfare. Licenses shall be issued in accordance with such procedures as the Commission may by regulation establish.

(4) REPORTING.—The Commission is authorized to issue such regulations or orders requiring reports of ownership, possession, extraction, refining, shipment, or other handling of source materials as it may deem necessary, except that such reports shall not be required with respect to (A) any source material prior to removal from its place of deposit in nature, or (B) quantities of source materials which in the

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opinion of the Commission are unimportant or the reporting of which will discourage independent prospecting for new deposits.

(5) ACQUISITION.—The Commission is authorized and directed to purchase, take, requisition, condemn, or otherwise acquire, supplies of source materials or any interest in real property containing deposits of source materials to the extent it deems necessary to effectuate the provisions of this Act. Any purchase made under this paragraph may be made without regard to the provisions of section 3709 of the Revised Statutes (U. S. C., title 41, sec. 5) upon certification by the Commission that such action is necessary in the interest of the common defense and security, or upon a showing that advertising is not reasonably practicable, and partial and advance payments may be made thereunder. The Commission may establish guaranteed prices for all source materials delivered to it within a specified time. Just compensation shall be made for any property taken, requisitioned, or condemned under this paragraph.

(6) EXPLORATION.—The Commission is authorized to conduct and enter into contracts for the conduct of exploratory operations, investigations, and inspections to determine the location, extent, mode of occurrence, use, or conditions of deposits or supplies of source materials, making just compensation for any damage or injury occasioned thereby. Such exploratory operations may be conducted only with the consent of the owner, but such investigations and inspections may be conducted with or without such consent.

(7) PUBLIC LANDS.—All uranium, thorium, and all other materials determined pursuant to paragraph (1) of this subsection to be peculiarly essential to the production of fissionable material, contained, in whatever concentration, in deposits in the public lands are hereby reserved for the use of the United States subject to valid claims, rights, or privileges existing on the date of the enactment of this Act: *Provided, however,* That no individual, corporation, partnership, or association, which had any part, directly or indirectly, in the development of the atomic bomb project, may benefit by any location, entry, or settlement upon the public domain made after such individual, corporation, partnership, or association took part in such project, if such individual, corporation, partnership, or association, by reason of having had such part in the development of the atomic bomb project, acquired confidential official information as to the existence of deposits of such uranium, thorium, or other materials in the specific lands upon which such location, entry, or settlement is made, and subsequent to the date of the enactment of this Act made such location, entry, or settlement or caused the same to be made for his, its, or their benefit. The Secretary of the Interior shall cause to be inserted in every patent, conveyance, lease, permit, or other authorization hereafter granted to use the public lands or their mineral resources, under any of which there might result the extraction of any materials so reserved, a reservation to the United States of all such materials, whether or not of commercial value, together with the right of the United States through its authorized agents or representatives at any time to enter upon the land and prospect for, mine, and remove the same, making just compensation for any damage or injury occasioned thereby. Any lands so patented, conveyed, leased, or otherwise disposed of may be used, and any rights under any such permit or authorization may be exercised, as if no reservation of such materials had been made under this subsection; except that, when such use results in the extraction of any such material from the land in quantities which may not be transferred or delivered without a license under this subsection, such material shall be the property of the Commission and the Commission may require delivery of such material to it by any possessor thereof after such material has been separated

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as such from the ores in which it was contained. If the Commission requires the delivery of such material to it, it shall pay to the person mining or extracting the same, or to such other person as the Commission determines to be entitled thereto, such sums, including profits, as the Commission deems fair and reasonable for

the discovery, mining, development, production, extraction, and other services performed with respect to such materials prior to such delivery, but such payment shall not include any amount on account of the value of such material before removal from its place of deposit in nature. If the Commission does not require delivery of such material to it, the reservation made pursuant to this paragraph shall be of no further force or effect.

(c) BYPRODUCT MATERIALS.—

(1) DEFINITION.—As used in this Act, the term "byproduct material" means any radioactive material (except fissionable material) yielded in or made radioactive by exposure to the radiation incident to the processes of producing or utilizing fissionable material.

(2) DISTRIBUTION.—The Commission is authorized to distribute, with or without charge, byproduct materials to applicants seeking such materials for research or development activity, medical therapy, industrial uses, or such other useful applications as may be developed. In distributing such materials, the Commission shall give preference to applicants proposing to use such materials in the conduct of research and development activity or medical therapy. The Commission shall not distribute any byproduct materials to any applicant, and shall recall any distributed materials from any applicant, who is not equipped to observe or who fails to observe such safety standards to protect health as may be established by the Commission or who uses such materials in violation of law or regulation of the Commission or in a manner other than as disclosed in the application therefor.

(d) GENERAL PROVISIONS.—The Commission shall not—

(1) distribute any fissionable material to (A) any person for a use which is not under or within the jurisdiction of the United States, (B) any foreign government, or (C) any person within the United States if, in the opinion of the Commission, the distribution of such fissionable material to such person would be inimical to the common defense and security.

(2) license any person to transfer or deliver, receive possession of or title to, or export from the United States any source material if, in the opinion of the Commission, the issuance of a license to such person for such purpose would be inimical to the common defense and security.

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SEC. 7. (a) LICENSE REQUIRED.—It shall be unlawful, except as provided in sections 5 (a) (4) (A) or (B) or 6 (a), for any person to manufacture, produce, or export any equipment or device utiliz-

ing fissionable material or atomic energy or to utilize fissionable material or atomic energy with or without such equipment or device, except under and in accordance with a license issued by the Commission authorizing such manufacture, production, export, or utilization. No license may permit any such activity if fissionable material is produced incident to such activity, except as provided in sections 3 and 4. Nothing in this section shall be deemed to require a license for the conduct of research or development activities relating to the manufacture of such equipment or devices or the utilization of fissionable material or atomic energy, or for the manufacture or use of equipment or devices for medical therapy.

(b) REPORT TO CONGRESS.—Whenever in its opinion any industrial, commercial, or other nonmilitary use of fissionable material or atomic energy has been sufficiently developed to be of practical value, the Commission shall prepare a report to the President stating all the facts with respect to such use, the Commission's estimate of the social, political, economic, and international effects of such use and the Commission's recommendations for necessary or desirable supplemental legislation. The President shall then transmit this report to the Congress together with his recommendations. No license for any manufacture, production, export, or use shall be issued by the Commission under this section until after (1) a report with respect to such manufacture, production, export, or use has been filed with the Congress; and (2) a period of ninety days in which the Congress was in session has elapsed after the report has been so filed. In computing such period of ninety days, there shall be excluded the days on which either House is not in session because of an adjournment of more than three days.

(c) ISSUANCE OF LICENSES.—After such ninety-day period, unless hereafter prohibited by law, the Commission may license such manufacture, production, export, or use in accordance with such procedures and subject to such conditions as it may by regulation establish to effectuate the provisions of this Act. The Commission is authorized and directed to issue licenses on a nonexclusive basis and to supply to the extent available appropriate quantities of fissionable material to licensees (1) whose proposed activities will serve some useful purpose proportionate to the quantities of fissionable material to be consumed; (2) who are equipped to observe such safety standards to protect health and to minimize danger from explosion or other hazard to life or property as the Commission may establish; and (3) who agree to make available to the Commission such technical information and data concerning their activities pursuant to such licenses as the Commission may de-

termine necessary to encourage similar activities by as many licensees as possible. Each such license shall be issued for a specified period, shall be revocable at any time by the Commission in accordance with such procedures as the Commission may establish, and may be renewed upon the expiration of such period. Where

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activities under any license might serve to maintain or to foster the growth of monopoly, restraint of trade, unlawful competition, or other trade position inimical to the entry of new, freely competitive enterprises in the field, the Commission is authorized and directed to refuse to issue such license or to establish such conditions to prevent these results as the Commission, in consultation with the Attorney General, may determine. The Commission shall report promptly to the Attorney General any information it may have with respect to any utilization of fissionable material or atomic energy which appears to have these results. No license may be given to any person for activities which are not under or within the jurisdiction of the United States, to any foreign government, or to any person within the United States if, in the opinion of the Commission, the issuance of a license to such person would be inimical to the common defense and security.

(d) BYPRODUCT POWER.—If energy which may be utilized is produced in the production of fissionable material, such energy may be used by the Commission, transferred to other Government agencies, or sold to public or private utilities under contracts providing for reasonable resale prices.

INTERNATIONAL ARRANGEMENTS

SEC. 8. (a) DEFINITION.—As used in this Act, the term "international arrangement" shall mean any treaty approved by the Senate or international agreement hereafter approved by the Congress, during the time such treaty or agreement is in full force and effect.

(b) EFFECT OF INTERNATIONAL ARRANGEMENTS.—Any provision of this Act or any action of the Commission to the extent that it conflicts with the provisions of any international arrangement made after the date of enactment of this Act shall be deemed to be of no further force or effect.

(c) POLICIES CONTAINED IN INTERNATIONAL ARRANGEMENTS.—In the performance of its functions under this Act, the Commission shall give maximum effect to the policies contained in any such international arrangement.

PROPERTY OF THE COMMISSION

SEC. 9. (a) The President shall direct the transfer to the Commission of all interests owned by the United States or any Government agency in the following property:

(1) All fissionable material; all atomic weapons and parts thereof; all facilities, equipment, and materials for the processing, production, or utilization of fissionable material or atomic energy; all processes and technical information of any kind, and the source thereof (including data, drawings, specifications, patents, patent applications, and other sources (relating to the processing, production, or utilization of fissionable material or atomic energy; and all contracts, agreements, leases, patents, applications for patents, inventions and discoveries (whether patented or unpatented), and other rights of any kind concerning any such items;

(2) All facilities, equipment, and materials, devoted primarily to atomic energy research and development; and

(3) Such other property owned by or in the custody or control of the Manhattan Engineer District or other Government agencies as the President may determine.

(b) In order to render financial assistance to those States and localities in which the activities of the Commission are carried on and in which the Commission has acquired property previously subject to State and local taxation, the Commission is authorized to make payments to State and local governments in lieu of property taxes. Such

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payments may be in the amounts, at the times, and upon the terms the Commission deems appropriate, but the Commission shall be guided by the policy of not making payments in excess of the taxes which would have been payable for such property in the condition in which it was acquired, except in cases where special burdens have been cast upon the State or local government by activities of the Commission, the Manhattan Engineer District or their agents. In any such case, any benefit accruing to the State or local government by reason of such activities shall be considered in determining the amount of the payment. The Commission, and the property, activities, and income of the Commission, are hereby expressly exempted from taxation in any manner or form by any State, county, municipality, or any subdivision thereof.

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GENERAL AUTHORITY

SEC. 12. (a) In the performance of its functions the Commission is authorized to—

(1) establish advisory boards to advise with and make recommendations to the Commission on legislation, policies, administration, research, and other matters;

(2) establish by regulation or order such standards and instructions to govern the possession and use of fissionable and byproduct materials as the Commission may deem necessary or desirable to protect health or to minimize danger from explosions and other hazards to life or property;

(3) make such studies and investigations, obtain such information, and hold such hearings as the Commission may deem

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necessary or proper to assist it in exercising any authority provided in this Act, or in the administration or enforcement of this Act, or any regulations or orders issued thereunder. For such purposes the Commission is authorized to administer oaths and affirmations, and by subpena to require any person to appear and testify, or to appear and produce documents, or both, at any designated place. No person shall be excused from complying with any requirements under this paragraph because of his privilege against self-incrimination, but the immunity provisions of the Compulsory Testimony Act of February 11, 1893 (U.S.C., title 49, sec. 46), shall apply with respect to any individual who specifically claims such privilege. Witnesses subpenaed under this subsection shall be paid the same fees and mileage as are paid witnesses in the district courts of the United States;

(4) appoint and fix the compensation of such officers and employees as may be necessary to carry out the functions of the Commission. Such officers and employees shall be appointed in accordance with the civil-service laws and their compensation fixed in accordance with the Classification Act of 1923, as amended, except that to the extent the Commission deems such action necessary to the discharge of its responsibilities, personnel may be employed and their compensation fixed without regard to such laws. The Commission shall make adequate provision for administrative review of any determination to dismiss any employee;

(5) acquire such materials, property, equipment, and facilities, establish or construct such buildings and facilities,

and modify such buildings and facilities from time to time as it may deem necessary, and construct, acquire, provide, or arrange for such facilities and services (at project sites where such facilities and services are not available) for the housing, health, safety, welfare, and recreation of personnel employed by the Commission as it may deem necessary;

(6) with the consent of the agency concerned, utilize or employ the services or personnel of any Government agency or any State or local government, or voluntary or uncompensated personnel, to perform such functions on its behalf as may appear desirable;

(7) acquire, purchase, lease, and hold real and personal property as agent of and on behalf of the United States and to sell, lease, grant, and dispose of such real and personal property as provided in this Act; and

(8) without regard to the provisions of the Surplus Property Act of 1944 or any other law, make such disposition as it may deem desirable of (A) radioactive materials, and (B) any other property the special disposition of which is, in the opinion of the Commission, in the interest of the national security.

(b) SECURITY.—The President may, in advance, exempt any specific action of the Commission in a particular matter from the provisions of law relating to contracts whenever he determines that such action is essential in the interest of the common defense and security.

(c) ADVISORY COMMITTEES.—The members of the General Advisory Committee established pursuant to section 2(b) and the members of advisory boards established pursuant to subsection (a)(1) of this section may serve as such without regard to the provisions of sections 109 and 113 of the Criminal Code (18 U.S.C., secs. 198 and 203) or section 19(e) of the Contract Settlement Act of 1944, except insofar as such sections may prohibit any such member from receiving compensation in respect of any particular matter which directly involves the Commission or in which the Commission is directly interested.

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DEFINITIONS

SEC. 18. As used in this Act—

(a) The term "atomic energy" shall be construed to mean all forms of energy released in the course of or as a result of nuclear fission or nuclear transformation.

(b) The term "Government agency" means any executive department, commission, independent establishment, corporation wholly or partly owned by the United States which is an instrumentality of the United States, board, bureau, division, service, office, officer, authority, administration, or other establishment, in the executive branch of the Government.

(c) The term "person" means any individual, corporation, partnership, firm, association, trust, estate, public or private institution, group, the United States or any agency thereof, any government other than the United States, any political subdivision of any such government, and any legal successor, representative, agent, or agency of the foregoing, or other entity, but shall not include the Commission or officers or employees of the Commission in the exercise of duly authorized functions.

(d) The term "United States," when used in a geographical sense, includes all Territories and possessions of the United States and the Canal Zone.

(e) The term "research and development" means theoretical analysis, exploration, and experimentation, and the extension of investigative findings and theories of a scientific or technical nature into practical application for experimental and demonstration purposes, including the experimental production and testing of models, devices, equipment, materials, and processes.

(f) The term "equipment or device utilizing fissionable material or atomic energy" shall be construed to mean any equipment or device capable of making use of fissionable material or peculiarly adapted for making use of atomic energy and any important component part especially designed for such equipment or devices, as determined by the Commission.

(g) The term "facilities for the production of fissionable material" shall be construed to mean any equipment or device capable of such production and any important component part especially designed for such equipment or devices, as determined by the Commission.

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1.1a(1) SENATE SPECIAL COMMITTEE ON ATOMIC ENERGY

S. REP. No. 1211, 79th Cong., 2d Sess. (1946).

ATOMIC ENERGY ACT OF 1946

APRIL 19 (legislative day, MARCH 5), 1946.—Ordered to be printed

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Mr. MCMAHON, from the Special Committee on Atomic Energy, submitted the following

REPORT

[To accompany S. 1717]

The Special Committee on Atomic Energy, to whom were referred various bills for the control of atomic energy, report back to the Senate S. 1717 with amendment and recommend that the bill do pass.

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PART I. HISTORY OF THE LEGISLATION

Within 3 months after atomic bombs were dropped on Hiroshima and Nagasaki, a series of measures was introduced in the Senate to meet the alarming and unprecedented problems created by this revolutionary development of science. Some of the measures sought to establish permanent domestic machinery for the control of atomic energy; some to meet the international problems; others provided simply for studies of the issues involved.

DOMESTIC CONTROL BILLS

On September 6, Senator McMahon introduced S. 1359, establishing an Atomic Energy Control Board composed of five Cabinet officers, the Chairman of the Federal Power Commission, and a public member to serve as Chairman. This bill charged the Board with the responsibility of developing atomic energy domestically and controlling its use. It contained also a provision for sharing information with other

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members of the Security Council of the United Nations on a reciprocal basis, subject to the establishment of a system for the international inspection of munitions production.

S. 1463, introduced by Senator Johnson of Colorado on October 3, a bill originating in the War Department, provided for a part-time commission of nine members, with broad controls over the domestic development of atomic energy. Military officials were permitted to serve as members of the Commission or as the full-time administrator or deputy administrator.

S. 1557, introduced on November 6 by Senator Ball, provided for the establishment of a part-time commission of nine members, four of whom would be Cabinet members. Broad authority and general controls similar to those conferred on the managerial boards by S. 1463 and S. 1359 were vested in the Commission.

INTERNATIONAL MEASURES

On October 29, Senator O'Mahoney introduced Senate Concurrent Resolution 38; calling for a universal international agreement to outlaw the atomic bomb. Senator McKellar, on November 8, introduced Senate Resolution 186, which took cognizance of the threat of the atomic bomb and requested that the President enter into international negotiations to outlaw the bomb and to strengthen the United Nations organization. S. 1359, discussed above, contained special provisions to meet the international problem.

SPECIAL STUDIES

On September 6, Senator Vandenberg introduced Senate Concurrent Resolution 28 to establish a joint congressional committee to make a full and complete study of the development, control, and use of atomic energy. This measure passed the Senate but was not acted upon in the House. Senate Joint Resolution 93, introduced September 12, by Senator Thomas of Utah, provided for a commission consisting of Members of Congress, public members, and a Supreme Court Justice. This Commission was to be charged with the duty of formulating immediate policies on atomic energy and recommending legislation to the Congress. Senate Resolution 179, introduced on October 29, by Senator McMahon, proposed the establishment of a Senate Special Committee on Atomic Energy to—

> make a full, complete, and continuing study and investigation with respect to problems relating to the development, use, and control of atomic energy.

The committee was to report on bills and resolutions relating to atomic energy referred to it from the Senate and to make recommendations as to legislation.

PRESIDENTIAL MESSAGE, OCTOBER 3, 1945

On October 3, 1945, the President sent a message to the Congress stressing the necessity of legislation. This message emphasized the need for a national policy for the control of atomic energy to assure its use for peaceful ends and for the safety of the Nation.

The President outlined provisions to be included in the legislation as follows:

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1. An atomic energy commission whose members should be appointed by the President, with the advice and consent of the Senate.

2. Control by the Commission over all atomic energy installations, with authority to acquire source materials, i.e., uranium ores, and other property needed in the development of atomic energy.

3. Encouragement by the Commission of research, development, and exploitation in the field of atomic energy, with the power to license property and facilities for these purposes.

4. A prohibition on the export or import of source materials except under the direction of the Commission.

5. Security regulations and penalties for their violation to be prescribed by the Commission.

The President also advocated international agreements renouncing the use of the atomic bomb but encouraging the development of atomic energy for peacetime purposes. The basic scientific knowledge on atomic energy, the message said, is already widely disseminated. An armament race could end only in disaster. Discussions with Great Britain and Canada were proposed by the President as a forerunner to adequate international control under the auspices of the United Nations.

CREATION OF SPECIAL SENATE COMMITTEE ON ATOMIC ENERGY

On October 29, 1945, the Senate adopted Senate Resolution 179, establishing the Special Committee on Atomic Energy. The text of the resolution is as follows:

Resolved, That a special committee on atomic energy, to be composed of eleven Members of the Senate appointed by the President pro tempore of the Senate, of whom one shall be designated as chairman by the President pro tempore, is authorized and directed to make a full, complete, and continuing study and investigation with respect to problems relating to the development, use, and control of atomic energy. All bills and resolutions introduced in the Senate, and all bills and resolutions from the House of Representatives, proposing legislation relating to the development, use, and control of atomic energy shall be referred to the special committee. The special committee is authorized to report to the Senate at the earliest practicable date by bill or otherwise with recommendations upon any matters covered by this resolution. The existence of this committee shall terminate at the end of the Seventy-ninth Congress.

For the purposes of this resolution the committee, or any duly authorized subcommittee thereof, is authorized to hold such hearings, to sit and act at such times and places during the sessions, recesses, and adjourned periods of the Senate in the Seventy-ninth Congress, to employ such experts, and such clerical, stenographic, and other assistants, to require by subpena or otherwise the attendance of such witnesses and the production of such correspondence, books, papers, and documents, to administer such oaths, to take such testimony, and to make such expenditures, as it deems advisable. The cost of stenographic services to report such hearings shall not be in excess of 25 cents per hundred words. The expenses of the committee, which shall not exceed $25,000, shall be paid from the contingent fund of the Senate upon vouchers approved by the chairman.

GENERAL HEARINGS

At its first meeting the committee determined to begin its work, not with a consideration of specific legislation but with public hearings of a general nature, in which the scientific background and the essential technical facts of atomic energy might be made known to the committee and to the public.

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In particular, the committee wanted information which would help to answer these questions:

1. What had been the real effects of the atomic bombs dropped on Hiroshima and Nagasaki? What were the destructive potentialities of atomic bombs, at present and in the foreseeable future?
2. How difficult had it been to make the atomic bomb? How easy would it be for other countries to make it?
3. What defense could be devised against the atomic bomb?
4. What secrets did this country hold in connection with the production of atomic bombs? Could these secrets be kept, and if so, how long?
5. What peacetime benefits would come from atomic energy?
6. How was the Manhattan district project run? How had it originated? Who had contributed to it? How could it best be operated in the future?

To answer these questions the committee called a large number of witnesses. Since most of the questions were of technical nature, many of the witnesses were scientists who had worked on the atomic bomb. Whenever possible, witnesses were heard in public sessions; but where testimony subject to security considerations was required, it was given in executive session. The most painstaking precautions were taken to assure the maintenance of secrecy with respect to testimony given in executive sessions.

In addition to the scientists, military officials, industrialists, and

others who had been closely connected with the Manhattan district project were heard.

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The information developed at the hearings went far toward answering questions which the committee had set. The public hearings have been printed and merit the careful attention of anyone with a serious interest in the atomic energy problems before the Congress. What follows is a terse summary of the main lines of the testimony:

1. The atomic bomb is a weapon of appalling destructiveness. While quantitative comparisons with other explosives can be made, the arithmetical ratios describe inadequately the profound changes in all relations between nations foreshadowed by the existence of the atomic bomb. The bomb and the improvements on it, which will certainly be made, mean that another war in which atomic bombs are used will threaten the existence not only of cities and nations, but of civilization itself.

2. Other countries of the world will be able to make atomic bombs. The monopoly which we hold at present is precarious and certain to be short-lived. Estimates differ as to when this or that country will be able to produce atomic bombs, but it is clear that any nation which is relatively industrialized has a good chance of producing bombs within the next 5 to 15 years. The degree of industrialization will determine how soon bombs can be made in quantity rather than the possibility of mastering the art of making an atomic bomb.

3. No real military defense against the atomic bomb has been devised, and none is in sight. The destructiveness of atomic bombs is so engulfing that any defense which is not almost literally airtight will not protect our country against devastation.

4. Some protection may accrue from the faithful adherence to international agreements for the prevention of atomic bomb manufacture. Such agreements raise technical problems of inspection and control which are inordinately difficult but not beyond solution. The political problems depend for their solution on widespread good faith and the will to peace among all nations. Thus, it turns out that the real protection against the atomic bomb lies in the prevention of war.

5. The secrets which we hold are matters of science and engineering that other nations can and will discover. In large part they are secrets of nature, and the book of nature is open to careful, painstaking readers the world over. We can give ourselves a

certain temporary protection by retaining the secrets we now have. But that protection grows weaker day by day, and our research must be vigorously encouraged, supported, and pursued if we are to maintain our place among other nations, to say nothing of retaining our advantage.

6. The peacetime benefits of atomic energy promise to be great indeed, particularly in medicine, biology, and many branches of research. These benefits are immediate in their promise but will require extended and unfettered development for full realization. The vast possibilities of utilizing atomic energy as a source of power depend on (1) further research and development, and (2) study of the economic and international implications of the establishment of plants producing and using fissionable material. In this connection, the point has been repeatedly emphasized that plants which produce

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power also produce material which constitutes the explosive element of bombs. This fact raises domestic and international issues of profound significance.

7. Military control of atomic energy development, though necessary and useful during the war, is a form of direction to which scientists in peacetime will not willingly submit. The continuation of such control will probably discourage further development and research. And on that development depends not only peaceful progress, but the maintenance of a position in the military arts essential to the national defense. On the other hand, the armed services are entitled to extensive participation in this development, insofar as it relates to the military applications of atomic energy. It is their right also to have a voice in protecting the military secrets of atomic weapons.

On the basis of these data the outlines of legislation to deal with atomic energy began to emerge. At the conclusion of the first group of hearings it seemed evident that certain facts relating to atomic energy, including all technical data on the design and construction of the atomic bomb itself, ought to be kept secret, at least until effective and reciprocal international safeguards could be devised. This was the principle enunciated in the joint declaration of President Truman, Prime Minister Attlee, and Prime Minister Mackenzie King on November 15, 1945. At the same time, it was realized that the keeping of these secrets was only a temporary thing. Legislation should facilitate as far as possible (1) international agreements on atomic energy which would themselves be a step toward international understanding and good will, and (2) the rapid scientific development of atomic energy, which would

promote both the industrial prosperity of the world and the improvement of our own instruments of national defense.

Specifically, the testimony heard before the Christmas recess suggested answers to the main problems which had been raised by the three bills introduced before the hearings were begun. It suggested that the development of atomic energy, which was of paramount importance, could best be done by a full-time civilian commission. This Commission would require broad powers to stimulate private research and development and should be able actively to promote military as well as industrial and scientific research. The Commission should be required to own all materials from which an atomic bomb might be made and to operate all plants where these materials were manufactured. Legislation should make adequate provision for the protection of information of direct military value to a foreign power and for the role of the armed services in relation to military applications of atomic energy. However, since the only real solution to the whole problem lies in continued world peace, legislation should be directed in specific terms toward that end and should contain a practical expression of our desire for international cooperation.

INTRODUCTION OF S. 1717

S. 1717 was introduced in the Senate on December 20 by Senator McMahon. As originally introduced it contained many provisions reflecting the principles developed at the committee's hearings. It provided for a full-time civilian commission, and charged the Com-

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mission with the responsibility of owning all fissionable materials and operating all facilities for their production. It gave certain guaranties to free scientific research, made provision for licensing devices utilizing atomic energy, and contained supporting provisions relating to source materials, patents, bombs, and other matters.

LETTER FROM THE PRESIDENT

On February 1, 1946, the President in a letter addressed to the chairman indicated five points which he considered desirable in atomic energy legislation. These points were:

1. A commission of three full-time civilian members.
2. Exclusive production and ownership by the Government of the materials releasing atomic energy (fissionable material).
3. Compulsory, nonexclusive licensing of private patents on devices utilizing atomic energy.

4. Guaranties to free scientific research.

5. Provisions to facilitate the establishment and enforcement of international agreements.

HEARINGS ON DOMESTIC LEGISLATION

Every phase of atomic energy legislation was discussed in the hearings after the Christmas recess.

Witnesses were invited to give their views on the composition of the Commission—whether it should be full-time or part-time, whether there should be military representation, whether it was probable that men of the highest caliber would be available for service with the Commission.

Industrialists and engineers who had participated in the operations of the Manhattan district project gave the committee their judgment on such points as Government versus private ownership and operation of plants producing fissionable materials, ownership and custody of fissionable materials, organizational structure to assure maximum operating efficiency, etc. Experts testified on suitable methods of controlling source materials for the production of fissionable materials, on effective means of developing and controlling atomic energy power plants and other devices utilizing this energy. Testimony was offered by eminent counsel on framing patent procedures so as to assure the maintenance of security, the preservation of incentive, the vigorous and fruitful development of atomic energy in all its phases.

The committee heard Cabinet members, the Director of the Bureau of the Budget and other qualified Government officials on numerous aspects of the bill, especially administrative issues. Testimony was offered on methods of controlling the dissemination of information. Questions relating to the general authority and broad powers of the Commission were considered. The views of the Military Departments were solicited on problems relating to liaison and the military applications of atomic energy.

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Finally, after 4 weeks of hearings, the committee went into executive session to consider the legislation itself. The bill introduced by the chairman, S. 1717, was quickly adopted as a working basis. The committee went over this bill word by word, altering, adding, and striking out various portions. Drawing heavily on the information

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and advice developed during both sets of hearings, the committee

members considered also the issues raised in public debate. At one point the public hearings were reopened to hear several witnesses on certain specific provisions of the bill. Aware of the unique role scientists had played throughout and recognizing the value of their counsel, the committee incorporated in the bill certain additions and changes recommended by leading scientific groups.

The bill was under discussion in executive session for several weeks of daily sessions, all initial differences of opinion on major elements were satisfactorily resolved, and no section was adopted except by unanimous consent. Thus the bill, as amended, in its entirety has the unanimous approval of the committee. It reflects the deliberate judgment of all the committee members as to the best instrument they are able to devise in the discharge of their grave responsibility.

PART II. ANALYSIS OF S. 1717 BY SECTIONS

Section 1. Declaration of policy

(a) FINDINGS AND DECLARATION.—Research and experimentation in the field of nuclear chain reaction have attained the stage at which the release of atomic energy on a large scale is practical. The significance of the atomic bomb for military purposes is evident. The effect of the use of atomic energy for civilian purposes upon the social, economic, and political structures of today cannot now be determined. It is a field in which unknown factors are involved. Therefore, any legislation will necessarily be subject to revision from time to time. It is reasonable to anticipate, however, that tapping this new source of energy will cause profound changes in our present way of life. Accordingly, it is hereby declared to be the policy of the people of the United States that, subject at all times to the paramount objective of assuring the common defense and security, the development and utilization of atomic energy shall, so far as practicable, be directed toward improving the public welfare, increasing the standard of living, strengthening free competition in private enterprise, and promoting world peace.

(b) PURPOSE OF ACT.—It is the purpose of this Act to effectuate the policies set out in section 1 (a) by providing, among others, for the following major programs relating to atomic energy:

(1) A program of assisting and fostering private research and development to encourage maximum scientific progress;

(2) A program for the control of scientific and technical information which will permit the dissemination of such information to encourage scientific progress, and for the sharing on a reciprocal basis of information concerning the practical industrial application of atomic energy as soon as effective and enforceable safeguards against its use for destructive purposes can be devised;

(3) A program of federally conducted research and development to assure the Government of adequate scientific and technical accomplishment;

(4) A program for Government control of the production, ownership, and use of fissionable material to assure the common defense and security and to insure the broadest possible exploitation of the field; and

(5) A program of administration which will be consistent with the foregoing policies and with international arrangements made by the United States,

and which will enable the Congress to be currently informed so as to take further legislative action as may hereafter be appropriate.

Subject to the paramount objective of assuring the national defense and security, it is the purpose of the bill to direct the development of atomic energy in such a way as to improve the public welfare, increase the standard of living, strengthen free competition in private enterprise, and promote world peace. To carry out these purposes, the bill provides for Government control over atomic energy and for Government programs of information, production, research, and development. It provides a program of administration to exercise this control and carry out this development, subject to international agreements of the

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United States and to such further legislation as the Congress may enact. It is recognized that many unforeseeable developments may arise in this field requiring changes in the legislation from time to time.

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Section 3. Research

(a) RESEARCH ASSISTANCE.—The Commission is directed to exercise its powers in such manner as to insure the continued conduct of research and development activities in the fields specified below by private or public institutions or persons and to assist in the acquisition of an ever-expanding fund of theoretical and practical knowledge in such fields. To this end the Commission is authorized and directed to make arrangements (including contracts, agreements, grants-in-aid and loans) for the conduct of research and development activities relating to—

(1) nuclear processes;

(2) the theory and production of atomic energy, including processes, materials, and devices related to such production;

(3) utilization of fissionable and radioactive materials for medical, biological, health, or military purposes;

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(4) utilization of fissionable and radioactive materials and processes entailed in the production of such materials for all other purposes, including industrial uses; and

(5) the protection of health during research and production activities.

The Commission may make such arrangements without regard to the provisions of section 3709 of the Revised Statutes (U. S. C., title 41, sec. 5) upon certification by the Commission that such action is necessary in the interest of the common defense and security, or upon a showing that advertising is not reasonably practicable, and may make partial and advance payments under such arrangements, and may make available for use in connection therewith such of its equipment and facilities as it may deem desirable. Such arrangements shall contain such provisions to protect health, to minimize danger from explosion and other hazards to life or property, and to require the re-

porting and to permit the inspection of work performed thereunder, as the Commission may determine; but shall not contain any provisions or conditions which prevent the dissemination of scientific or technical information, except to the extent such dissemination is prohibited by law.

(b) RESEARCH BY THE COMMISSION.—The Commission is authorized and directed to conduct, through its own facilities, activities and studies of the types specified in subsection (a) above.

The committee recognizes that only by continued progress in science can the purpose of the bill be achieved. It is firm in its opinion that continued progress will depend, in the future as in the past, upon the free and disinterested work of the thousands of scientists and research workers in private laboratories and universities throughout our country and the world. Science is not made by its titans alone.

In drafting the bill the committee has been particularly careful to refrain from inserting prohibitions or restrictions of any nature on scientific research. The committee confines the powers of the Commission over independent research to the minimum necessary to protect national security and to prevent hazards to the public safety and health. The Commission is directed to assist private and public institutions in the acquisition of an ever-expanding fund of theoretical and practical knowledge in the following fields:

(1) nuclear processes; (2) the theory and production of atomic energy, including processes, materials, and devices related to such production; (3) utilization of fissionable and radioactive materials for medical, biological, health, or military purposes; (4) utilization of fissionable and radioactive materials and processes entailed in the production of such materials for all other purposes, including industrial uses; and (5) the protection of health during research and production activities.

The means of assistance provided in the bill are varied and extensive. The Commission is to make arrangements (including contracts, loans, grants-in-aid) with private or public institutions or persons and may place equipment and facilities at their disposal. Under section 5 the Commission is directed "to distribute sufficient fissionable material to permit the conduct of widespread research and development activity, to the maximum extent practicable," and is directed in the distribution of byproduct material to "give preference to applicants proposing to use such materials in the conduct of research and development activity."

The Commission is also directed to carry on, supplementary to these aids to private and public institutions, its own program of research, in the fields specified above through its facilities and under its supervision.

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Section 4. Production of fissionable material

(a) DEFINITION.—As used in this Act, the term "produce," when used in relation to fissionable material, means to manufacture, produce, or refine fissionable material, as distinguished from source materials as defined in section 5 (b) (1), or to separate fissionable material from other substances in which such material may be contained or to produce new fissionable material.

(b) PROHIBITION.—It shall be unlawful for any person to own any facilities for the production of fissionable material or for any person to produce fissionable material, except to the extent authorized by subsection (c).

(c) OWNERSHIP AND OPERATION OF PRODUCTION FACILITIES.—

(1) OWNERSHIP OF PRODUCTION FACILITIES.—The Commission shall be the exclusive owner of all facilities for the production of fissionable material other than facilities which (A) are useful in the conduct of research and development activities in the fields specified in section 3, and (B) do not, in the opinion of the Commission, have a potential production rate adequate to enable the operator of such facilities to produce within a reasonable period of time a sufficient quantity of fissionable material to produce an atomic bomb or any other atomic weapon.

(2) OPERATION OF THE COMMISSION'S PRODUCTION FACILITIES.—The Commission is authorized to produce or to provide for the production of fissionable material in its own facilities. To the extent deemed necessary, the Commission is authorized to make, or to continue in effect, contracts with persons obligating them to produce fissionable material in facilities owned by the Commission. The Commission is also authorized to enter into research and development contracts authorizing the contractor to produce fissionable material in facilities owned by the Commission to the extent that the production of such fissionable material may be incident to the conduct of research and development activities under such contracts. Any contract entered into under this section shall contain provisions (A) prohibiting the contractor with the Commission from subcontracting any part of the work he is obligated to perform under the contract, and (B) obligating the contractor to make such reports to the Commission as it may deem appropriate with respect to his activities under the contract, to submit to frequent inspection by employees of the Commission of all such activities, and to comply with all safety and security regulations which may be prescribed by the Commission. Any contract made under the provisions of this paragraph may be made without regard to the provisions of section 3709 of the Revised Statutes (U.S.C., title 41, sec. 5) upon certification by the Commission that such action is necessary in the interest of the common defense and security, or upon a showing that advertising is not reasonably practicable, and partial and advance payments may be made under such contracts. The President shall determine at least once each year the quantities of fissionable material to be produced under this paragraph.

(3) OPERATION OF OTHER PRODUCTION FACILITIES.—Fissionable material may be produced in the conduct of research and development activities in facilities which, under paragraph (1) above, are not required to be owned by the Commission.

(d) IRRADIATION OF MATERIALS.—For the purpose of increasing the supply of radioactive materials, the Commission is authorized to expose materials of any kind to the radiation incident to the processes of producing or utilizing fissionable material.

From the start of its deliberations, the committee has been convinced that an absolute Government monopoly of production of fissionable materials is indispensable to effective domestic control of atomic energy. A number of factors point unmistakably in this direction:

1. Fissionable material is the principal ingredient of the atomic bomb. Thus, to permit private manufacture of fissionable material would be to permit private manufacture of material of enormous destructive potentialities.

2. The production of fissionable material is attended by serious hazards to public health and safety. The responsibility for minimizing these hazards is clearly a governmental function.

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3. The future production of fissionable material is closely interrelated with the possibility of achieving effective and reciprocal international safeguards against the use of atomic weapons. It is undesirable, therefore, to permit private development in an area which may soon be placed under Government control by reason of international agreements.

4. The production of fissionable material is technologically in its infancy; unforeseen and unforseeable factors may play a great part in its development. To permit decontrol and decentralization of this activity, and weaken continuing Government supervision, would be contrary to the principle of prudent stewardship demanded of the Government by considerations of national defense and national welfare.

5. The technology of fissionable material production teaches that even a slight interruption in the manufacturing process may occasion great loss and damage to the entire operation. Government control is more likely to assure continuity of operation than is private control.

Wherever possible, the committee endeavors to reconcile Government monopoly of the production of fissionable material with our traditional free-enterprise system. Thus, the bill permits management contracts for the operation of Government-owned plants so as to gain the full advantage of the skill and experience of American industry. Industrial research in the field of atomic energy is left to private initiative, even where it relates to methods of production. Prospecting for and mining of source materials are at every stage to be encouraged and supported.

Section 5. Control of materials

(a) FISSIONABLE MATERIALS.—

(1) DEFINITION.—As used in this Act, the term "fissionable material"

means plutonium, uranium enriched in the isotope 235, any other material which the Commission determines to be capable of releasing substantial quantities of energy through nuclear chain reaction of the material, or any material artificially enriched by any of the foregoing; but does not include source materials; as defined in section 5 (b) (1).

(2) GOVERNMENT OWNERSHIP OF ALL FISSIONABLE MATERIAL.—All right, title, and interest within or under the jurisdiction of the United States, in or to any fissionable material, now or hereafter produced, shall be the property of the Commission, and shall be deemed to be vested in the Commission by virtue of this Act. Any person owning any interest in any fissionable material at the time of the enactment of this Act, or owning any interest in any material at the time when such material is hereafter determined to be a fissionable material, or who lawfully produces any fissionable material incident to privately financed research or development activities, shall be paid just compensation therefor. The Commission may, by action consistent with the provisions of paragraph (4) below, authorize any such person to retain possession of such fissionable material, but no person shall have any title in or to any fissionable material.

(3) PROHIBITION.—It shall be unlawful for any person, after sixty days from the effective date of this Act to (A) possess or transfer any fissionable material, except as authorized by the Commission, or (B) export from or import into the United States any fissionable material, or (C) directly or indirectly engage in the production of any fissionable material outside of the United States.

(4) DISTRIBUTION OF FISSIONABLE MATERIAL.—Without prejudice to its continued ownership thereof, the Commission is authorized to distribute fissionable material, with or without charge, to applicants requesting such material (A) for the conduct of research or development activities either independently or under contract or other arrangement with the Commission. (B) for use in medical therapy, or (C) for use pursuant to a license issued under the authority of section 7. Such material shall be distributed in such quantities and on such terms that no applicant will be enabled to obtain an amount sufficient to construct a bomb

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or other military weapon. The Commission is directed to distribute sufficient fissionable material to permit the conduct of widespread independent research and development activity, to the maximum extent practicable. In determining the quantities of fissionable material to be distributed, the Commission shall make such provisions for its own needs and for the conservation of fissionable material as it may determine to be necessary in the national interest for the future development of atomic energy. The Commission shall not distribute any material to any applicant, and shall recall any distributed material from any applicant, who is not equipped to observe or who fails to observe such safety standards to protect health and to minimize danger from explosion or other hazard to life or property as may be established by the Commission, or who uses such material in violation of law or regulation of the Commission or in a manner other than as disclosed in the application therefor.

(5) The Commission is authorized to purchase or otherwise acquire any fissionable material or any interest therein outside the United States, or any interest in facilities for the production of fissionable material, or in real property on which such facilities are located, without regard to the provisions of section 3700 of the Revised Statutes (U. S. C., title 41, sec. 5) upon certi-

fication by the Commission that such action is necessary in the interest of the common defense and security, or upon a showing that advertising is not reasonably practicable, and partial and advance payments may be made under contracts for such purposes. The Commission is further authorized to take, requisition, or condemn, or otherwise acquire any interest in such facilities or real property, and just compensation shall be made therefor.

(b) SOURCE MATERIALS.—

(1) DEFINITION.—As used in this Act, the term "source material" means uranium, thorium, or any other material which is determined by the Commission, with the approval of the President, to be peculiarly essential to the production of fissionable materials; but includes ores only if they contain one or more of the foregoing materials in such concentration as the Commission may by regulation determine from time to time.

(2) LICENSE FOR TRANSFERS REQUIRED.—Unless authorized by a license issued by the Commission, no person may transfer or deliver and no person may receive possession of or title to any source material after removal from its place of deposit in nature, except that licenses shall not be required for quantities of source materials which, in the opinion of the Commission, are unimportant.

(3) ISSUANCE OF LICENSES.—The Commission shall establish such standards for the issuance, refusal, or revocation of licenses as it may deem necessary to assure adequate source materials for production, research, or development activities pursuant to this Act or to prevent the use of such materials in a manner inconsistent with the national welfare. Licenses shall be issued in accordance with such procedures as the Commission may by regulation establish.

(4) REPORTING.—The Commission is authorized to issue such regulations or orders requiring reports of ownership, possession, extraction, refining, shipment, or other handling of source materials as it may deem necessary, except that such reports shall not be required with respect to (A) any source material prior to removal from its place of deposit in nature, or (B) quantities of source materials which in the opinion of the Commission are unimportant or the reporting of which will discourage independent prospecting for new deposits.

(5) ACQUISITION.—The Commission is authorized and directed to purchase, take, requisition, condemn, or otherwise acquire, supplies of source materials or any interest in real property containing deposits of source materials to the extent it deems necessary to effectuate the provisions of this Act. Any purchase made under this paragraph may be made without regard to the provisions of section 3709 of the Revised Statutes (U. S. C., title 41, sec. 5) upon certification by the Commission that such action is necessary in the interest of the common defense and security, or upon a showing that advertising is not reasonably practicable, and partial and advance payments may be made thereunder. The Commission may establish guaranteed prices for all source materials delivered to it within a specified time. Just compensation shall be made for any property taken, requisitioned, or condemned under this paragraph.

(6) EXPLORATION.—The Commission is authorized to conduct and enter into contracts for the conduct of exploratory operations, investigations, and inspections to determine the location, extent, mode of occurrence, use, or conditions of deposits or supplies of source materials, making just compensation for any damage or injury occasioned thereby. Such exploratory operations may be conducted only with the consent of the owner, but such

investigations and inspections may be conducted with or without such consent.

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(7) PUBLIC LANDS.—All uranium, thorium, and all other materials determined pursuant to paragraph (1) of this subsection to be peculiarly essential to the production of fissionable material, contained, in whatever concentration, in deposits in the public lands are hereby reserved for the use of the United States; except that with respect to any location, entry, or settlement made prior to the date of enactment of this Act no reservation shall be deemed to have been made, if such reservation would deprive any person of any existing or inchoate rights or privileges to which he would otherwise be entitled or would otherwise enjoy. The Secretary of the Interior shall cause to be inserted in every patent, conveyance, lease, permit, or other authorization hereafter granted to use the public lands or their mineral resources, under any of which there might result the extraction of any materials so reserved, a reservation to the United States of all such materials, whether or not of commercial value, together with the right of the United States through its authorized agents or representatives at any time to enter upon the land and prospect for, mine, and remove the same, making just compensation for any damage or injury occasioned thereby. Any lands so patented, conveyed, leased, or otherwise disposed of may be used, and any rights under any such permit or authorization may be exercised, as if no reservation of such materials had been made under this subsection; except that, when such use results in the extraction of any such material from the land in quantities which may not be transferred or delivered without a license under this subsection, such material shall be the property of the Commission and the Commission may require delivery of such material to it by any possessor thereof after such material has been separated as such from the ores in which it was contained. If the Commission requires the delivery of such material to it, it shall pay to the person mining or extracting the same, or to such other person as the Commission determines to be entitled thereto, such sums, including profits, as the Commission deems fair and reasonable for the discovery, mining, development, production, extraction, and other services performed with respect to such material prior to such delivery, but such payment shall not include any amount on account of the value of such material before removal from its place of deposit in nature. If the Commission does not require delivery of such material to it, the reservation made pursuant to this paragraph shall be of no further force or effect.

(c) BYPRODUCT MATERIALS.—

(1) DEFINITION.—As used in this Act, the term "byproduct material" means any radioactive material (except fissionable material) yielded in or made radioactive by exposure to the radiation incident to the process of producing or utilizing fissionable material.

(2) DISTRIBUTION.—The Commission is authorized to distribute, with or without charge, byproduct materials to applicants seeking such materials for research or development activity, medical therapy, industrial uses, or such other useful applications as may be developed. In distributing such materials, the Commission shall give preference to applicants proposing to use such materials in the conduct of research and development activity or medical therapy. The Commission shall not distribute any byproduct materials to any applicant, and shall recall any distributed materials from any applicant, who is not equipped to observe or who fails to observe such safety standards to protect health as may be established by the Commission or who uses such ma-

terials in violation of law or regulation of the Commission or in a manner other than as disclosed in the application therefor.

(d) GENERAL PROVISIONS.—

(1) The Commission shall not distribute any fissionable or source material to any person for a use which is not under or within the jurisdiction of the United States or to any foreign government.

(2) The Commission shall establish by regulation a procedure by which any person who is dissatisfied with the distribution or refusal to distribute to him, or the recall from him, of any fissionable or byproduct materials or with the issuance, refusal, or revocation of a license to him for the transfer or receipt of source materials may obtain a review of such determination by a board of appeal consisting of three members appointed by the Commission. The Commission may in its discretion review and revise any decision of such board of appeal.

1. *Fissionable materials.*—Fissionable materials are those capable of releasing substantial quantities of energy through nuclear chain reaction. Included are U–235 and plutonium; the Commission may, by regulation, add other materials to this class. Consistent with sec-

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tion 4, which provides for Government ownership of all production facilities and a Government monopoly of production, the ownership of all fissionable material is vested in the Commision and private ownership is forbidden. The bill provides, of course, that just compensation shall be made to private owners.

While title is vested in the Commission, it is authorized to distribute fissionable material, with or without charge, for conducting research and development activities, for use in medical therapy, or for use in devices utilizing atomic energy, pursuant to licenses under section 7. The Commission is authorized to purchase or acquire fissionable material outside the United States but the export of fissionable material is prohibited.

Since fissionable material is produced incident to research and development, appropriate provision is made in the bill to permit the conduct of such activities subject to the maintenance of security, and health and safety standards.

2. *Source materials.*—A source material is any material determined by the Commission to be peculiarly essential to the production of fissionable material. The relation of source material to nuclear energy may be thus portrayed:

Source material plus processing ——→ Fissionable material.
Fissionable material plus processing ——→ Atomic (i. e., nuclear) energy.

Source materials include uranium and thorium and ores containing uranium and thorium in such proportions as may be set by the Commission.

The principle of Government monopoly which the committee has adopted as essential in reference to the production and ownership of fissionable materials is not extended to the ownership, mining or refining of source materials. Nevertheless, the committee recognizes the necessity of giving to the Commission the power to control supplies and transfers of source material by means of licensing procedures.

While source materials in their natural state are not capable of dangerous misuse, they are, as their name indicates, the source of all fissionable material and must accordingly be conserved as the Nation's most valuable mineral resource. The Commission must be assured an adequate and continuing supply of source materials for the operation of its production facilities for military or developmental purposes. The Commission is therefore empowered to take, in return for just compensation, supplies of source materials wherever found, or interests in real property containing such materials.

Deposits of source materials in the public lands are reserved to the Government except where such reservation would deprive any person of existing rights on a location, entry, or settlement made prior to the enactment of the bill. The Commission is authorized to conduct investigations and inspections on private property for the purpose of determining the location, extent, mode of supplies or occurrence, use, or conditions of supplies or deposits of such materials, but may not conduct mining operations of an exploratory nature on private property without the owner's consent. It is not the intent of the committee to authorize the Commission to engage in mining operations in competition with private mining activity unless such operations are necessary to insure to the Commission a supply of source materials adequate for carrying out its duties and responsibilities under the provisions of the bill.

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In framing these provisions the committee has been alive to the necessity of encouraging the activities of independent prospectors. The traditional rights of and incentives to prospectors are substantially preserved and they are relieved of burdensome reporting requirements.

3. *Byproduct materials.*—Testimony before the committee indicates that the radioactive materials yielded in the production of fissionable material are of enormous scientific and industrial value and their distribution involves no danger to the national security. The Commission is required to distribute these materials with or without charge for research and development activities, medical

therapy, and industrial and other uses, giving priority to medical uses and research.

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Section 7. Utilization of atomic energy

(a) LICENSE REQUIRED.—It shall be unlawful except as provided in sections 5 (a) (4) (A) or (B) or 6 (a), for any person to manufacture any equipment or device utilizing fissionable material or atomic energy or to utilize fissionable material or atomic energy with or without such equipment or device, except under and in accordance with a license issued by the Commission authorizing such manufacturer

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or utilization. No license may permit any such activity if fissionable material is produced incident to such activity, except as provided in sections 3 and 4. Nothing in this section shall be deemed to require a license for the conduct of research or development activities relating to the manufacture of such equipment or devices or the utilization of fissionable material or atomic energy, or for the manufacture or use of equipment or devices for medical therapy.

(b) REPORT TO CONGRESS.—Whenever in its opinion any industrial, commercial, or other nonmilitary use of fissionable material or atomic energy has been sufficiently developed to be of practical value, the Commission shall prepare a report to the President stating all the facts with respect to such use, the Commission's estimate of the social, political, economic, and international effects of such use and the Commission's recommendations for necessary or desirable supplemental legislation. The President shall then transmit this report to the Congress together with his recommendations. No license for any manufacture or use shall be issued by the Commission under this section until after (1) a report with respect to such manufacture or use has been filed with the Congress; and (2) a period of ninety days in which the Congress was in session has elapsed after the report has been so filed. In computing such period of ninety days, there shall be excluded the days on which either House is not in session because of an adjournment of more than three days.

(c) ISSUANCE OF LICENSES.—After such ninety-day period, unless hereafter prohibited by law, the Commission may license such manufacture or use in accordance with such procedures and subject to such conditions as it may by regulation establish to effectuate the provisions of this Act. The Commission is authorized and directed to issue licenses on a nonexclusive basis and to supply to the extent available appropriate quantities of fissionable material to licensees (1) whose proposed activities will serve some useful purpose proportionate to the quantities of fissionable material to be consumed; (2) who are equipped to observe such safety standards to protect health and to minimize danger from explosion or other hazard to life or property as the Commission may establish; and (3) who agree to make available to the Commission such technical information and data concerning their activities pursuant to such licenses as the Commission may determine necessary to encourage similar activities by as many licensees as possible. Each such license shall be issued for a specified period, not to exceed one year, shall be revocable at any time by the Commission in accordance with such procedures as the Commission may establish, and may be renewed upon the expiration of such period. Where activities under any license might serve to maintain or to foster the growth of monopoly, restraint of trade, unlawful competition,

or other trade position inimical to the entry of new, freely competitive enterprises in the field, the Commission is authorized and directed to refuse to issue such license or to establish such conditions to prevent these results as the Commission, in consultation with the Attorney General, may determine. The Commission shall report promptly to the Attorney General any information it may have with respect to any utilization of fissionable material or atomic energy which appears to have these results. No license may be given to any person for activities which are not under or within the jurisdiction of the United States or to any foreign government.

(d) BYPRODUCT POWER.—If energy which may be utilized is produced in the production of fissionable material, such energy may be used by the Commission, transferred to other Government agencies, or sold to public or private utilities under contracts providing for reasonable resale prices.

The committee is anxious to promote the use of atomic energy in all possible fields for peacetime purposes. Testimony before the committee has shown that numerous benefits, in the field of medicine for example, are now or shortly will become available. Other uses, as yet relatively undeveloped, promise to bring about vast changes in the industrial technology which underlies our economic life.

In order to stimulate development, the bill extends the principle of free research to research on devices utilizing atomic energy. The committee is aware, nonetheless, that the sudden introduction of certain devices utilizing the power released by nuclear fission might precipitate profound economic disorganization. Great industrial installations representing Nation-wide investments, employing many thousands of workers, might be rendered obsolete.

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Furthermore, devices utilizing atomic energy, if widely used, would so multiply potential hazards to national health and safety that even careful Government regulation would fail to provide adequate safeguards.

The committee feels, therefore, that the Congress should retain the opportunity of passing upon the introduction of atomic energy devices before the Commission is empowered to license their use. The bill provides:

1. Atomic energy devices can neither be manufactured nor used without a license issued by the Commission.

2. No license for manufacture or use may be issued until the Commission has made a report to the Congress stating all the facts with "respect to the use of such devices, the Commission's estimate of the social, political, economic, and international effects of such use, and the Commission's recommendations for necessary or desirable supplemental legislation."

3. No license for manufacture or use may be issued by the Com-

mission until after a report has been filed with the Congress and a period of 90 days in which the Congress was in session has elapsed after the report has been filed.

The committee is desirous also that the provisions of the bill relating to licensing of atomic energy devices shall not interfere with the development of free competition in the use of atomic energy. Thus the bill provides that licenses on an atomic energy device, once issued, must be made available to all applicants who can meet the safety and security standards of the Commission. Royalties to be paid the patent owners of such devices are provided for in section 11.

The following additional points are to be noted:

(*a*) Licenses are not required (1) for research and development related to the manufacture of atomic energy devices; (2) for manufacture or use of equipment or devices for medical therapy.

(*b*) The bill does not permit the Commission to license the use of devices which produce fissionable material in the course of utilizing atomic energy.

Section 8. International arrangements

(a) DEFINITION.—As used in this Act, the term "international arrangement" shall mean any treaty approved by the Senate or international agreement approved by the Congress, during the time such treaty or agreement is in full force and effect.

(b) EFFECT OF INTERNATIONAL ARRANGEMENTS.—Any provision of this Act or any action of the Commission to the extent that it conflicts with the provisions of any international arrangement made after the date of enactment of this Act shall be deemed to be of no further force or effect.

(c) POLICIES CONTAINED IN INTERNATIONAL ARRANGEMENTS.—In the performance of its functions under this Act, the Commission shall give maximum effect to the policies contained in any such international arrangement.

The committee recognizes that the ultimate solution to the problems posed by the development of nuclear energy and atomic weapons lies in the adoption of effective and enforceable international safeguards. The bill therefore seeks to create a system of domestic control designed to protect the common defense and security, without constituting an obstacle to the attainment of satisfactory international controls.

To insure that provisions of S. 1717 do not interfere with the operation of international control machinery, when established, section 8

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expressly provides that to the extent any provision of the bill, or any action of the Commission under the bill, conflicts with the provisions of an international agreement hereafter approved by

the Senate or the Congress, the provision is to be considered of no further force or effect.

The Commission is specifically instructed to perform its functions so as to give maximum effect to the policies contained in international agreements.

Section 9. Property of the Commission

(a) The President shall direct the transfer to the Commission of all interests owned by the United States or any Government agency in the following property:

(1) All fissionable material; all atomic weapons and parts thereof; all facilities, equipment, and materials for the processing, production, or utilization of fissionable material or atomic energy; all processes and technical information of any kind, and the source thereof (including data, drawings, specifications, patents, patent applications, and other sources) relating to the processing, production, or utilization of fissionable material or atomic energy; and all contracts, agreements, leases, patents, applications for patents, inventions and discoveries (whether patented or unpatented), and other rights of any kind concerning any such items.

(2) All facilities, equipment, and materials, devoted primarily to atomic energy research and development; and

(3) Such other property owned by or in the custody or control of the Manhattan Engineer District or other Government agencies as the President may determine.

(b) In order to render financial assistance to those States and localities in which the activities of the Commission are carried on and in which the Commission has acquired property previously subject to State and local taxation, the Commission is authorized to make payments to State and local governments in lieu of property taxes. Such payments may be in the amounts, at the times, and upon the terms the Commission deems appropriate, but the Commission shall be guided by the policy of not making payments in excess of the taxes which would have been payable for such property in the condition in which it was acquired, except in cases where special burdens have been cast upon the State or local government by activities of the Commission, the Manhattan Engineer District, or their agents. In any such case, any benefit accruing to the State or local government by reason of such activities shall be considered in determining the amount of the payment. The Commission, and the property, activities, and income of the Commission, are hereby expressly exempted from taxation in any manner or form by any State, county, municipality, or any subdivision thereof.

The Commission is to take over all the resources of the United States Government devoted to or related to atomic energy development. This includes all atomic weapons, all property of the Manhattan Engineer District, and all patents, materials, plants and facilities, contracts, and information relating primarily to atomic energy. The Commission is authorized to reimburse States and municipalities for loss in taxes incurred through its acquisition of property.

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Section 12. General authority

In the performance of its functions the Commission is authorized to—

(1) establish advisory boards to advise with and make recommendations to the Commission on legislation, policies, administration, research, and other matters;

(2) establish by regulation or order such standards and instructions to govern the possession and use of fissionable and byproduct materials as the Commission may deem necessary or desirable to protect health or to minimize danger from explosions and other hazards to life or property;

(3) make such studies and investigations, obtain such information, and hold such hearings as the Commission may deem necessary or proper to assist it in exercising any authority provided in this Act, or in the administration or enforcement of this Act, or any regulations or orders issued thereunder. For such purposes the Commission is authorized to administer oaths and affirmations, and by subpena to require any person to appear and testify or to appear and produce documents, or both, at any designated place. No person shall be excused from complying with any requirements under this paragraph because of his privilege against self-incrimination, but the immunity provisions of the Compulsory Testimony Act of February 11, 1893 (U. S. C., title 49, sec. 46), shall apply with respect to any individual who specifically claims such privilege. Witnesses subpenaed under this subsection shall be paid the same fees and mileage as are paid witnesses in the district courts of the United States;

(4) appoint and fix the compensation of such officers and employees as may be necessary to carry out the functions of the Commission. Such officers and employees shall be appointed in accordance with the civil-service laws and their compensation fixed in accordance with the Classification Act of 1923, as amended, except that to the extent the Commission deems such action necessary to the discharge of its responsibilities, personnel may be employed and their compensation fixed without regard to such laws. Attorneys appointed under this paragraph may appear for and represent the Commission in any case in any court. The Commission shall make adequate provision for administrative review of any determination to dismiss any employee;

(5) acquire such materials, property, equipment, and facilities, establish or construct such buildings and facilities, and modify such buildings and facilities from time to time as it may deem necessary, and construct, acquire, provide, or arrange for such facilities and services (at project sites where such facilities and services are not available) for the housing, health, safety, welfare, and recreation of personnel employed by the Commission as it may deem necessary;

(6) with the consent of the agency concerned, utilize or employ the services or personnel of any Government agency or any State or local government, or voluntary or uncompensated personnel, to perform such functions on its behalf as may appear desirable;

(7) acquire, purchase, lease, and hold real and personal property as agent of and on behalf of the United States and to sell, lease, grant, and dispose of such real and personal property as provided in this Act;

(8) contract for the expenditure of funds for the purposes specified in section 10 (b) without regard to the provisions of section 87 of the Act of January 12, 1895 (28 Stat. 622), and section 11 of the Act of March 1, 1919 (40 Stat. 1270; U. S. C., title 44, sec. 111); and

(9) without regard to the provisions of the Surplus Property Act of 1944 or any other law, make such disposition as it may deem desirable of (A) radioactive materials, and (B) any other property the special disposition of which is, in the opinion of the Commission, in the interest of the national security.

(b) SECURITY.—The President may, in advance, exempt any specific action of the Commission in a particular matter from the provisions of law relating to contracts whenever he determines that such action is essential in the interest of the common defense and security.

This section contains various general grants of authority to the Commission to enable it to discharge its responsibilities. These include authority to—

(*a*) Establish advisory boards to make recommendations on the Commission's various functions.

(*b*) Establish safety and health regulations for the possession and use of fissionable and byproduct materials to minimize the danger from explosion, radioactivity, and other harmful or toxic effects incident to the presence of such materials.

(*c*) Make studies and investigations, and hold hearings and summon witnesses to assist in carrying out its duties.

(*d*) Appoint officers and employees, use the services and employees of other agencies, and utilize voluntary or uncompensated personnel wherever desirable. Appointments are to be made in accordance with civil-service laws but the Commission may, whenever it deems the action necessary, make appointments without regard to such laws. Reluctant as the committee is to depart from the established framework of the civil-service laws, it considers the grant of this exempting authority to the Commission essential to assure the Commission sufficient flexibility in the conduct of its large-scale and varied operations, and to insure availability to the Commission of personnel of the highest caliber.

(*e*) Acquire materials, property, and other equipment, erect buildings and acquire and sell real and personal property.

(*f*) Dispose of radioactive materials and make other special dispositions for reasons of national security without regard to the provisions of other laws.

As a precaution against unforeseen contingencies, the President is granted limited authority to exempt specific actions of the Commission from applicable laws whenever such action is essential for security reasons.

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Section 17. Definitions

As used in this Act—

(a) The term "atomic energy" shall include all forms of energy liberated in the transmutation of atomic species.

(b) The term "Government agency" means any executive department, commission, independent establishment, corporation wholly or partly owned by the United States which is an instrumentality of the United States, board, bureau, division, service, office, officer, authority, administration, or other establishment, in the executive branch of the Government.

(c) The term "person" means any individual, corporation, partnership, firm, association, trust, estate, public or private institution, group, the United States or any agency thereof, any government other than the United States, any political subdivision of any such government, and any legal successor, representative, agent or agency of the foregoing, or other entity, but shall not include the Commission or officers or employees of the Commission in the exercise of duly authorized functions.

(d) The term "United States," when used in a geographical sense, includes all Territories and possessions of the United States.

(e) The term "research and development" means theoretical analysis, exploration, and experimentation, and the extension of investigative findings and theories of a scientific or technical nature into practical application for experimental and demonstration purposes, including the experimental production and testing of models, devices, equipment, materials, and processes.

This section states definitions of the following terms: Atomic energy, Government agency, person, United States, research, and development.

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1.1a(2) HOUSE COMMITTEE ON MILITARY AFFAIRS

H.R. REP. No. 2478, 79th Cong., 2d Sess (1946)

ATOMIC ENERGY ACT OF 1946

JULY 10, 1946.—Committed to the Committee of the Whole House on the State of the Union and ordered to be printed

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Mr. MAY, from the Committee on Military Affairs, submitted the following

REPORT

[To accompany S. 1717]

The Committee on Military Affairs, to whom was referred the bill (S. 1717) for the development and control of atomic energy,

having considered the same, report favorably thereon with amendments and recommend that the bill as amended do pass.

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The principal issue involved in the original hearings held by this committee on the subject of atomic energy was to what extent the armed forces should be permitted to retain the military secret of the atomic bomb as a military weapon and, in addition thereto, what civilian uses of atomic energy might be made available to the general public without divulging or disclosing the secret formulas and mechanical plans for the construction of bombs as a military weapon. Your committee, in the present bill now herewith reported, has provided by amendment to S. 1717 that at least one of the five members of the Commission set up to take over and control and operate the Government plants and property devoted to the development of atomic energy shall be a representative of the armed forces and that the member of the Liaison Committee, provided for in the Senate bill herewith reported, who has to do with the military application of atomic energy, shall be a representative of the armed forces. On these two amendments hangs the "bone of contention". There are, however, many important issues involved—one of which is the extent of the power and authority granted in the legislation to the Commission set up therein. It is believed by some that the powers invested in the Commission are unprecedented and unnecessary. On this view there is diversity of opinion in the committee, but the bill is herewith reported so that the House of Representatives may consider the same under an open rule, which means that the House will have the right to reconsider all amendments written into the Senate bill by your committee, as well as any other amendments which may be offered from the floor.

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Section 1. Declaration of policy

Subsection (a) contains statements of fact and a declaration that it is the policy of the people of the United States that, subject at all times to the paramount objective in assuring the common defense and security, the development and utilization of atomic energy shall, so far as practicable, (1) be directed toward improving the public welfare, (2) increasing the standard of living, (3) strengthening free competition in private enterprise, and (4) promote world peace.

Subsection (b) states that it is the purpose of the legislation to

effectuate the policies enumerated in the above paragraph by providing, among others, for the following major programs relating to atomic energy:

(1) A program of assisting and fostering private research and development to encourage maximum scientific progress;

(2) A program for the control of scientific and technical information which will permit the dissemination of such information to encourage scientific progress, and for the sharing on a reciprocal basis of information concerning the practical industrial application of atomic energy as soon as effective and enforceable safeguards against its use for destructive purposes can be devised;

(3) A program of federally conducted research and development to assure the Government of adequate scientific and technical accomplishment;

(4) A program for Government control of the production, ownership, and use of fissionable material to assure the common defense and security and to insure the broadest possible exploitation of the field; and

(5) A program of administration which will be consistent with the foregoing policies and with international arrangements made by the United States, and which will enable the Congress to be currently informed so as to take further legislative action as may hereafter be appropriate.

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Section 3. Research

Subsection (a) directs the Commission to exercise its powers in such manner as to insure the continued conduct of research and development activities by private or public institutions or persons and to assist in the acquisition of an ever expanding fund of theoretical and practical knowledge in—

(1) Nuclear processes;

(2) The theory and production of atomic energy, including processes, materials, and devices related to such production;

(3) Utilization of fissionable and radioactive materials for medical, biological, health, or military purposes;

(4) Utilization of fissionable and radioactive materials and processes entailed in the production of such materials for all other purposes, including industrial uses; and

(5) The protection of health during research and production activities.

To this end the Commission is authorized and directed to make arrangements (including contracts, agreements, grants-in-aid, and

loans) for the conduct of research and development activities relating to such fields. Such arrangements may be made without regard to the provisions of law relating to advertising for proposals respecting the same upon certification by the Commission that such action is necessary in the interest of the common defense and security, or upon a showing that advertising is not reasonably practicable.

Subsection (b) authorizes and directs the Commission to conduct, through its own facilities, activities and studies of the types specified in the above paragraph.

Section 4. Production of fissionable material

Subsection (a) defines the term "production" when used in relation with fissionable material.

Subsection (b) makes it unlawful, except to the extent authorized by subsection (c), for any person (1) to own any facilities for the production of fissionable material or (2) to produce fissionable material.

Paragraph (1) of subsection (c) provides that the Commission shall be the exclusive owner of all facilities for the production of fissionable material other than facilities which (1) are useful in the conduct of research and development activities in the fields specified in section 3, and (2) do not, in the opinion of the Commission, have a potential production rate adequate to enable the operator of such facilities to produce within a reasonable period of time a sufficient quantity of fissionable material to produce an atomic bomb or any other atomic weapon. Paragraph (2) of subsection (c) requires the Commission to produce or to provide for the production of fissionable material in its own facilities, and authorizes the Commission to make, or to continue in effect, contracts with persons obligating them to

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produce fissionable material in facilities owned by the Commission. Any contract made under the provisions of this paragraph may be made without advertising for proposals respecting the same upon certification by the Commission that such action is necessary in the interest of the common defense and security, or upon a showing that advertising is not reasonably practicable. The President is required to determine at least once each year the quantities of fissionable material to be produced under this paragraph. Paragraph (3) provides that fissionable material may be produced in the conduct of research and development activities in facilities which, under paragraph (1), are not required to be owned by the Commission.

For the purpose of increasing the supply of radioactive materials, subsection (d) of section 4 permits the Commission and certain other persons to expose materials of any kind to the radiation incident to the processes of producing or utilizing fissionable material.

Subsection (e) of section 4 provides that unless authorized by a license issued by the Commission, no person may manufacture, produce, transfer, or acquire any facilities for the production of fissionable material, except that a license is not required where the activity is incident to or for the conduct of research or development activities in the United States of the types specified in section 3.

Section 5. Control of materials

Subsection (a) relates to the control of fissionable materials. Paragraph (1) defines the term "fissionable material". Paragraph (2) provides for Government ownership of all fissionable material and provides just compensation to persons from whom ownership of fissionable material is taken. Paragraph (3) makes it unlawful for any person, after 60 days from the effective date of the legislation, to (A) possess or transfer any fissionable material except as authorized by the Commission, (B) export from or import into the United States any fissionable material, or (C) directly or indirectly engage in the production of any fissionable material outside of the United States. Paragraph (4) authorizes the Commission to distribute fissionable material with or without charge for conducting research and development activities, for use in medical therapy, or for use in devices utilizing atomic energy pursuant to licenses under section 7. Paragraph (5) authorizes the Commission to acquire fissionable material or interest therein outside the United States, any interest in facilities for the production of fissionable material, or in real property on which such facilities are located, without advertising upon certification by the Commission that such action is necessary in the interest of common defense and security or upon a showing that advertising is not reasonably practicable. Just compensation is required to be made for such facilities or real property.

Subsection (b) of section 5 relates to control of source materials. Paragraph (1) defines the term "source material". Paragraph (2) requires licenses for the transfer of possession of or title to any source material after removal from its place of deposit in nature, except that licenses are not to be required for quantities of source material which, in the opinion of the Commission, are unimportant. Paragraph (3) relates to the issuance of such licenses by the Commission. Paragraph (4) authorizes the Com-

mission to issue regulations or orders requiring reports of ownership, possession, extraction, refining, or

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other handling of source materials as it may deem necessary except that reports are not to be required with respect to (A) any source material prior to removal from its place of deposit in nature or (B) quantities which are unimportant or the reporting of which will discourage independent prospecting for new deposits. Paragraph (5) contains provisions authorizing the Commission to acquire supplies of source materials or any interest in real property containing deposits of source materials to the extent it deems necessary to effectuate the provisions of the legislation. Paragraph (6) authorizes the Commission to conduct and enter into contracts for the conduct of exploratory operations. Paragraph (7) reserves desposits of source material in public lands for the use of the United States.

Subsection (c) of section 5 relates to the control of byproduct materials. Paragraph (1) defines the term "byproduct material". Paragraph (2) relates to the distribution of byproduct materials by the Commission for research or development activity, medical therapy, industrial use, or such other useful applications as may be developed.

Subsection (d) of section 5 provides that the Commission shall not distribute (1) any fissionable material to any person for a use which is not under or within the jurisdiction of the United States, to any foreign government, or to persons within the jurisdiction of the United States where the distribution would be inimical to the common defense and security, or (2) any source material, if, in the opinion of the Commission, the distribution of such source material would be inimical to the common defense and security. As reported, this provision will permit the Commission to distribute source material for export in fabricated commercial articles when such source material has become a component or integral part of such fabricated articles. This subsection, in paragraph (2), requires the Commission to establish a procedure by which any person who is dissatisfied with the distribution or refusal to distribute to him, or the recall from him, of any fissionable or byproduct materials, or with the issuance, refusal, or revocation of a license to him, or the transfer or receipt of source materials may obtain a review of such determination by a board of appeal consisting of three members appointed by the Commission. The Commission may in its discretion review and revise any decision of such board of appeal.

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Section 7. Utilization of atomic energy

Subsection (a) provides that it shall be unlawful, except as provided in section 5 (a) (4) (A) or (B) or 6 (a), for any person to manufacture, produce, or export any equipment or device utilizing fissionable material or atomic energy, or to utilize fissionable material or atomic energy without a license.

Subsection (b) provides that no such license shall be issued by the Commission until after (1) a report with respect to such manufacture, production, export, or use has been filed with the Congress, and (2) a period of 90 days in which the Congress was in session has elapsed after the report has been so filed.

Subsection (c) provides that after the 90-day period referred to in subsection (b), unless hereafter prohibited by law, the Commission may issue licenses in accordance with such procedures and subject to such conditions as it may by regulation establish to effectuate the provisions of this legislation. Licenses are to be on a nonexclusive basis and the Commission is to supply fissionable material to licensees (1) whose proposed activities will serve some useful purposes proportionate to the quantities of materials consumed, (2) who are equipped to observe such safety standards to protect health and to minimize danger from explosion or other hazard to life or property as the Commission may establish, and (3) who agree to make available to the Commission certain technical information and data. Each license is required to be issued for a specified period of not less than 1 year. Licenses may not be given (1) to any person or activity which is not under or within the jurisdiction of the United States, (2) to any foreign government, or (3) to persons within the jurisdiction of the United States where the interests thereof would be inimicable to the common defense and security. Where activities under any license might serve to maintain or to foster the growth of monopoly, restraint of trade, unlawful competitor, or other trade position inimical to the entry of new, freely competitive enterprises in the field, the Commission is authorized and directed to refuse to issue such license or to establish such conditions to prevent these results as the Commission, in consultation with the Attorney General, may determine. The Commission is required to report promptly to the Attorney General any information it may have with respect to any utilization of fissionable material or atomic energy which appears to have these results.

Subsection (d) of section 7 provides that energy produced in the production of fissionable material may be used by the Commission, transferred to other Government agencies, or sold to public or private utilities under contracts providing for reasonable resale prices.

Section 8. International arrangements

This section provides that this act shall have no further force or effect to the extent that it conflicts with the provisions of any treaty approved by the Senate or international agreement hereafter approved by the Congress during the time such treaty or agreement is in full

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force and effect, and that the Commission in the performance of its functions under this legislation shall give maximum effect to the policy contained in any such treaty or agreement.

Section 9. Property of the Commission

Under this section the Commission is to take over all the resources of the United States Government devoted to or related to atomic-energy development, and is authorized to reimburse States and municipalities for loss of taxes incurred through its acquisition of property.

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Section 12. General authority

Subsection (a) of this section gives the Commission various general grants of authority to enable it to discharge its responsibilities.

Subsection (b) provides that the President may, in advance, exempt any specific action of the Commission in a particular matter from the provisions of law relating to contracts whenever he deems that such action is essential in the interest of the common defense and security.

Subsection (c) provides that members of the General Advisory Committee and members of advisory boards established by the Commission may serve as such without regard to provisions of law which prohibit officers and employees from being interested in claims against the United States except insofar as such provisions prohibit any such member from receiving compensation in respect of any particular matter which directly involves the Commission or in which the Commission is directly interested.

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1.1a(3) COMMITTEE OF CONFERENCE
H.R. REP. No. 2670, 79th Cong., 2d Sess. (1946)

ATOMIC ENERGY ACT OF 1946

JULY 25, 1946.—Ordered to be printed

Mr. MAY, from the committee of conference, submitted the following

CONFERENCE REPORT

[To accompany S. 1717]

The committee of conference on the disagreeing votes of the two Houses on the amendments of the House to the bill (S. 1717) for the development and control of atomic energy, having met, after full and free conference, have agreed to recommend and do recommend to their respective Houses as follows:

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STATEMENT OF THE MANAGERS ON THE PART OF THE HOUSE

The managers on the part of the House at the conference on the disagreeing votes of the two Houses on the amendments of the House to the bill (S. 1717) for the development and control of atomic energy, submit the following statement in explanation of the effect of the action agreed upon by the conferees and recommended in the accompanying conference report:

Amendment No. 1: The House amendment required at least one member of the Atomic Energy Commission to be a member of the armed forces. The House recedes.

Amendment No. 2: The House amendment requires that the Director of the Division of Military Application be a member of the armed forces. The Senate recedes.

Amendment No. 3: This amendment would permit not to exceed two active or retired officers of the Army or Navy to serve at any one time as members of the Commission, and one such officer to serve as the Director of the Division of Military Application, without prejudice to their status as such officers. The Senate recedes with an amendment which limits the application of this pro-

vision to the officer serving as Director of the Division of Military Application.

Amendment No. 4: The Senate bill authorized and directed the Commission to make arrangements (including contracts, agreements, grants-in-aid, and loans) for the conduct of research and development activities. This amendment strikes out the words "grants-in-aid". The Senate recedes.

Amendment No. 5: The bill as it passed the Senate provided that the Commission shall be the exclusive owner of certain facilities for the production of fissionable material. This amendment inserts after the word "Commission" the words "as agent of and on behalf of the United States". The Senate recedes.

Amendment No. 6: This amendment would permit the Commission to authorize its contractors to enter into subcontracts. The Senate recedes.

Amendment No. 7: Under this amendment it is made clear that persons lawfully producing or utilizing fissionable material may expose materials of any kind to the radiation incident to the processes of producing or utilizing fissionable material. The Senate recedes.

Amendment No. 8: This amendment makes it clear that the authority of the Commission to distribute fissionable material relates to material owned by it. The Senate recedes.

Amendment No. 9: This amendment makes it clear that licenses are required for the exportation of source material from the United States. The Senate recedes.

Amendment No. 10: This amendment struck out the Senate language which excepted existing or inchoate rights and privileges from the reservation for the use of the United States of source materials in deposits in the public lands, and substituted a provision that

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such reservation should be subject to valid claims existing on the date of the enactment of the act. The Senate recedes with an amendment which modifies the House provision so as to provide that the reservation for the use of the United States shall be subject to valid claims, rights, or privileges existing on the date of enactment of the act.

Amendments Nos. 11 and 12: These are technical amendments substituting the word "individual" for the word "person", and the Senate recedes.

Amendment No. 13: The Senate bill provided that no person, corporation, partnership, or association which had any part in the development of the atomic-bomb project may benefit by any loca-

tion, entry, or settlement upon the public domain made after having taken such part in such project. This amendment of the House modified this prohibition so as to make it inapplicable if the benefit was authorized by the Commission. The Senate recedes with an amendment which provides that the prohibition will apply only in cases where, by reason of having taken part in the atomic-bomb project, confidential official information was acquired as to the existence of deposits of source materials in the specific lands upon which the location, entry, or settlement is made, and only in cases where the location, entry, or settlement is made subsequent to the date of the enactment of this act.

Amendment No. 14: This amendment has two purposes. First, to prohibit the Commission from distributing any fissionable material to any person within the United States if, in the opinion of the Commission, the distribution of such fissionable material to such person would be inimical to the common defense and security. Second, to clarify and modify the Commission's authority with respect to source material so as to prohibit the Commission from licensing any person to transfer or deliver, receive possession of or title to, or export from the United States any source material if, in the opinion of the Commission, the issuance of a license to such person for such purpose would be inimical to the common defense and security. The Senate recedes with an amendment to correct the numbering and lettering of the subsection.

Amendment No. 15: This amendment strikes out provisions requiring the Commission to establish by regulation a procedure by which any person who is dissatisfied with the distribution or refusal to distribute to him, or the recall from him, of any fissionable or byproduct materials or with the issuance, refusal, or revocation of a license to him for the transfer or receipt of source materials may obtain a review of such determination by a board of appeal consisting of three members appointed by the Commission. The Senate recedes.

Amendment No. 16: This is a clerical amendment. The Senate recedes.

Amendment No. 17: Under this amendment the President from time to time may direct the Commission to deliver such quantities of fissionable materials to the armed forces for such use as he deems necessary in the interest of national defense. The Senate recedes.

Amendment No. 18: Under this amendment the President from time to time may direct the Commission to authorize the armed forces to manufacture, produce, or require any equipment or device utilizing fissionable material or atomic energy as a military

weapon. The Senate recedes.

Amendment No. 19: This amendment excepted activities authorized by the Commission under section 6 (a) from the prohibition [p. 7] contained in section 6 (b) against manufacturing, producing, transferring, or acquiring equipment or devices utilizing fissionable material or atomic energy as a military weapon. Since the Senate bill already excepts from this prohibition all activities authorized by the Commission, this amendment merely duplicated in part the exception in the Senate bill and, consequently, is unnecessary. The House recedes.

Amendment No. 20: This amendment, as agreed to in conference, provides that licenses authorizing certain activities with respect to fissionable material or atomic energy shall be issued for a specified period, shall be revocable at any time by the Commission in accordance with such procedures as the Commission may establish, and may be renewed upon expiration of such period. The bill as it passed the Senate provided that licenses could not be issued for a period to exceed 1 year. The House amendment provided that such licenses could not be issued for a period of less than 1 year.

Amendment No. 21: This is a clerical amendment. The Senate recedes.

Amendment No. 22: This amendment provides that no license relating to the utilization of atomic energy may be given to any person within the United States if, in the opinion of the Commission, the issuance of a license to such person would be inimical to common defense and security. The Senate recedes.

Amendment No. 23: This amendment makes clear that the definition of "international arrangement" includes only an international agreement approved by the Congress after the Atomic Energy Act of 1946 becomes law. The Senate recedes.

Amendment No. 24: This amendment, as agreed to in conference, is a statement of principle to be followed by the Commission that until Congress declares by joint resolution that effective and enforceable international safeguards against the use of atomic energy for destructive purposes have been established there shall be no exchange of information with other nations with respect to the use of atomic energy for industrial purposes. The House amendment proposed to strike out the statement of principle in the bill as it passed the Senate that such information should be shared with other nations on a reciprocal basis as soon as the Congress declares by joint resolution that such safeguards have been established.

Amendment No. 25: This amendment relates to the numbering of a paragraph, and the House recedes.

Amendment No. 26: This amendment struck out the provision of the Senate bill which specifically authorized and directed the Commission to establish information services, publications, libraries, and other registers of information. The Senate recedes.

Amendment No. 27: This amendment relates to the lettering of a subsection. The Senate recedes.

Amendment No. 28: This amendment would have required a unanimous vote of the Commission for it to determine that any data could be published without adversely affecting the common defense and security. The House recedes.

Amendments Nos. 29, 30, 31, 32, 33, 34, 48, and 49: These amendments provided that the death penalty might be imposed upon persons convicted of violating certain provisions of the act, with intent to injure the United States or with intent to secure an advantage to any

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foreign nation, and provided that the minimum term of imprisonment for persons convicted of such violations should be 10 years. The conference agreement provides that the penalty of death or imprisonment for life may be imposed, but only upon the recommendation of the jury and only in the case of offenses committed with intent to injure the United States. The provisions for minimum terms of imprisonment of 10 years are eliminated.

Amendment No. 35: The bill as it passed the Senate provided that no person shall be prosecuted for any violation of the provisions relating to restricted data unless and until the Attorney General has advised and consulted with the Commission with respect to such prosecution.

The House amendment struck out the Senate provision and provided that the Commission shall make no contract under sections 3 or 4, issue no license to any person, nor employ any person until the Federal Bureau of Investigation shall have first made an investigation of the character and associations of such person and certified that the character of such contractor, licensee, or employee is such as not to endanger the common defense or security.

The Senate recedes with an amendment which provides that (1) no person shall be prosecuted for any violation under this section unless and until the Attorney General of the United States has advised the Commission with respect to such prosecution and no such prosecution shall be commenced except upon the express direction of the Attorney General of the United States; (2) no arrangement shall be made under section 3, no contract shall be

made or continued in effect under section 4, and no license shall be issued under section 4 (e) or 7, unless the person dealing with the Commission agrees in writing not to permit any individual to have access to restricted data until the Federal Bureau of Investigation shall have made an investigation and report to the Commission on the character, associations, and loyalty of such individual and the Commission shall have determined that permitting such person to have access to restricted data will not endanger the common defense or security; (3) except as authorized by the Commission in case of emergency, no individual shall be employed by the Commission until the Federal Bureau of Investigation shall have made an investigation and report to the Commission on the character, associations, and loyalty of such individual; (4) during such period of time after the enactment of this act as may be necessary to make such investigation, report, and determination, individuals who were permitted access to restricted data by the Manhattan Engineer District may be permitted access to restricted data and the Commission may employ individuals who were employed by the Manhattan Engineer District; (5) to protect against the unlawful dissemination of restricted data and to safeguard facilities, equipment, materials, and other property of the Commission, the President shall have authority to utilize the services of any Government agency to the extent he may deem necessary or desirable; and (6) all violations of this act shall be investigated by the Federal Bureau of Investigation of the Department of Justice.

Amendment No. 36: This is a clerical amendment and the Senate recedes.

Amendment No. 37: The Senate bill provided that no patent should be granted after the date of enactment of the act for any invention or discovery which is useful solely in the production of fissionable

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material or in the utilization of fissionable material or atomic energy for a military weapon and provided for the revocation of any patent previously issued for any such invention or discovery and payment of just compensation to the owner of the patent. The Senate bill further provided (1) that no patent granted after the date of enactment of the act should confer any rights with respect to any invention or discovery to the extent that it is used in the production of fissionable material, the utilization of fissionable material or atomic energy for a military weapon, or the conduct of research or development activities in the atomic energy field; and (2) that any rights conferred by any patent

previously issued should be revoked to the extent that the invention or discovery should be so used and that just compensation should be made for the revocation of rights. The House amendment contained no provisions comparable to the above-described provisions of the Senate bill.

The Senate bill provided that any person who has made or may make an invention or discovery useful in the production of fissionable material or in the utilization of fissionable material or atomic energy for a military weapon should make a report to the Commission within a limited period of time describing such invention or discovery, unless it is described in an application for patent filed in the Patent Office within such period of time. The House amendment contained a similar provision requiring reports to the Commission with respect to inventions and discoveries, but such provision was applicable only to inventions or discoveries "utilizing fissionable materials or atomic energy designed or especially adapted for use as or in a military weapon."

The Senate bill placed a duty on the Commission to declare any patent to be affected with the public interest if (1) the invention or discovery covered by the patent utilizes or is essential in the utilization of fissionable material or atomic energy, and (2) the use of such invention or discovery by persons having licenses for the utilization of atomic energy is necessary to effectuate the policies and purposes of the act. In any case in which a patent should be declared to be affected with the public interest the Commission would be licensed to use the invention or discovery and persons having licenses from the Commission for the utilization of atomic energy would be licensed to use it to the extent necessary in carrying on their activities licensed by the Commission. The owner of the patent would be entitled to a reasonable royalty fee for the use of the invention or discovery, the fee to be agreed upon by the owner and the licensee or to be fixed by the Commission in the absence of an agreement. The Senate bill contained appropriate provisions preventing court proceedings to stay, restrain, or enjoin the use of inventions or discoveries licensed under the provisions of the bill and to provide for the collection through court proceedings of royalty fees for the use of inventions or discoveries so licensed. The House amendment contained no provisions comparable to those described in this paragraph.

The Senate bill authorized the Commission to purchase, or to take, requisition, or condemn, and make just compensation for (1) any invention or discovery which is useful in the production of fissionable material or in the utilization of fissionable material or atomic energy for a military weapon, or which utilizes or is es-

sential in the utilization of fissionable material or atomic energy, or (2) any patent or

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patent application covering any such invention or discovery. The bill required the Commissioner of Patents to notify the Commission of, and to provide it access to, all applications for patents which in his opinion disclose such inventions or discoveries. The House amendment authorized the Commission to purchase, for the manufacture or use by or for the United States Government, any and all rights in and to any invention or discovery, or application for patent or patent thereon, relating to research on or the production of fissionable material or the utilization of fissionable material or atomic energy. The House amendment authorized the Commission to condemn any or all rights to any such invention or discovery which affects the national defense and security, but provided that whenever the Commission determined that the national defense or security were no longer involved any and all rights in such invention or discovery would revert to the owner, subject to a nonexclusive, irrevocable, and nontransferable license in favor of the Government.

The House amendment provided that any person making an invention or discovery relating to research on or the production of fissionable material or the utilization of fissionable material or atomic energy should, upon filing an application for a patent thereon and tendering the invention or discovery to the United States for its use, have the right to sue the United States for compensation for the use of such invention or discovery in the event he should ultimately receive a patent thereon. The Commission was authorized to make an agreement with the inventor in settlement for the use of his invention by the Government. The Senate bill contained no comparable provisions to those described in this paragraph.

The Senate bill provided for the designation by the Commission of a Patent Compensation Board, consisting of two or more employees of the Commission, to consider applications filed with the Commission for (1) the determination of reasonable royalty fees in connection with patents declared to be affected with the public interest and licensed for use by persons having atomic energy utilization licenses from the Commission, (2) the payment of just compensation for patents and patent rights revoked under the Senate bill, and (3) the grant of awards by the Commission to persons making inventions or discoveries useful solely, or among other purposes, for the production of fissionable material or the utilization of fissionable material or atomic energy for a military weapon.

The bill provided that in fixing royalty fees the Commission should take into consideration any defense, general or special, that might be pleaded by a defendant in an action for infringement, the extent to which, if any, the patent was developed through federally financed research, the degree of utility, novelty, and importance of the invention or discovery, and might take into consideration the cost to the owner of the patent of developing the invention or discovery or acquiring the patent. The bill provided that the Commission, in connection with applications for just compensation and awards, should take into account the same factors considered by it in fixing royalty fees, and also the actual use of the invention or discovery. The Senate bill provided that any person aggrieved by a Commission determination upon an application for an award or the fixing of a reasonable royalty fee might obtain a review thereof in the Court of Appeals for the District of Columbia. The House amendment contained no provisions with respect to the fixing of royalty fees or the payment of awards to inventors.

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The House amendment provided that persons dissatisfied with Commission determinations as to just compensation for inventions or discoveries condemned, or tendered to and used, by the Commission should have the right to maintain suit in the United States District Court for the District of Columbia for the purpose of determining the just compensation to be paid. The amendment further provided for an appeal to the Court of Appeals of the District of Columbia from the decision of the district court. The section of the Senate bill relating to patents contained no specific provisions with respect to judicial determination of just compensation for patents and patent rights revoked by the section or taken, requisitioned, or condemned by the Commission. Section 11 of the Senate bill provided, however, for suit in the Court of Claims in the event the person entitled to just compensation should be dissatisfied with the determination of the Commission.

The House recedes on this amendment.

Amendment No. 38: This amendment struck out the provision authorizing attorneys appointed by the Commission to appear for and represent the Commission in any case in any court. The Senate recedes.

Amendment No. 39: This amendment struck out the provision which waived certain general restrictions of law in the expenditure of funds for the purposes specified in section 10(b). Since amendment No. 26 struck out section 10(b), this provision is no longer appropriate. The Senate recedes.

Amendment No. 40: This is a clerical amendment and the Senate

recedes.

Amendment No. 41: This amendment provided that section 10 of the Administrative Procedure Act should be applicable with respect to agency actions of the Commission immediately upon the enactment of this act and provided that this act should not be held to supersede or modify the Administrative Procedure Act. The Senate recedes.

Amendment No. 42: This is a clerical amendment and the Senate recedes.

Amendments Nos. 43, 44, and 45: These amendments increased from 9 to 11 the number of Members from each House who would be members of the Joint Committee on Atomic Energy, and increased from 5 to 6 the number of Members from each House who might be members of the same political party. The House recedes.

Amendment No. 46: This is a clerical amendment, and the Senate recedes.

Amendment No. 47: This amendment made the heavier criminal penalties provided in subsection (a) of the enforcement section, rather than the lighter penalties under subsection (b), applicable in the case of violations of the act arising out of the failure to report certain inventions and discoveries to the Commission. The House recedes.

Amendment No. 50: This is a clerical amendment, and the Senate recedes.

Amendment No. 51: This amendment eliminated from the bill the provisions which would have provided criminal penalties for violations of regulations or orders issued under specified sections of the Act. The Senate recedes with an amendment which restores the provision with a clerical change correcting a cross reference.

Amendments Nos. 52 and 53: These amendments, like some of those referred to above, provided that the death penalty might be imposed

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upon persons convicted of violating certain provisions of the act, with the intent to injure the United States or to secure an advantage to any foreign nation, and provided that the minimum term of imprisonment for persons convicted of such violations should be 10 years. As the offenses to which these amendments were applicable are likely to be of a less serious nature than the other offenses to which the heavy penalties were made applicable, these penalties were deemed to be excessive in these cases and the House recedes.

Amendments Nos. 54 and 55: These amendments modified the provision relating to enjoining violations of the act or regulations

or orders thereunder, so that instead of providing, as did the Senate bill, that upon a showing by the Commission that a person has engaged or is about to engage in such a violation an injunction, restraining order, or other order shall be granted without bond, it will provide that upon such a showing an injunction, restraining order, or other order may be granted. The Senate recedes.

Amendment No. 56: This amendment provided that all persons associated in any capacity with the control and development of atomic energy under the Commission, and all violations of this act, should be investigated by the Federal Bureau of Investigation. As the subject matter of this amendment is dealt with in connection with amendment No. 35, the House recedes on this amendment.

Amendments Nos. 57 and 58: These are clerical amendments, and the Senate recedes.

Amendment No. 59: The amendment inserted a definition of the term "nuclear fission". The House recedes.

Amendments Nos. 60, 61, and 62: These are clerical amendments, and the House recedes.

Amendment No. 63: This is a technical amendment, and the Senate recedes.

Amendments Nos. 64, 65, and 66: These are clerical amendments, and the House recedes.

Amendment No. 67: The bill as it passed the Senate defined the term "facilities for the production of fissionable material" so as to include any equipment or device capable of such production. This amendment limited the term to any equipment or device peculiarly adopted for and capable of such production. The House recedes.

Amendment No. 68: This is a clerical amendment, and the Senate recedes.

Amendment No. 69: This amendment struck out a provision transferring funds available for expenditure in connection with the Manhattan Engineer District to the Commission for expenditure for the purpose of carrying out the provisions of the Act. The Senate recedes.

Amendments Nos. 70 and 71: These are clerical amendments, and the Senate recedes.

A. J. MAY,
R. EWING THOMASON,
CARL T. DURHAM,
CHARLES R. CLASON,
Managers on the Part of the House.

1.1a(4) CONGRESSIONAL RECORD, VOL. 93 (1946)

1.1a(4)(a) June 1: Passed Senate, pp. 6082–6085, 6087–6088, 6094–6098

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Mr. MCMAHON. Mr. President, I rise to propose to the Senate that it adopt Senate bill 1717, as amended and reported by the Special Committee on Atomic Energy. The bill provides for the development and control of atomic energy. Your committee, constituted at the end of last October, has engaged in more than 5 months of continuous study of a problem which challenged the complete attention, the intelligence, and the earnestness of the committee members. I wish to pay tribute to the members of the committee who worked morning and afternoon on this subject, which was entirely new to them when they commenced, as it was to me, and who pored over every detail of the bill. I am happy to tell the Senate that after this 5 months of work, in which there was not even for 1 moment a scintilla of partisanship, the committee has agreed on every word, and every line, and every clause of the bill.

I have said, Mr. President, that it is a challenging subject. It is complicated. Atomic energy can make or destroy America. So, I should like to speak for a few moments about the result of the committee's endeavors and about the bill as it finally shapes up before us.

It was soon concluded that there could be no private production of fissionable material within the boundaries of the United States. It was concluded that national safety and national welfare demanded that all facilities producing fissionable material, of which atomic bombs are composed, should be under the sole management and control of the Government. We also concluded that it was necessary at this time to impose certain security restraints in regard to this subject.

Those security restraints will be found written into the bill. This was one of the most difficult subjects with which we had to deal, because we realized that if we were to progress, as we must progress in this science, the maximum amount of freedom had to be allowed to scientists. At the same time, it was appreciated that during the pending state of the world's affairs it was absolutely necessary that we impose some restrictive clauses. We discovered that the espionage act as it was written would not do, so S. 1717 was written so as to strengthen the provisions of the Espionage Act and thus cover the subject.

I should like to take a few moments to refer to the patent features of the bill. Obviously if all production of fissionable material is to be under Government control and management there is no field for private patents on the production of such material. However, the bill provides that anyone who makes such an invention shall be properly compensated. It is provided that there shall be no patents on the invention of atomic weapons. Obviously, this is a wise provision of the bill; but compensation is provided for the discovery.

Mr. President, what is the treatment that we have given to inventions of what might be termed atomic-energy devices? In such cases the bill provides that patents shall be issued by the Patent Office, but a license must be secured from the Commission, which I shall describe later in my remarks. After the application for the license is made to the Atomic Energy Commission, under the terms of the bill the Commission must submit to the Congress a complete study of the economic, social, and international consequences of the issuance of such license, and the Congress shall have 90 days in which to enact any legislation which it feels may be necessary in the premises. That is a distinct departure from our usual way of doing things; but we

must remember that atomic energy makes its own rules. It is sui generis. After the Congress has 90 days in which to act and either acts or does not act, the Commission, as the case may be, may issue a license to the patentee to use the atomic-energy device.

I should like to describe the administrative organization of the Commission. The Commission is composed of five members, to be appointed by the President, with the advice and consent of the Senate, the chairman to be paid $17,500 a year and the members $15,000 a year. This is the over-all policy-making commission.

Under this Commission, provision is made for a military liaison committee composed of members of the armed forces, to be appointed, respectively, by the Secretary of War and the Secretary of the Navy, to advise and consult with the Commission on military matters relating to atomic energy. This committee has the right, if it so desires, to appeal to the Secretary of War and the Secretary of the Navy on any matters pertaining to military affairs and the way they are being handled by the Atomic Energy Commission.

The bill further provides for a technical advisory committee, to be appointed by the President, which shall meet four times a year, and which shall be on a part-time basis, to advise and consult with the Commission on scientific and technical matters relating to materials, production, research, and development.

Finally, the bill provides for the establishment of a new standing committee——

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

Mr. McMAHON. I yield.

Mr. DOWNEY. Is the technical advisory committee which the Senator has mentioned to be composed of scientists and technicians?

Mr. McMAHON. The Senator is correct. The bill also provides for a new standing committee, to be composed of nine Members of the Senate and nine Members of the House of Representatives, who will act in all respects as the agent of the Congress for the purpose of keeping in congressional touch with the developments of atomic energy and the actions of the Commission.

The bill makes provision for free mining. We have not attempted to take over all the uranium in the United States. We have provided the Commission with the power to condemn and pay just compensation for any uranium supplies which it is unable to buy in the open market. We believed that it was important and necessary to see to it that the independent mining system which now exists in the United States should not be disturbed any more than was absolutely imperative for the security of our country. We have tried to provide for free science and free research, because we realized that unless we left men's minds free to research, invent, and discover in this field we would be doing a disservice not only to nuclear physics, but to science as a whole.

Mr. President, there are two kinds of security. One kind comes from locking the doors, pulling down the shades, watching the files, and seeing that this man does not talk with that man—compartmentalization, as it is called in Army circles. Then there is the kind of security which I call security by achievement; in other words, security which will come from a more speedy, more complete, and more efficient way of producing atomic energy.

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Mr. TUNNELL. I should like to ask the Senator what the license which the Commission grants authorizes to be done?

Mr. McMAHON. I assume that the Senator is asking me about the license in connection with an atomic-energy device.

Mr. TUNNELL. That is correct.

Mr. McMAHON. Under such a license the owner of the invention may proceed to manufacture, further develop, and use the device.

For instance, let us assume that there was an atomic-energy device which was capable of being placed in a locomotive and hauling a train from Washington to New York. Let us assume that the Pennsylvania Railroad was the licensee. The Senator will appreciate, as was so well said by the Senator from Michigan during the conduct of our deliberations, that if we were to wake up some morning and were to read in the Washington newspapers a story that that development had come about overnight, without the proper amount of planning and forethought, it might precipitate the economy of the country into chaos.

Mr. TUNNELL. Then, as I understand the Senator, in order to manufacture devices for the use of atomic energy, it will be necessary, will it not, to have a license from the Commission.

Mr. McMAHON. The Senator is exactly correct.

Mr. TUNNELL. Very well.

Mr. McMAHON. I reiterate that the Commission cannot grant a license until it reports to the Congress on the basis of a thorough and complete study of what the Commission believes will be the economic, social, political, and international consequences of the use of the device.

Mr. TUNNELL. The Commission, then, will report to Congress in the case of each device?

Mr. McMAHON. Exactly so.

Mr. TUNNELL. I thank the Senator.

Mr. THOMAS of Utah. Mr. President, will the Senator yield to me, to permit me to ask a question at this point?

The PRESIDING OFFICER (Mr. JOHNSTON of South Carolina in the chair). Does the Senator from Connecticut yield to the Senator from Utah?

Mr. McMAHON. I yield.

Mr. THOMAS of Utah. That does not mean, does it, that Congress would put a lid upon progress or upon improvement? No provision is made or method prescribed which would require the showing of economic necessity for the use of a lighter metal than steel, for instance, or something of that sort which might affect the steel industry, just as the use of stronger energy might affect industries which are now using energy of another kind? It does not mean that Congress would be the judge and would weigh the problem of a proposed change, and would, therefore, be found in a position to renounce progress or to keep it static? It merely means that all the people will know what is happening. Is not that the idea?

Mr. McMAHON. There will be no disposition, I am sure, to restrict the use of atomic energy in our industrial life. We have tried to write the bill with the idea in mind of promoting the further invention, the further discovery, and the further use of atomic energy. All we have tried to do is to set up certain safeguards against throwing atomic energy into our economy in such a haphazard way or such an overnight way as to cause consternation, chaos, and even, perhaps, the destruction of our economy.

Let me say to the Senator from Utah, suppose there was no such provision as the one contained in the bill; suppose a license were to be granted, upon application, to the Pennsylvania Railroad, and suppose that railroad proceeded to use it. What would happen? Certainly the coal mines would immediately decrease their production. Perhaps hundreds of thousands of miners would be thrown out of work. The railroad itself, inasmuch as it secures a large income from the transportation of coal, might be seriously affected. As the Senator knows, the securities of the railroad companies are owned in large part by the insurance companies of the United States. Such a change might undermine the

values of all such stocks and securities held by the insurance companies; their present values might be reduced 80 percent, so that overnight we would have economic chaos.

I wish to emphasize to the Senate that the committee wrestled long and seriously with this problem just as it did with every other problem involved. Every facet was examined. Every argument was met. So, the bill as reported by the committee is the unified conclusion of the 11 Senators who spent 5 months on this bill.

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

Mr. McMAHON. I yield.

Mr. HUFFMAN. Then the purpose, as the committee conceives it, is to bring about evolution in the use of atomic energy in our industrial life, rather than to bring about revolution by a sudden substitution of atomic energy for our existing forms of energy. Is that correct?

Mr. McMAHON. We went to school to the scientists, as I am sure Senators will realize, and we talked with just about everyone whom we thought could help us with this problem. I say to the Senator that I have great faith in the future of atomic energy, industrially as well as medicinally; indeed in those respects it is here today. Let us consider an example of perhaps lesser importance: As an aid, for instance, in the discovery of new oil wells, it has been used recently. However, after all, we now have an economy which is built upon water power and upon coal and upon an integration of our natural resources as they are today. If overnight a cessation of one of those great industries were to occur, we might lose the benefits of atomic energy because of the very destruction of the base of our Government, which is economic stability.

Mr. HUFFMAN. Yes. And if we were to be plunged into the use of atomic energy overnight, it would, in the Senator's opinion, would it not, completely wreck our present economic system?

Mr. McMAHON. I can say to the Senator that it is my conviction that if what I cited in the example to the Senator from Delaware were to occur, without any previous planning with respect to how to provide for the employment of the men who would be thrown out of work by even the one use which I then suggested, we would be playing with fire.

Mr. HUFFMAN. I thank the Senator.

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

Mr. McMAHON. I yield.

Mr. HATCH. I have been reading the provisions relating to public lands, as found on page 43 of the bill. I should like to have a little information about the provisions, if the Senator is able to give it to me. I observe in subsection (7), on page 43, a provision that all fissionable materials in the public lands "are hereby reserved for the use of the United States."

First, I observe that there is a provision that all fissionable material is reserved to the United States—that is to say, such material which is in the public lands of the United States. Then there follows an exception.

Mr. McMAHON. Yes.

Mr. HATCH. That exception is in the language—

> Except that with respect to any location, entry, or settlement made prior to the date of enactment of this at no reservation shall be deemed to have been made, if such reservation would deprive any person of any existing or inchoate rights or privileges to which he would otherwise be entitled or would otherwise enjoy.

Mr. McMAHON. If a man takes out a patent on a piece of public land and spends the necessary $100 a year in order to perfect his right, he has title to the uranium which may be mined until he separates it from its place in Nature. When he separates it from its place in Nature he must receive a license from the Commission before he may dispose of or remove the material.

Frankly, there is only this difference between the Senator from New Mexico, who after the passage of the bill takes a patent on a piece of land, and myself, if I have heretofore obtained in the State of Colorado, let us say, a patent on a piece of land containing this material: In the Senator's case, when he goes to the Secretary of the Interior he will have placed in his patent a reservation to the title of all the uranium, thorium, and all the materials which are later determined by the Commission to be capable of producing atomic energy, whereas the Senator from Connecticut, who had previously acquired his patent, will have the title, but will be unable to sell any of the source materials to anybody except the Commission when he takes them from their place in Nature.

Mr. HATCH. Suppose that subsequent to the general release to the pub-

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lic of the discovery and uses of atomic energy, numbers of persons have gone into the Western States and have merely filed mining claims on lands which proved later to be capable of producing sufficient material of the kind to which the Senator has referred. They have no patent now, but they do have the right which was acquired by the filing of the claim in the first instance. They have done nothing from that time to the present date, but all the fissionable material in all those lands—

Mr. McMAHON. The source material.

Mr. HATCH. The source material belongs, under this bill, to those individuals.

Mr. McMAHON. It may seem that the right is worth money, but allow me to point out that the minute the individual digs the source material from the ground and separates it from its place in nature, he has only one customer, namely, the Commission which is created under this bill. He must receive a license before he may move that source material from above the ground, where he has separated it from its place in nature, to the smelting mill.

Mr. HATCH. I am sure that a license would not be denied arbitrarily. He would receive the license and he would sell to the Commission.

Mr. McMAHON. He would receive just compensation as provided under the bill.

Mr. HATCH. There is another clause in the same section which causes me to question the meaning of it. Suppose the Commission did not wish to buy material.

Mr. McMAHON. That situation is provided for in the last sentence of the paragraph. The language there is:

> If the Commission does not require delivery of such material to it, the reservation made pursuant to this paragraph shall be of no further force or effect.

Mr. HATCH. Under those circumstances, the individual would have a complete right to sell or otherwise dispose of his material?

Mr. McMAHON. Yes.

Mr. HATCH. Is that what the committee wants to accomplish?

Mr. McMAHON. Yes; because if the Commission should ever take the position that it did not want any specific amount of thorium or uranium, the Senator may be assured that it would be of such concentration that it would not be feasible to use it for the production of fissionable material.

Mr. HATCH. Then, there is no absolute reservation to the United States. It is subject to the will of the Commission.

Mr. McMAHON. The reservation which is made by the Secretary of the Interior is in favor of the Government —in this case, the Commission. The Commission has the right to purchase every single ounce of the material at a fair and just price. If the Commission should decide that it did not want to buy the material, theoretically the miner would have the right to sell it to

someone else. Such right, I believe the Senator from New Mexico will agree with me, is illusory and is worth nothing. If the Commission does not buy the source material, the man who separates it from the ground does not, under the terms of the bill, have any right to export it. Under this bill, the exportation of source material would be a crime punishable by imprisonment. What will the miner do with it? Will he go to the labor of digging it and bringing it above the ground if he may not export it or sell it to the Commission? The result will be that the material will remain in its place in nature.

I can conceive of the Commission saying to the Senator from New Mexico and to the Senator from Connecticut, who may be working a deposit in the State of New Mexico, for example, "We do not want to buy it. For the purposes of conservation we do not want to touch it. We shall refuse you a license to remove your uranium." Very well; since we may not export it or sell it to the Commission, would the Senator from New Mexico proceed to dig the uranium and thorium out of the ground?

Mr. HATCH. Perhaps he would not, but I am trying to understand what the bill means, and I am already convinced that there is not a complete reservation of title to the United States Government in the Government-owned lands.

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

Mr. McMAHON. I yield.

Mr. JOHNSON of Colorado. One further difficulty which the Senator from Connecticut has not mentioned lies in the fact that uranium ore is a complex material. In our area of the country, at least, it is usually found with vanadium. There are times when it is very necessary to have vanadium production. If the restrictions which the Senator from New Mexico is insisting upon are to be placed in the bill, not only would the production of uranium be stopped but also the production of any of the ores which are found with it, such as vanadium. That would be a very serious matter. The vanadium industry in the States of Arizona, New Mexico, Colorado, and Utah—the only States in the United States which meet together at four corners—is very important. The area formed by the joining of the four States holds deposits of vanadium and uranium. Vanadium is highly desirable in the steel industry. If there is to be an absolute restriction to the removal of uranium from its natural place in the earth, the production of vanadium will be brought to an end.

Mr. McMAHON. I thank the Senator.

Mr. HATCH. I have not insisted on any restrictions whatever, I may say to the Senator from Colorado. I am trying to find out what the bill means. However, I repeat that an absolute reservation has not been made to the United States. A reservation has been made which may or may not be effective on the commission. That may be a wise course to follow, but that is the effect of the language, as I read it.

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

Mr. McMAHON. I yield to the Senator from Iowa.

Mr. HICKENLOOPER. I may suggest to the Senator from New Mexico that this matter was very thoroughly studied by the members of the committee from the Western States. First, the object was to give the United States a preemptive right in the material itself, reserving the greatest possible freedom for private exploration and mining development. In other words, we discussed the fact that if we were to insist upon too many restrictions it would perhaps discourage, if not put an end to, mining development and exploration.

It will be noticed that in paragraph (5) on page 42, under the heading "Acquisition," the Commission is directed—the bill uses the word "di-

rected"—to purchase uranium that is discovered on already patented property or property in which rights have already been acquired. In paragraph (7), on page 43, referring to public lands, there is first a preemption of such material; in other words it is reserved primarily in place for the Government of the United States subject to the Government through this Commission being able, if it is of no value to the Government, to divest itself eventually of uranium that might be a drug on the market at some time in the future. It was an attempt, first, as I understand—and I wish to be corrected by the chairman of the committee if my statement is not correct—to reserve uranium in any public lands for the undisputed use, control, and acquisition by the Government, and the right of the Government to fix just compensation for its separation from other ores, so that it would not necessarily disturb the discovery and production of other metals. Consequently—and this is, perhaps, rather important—it allows the Government at some time in the future to divest itself and to get out from under the responsibility of buying, if, as, and when, it may not be desirable on the part of the Government to do so. That time may never come, but I can assure the Senator from New Mexico that a very great deal of thought was devoted to this question by the two Senators from Colorado, who are vitally interested in the mining industry, and I believe they are both satisfied with this provision.

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Mr. JOHNSON of Colorado. I should like to call attention to the fact that once this source material is removed from its natural place in the earth the bill provides for an absolute confiscation of it. That is, if the Commission wants to confiscate it, it takes it over at its own price. But the thing we wanted to be careful about was placing a prohibition against its development while it was in place, for fear of doing violence to other metals and other resources, and to the development of our whole mining area. That is the thing we had to guard against. But the committee did not hesitate, and this bill provides that when the source material has been removed from its natural place in the earth it shall go to the United States Government. It goes to the Commission directly, and at the Commission's own figures and own price.

Mr. HATCH. I would not quite agree with that statement if it were not for the last sentence that was used, that if the Commission does not desire the material, then the reservation is no longer effective. That would leave it wide open to sale, export, or anything else, if it were not for the other provisions of the bill, which I assume, from what the Senator from Connecticut said, do prohibit sales and export.

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Mr. MURDOCK. If the Senator will indulge me for a further question or two, let us assume, as has been suggested by the distinguished Senator from Connecticut [Mr. HART], that uranium is found in complex ores. Let us assume that the prospector, after the effective date of this act, discovers a ledge or a lode of lead ore. The large percentage of commercial value is in lead, but his assay shows at least some values in uranium or other fissionable material. What does that mean so far as the locator of the claim is concerned?

Mr. MILLIKIN. Has he made a valid location?

Mr. MURDOCK. We will assume that after the effective date of the act he makes a valid location. He has perfected the location, so far as it can be perfected, but it still is a location, and has not proceeded to patent. In the extraction of his ores from the lode, he finds that among other values it has some values in fissionable materials.

Mr. MILLIKIN. Under the case stated, it is my judgment that the uranium part of his ore would belong to the United States Government, but that that would not prevent him from exploring and developing the other ores.

Mr. MURDOCK. Of course, the mine locator is not in a position to separate the fissionable material from other material. Will he be interfered with at all in his regular processes or procedure of shipping the ore to the smelter and handling it as he handled it prior to the enactment of the law?

Mr. MILLIKIN. In my judgment some regulatory power would have to be exercised to see that such a situation did not arise. The Commission proposed to be established would prescribe certain rules and standards regarding the protection and handling of source materials. It seems to me that the Department of the Interior, on its part, could make rules which would not hinder the prospector, but would allow him to develop those things which were not fissionable; and that between the two bodies it would be possible to enable him to mine complex ores, and at the same time not allow fissionable materials to get out of control.

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[p. 6087]

Mr. McMAHON. I wish to refer, first, to the fact that in the bill we have made ample provision for the promotion of research, because, as I have previously indicated, we realized that unless we have progress in this field, we shall certainly drop back into a second-place position. So, under section 3 of the bill the Commission is directed to exercise its powers in such manner as to continue the conduct of research and development activities. Under the bill the Commission is empowered to conduct its own research operations. I call attention to the fact that the Commission is also authorized and directed to make arrangements, including contracts, agreements, grants-in-aid, and loans, for the conduct of research and development activities relating to atomic energy.

I desire to refer briefly to the fact that in section 6 of the bill we have carefully considered the subject of military applications of atomic energy, and under that section we provide for the complete monopoly of production of atomic weapons within the proposed Commission. That does not mean that the Navy and the Army will not have a right to conduct research in the field of atomic energy and atomic weapons. That does not mean that any citizen may not, independently of Government or of grants-in-aid of the Army or the Navy, proceed to use his inventive genius for the purpose of bringing about an improvement in the science.

Mr. President, I wish further to call attention to the fact that your committee realized that what we were writing was in a new field—a field in which there had been no experience. So we wisely, I think, concluded to write into the bill a recognition of that fact. If Senators will examine the bill, they will see that we specifically declare that we are writing interim legislation. I certainly would not be one who would believe that this bill may not have to be amended within a short period of time, because, although I think the committee has labored wisely and well, I think it would be impossible for any group of Senators to sit down and try to write a bill which would be a permanent blueprint in this new science.

Mr. President, it is my sincere conviction that this bill deserves the immediate and favorable action of the Senate. It is in every sense a nonpartisan bill. The subject was of too great importance to receive anything but consideration from the point of view of the national interest. It was approved, as I have indicated, after months of study and preparation, by men of both parties whose only concern was the best interests of our country and the people who compose it. That was the anvil on which every ac-

tion was hammered out. That was the criterion by which every word was judged.

The bill comes to the Senate with unanimous committee approval. No section, no paragraph, no word was adopted except by unanimous consent. The achievement of unanimity on every phase of a subject so complex and so vital merits the approbation of Senators.

I believe it is an enlightened, forward-looking, common-sense bill, based on the realities of the world in which we live, the peculiarities of atomic energy, and the fundamental principles of our Government. It is a bill based on careful study and extended consideration. Aware of their unique responsibility as builders of the atomic age, the committee members labored long and arduously to forge in the fires of democratic action the finest instrument they could devise in the discharge of their grave assignment.

Mr. President, it strikes me that right here is an appropriate time to express again my profound sense of appreciation of the support and consideration shown by members of the committee to its chairman.

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[p. 6088]

The amendment was agreed to.

(The explanation of Senate bill 1717, for the development and control of atomic energy, submitted by Mr. MCMAHON, and ordered to be printed in the RECORD at the close of the debate on the bill, is as follows:)

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[p. 6094]

POWER TO CONTROL

This bill takes strong measures to protect us against a great menace. First of all, it prohibits any private ownership of the explosive material in an atomic bomb, the so-called "fissionable" material. It absolutely prohibits export of such material and prohibits its import by private persons. It prohibits private ownership of facilities producing this material. It prohibits private patents on production processes or on military devices using atomic energy. It prohibits unauthorized dissemination of information regarding production processes or regarding uses of atomic energy that have military importance. The production and ownership of this explosive material is to rest exclusively in the Atomic Energy Commission established in this bill. The Commission is to hold all patents on production processes and on military devices, paying just compensation to inventors and patent owners. The Commission alone is permitted to release information from the restricted category set up in the bill and to permit its free dissemination.

In approving this bill our committee agreed unanimously on the powers granted. They are the minimum powers necessary to protect this Nation, this city, this building itself against an atomic bomb manufactured within our own borders, or from the misuse of information or material in our possession.

Is there anyone among you who will contend that the times are now so propitious, the world so well-intentioned, and America so supremely secure that we can permit any Tom, Dick or Harry to play ball with the stuff annihilation is made of? When a push button may destroy a city can we afford to leave such buttons in private hands? If not, then we cannot allow private persons to own the facilities for producing fissionable material.

Would you allow anyone to own the rights to an atomic weapon now?

This bill prevents anyone from holding patents on the explosive material in atomic weapons.

Would you spread before the world the blueprints of the atomic bomb now?

This bill keeps military information secret until its release can no longer injure our national security.

Furthermore, by providing that only the Atomic Energy Commission shall own and operate the plants producing fissionable material and atomic bombs, the bill insures that current production processes are known intimately only by Government workers or by the employees of firms under direct Government contract.

Even if these provisions occasioned financial loss to many private persons, even if their enforcement required the confiscation of extensive properties, mortal danger would still provide the grim necessity for their enactment. In fact, however, these provisions simply extend powers already held by the Government and they continue a legal situation which already exists.

Atomic energy was developed by the people's money, $2,500,000,000 of it. The Government now owns all fissionable materials and the plants where these materials are made. The Government guards those plants and the technical information about them, as secrets of national importance. To maintain these rights of ownership and the essentials of these secrecy provisions under the Atomic Energy Commis-

sion does violence to no one. It is not merely a step toward the conversion of our atomic energy installations to peaceful purposes; it is a necessary measure to insure their continued development and operation for all purposes.

The contention which I made at the outset of this speech, that this bill provides first of all for the security of this Nation, would be a mere bundle of hollow words if these provisions were any less strong or less comprehensive. These provisions for a Government monopoly over the information, the patents and the productive facilities required for making fissionable material and over the material itself, the patent provisions and those controlling information, are inseparable from one another. They are made to support and reinforce one another. Together they constitute our only immediate defense.

If anyone should say to me, "Such controls are extensive," I would agree with him. But if he should say to me, "Such controls are more extensive than necessary," then I will be forced to conclude that he has not realized, or has forgotten, the power of the atomic bomb. And I would want to paste up on the inside of his brow, where his mind could always see it, the sobering slogan: "Remember Hiroshima!" And to this I would add that the atomic bomb of Hiroshima is but a model T version. The scientists who made the bomb testified before our committee that the atomic bomb of the future may be a thousand times more powerful, may kill or maim everyone within 5 miles of where it strikes, and may affect every building within 40 miles. So far as we know now, such a bomb has not yet been built, but the scientists tell us it is perfectly feasible.

I have said that S. 1717 provides, first of all, for the national security. I have shown how the bill contains the controls necessary to avert immediate and sudden catastrophe. But the committee in approving S. 1717 was not so short-sighted as to think that we can achieve security by stagnation. A Government monopoly protects us only from dangers within our own borders. But any nation in time can learn our secrets—if not from us, then from that same book of Nature from which we learned them. We can be secure only by everlasting progress. This bill provides the means for the continuous development of atomic energy in all its aspects and applications.

The Atomic Energy Commission, as organized in the bill, is perhaps, first of all, a production agency. It is the agency empowered to produce materials releasing atomic energy and to make them into military weapons, if needed. There is nothing unusual in this assignment of duties. In time of peace, and for the most part in wartime too, the task of production is a civilian job. Production has never been a military function, and it is not a job for which military men are well equipped. The Atomic Energy Commission will in this bill bear roughly the same relation to the Army and Navy's procurement programs that any private industry—the steel, or the automotive industry, for instance—has always borne. It will receive orders for fissionable material and for atomic weapons from the Commander in Chief of the armed forces, the President, it will fill those orders; it will deliver on those orders as authorized by the President.

Like any good production agency, the Commission is also charged in its other divisions with research and development; it can devise new techniques of production; it can assist the armed forces in devising new weapons. Production and research in production, military work and research on military weapons

[p. 6095]

are activities of the organization which complement and strengthen one another. The bill establishes a Division of Military Applications in which military research is to be carried on, but nothing in this bill prevents any other person or agency in the United States from developing new designs for atomic weapons. The Atomic Energy Commission is expressly directed, under section 3 of this bill, to encourage such research by grants of money and loans of facilities and equipment. The only restrictions on military work apply to the manufacture of atomic weapons and to the use and manufacture of atomic explosives.

FREEDOM OF RESEARCH

Mr. President, if our national security depended merely upon our progress in the military arts, if this bill could stand or fall on how well it protects and promotes this progress, if simple military strength had been all our committee was concerned with, our task would have been simple indeed and we would have reported a bill back to you months ago. For surely nothing that makes for military strength is lacking from the provisions I have been discussing.

But the fact is—and I cannot repeat it too often—this bill is not a good bill because of the precautions it takes, because of the controls it establishes, because of the limitations it places on free development of atomic energy. This bill is a good bill because of the freedom it allows and because of the encouragements it gives to this development. Let me read from section 1 of the bill:

"Accordingly, it is hereby declared to be the policy of the people of the United States that, subject at all times to the paramount objectives of assuring the common defense and security, the development and utilization of atomic energy shall, so far as practicable, be directed toward improving the public welfare, increasing the standard of living, strengthening free competition in private enterprise, and promoting world peace.

"(b) Purpose of act: It is the purpose of this act to effectuate the policies set out in section 1 (a) by providing, among others, for the following major programs relating to atomic energy:

"(1) A program of assisting and fostering private research and development to encourage maximum scientific progress;

"(2) A program for the control of scientific and technical information which will permit the dissemination of such information to encourage scientific progress, and for the sharing on a reciprocal basis of information concerning the practical industrial application of atomic energy as soon as effective and enforceable safeguards against its use for destructive purposes can be devised;

"(3) A program of federally conducted research and development to assure the Government of adequate scientific and technical accomplishment."

There follow the other programs of the bill directed toward assuring the national security through atomic-energy control. Throughout the bill, provision is made for independent work by private individuals and for encouragement of this work by the Commission. Let me mention a few sections where these features are most obvious.

Along with the organization's own research conducted under its division of research, the bill provides in section 3 for assistance of all sorts to the research of other Government agencies, of private academic institutions and industrial establishments. The Atomic Energy Commission is authorized and directed to give financial assistance and loans of equipment and facilities for such research. In the distribution of fissionable material under section 5, it is to give priority to applicants requiring this material in research.

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FREE MINING PRIVILEGES

In section 5 of the bill, provision is made for the control of source materials, the uranium ores from which the fissionable material is made. This material is at the foundation of all atomic energy production. A supply of this material is indispensable to the Atomic Energy Commission's production program. To keep track of our supplies of this material and to prevent their export or diversion into unauthorized channels, S. 1717 requires that all transfers of source material be licensed by the Commission. To assure an adequate supply of source material for the Commission's production program, the bill enables the Commission to acquire stocks of this material or lands containing deposits of this material by purchase or through exercise of the right of eminent domain. Title to source materials on public lands is reserved to the Commission and the Commission is authorized to make investigations to determine the existence of deposits of this material on private property but is not authorized to explore on private property without the owner's consent. Thus far the bill goes—and no farther. There is no substantial interference in this bill with the rights of private mining interests. It is not the intent of the committee to authorize the Commission to engage in mining operations in competition with private mining activity unless such operations are necessary to insure to the Commission a supply of source materials adequate for carrying out its duties and responsibilities under the provisions of the bill. There is no discouragement to the individual private prospector who, as Senator MILLIKIN has reminded us, goes out with nothing else but "beans, bacon, and independence" and on whom the real burden of discovery of our mineral deposits has always rested.

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[p. 6096]

Mr. President, I have taken considerable time in expounding the philosophy behind this bill—showing what it seeks to do and why. But I have as yet said nothing about the means to accomplish its aims—the instrument for doing the job. That instrument is the organization which this bill would bring into being. This organization is not only the most efficient and effective instrument for doing the job to be done—it is, in fact, part and parcel of the objectives of the bill. The committee, after months of study, could find no other way to protect national security, foster scientific advancement for a prosperous economy and promote international cooperation for control of atomic energy while at the same time preserving and strengthening our traditional forms and institutions of government.

Let me begin my explanation of this organizational structure by going at once to the very heart of it—the Atomic Energy Commission.

THE COMMISSION

To accomplish objectives as broad as these, in a field of human activity as new and complicated as atomic energy, to handle powers as extensive as required is a task demanding the full-time attention of wise, experienced and independent men. The committee, seeing the problem in this light, rejected all proposals for an Atomic Energy Commission which might become a conglomeration of part-time representatives of special groups. To make policies affecting our lives, our safety, and the whole shape and substance of our future demands constant attention to the whole problem of atomic energy in our society. This is no job for part-time executives or a single administrator, either in the Army or outside it, no matter how long may have been his practical engineering experience; how brilliant his recent success, or how complete his understanding of our atomic energy development in all its scientific, technological and administrative detail.

S. 1717 would give the principal responsibility for the control and development of atomic energy to a Commission of five civilians of unquestionable caliber appointed by the President, with the advice and consent of the Senate and responsible to the President and the Congress. These men would devote their complete time and

attention to the responsibilities of their high position. They would serve at salaries comparable to those on the highest level of government. As a special precaution, it is provided that the President shall submit to the Senate the qualifications of nominees for these positions at the time that their names are submitted for confirmation.

This bill, in short, considers the making of American atomic policy more than a problem in science, in military technology, or in production techniques; it considers it primarily as a problem in statesmanship.

Under the Commissioners, the bill sets up an organization with two main purposes: the efficient execution of the Commission's policies and programs and the proper participation of other groups, military and scientific, that have legitimate interests and responsibility in the atomic energy field.

I would like now to explain these two aspects of the organization structure. They are fundamental in understanding how this bill provides for our national security without retarding unnecessarily the peaceful economic progress of the country or endangering our chances for a lasting peace.

GENERAL MANAGER

It is essential that the organization subordinate to the Commission to be able to operate efficiently. It should operate, as any other organization in business or Government operates, under the administrative direction of one man, who has some independence and power in his office and is responsible for the faithful execution of policies. S. 1717 provides for a General Manager to be appointed by the President to carry out the plans and policies laid down by the Atomic Energy Commission.

This General Manager, it is expected, will have the same administrative authority over the plant, equipment, and employees of the organization that the head of any old-line Government department has where efficient administration is the administrator's real job.

FOUR DIVISIONS

The framework of the four divisions subordinate to the General Manager can be judged only in relation to the powers which the organization is to exercise and the problems it is expected to meet. These four divisions are Production, Engineering, Research, and Military Applications.

The Division of Production will carry out production programs—the running of plants and the provision of raw materials for this work.

Problems in the construction of new plants or redesign of existing plants or engineering problems related to industrial uses of atomic energy will come under the supervision of expert engineers of all kinds in the Division of Engineering. This work was set up in a separate division as the result of testimony in committee hearings on the experience of the Manhattan district project and the many unusual and difficult engineering problems involved.

The research programs of the organization itself are placed under the Division of Research, but this Division is given no power over private research and no responsibility for extending the many aids to private research provided for under the bill. These responsibilities are left with the Commission.

The military applications of atomic energy are set up in a Division of Military Applications. This Division is to carry on the development work on atomic weapons which the organization is directed to undertake, though not to the exclusion of the armed forces or of any person or agency.

These divisions were set up in the bill after a thorough study of the duties and anticipated problems of the organizations. They are designed to make the organization operate efficiently both in its immediate job of production and control and in its long-range task of developing both military and peacetime applications of atomic energy. They reflect clearly the intention of the bill to provide for both the military security and the peaceful progress of the United States.

I now turn to the other aspect of the organization's structure: The provisions for participation by skilled scientists and technicians and by the armed forces.

ADVISORY COMMITTEE

A General Advisory Committee is set up to be composed of nine civilians appointed by the President. They are to meet at least four times a year to advise and consult with the Commission on scientific and technical matters. There can be no doubt that this Committee will make it possible for scientists to participate in this work as a matter of right and will make it impossible for the Commission to go astray in its policies because of lack of scientific information.

MILITARY LIAISON

The Military Liaison Board is the principal avenue for military participation in the organization. This Board, to be composed of Army and Navy representatives appointed by their department heads, is given power beyond the mere advisory power granted to the General Advisory Committee. The Commission is to advise and consult with the Military Liaison Committee on all matters relating to military applications of atomic energy. On any matter which the Committee believes relates to military applications it has the right to protest to the heads of the Departments of War and Navy. Upon their discretion these Department heads may carry the protest to the President for final decision.

Surely no fairer or more proper method could be devised for enabling the armed forces to guard its legitimate interests in the work of the Commission. Furthermore this bill permits the

armed forces to carry on research on atomic weapons. Subject to the Commission's right to set up safety regulations and to its powers over the actual materials that release atomic energy, research on, but not the manufacture of, atomic weapons is left free and open to all. There is nothing in the bill to hinder the Army's and Navy's military research programs. The Military Liaison Committee is, however, limited strictly to matters of military applications of atomic energy. Lacking the dignity of Presidential appointment, it will at all times be subordinate to the civilian Commission on matters of general policy.

ORGANIZATION SUMMARY

Here then, Mr. President, is the outline of the organization that is to direct this most difficult and critical activity. It provides for an organization equipped to continue whatever production and engage in whatever military research the immediate security of this country requires, while advancing, at the same time, the scientific and technological work on which the long-run security and economic welfare of this country depend.

Mr. President, this is a strong organizational mechanism. It is designed for a heavy load and for difficult operations. It is designed to bear large powers and to work quickly and efficiently in complex and untried fields.

CONGRESSIONAL PARTICIPATION

Mr. President, this bill is written for changing and difficult times. Its main purpose is to strengthen our national security, and one of the ways in which it does this is by reinforcing our traditional institutions of government. It is in line with our traditions that the Congress should play a large part in such an enterprise as this bill contemplates. Nothing could be so necessary as that the Congress should have the means of watching over this new and powerful organization, to assist it with new laws when new laws are required, to assess its operations and alter its powers and structure when necessary, to be ready to adapt it continuously to changing circumstances.

Because of its importance, I have purposely left until now all discussion of the role of Congress in the operation of the atomic energy organization set up by this bill. Section 14 provides for the establishment of a joint congressional committee of 18 members. Nine Members of the Senate are to be appointed by the President of the Senate, and 9 Members of the House are to be appointed by the Speaker of the House of Representatives. In both cases no more than 5 of the committeemen are to be members of the same political party.

This joint committee is to make continuing studies of the activities of the Commission and of problems relating to the development, use, and control of atomic energy. All bills, resolutions, and other matters in the Senate or the House of Representatives relating to the Commission or to atomic energy are to be referred to this joint committee, which is to report back to Congress, by bill or otherwise, from time to time.

There is another provision in the bill for congressional action which I want to mention here. This is the provision in section 7 for congressional control of the licensing of atomic energy devices. It provides the means for a carefully planned and well-considered introduction of this new energy in its civilian uses into our economic system. Before any new use of atomic energy is permitted, the Atomic Energy Commission is to

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report to the Congress the probable effects of such an innovation on our economy and on our international position.

After making such a report the Commission must wait 90 days during which the Congress is in session before authorizing the innovation by licensing its manufacture or use. This provision looks into the future, to the time when new uses of atomic energy may make obsolete whole industries and create serious technological unemployment. The bill provides for the free development of industrial uses of atomic energy under private enterprise, with private patents, and a licensing system to prevent the evils of monopoly. But it provides that first the Congress shall be apprised of the full effects of such development and shall have the opportunity, either to let it move along freely or to guide it where its progress threatens to cause sudden hardship or widespread economic shock and suffering. Through these provisions, this bill preserves the prerogatives and the powers of the Congress and provides the means for their wise and effective employment.

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1.1a(4)(b) July 16: House Disagrees To Senate Bill, pp. 9135–9136, 9140–9141

DEVELOPMENT AND CONTROL OF ATOMIC ENERGY

Mr. SABATH. Mr. Speaker, I call up House Resolution 708 and ask for its immediate consideration.

Mr. THOMAS of New Jersey. Mr. Speaker, I make the point of order that a quorum is not present.

The SPEAKER. The Chair will count. [After counting.] Two hundred and seventeen Members are present, a quorum.

The Clerk read the resolution, as follows:

Resolved, That upon the adoption of this resolution it shall be in order to move that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of the act (S. 1717) for the development and control of atomic energy. That after general debate, which shall be confined to the act and shall continue not to exceed 4 hours to be equally divided and controlled by the chairman and the ranking minority member of the Committee on Military Affairs, the act shall be read for amendment under the five-minute rule. At the conclusion of the reading of the act for amendment, the Committee shall rise and report the same to the House with such amendments as may have been adopted and the previous question shall be considered as ordered on the act and amendments thereto to final passage without intervening motion except one motion to recommit.

THE DEVELOPMENT AND CONTROL OF ATOMIC ENERGY

Mr. SABATH. Mr. Speaker, later I shall yield the usual 30 minutes to the gentleman from Illinois [Mr. ALLEN].

Mr. Speaker, this rule makes in order Senate bill 1717, the atomic-energy-control bill. The rule provides for 4 hours' general debate, after which the bill will be read for amendment. In view of the conditions, I will take some time to explain the importance of this legislation.

On October 29, 1945, 8 months ago, the Senate passed an unprecedented resolution not only authorizing and directing a special 11-member committee to study problems relating to the development, use, and control of atomic energy, but giving that special committee the power to report legislation on the subject.

After 6 months of exhaustive hearings, both in open and secret session, and after having had the outstanding military and civilian experts of the United States before the committee, that special committee unanimously reported S. 1717, and on June 1 the Senate passed the bill without a dissenting vote.

BEST-INFORMED AMERICANS WANT THIS

The most thoroughly informed people in America, the President, the Secretaries of War, Navy, and State, Mr. Bernard Baruch, the National Research Foundation, the atomic scientists, and many other outstanding Americans agreed that the McMahon bill as unanimously passed by the Senate was the best bill that could now be devised to guide this terrific new exploration into the unknown.

It is true that in the meantime an emergency bill had been prepared and reported by the Military Affairs Committees based on information available a year ago. The McMahon bill, however, as passed by the Senate, represents the ripe and considered opinions of many people, all of them qualified experts, and is the bill now recommended, without change, just as the Senate passed it.

OPINIONS VARY ON AMENDMENTS

The House Committee on Military Affairs, to whom the bill was referred,

made various and sundry amendments. The experts say that none of the amendments strengthens or adds to the bill. The most important amendments make it mandatory that one of the members of the Atomic Energy Control Commission shall be a representative of the armed forces, and that the director of the division of military application also shall be a representative of the armed forces.

There was no thorough agreement among the committee members.

In fact, the gentleman from Kentucky [Mr. MAY], the chairman of the committee, stated there was a wide difference of opinion in the House committee on the amendments, as did the committee in its own report—see page 4, House Report 2478. I am afraid the bill as reported by the House committee by no means represents the majority opinion of the committee. The gentleman from Kentucky [Mr. MAY] pointed out that the division of opinion was so great that nine minority Members submitted their opinions separately, although only two, the gentleman from New Jersey [Mr. THOMAS] and the gentleman from Ohio [Mr. ELSTON], appeared before the Rules Committee.

THIS BILL SAFEGUARDS SECRETS

Mr. Speaker, I hope and trust that this rule will be adopted. All of those most interested in our national welfare from the President on down feel the amendments should be disagreed to.

The Senate bill as passed unanimously provided for full civilian control of atomic energy. That is in line with the established traditions of our Nation. Our War Department is headed by a

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civilian. Our Navy Department is headed by a civilian. Our Commander in Chief, the President, is a civilian. Ample provision is made in the original bill for military and naval liaison and cooperation and for preserving the secrecy of real military information.

MILITARY GOVERNMENT HERE?

The gentleman from New Jersey [Mr. THOMAS] opposed the granting of any rule and stated that the Army should control this astounding and world-shaking new knowledge, which may change the fate of all mankind, apparently because some of the civilians appointed to the Commission might believe in some kind of world government, although he did not mention that some military men might believe in military government right here.

To support his fears, the gentleman read to us what he called a report from the counsel of the Committee on Un-American Activities, Ernie Adamson. I understand that Adamson is a lawyer and not an expert on atomic fission. The gentleman stated that as a result of his brief investigation Adamson had concluded that the Army should keep permanent control over what he called the "manufacture" of atomic energy.

PROFOUND IGNORANCE DISPLAYED

It is difficult to believe, Mr. Speaker, that this so-called report should be seriously considered by anyone. It betrays a profound ignorance about the bill S. 1717 and its provisions and objectives, about the generation of atomic energy, and about the methods of adequate investigation and reporting.

It will be recalled that this man Adamson has denied that the United States has or should have a democratic form of government. If he has no more knowledge of the history and Constitution of the United States than he has of atomic fission, then that remark, too, arose from profound ignorance.

In the so-called report Adamson ascribes to a young scientist the remark that the political power of the atomic bomb was greater than its

physical force. The gentleman may be astounded to know the remark is a direct quotation from an official Army report on the impact of atomic warfare on our own national defense.

WHO AUTHORIZED RELEASE OF REPORT?

I have neither time, energy, nor inclination, Mr. Speaker, to point out all the foolish and uninformed statements made by this man Adamson. I doubt very much that the chairman of the committee, the gentleman from Georgia [Mr. WOOD], who is an honorable, intelligent, and responsible representative of his State, gave any authority to the man to give publicity to these imaginings of his warped mind. If the gentleman from Georgia is on the floor, I should like to know from him if he gave Adamson any such authority.

CHARACTER ASSASSINATION BY INNUENDO

Adamson is trying to suggest that these brilliant scientists, who risked their lives every moment in the long, dangerous, and incalculably important experiments to develop the means of generating atomic energy, who worked day and night under the utmost strain, are not wholly and unimpeachably loyal to this country. It is character assassination by innuendo, by insinuation, by association of ideas.

Adamson says, for instance, the officers of the Association of Oakridge Engineers and Scientists, and I quote, "admit communication with persons outside the United States." Note how carefully this sentence is worded. There is nothing wrong, illegal, unethical, or unusual in communicating with persons outside the United States. I communicate frequently with persons outside the United States. Most of us here do. Adamson makes no charge here of any illegality; yet in the context of his absurd report the inference is conveyed that the communication is with some unfriendly power.

SECURITY OFFICERS REPUDIATE ADAMSON

One statement, however, is declared to be wholly false by the secretary of the Oakridge Scientists, E. E. Minett. Adamson says:

> The security officers at Oakridge think that the peace and security of the United States is definitely in danger.

Even that statement is ambiguous. Minett has informed me through a telephone message that the Manhattan district engineer, Col. E. E. Kirkpatrick, authorized him to state that no such statement was made or authorized by any the security officers.

Col. David E. Shaw, security officer of the Manhattan district, also authorized the following statement:

> I have not said that I consider the security of the Manhattan district in jeopardy as the result of any activity of any current group at Oakridge.

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[p. 9136]

Mr. ARENDS. Mr. Speaker, the bill, S. 1717, is, I believe, as important, if not more so, than any piece of legislation this House has ever considered. I believe this proposed bill is as vital as any legislation ever before any Congress. I am sure those Members who have studied the bill and the report will agree with that statement. Under general debate, and when the bill is read under the 5-minute rule, I do hope the Members of the House will study as much as possible the ramifications and the potentialities of this proposed legislation. It is so far-reaching, and so broad in scope, that it is almost incredible that we should consider granting such powers to a board of five men. This board would make of its five members literally the five most powerful individuals this Nation or the world have ever seen. In complete, total control of all matters concerning atomic energy, the most powerful energy, the most dangerous weapon or, conversely, the most beneficent power ever known to civil-

ization, this Commission, in truth and fact, would hold the destiny—the lives and freedom of mankind—wholly within their discretion.

Up until the present time, we, the possessor of the know-how of atomic energy, control to a large extent these forces which the rest of the world, especially certain nations, want to know more about, and are determined to acquire. This commission, without asking anyone, could decide just what shall be done with the secrets of atomic energy. The commission would be required to ask no government, no other power, no people, for permission to do anything they might want, at any time they might desire, with this greatest secret of the ages. I venture to assert that it has never before been suggested that such gigantic, world-controlling powers be placed in the hands of any five men that I ever heard of.

It is expected, of course, that the five-man commission will be made up of good, patriotic, loyal American citizens appointed by and with the consent of the Senate. Mr. Speaker, we all have seen the appointment of supposedly good, true, tried, and tested citizens, only to learn later that they were humans and, therefore, subject to error. I make this statement, Mr. Speaker, so the House of Representatives may be alert to just what we are undertaking to do here today. I agree that some control of this vital force must be established, but, I repeat, we should realize that we are setting up the most totalitarian commission in all history—a group which will hold in its hands the means for the very life or death of every citizen in this country and in the whole world. The bill will permit this commission, I reiterate, to do anything it desires at any time. The commission could determine the policy of these United States of America as to what shall be done about atomic energy. This commission could take from you and from me any of our possessions; any of our property; any of our rights guaranteed under the Constitution; any of our patents—in truth and fact—anything any individual in this country now possesses, if the commission declared it to concern atomic power. We cannot now conceive that this will be done, but the truth should be faced by all Members. They should understand just what we are doing here today.

Some of us on the Military Affairs Committee thought it wise that the so-called McMahon bill should be amended in certain respects. In my years of service here I have never yet seen legislation passed by either body that was not subject to improvement by amendment. Therefore, amendments were added to the bill in the committee. Such amendments, I hope we can convince you, are improvements to the proposed legislation. Those of us on the committee who wanted to amend this bill have no objective in mind except that if this bill is to pass it should be in the best form possible, and with the Congress of the United States fully aware of its effects and implications.

The major change made in committee was the one regarding the five-man Commission to be established. As the bill passed the Senate, it called for a five-man civilian Commission. Our committee changed it in this respect: That it be mandatory for one member of the five-man Commission to be a military man, and that two military men could be appointed by the President, but not more than two. Now, I would like to ask the House what is wrong with such a proposal. If, up to the present time, there is any group which has a more direct interest in atomic-energy matters than the military defenders of this country, I would like to know who it is. What is wrong with placing one military man on a five-man Commission with four civilian members? If there is any one military individual so strong, so smart, so capable, and so determined that he can influence four other

civilians and persuade them to do as he likes, then such a man, because of his sheer ability, should be on the Commission. I cannot understand the assertion that we are destroying a civilian Commission when there are four civilians and only one military man provided for such Commission.

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You will hear it said here that the War Department is opposed to the proposition of one military man being placed on the Commission. Well, they certainly have never told me so. I do not believe they are opposed to it. I hope the membership will carefully think through this proposal to have one military man on the Commission. In the best interests of the country, I believe it to be a wise and proper step to take.

While there are other parts of the bill which I would like to discuss, I do not now have the time to do so. However, I want, before I conclude, to draw your attention to the patents section of this bill. When the bill is read under the 5-minute rule an amendment will be offered to strike section 11 from the bill. At the proper time I hope to offer conclusive argument in support of such an amendment. Members of the House, do not take any steps in opposition to some of the various amendments offered until you carefully consider what you are doing. I repeat, this, in my estimation, is the most important piece of peacetime legislation you have ever been called to vote upon.

CALL OF THE HOUSE

Mr. HARNESS of Indiana. Mr. Speaker, I make the point of order that a quorum is not present.

The SPEAKER pro tempore (Mr. ZIMMERMAN). Evidently no quorum is present.

Mr. ALLEN of Illinois. Mr. Speaker, I move a call of the House.

A call of the House was ordered.

The Clerk called the roll, and the following Members failed to answer to their names:

* * * * *

The SPEAKER. On this roll call 340 Members have answered to their names, a quorum.

By unanimous consent, further proceedings under the call were dispensed with.

DEVELOPMENT AND CONTROL OF ATOMIC ENERGY

Mr. ALLEN of Illinois. Mr. Speaker, I yield 5 minutes to the gentleman from Ohio [Mr. ELSTON].

Mr. ELSTON. Mr. Speaker, I am opposed to this rule and I am opposed to the bill. I agree with what the gentleman from Illinois [Mr. ARENDS] said, that this is an important piece of legislation. Its importance, in my judgment, should be judged by the extent to which it will deprive the American people of their liberties.

I not only agree that it is an important piece of legislation but I should like to add that this is one of the most dangerous bills ever presented to Congress. I am sure that before the debate is over you will have ample proof in support of that statement.

This bill comes to us under a great fear psychology which the propagandists of the country have endeavored and are still endeavoring to create, to frighten the American people into adopting a type of legislation which will mean the surrender of more of their liberty than it is safe to surrender to any Government agency in time of peace.

What is the situation at the present time? Right now, when the world is still in a state of confusion, when the war technically is not even over, the secrets of the atomic bomb and of atomic energy are in the possession of the armed services. Some secrets may have leaked out, but the greater part of them, I hope, are still known only to this Government.

What does this bill seek to do? The

President will no more than sign it, if it gets that far, than every one of those secrets, the bombs themselves, as well as the Oak Ridge plant, will be turned over to a Government bureau, and the Army will be completely divested of control and authority over such property.

When the bill first came to our committee no provision had been made for the Army and Navy to even have a representative on the commission of five, known as the Atomic Energy Commission. They said this was because of some tradition that you cannot have a man in uniform on a commission of this kind. But I submit, Mr. Speaker, that no such tradition could apply when the safety of the Nation is involved. The Army and Navy and not a Government bureau are charged with the responsibility of defending the country. You might as well transfer the Navy or the Air Forces to a Government agency. The House Committee on Military Affairs added an amendment to the bill which will give the Army representation on the commission, but every conceivable effort, I understand, is going to be made to remove that amendment from the bill. Our committee was severely criticized in some quarters because it dared to disturb any part of this bill as it came from the other body. We were urged to report the bill without any hearings. As a matter of fact, we heard only two witnesses and another witness who came in by accident. That was all the testimony that was presented to our committee on a piece of legislation of this importance. The chairman of the Atomic Energy Commission will receive $17,500 a year and the other members $15,000. Five department heads will receive $14,000 a year each, making 10 in all. However able or honest these persons may be, I submit it is a dangerous thing to take from the military authorities and turn over to bureau heads and their employees whatever secrets of atomic energy we possess.

The SPEAKER. The time of the gentleman has expired.

Mr. ALLEN of Illinois. Mr. Speaker, I yield three additional minutes to the gentleman.

Mr. AUGUST H. ANDRESEN. Mr. Speaker, will the gentleman yield?

Mr. ELSTON. I yield.

Mr. AUGUST H. ANDRESEN. We are led to believe there are thousands of foreign agents from other countries in the United States trying to get information on the atomic bomb as well as other secrets. If that is a fact, would it not be better to let this type of legislation lie over until we get more stable conditions in the world and we know what our Allies intend to do?

Mr. ELSTON. I think the gentleman has stated the situation exactly. There is absolutely no reason for this legislation. Present conditions should not be changed until there is some stability in the world, until some of the confusion is gone and until we have entered into some international agreement which will outlaw use of atomic weapons. Up to the present moment there has not been a single agreement entered into, requiring legislation of this kind. In the brief time that I have remaining I would like to make this point. It is contended that this legislation is necessary in order to create an impression on the rest of the world that we are not militaristically inclined. It is contended that if we go on manufacturing atomic bombs, we may offend other nations. In answer to this claim, I need only to call your attention to the fact that at the present time if the President of the United States wants the War Department and the Navy Department to cease the manufacture of atomic bombs, all he has to do is to direct them to cease. We do not need this legislation. As a matter of fact, this legislation is directed at the private industry of the Nation. It deals almost entirely with domestic control. If anything ever placed shackles on private industry, it is the

bill that is before you today. Private industry under this bill can not make a single experiment in the development of atomic energy for industrial purposes without a license from this Government bureau. All patents having to do with atomic energy would be immediately revoked or they would be taken over by the Government. No person could invent anything without turning his patent over to the Government. The incentives provided by our present patent laws would be destroyed. Section 11 of this bill is un-American and is contrary to the constitutional principle upon which our patent system is founded.

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1.1a(4)(c) July 17, 18, 19, 20

House debates and amends Senate bill, pp. 9253–9254, 9256, 9263–9270, 9272–9275, 9343–9346, 9355–9367, 9381–9386, 9464–9470, 9552–9662

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Mr. DURHAM. Mr. Chairman, I am always glad to follow the gentleman from Missouri and to listen to him in debate. The chairman of our committee has outlined to you the history of this legislation. Our committee was the first one to take it up in the Congress and the first to consider it.

We devoted much time and study to atomic energy. We had extensive hearings and during the hearings we listened to practically all the scientists connected with this work. We also listened to the War Department and other officials in an effort to seek advice and to seek some way to control this weapon. Hearings began some 30 or 40 days after the first one was dropped.

Mr. Chairman, I would like to make some remarks on the subject of the atomic energy bill, S. 1717, which is before us.

We saw, nearly a year ago, the victorious conclusion of a war whose end was greatly quickened by the use of atomic bombs. To produce those bombs, a great array of scientific talent was concentrated on the problem for several years and about $2,000,000,000 of the public funds were spent. Now we are confronted with establishing through legislation a public policy with regard to the further development and control of atomic energy to the end of serving the common good of our people in peace and of assuring the common defense.

While the first use of atomic energy was a military one, our scientists have assured us that important peacetime uses of atomic energy and of the by-products of atomic power plants are already known and that others will surely be developed as research goes on in this field. The Nagasaki bomb was made of a brand new chemical element, plutonium, manufactured in the uranium pile at Hanford. We are told that for every pound of plutonium produced there were about 10,000,000 kilowatt-hours of heat energy released by nuclear fission and carried away by the Columbia River. Now work is proceeding on a pilot plant for the utilization of such energy. It is obvious that, because a power pile produces plutonium as well as power, controls are necessary in the public interest.

In the bill that came to us from the Senate after months of hearings, with the approval of both parties and of the President, it seems to me that adequate protection of the interests of the military was provided for in the Senate bill. The top policy-making body, whose task is both to provide controls

and to promote the further development of atomic energy, is to be an Atomic Energy Commission of five full-time civilian members, responsible to the President. This Commission is to be advised on all matters relating to military applications of atomic energy by a military liaison committee. A proposal to give the Army and Navy a

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greater degree of direct control was rejected by the Senate Special Committee on Atomic Energy after a great expression of public opinion in favor of civilian control and after the heads of our War and Navy Departments had testified that the necessities of the military, in order to discharge their responsibility for the national security, were adequately provided for.

My distinguished colleagues on the Military Affairs Committee have thought it wise to make several amendments whose aim is to increase the amount of direct military control in atomic energy development. I refer particularly to (1) the amendment requiring one and permitting two members of the Commission to be military men on active duty; (2) the amendment requiring the Director of the Division of Military Applications to be a military man on active duty; and (3) the amendment permitting the armed forces, with the approval of the President, to maintain their own facilities and manufacture atomic weapons, independently.

I wish to state now that I do not believe that the three amendments just mentioned, constitute desirable changes in the bill, and I intend to vote for their removal.

Referring to the first of these amendments, it must be evident that membership on the Commission is a full-time job and that no military man could be on the Commission and have, at the same time, any other military responsibility. However, he could not have an undivided loyalty to the Commission nor could he exercise independent judgment since, as an officer on active duty, he would be responsible to his superiors in the Military Establishment. It is clear that the purpose of this amendment is to increase the amount of direct military control in the top policy-making body which our military leaders tell us they do not require and which the American people do not want.

In connection with all of these amendments, we should recognize the necessity of maintaining our military strength, but we should also recognize the fact that our Government is participating in discussions about international cooperation. We should take care not to prejudice the chances of success in those discussions.

Without the discovery of new ideas and inventions there would have been no discovery of a new world. Thus we see discoveries and inventions of mechanism become the dynamic controls in our modern economic system and make it necessary for political and social adjustments in the structure of the modern world.

Speculation gave us investigation in the field of atomic energy. Experimentation and research by our scientists has given us this problem. This discovery of nuclear fission has caused man to change his conception of the earth and universe.

This is a domestic bill we are dealing with today, and our problem is to work this revolutionary discovery into a self-balancing, self-regulating economic system subject to the natural laws of supply and demand so that it will not trammel or destroy our industrial liberty or our energy that has created our private business enterprise system. After many trials and errors this system has proven to be the best system on earth.

We here in America must take the lead. As the home of the atomic bomb America has a great moral responsibility. And let us pray, we in making our choice will not fail mankind in this tragic hour but will shoulder our re-

sponsibility and opportunity and give fresh hope to the stricken world.

Mr. KOPPLEMANN. Mr. Chairman, will the gentleman yield?

Mr. DURHAM. I yield to the gentleman from Connecticut.

Mr. KOPPLEMANN. In the information presented to the gentleman's committee, is it true the Army and the Navy both stated that the amendment with reference to military representatives on the Commission is not necessary?

Mr. DURHAM. I am not sure whether they made that statement or not before any committee. Our hearings were held long before the Atomic Committee was set up.

Mr. THOMASON. Mr. Chairman, will the gentleman yield?

Mr. DURHAM. I yield to the gentleman from Texas.

Mr. THOMASON. It is safe to say that the record discloses that the Secretary of War in person and the Under Secretary of the Navy both stated that they favor the bill as it passed the Senate.

Mr. DURHAM. That is correct.

Mr. KOPPLEMANN. That is the question I wanted answered.

Mr. DURHAM. The gentleman asked me if they appeared before our committee.

Mr. SHORT. Of course, they know as much about the bill as we do.

Mr. DURHAM. I think so, yes.

Mr. VORYS of Ohio. Mr. Chairman, will the gentleman yield?

Mr. DURHAM. I yield to the gentleman from Ohio.

Mr. VORYS of Ohio. Is it not true that the hearings disclose that the reason the Secretary of War said he wanted the Senate bill acted on promptly was his anxiety to get some sort of legislation promptly, and he had not objection to the provision for military representation on the Commission?

Mr. DURHAM. That is correct. Of course, the President sent us his message, as the chairman stated to you, last October, urging us to enact this legislation immediately. Also at that time the War Department appeared before us. General Groves himself appeared before us, and asked that we expedite this legislation. Now here we are here 9 months later.

Mr. JOHNSON of California. Mr. Chairman, will the gentleman yield?

Mr. DURHAM. I yield to the gentleman from California.

Mr. JOHNSON of California. In those hearings they advocated a bill that provided for the very representation the gentleman from Ohio mentioned.

Mr. DURHAM. That is correct.

Mr. JOHNSON of California. The other day they repeated their confirmation of that legislation.

Mrs. LUCE. Mr. Chairman, will the gentleman yield?

Mr. DURHAM. I yield to the gentlewoman from Connecticut.

Mrs. LUCE. I have here the statement of Mr. John Kenney, Assistant Secretary of the Navy, which he made before our committee on June 12. He says, and I quote from his own testimony:

> The bill in its present form satisfactorily covers the Navy's primary interests in having a voice in the affairs of the Atomic Energy Commission and in being able to conduct its own research and development programs without undue interference from the Commission.

Mr. DURHAM. That is correct.

Mr. SHORT. Mr. Chairman, I yield 15 minutes to the gentleman from Indiana [Mr. HARNESS].

Mr. Chairman, I make the point of order that a quorum is not present.

The CHAIRMAN. The Chair will count. [After counting.] One hundred and four Members are present, a quorum.

Mr. SHORT. Mr. Chairman, will the gentleman yield for a brief question?

Mr. HARNESS of Indiana. I yield.

Mr. SHORT. Does not the gentleman feel that until the war is officially declared ended, until the peace treaties

are written, we certainly should hold onto the secret weapon we now have?

Mr. HARNESS of Indiana. I certainly do. I think there is no necessity for rushing this legislation through. I believe the security of the Nation will be better protected under the present set-up than it would be under this bill.

Mr. Chairman, this measure is a threat to free government. It grants more complete and sweeping power and authority to an executive agency than any other proposal ever considered in the United States Congress. The bill literally places in the hands of a five-man commission complete and absolute authority over American industry and the lives of our entire population. It is shocking and frightening that this proposal could advance as rapidly and get as far in this Congress. I implore the House to reject the bill and send it back to the Committee.

Let me call your attention to section 11 (c) of the act, which provides for compulsory licensing of patents. That is to say, instead of giving the inventor an exclusive right in his inventions, in other words, the right to exclude others from the manufacture, use, or sale of an invention, a patentee's invention shall be made subject to the right of others to make, use, and sell the invention upon the payment to the patentee of a reasonable compensation.

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Mr. HARNESS of Indiana. That would not influence my feeling on this bill at all. I am frightened at this proposal, I am fearful for my country and our free republican system of government. I do not want to see any commission set up with such sweeping powers over the American people's lives.

Mr. MAY. Mr. Chairman, will the gentleman yield?

Mr. HARNESS of Indiana. I yield to the gentleman from Kentucky.

Mr. MAY. Does the gentleman agree with me that under the provisions of this bill which authorize the appointment of employees, servants, and agents by the commission, they could probably build as large a bureau as the Department of Agriculture if they wanted to?

Mr. HARNESS of Indiana. The Department of Agriculture would be insignificant compared with what they could do under this authority. There is one section in this bill which would give the commission the authority to set up one of the greatest propaganda bureaus we have ever heard of in this Nation. Why, we voted down funds for OWI, but this would be a super OWI with authority to establish libraries, publish communications, magazines, newspapers, and other kinds of propaganda. It simply is too sweeping and too much power for a commission to have.

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Mrs. LUCE. Mr. Chairman,

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Is there any need to develop this thought? If you will read this bill, imagining that it had been passed, say in the year 1800, for "electrical energy," you will see at once how totally different the economic and political development of America might have been. As to whether or not our living standards would be as high as they are now, after a hundred years of Government monopoly of electric power, is for each man to decide according to his own political philosophy. It is also any man's guess as to whether our monopoly in the electrical energy field would have promoted peace or encouraged war. But one thing is certain: That Government monopoly of electrical energy would not have encouraged free enterprise. If that legislation had remained on our books, by this time we would be a fully matured Socialist state.

Let us get this quite straight in our own minds: It is not what men discover

that changes the structure of society; it is how men legislate upon those discoveries which change the structure of society.

At one point in his debate on the Senate floor, Senator MCMAHON said:

> The committee became convinced that (atomic energy) wrote its own rules. It writes them out of the sheer necessity that is inherent in this tremendous force.

Now that is, I submit, nonsense. And Senator MCMAHON must have thought so himself, for at the end of this very same debate, he concluded by saying:

> Aware of their unique responsibility as molders of (atomic energy) the committee members labored long and arduously to forge in the fires of democratic action the finest instrument they could devise in the discharge of their grave assignment.

Neither Senator MCMAHON, nor we, nor the scientists, nor anybody with a logical mind can have the proposition two ways: either atomic energy molds us, as he first claimed, or we mold atomic energy, as he afterwards stated. The latter is, of course, the truth. The plain fact is that this man-made law will mold the use of God-given atomic energy. Nor was this bill written, as the able Senator claimed "out of the sheer necessity inherent in that"—inhuman—"tremendous force." This bill was written out of the human horror and fear that gripped the Senators when they thought of the tremendous human forces in other lands that might one day be able to hurl atomic bombs in a surprise attack on us. Human fears alone—chiefly of foreign powers—devised this law, which is—or should be—a law for keeping us supreme in the field of nuclear fission, and at the same time keeping the knowledge of how to make bombs away from our enemies. The able Senator said that this bill was forged in the fires of democratic action. It was not. It was forged in the fires of totalitarian action which are sweeping toward the West, and have already begun to burn holes in the fabric of our democratic civilization. Our fears concerning the future intentions of aggressive totalitarian nations dictated this bill; and its provisions were born of a psychological necessity, and not a scientific one: the dread of sudden attack, and the belief that one way, perhaps, to forestall it, was to be in a position to retaliate overwhelmingly.

We have devised this law, not to encourage the free enterprise system, or industrial research, or even the means of curing cancer and leukemia, but to protect ourselves so long as we can from greedy and lawless enemies.

But to return to the inherent threats in this necessary bill to our whole American way of life, in the event it should stay permanently on the books in a time of real peace in the world:

In chapter I of section III of the State Department report, there appears this significant phrase, which may or may not have been written by Mr. David Lilienthal, of TVA fame, one of the reputed authors; and, according to rumor, a man slated to be one of the five atomic commissioners. I quote:

> Reactors for producing denatured plutonium will be large installations, and by the nature of the process they will yield large amounts of energy as a byproduct. As the technology of power development by this method expands, ways will be found for utilizing this power both as heat and electricity. The existing plants are not designed to operate at a sufficiently high temperature for the energy to be used for the generation of electrical power. One of the first research and development problems—of the Authority—would be to develop designs of reactors such that the energy released would be in form usable for the generation of electrical power.

And again, in chapter III of section II of the same report:

> We believe that the development of rather large power units for heat and conversion to electrical energy is a program for the near future; that operating units which will serve to demonstrate the usefulness and limitations of atomic power can be in existence within a few years, and that only the gradual incorporation and adaptation of such units

to the specific demands of contemporary economy will involve a protracted development.

If Mr. Lilienthal is correct, and I believe he is, in assuming that atomic energy could be used to generate electrical power, and if this legislation stayed on our peacetime books, the commissariat—which is what this commission would then become—could at vast public expense develop public power which could, and perhaps would, put all privately owned power plants out of business one by one, slowly or rapidly. Thus, in passing I call to the attention of the gentleman from Mississippi [Mr. RANKIN] that this bill offers the means of encompassing a cherished project of his: TVA.

I think that an awareness of the vast socialistic import, in the power field, of this legislation, may explain much of the violent left-wing enthusiasm for the bill and the fervent support that the Daily Worker his given this legislation until recently.

Here are some further clues which will perhaps help us to understand the hot-eyed support some left-wingers are throwing toward this bill:

On page 50, line 14, the definition of atomic energy is so broad that a commission of purposeful left-wingers could conceivably control practically all forms of energy now in use, which is not surely the intent of the authors.

On page 11, line 17, and on page 12, line 3, the language makes the Commission the exclusive owner of all facilities for the production of fissionable materials, other than facilities useful in certain very limited fields of research. This completely does away with private enterprise and free competition in these fields, even where the production of fissionable material does not constitute a hazard to public health or national security. No such Government monopoly exists in any other field in America today.

On page 13, line 24, and page 51, line 25, in connection with manufacture of production facilities, the term "facilities" is so broadly defined that it can include equipment which may have been designed for other purposes, by or for industries having originally nothing to do with nuclear fission.

On page 26, line 8, the licensing powers for private use of atomic energy are so arbitrary and so cramping in time, that it is impossible to imagine any person or organization willing to risk funds in any enterprise making use of atomic energy. This further increases and entrenches complete Government monopoly of the production of atomic energy, even where that production does not endanger public health or national security.

Under section 10, called Control of Information, there are provisions for the dissemination of information which authorizes the Commission to establish libraries, newspapers, and employ all information channels, according to its own discretion. The type of information is not clearly defined. Such information services might make the OWI look like penny pamphleteering; and it is only reasonable to suppose that a vast permanent bureaucracy might use it for the dissemination of political ideas, under the guise of helping the common man to understand the atomic age.

I have already referred to the dangers inherent in the patent provisions, section 11. This section represents a complete departure from the fundamental and basic principles of the United States patent system, for it removes patent protection in the whole field of the production of fissionable material, and in the field of the utilization of fissionable material for military weapons, as well as for all inventions, to the extent that they are used in the conduct of research or development activities in certain prescribed fields. It revokes patents already granted, and would prevent the patenting of research instruments manufactured for the conduct of research in this field.

The patent provisions alone will affect thousands of patents. One has

only to reflect on the immense variety of the industrial equipment used in the Manhattan project, to understand this. There are some of the socialistic features of the bill which might change the structure of our government in the event that in peacetimes, the Commission should ever be controlled by men of the mind, say of Harold Laski.

If, in view of the needs of national security, it should prove unwise to

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modify by amendment all these socialistic features, I should then support any amendment calling for the expiration of this act at the end of a reasonable time. For while I do not view this sovietizing of American power sources, and all related facilities and inventions, as an imminent possibility, if there is not adopted an amendment for the expiration of this act at the end of a reasonable time, it becomes a possibility in the next two decades.

I repeat, there is nothing in the "logic of atomic energy" which requires that atomic energy must be used to sovietize America. Only a human mind is capable of logic, or for that matter, of illogic, as when a man speaks of the "logic of atomic energy." If America is eventually sovietized, as a result of the wartime discovery of atomic energy, it will be because the Congress, in fear and funk, allowed itself to be duped by the belief so dear to the heart of the mystical Marxian that logical matter disposes of mindless man, rather than that logical man disposes of mindless matter. Energy and matter, which we now know to be one, are both amoral. Man only is moral or immoral. We have only to reflect that if all the large nations of the world were led today by moral men, instead of immoral ones, atomic energy, like all the other power sources, coal, gas, oil, electricity, which we have developed in the ways of peace before, would not require such totalitarian legislation as this for their peaceful development.

The really immoral feature of this bill is that it implies, if indeed it does not state, that in time, atomic energy itself can and will automatically provide "the answers to the atomic age" without any mental effort on our part; that it will one day solve all our social, political, and economic problems, like some powerful, alert, conscious genie out of a bottle. Well, it will not. Not any more than coal, or gas, or oil, or electricity, or radar, or radio, or television have solved in the past the recurrent problems of war and peace.

The plain fact is, that whether we pass this bill or not, we are still going to have to face, in the years ahead, the problem of industrial unrest, the problem of famine and revolution in Europe, and, above all, the problems created by Soviet ambitions and Soviet ideologies. The discovery of nuclear fission has not changed, and will not solve, one underlying problem in the world today. At worst, in the form of bombs it can aggravate them greatly. At best, in the form of heat or electrical energy, or cancer and leukemia cures, it can ameliorate them only slightly.

Moreover, today and tomorrow we will do well to remember that every scientist who testified before our committee, or the Senate committee, said that in from 5 to 15 years Soviet Russia, and any industrial nation with access to sources of uranium and thorium can make atomic bombs—and, they insisted, of a destructive capacity so much greater that the present bombs will look by comparison like fire crackers. So this bill, which can never solve our domestic economic problem, except as some in this House may imagine that communism is a cure-all, gives us only a temporary respite from the fear of atomic warfare, even as a defense measure. Only a wholly effective system of world nuclear control can guarantee us for the next two decades against atomization.

And even if we do achieve international control, we will not have solved

the problem of war itself. I am sorry to be so realistic, but I think that the American people are at long last hungry for truth, however painful. V-1's and V-2's and large flights of B-17's and B-29's will still suffice for greedy or frightened nations which are driven by their greeds or fears toward mutual obliteration.

We have heard little to date of the existing new and terrible discoveries in biological and chemical warfare, even more frightful than atomic bombs. Senator MCMAHON warned that this legislation must not become a precedent for new legislation. Those will require new legislation for which this legislation will possibly be a precedent.

No, we have not solved any fundamental problem of peace or war with this bill. But, nevertheless, I am for it, for its passage will give our beloved Nation a few more years in which to think through the problems of our international relations. And think hard and straight and honestly, like courageous, liberty-loving, and God-fearing Americans, is what we've all got to do, if we *really* hope to avoid another Armageddon.

Mr. Chairman, the real problem of the age is how shall we find economic and physical security, while at the same time safeguarding our political liberties. This legislation, S. 1717, epitomizes this crucial problem of our age. It does, without any shadow of doubt, promise us at least 5 years of security from atomic attack. But its essential principle, which is state monopoly and control in the hands of a few administrative appointees, strikes near to the heart of political liberty.

Patrick Henry said, "Give me liberty or give me death."

Perhaps before this debate is over many of you may feel inclined to echo Patrick Henry's noble words.

But let me point this out: If your choice were truly a personal one—that is to say, if you, as one individual preferred death to losing your political liberties—you would be justified and even honored for making it.

But your choice is not personal, unhappily. If you vote against this bill you may be choosing death for millions of your fellow citizens by atomization.

I, for one, dare not make such a ghastly choice. I support S. 1717, because I believe it offers the best possible solution to the problem of defending countless American lives in a world which is neither at war, nor at peace.

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Mr. DURHAM. May I call to the gentlewoman's attention that this bill permits research in weapons by the armed forces?

Mrs. LUCE. Yes, that is quite correct. I thank my colleague, and, as I said before, the military services appear quite satisfied with the atomic scope afforded them by the bill. What I am dissatisfied with is the socialistic scope which the bill would afford the civilian representatives in the power field in peacetime.

Mr. MAY. Mr. Chairman, will the gentlewoman yield?

Mrs. LUCE. I gladly yield to our chairman.

Mr. MAY. I believe you stated that it gives every possible freedom to individuals in scientific research and that the Commission can prohibit the War Department from doing anything about it.

Mrs. LUCE. That is correct—every freedom is accorded to the scientists, as a category consistent with Government control and monopoly. In this connection, may I point out that the main element in the development of atomic energy is precisely scientific personnel. It is the heart of the problem, really. By the very nature of the subject all fundamental developments leading to further applications of sources of nuclear energy for war or peace must come from physicists, chemists, and mathematicians, and, to a less extent, inventors. All funda-

mental changes in the processes must originate in the minds of men—specifically scientists. Mind molds matter, Marxians to the contrary. This is why civilian control is necessary if we are to make progress. The two or three hundred keymen in the nuclear field will, I fear, just not work for the Army, in an Army framework, or under Army regulations, in peacetime. This bill does give them a maximum of freedom, with which they may then be able to make maximum efforts in further research.

Miss SUMNER of Illinois. Mr. Chairman, will the gentlewoman yield?

Mrs. LUCE. I yield to the gentlewoman from Illinois.

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Mr. RANKIN. Mr. Chairman, it is not my intention to even attempt to answer the powder-puff arguments of the very delightful lady from Connecticut [Mrs. LUCE].

This is one of the most dangerous pieces of legislation that has ever come before the American Congress.

Our country today is standing on top of the world. The civilized world is looking to us for leadership. Everybody with any intelligence knows that America is not going to use the atomic bomb to destroy other nations. Then why should we plunge from the highest pinnacle to which we have ever ascended or ever climbed, at the expense of the toil and sweat and blood and tears of the American people, and throw away the most powerful weapon on earth, which the enemies of this country are striving day and night to get into their hands?

This is one of the saddest days in the history of the world, when communism, the enemy of Christianity, the enemy of our form of government, the enemy of our way of life, murdered Mikhailovitch, that patriot that we heard

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praised on this floor of this House by the head of his own country.

As you know, I am the ranking Democrat on the Committee on Un-American Activities. I offered the resolution that created that committee. I have taken more abuse from the Reds, the Communists and their fellow travelers in this country than any other man who has been in public life in my day, and I am going to speak so plainly that you and they can understand it.

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Mr. RANKIN. The gentleman from Michigan is correct.

I put the safety of my country first. My country comes first at all times, and I am opposing this entire resolution because I think it is one of the most dangerous measures that has been proposed since I have been a Member of Congress.

Leave this atomic energy, this atomic bomb, in the hands of our military authorities for 5 years. Why all this smear of our military authorities? You have never seen a traitor who graduated at West Point or Annapolis, and I don't believe you ever will. They have the interest of this country at heart, and they are protecting it from these alien spies who are after it, and holding it so that it may be used in case of attack.

You know that little Canada, glorious Canada, arrested those spies that had been down here, down to Oak Ridge, stealing the secrets of the atomic bomb, in order to use it against you and me and the rest of the American people.

There are spies down there now, and the investigators of the Committee on Un-American Activities are down there on their trails. Here you are proposing to do what they want us to do, proposing to do by legislation what they are attempting to do by stealth.

I am not criticizing the Committee on Military Affairs. I am not questioning the patriotism of any Member of this House. But, so help me God, I would rather see this bill defeated than anything else that could occur at this time. I suggest that we send it back to

the Committee and say to the world, "We are going to keep this atomic bomb where it is today." We already have a plant built at Oak Ridge that cost us $2,000,000,000. That plant covers 70 square miles. We know how to make these bombs. We have a supply already made. We know how to distribute them. We have the planes already built for that purpose. We have the trained aviators, and if you do not believe it, go down to Trans Lux tonight and see that demonstration. Do not let anybody tell you that was a flop. You will not come back with that impression.

Let us say to the world, "Behave yourselves, quit murdering innocent people all over the world. Quit raping the helpless Christian innocent women of Europe. Stop the robbing and murder of the helpless people of Europe."

A minister of the gospel in New Jersey wrote me and said, "Is there nothing that America can do to stop the raping of the innocent Christian women of occupied Europe by the Communists that are dedicated to the overthrow and destruction of everything we stand for?"

If the Communists had this bomb and we did not, this Capital would not last 60 days, and you know it. If the Communists had this atomic bomb and we did not, London would not last 60 days, nor would New York or Pittsburgh. They would use it to destroy everything that Christianity has built in the last 1900 years.

So I say the thing to do is send this bill back to the committee, stand where we are, go back to the American people and find how they feel about it, talk to those boys who fought and won this war.

I talked with a young man who had been to Nagasaki. I wish every Member of this House could talk to that young man and just find what he saw, and picture Washington if this bomb was in the hands of the gang that murdered Mihailovich today, and we had none.

This is my country. I have taken all the abuse I am going to take. I am going to answer back from now on, I can tell you that. I have taken all the abuse from these Reds that I am going to take. I propose to call a spade a spade. You are not going to wreck my country if I can prevent it; you are not going to take the only weapon we have now to protect ourselves and give it to our enemies. God forbid.

Jefferson warned us, and Washington warned us that our policy should be "peace, commerce, and honest friendship with all nations, entangling alliances with none." Let us say to the world, "We will lead the way into an era of peace, everlasting peace, but we are not going to hand you the gun with which to destroy the civilization of mankind."

Send this bill back to the committee, and you will be doing the will of the vast majority of patriotic Americans in every State in this Union.

You will be saving America for Americans and preserving the peace of mankind.

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Mr. SHAFER. Mr. Chairman, in reading Senate Report 1211 on the bill for the control of atomic energy, S. 1717, it is interesting to note that in the summary of the testimony which was given before the McMahon committee the members state that—

> The peacetime benefits of atomic energy promise to be great, indeed, particularly in medicine, biology, and many branches of re-

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> search. These benefits are immediate in their promise, but will require extended and unfettered development for full realization.

Note, gentlemen, that the testimony indicated that there should be "unfettered development." It was agreed that the principal of atomic energy could be kept secret only temporarily and it was further agreed that legislation should facilitate, as far as possible, "the rapid scientific development

of atomic energy, which would promote both the industrial prosperity of the world and the improvement of our instruments of national defense."

S. 1717 is supposed to be the answer to this problem, and in its declaration of policy section 1 of the bill states that the objective shall be "the development and utilization of atomic energy toward improving the public welfare, increasing the standard of living, strengthening free competition in private enterprise, and promoting world peace."

Note, especially, that one of the purposes of the bill is to strengthen free competition in private enterprise, and the Senate committee in this connection has explained that to carry out these purposes the bill provides for Government control over atomic energy and for Government programs for information, production, research, and development.

On the one hand, then, is the desire to "strengthen free competition in private enterprise," and, on the other, is the statement that to provide this there must be Government control. But there are controls and controls, and the form that this control is to take is further explained when it is said that provision is made for Government "production, research, and development." In other words, there is not to be control as we ordinarily think of control. There is to be direct Government ownership and operation. How this is consistent with the expressed desire to strengthen free competition in private enterprise in this all-important field it is difficult to see.

Let us examine the controls that are mentioned. First, the Commission which is to be created is to own all fissionable materials, but it must be remembered that under the definition of fissionable material there would be included ores only if they contain uranium, thorium, or any other material which is determined by the Commission, with the approval of the President, to be peculiarly essential to the production of fissionable materials and then only if in such concentration as the Commission may by regulation determine from time to time.

In order to exercise the control that is desired, it is further stipulated that unless authorized by a license issued by the Commission, no person may transfer or deliver, and no person may receive possession of, any source material after removal from its place of deposit in Nature. No license, however, is required for "quantities of source materials which in the opinion of the Commission are unimportant."

This provision is quite vague, for just what does unimportant mean? It is entirely proper that the bill should take into account the possible hazards to national health and safety that the use of these source materials might engender and, from a reading of the Report No. 1211 of the Senate Special Committee on Atomic Energy, this was contemplated. However, because of the vagueness inherent in the word "unimportant," it should, in my estimation, be eliminated. Hence, it is urged that the words "in the opinion of the Commission are unimportant" should be stricken out and there should be substituted for these words "do not constitute hazards to national health and safety."

If this change were made, the vagueness created by the word "unimportant" would be eliminated and this particular control would be limited to definite types of hazards which are interpretable.

There is also vagueness in connection with the provision for the issuance of licenses for source materials. This part of the section reads:

> The Commission shall establish such standards for the issuance, refusal, or revocation of licenses as it may deem necessary to assure adequate source materials for production, research, or development activities pursuant to this act or to prevent the use of such materials in a manner inconsistent with the national welfare.

The Commission should be empowered to establish the standards for the

issuance of licenses for source materials, but when it is granted the power not to issue licenses in order to "prevent the use of such materials in a manner inconsistent with the national welfare," the Commission is given very wide latitude of interpreting a very vague phrase. It seems only proper that a bill which contains a provision as important as this should be definite in its language and, consequently, I believe that this phrase should be replaced by "not constituting a hazard to national health and safety."

It is also to be noted that in connection with reporting, the Commission is authorized to issue regulations requiring reports of ownership of source materials but may except from this requirement quantities of source materials which "in the opinion of the Commission are unimportant." Here, again, the word "unimportant" is vague and should be deleted and replaced with the wording "do not constitute hazards to national health and safety."

Further, with respect to source materials, the Commission is—

> authorized and directed to purchase, take, requisition, condemn, or otherwise acquire, supplies of source materials or any interest in real property containing deposits of source materials to the extent it deems necessary to effectuate the provisions of this act.

The words "to the extent it deems necessary" could provide the basis for what might lead to arbitrary use of this power, a use against which the citizens of the United States might be more or less powerless, and therefore these particular words should be deleted and replaced by "upon determination that such action is necessary in the interest of the common defense and security."

But, aside from the control of source materials, the bill in section 4 further provides that—

> The Commission shall be the exclusive owner of all facilities for the production of fissionable material other than facilities which (a) are useful in the conduct of research and development activities in the fields specified in section 3, and (b) do not, in the opinion of the Commission, have a potential production rate adequate to enable the operator of such facilities to produce within a reasonable period of time a sufficient quantity of fissionable material to produce an atomic bomb or any other atomic weapon.

It is obvious that the intent of this section is to assure the Commission control over all production of fissionable materials. This is done by making it impossible for fissionable material to be produced in any quantity except in a Government-owned plant. This is further emphasized by the fact that the Commission is authorized and directed to produce or to provide for the production of fissionable material in its own facilities and it can make contracts with persons, obligating them to produce fissionable materials in facilities owned by the Government.

However, the degree of control which it is desired that the Commission have could well be obtained without making it necessary that all production activities be limited to Government-owned factories. The incentive of private enterprise to produce at the lowest possible cost is lost to the Government when production can be undertaken only under a management contract in a Government-owned plant.

A contractual arrangement such as is envisaged in the bill does not provide the encouragement for the creation and use of new productive methods that are always being evolved when production of any type is carried on under our normal competitive processes. The committee in its report on acquisition of source materials indicated that it did not intend that the Commission would engage in mining operations in competition with private mining activity and that—

> The committee has been alive to the necessity of encouraging the activities of independent prospectors.

The committee has further explained that—

> The principle of Government monopoly which the committee has adopted as essential in reference to the production and ownership

of fissionable materials is not extended to the ownership, mining or refining of source materials. * * *

Wherever possible, the committee endeavors to reconcile Government monopoly of the production of fissionable material with our traditional free enterprise system. * * * Prospecting for and mining of source materials are at every stage to be encouraged and supported.

It seems to me that just as prospecting for and mining of source materials are to be encouraged and supported, every phase of the nonmilitary development of atomic energy should be similarly encouraged and supported.

Section 1 of S. 1717 has as one of its objectives strengthening free competition in private enterprise, but in section 4 there is no private enterprise and there is no free competition. I appreciate and sympathize with the desires of the framers of the bill to protect the public welfare, but I believe that it is unnecessary and undesirable to have the Commission the exclusive producer

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of fissionable materials, except where production is incident to research and development activities.

It seems to me that the country would be adequately safeguarded if the Commission were given the authority to regulate and police the production of fissionable material and private ownership or operation were forbidden except under license by the Commission. Then the Commission would have adequate control and I consequently believe that that portion of this section which reads "the Commission shall be the exclusive owner of all facilities for the production of fissionable material other than facilities" should be eliminated and replaced by the following wording:

The Commission is authorized to own and operate facilities for the production of fissionable material. Private ownership or operation is expressly forbidden except under license by the Commission: *Provided, however,* That no license for operation or ownership is required for facilities which (a) are useful in the conduct of research and development activities in the fields specified in section 3, and (b) do not, in the opinion of the Commission, have a potential production rate adequate to enable the operator of such facilities to produce within a reasonable period of time a sufficient quantity of fissionable material to produce an atomic bomb or any other atomic weapon.

The bill in section 4 also provides for operation of other production facilities when it states that—

Fissionable material may be produced in the conduct of research and development activities and facilities which under paragraph (1) above, are not required to be owned by the Commission.

Then in paragraph (e) of section 4, under the title of "Manufacture of Production Facilities," it is stipulated that—

Unless authorized by a license issued by the Commission, no person may manufacture, produce, transfer, or acquire any facilities for the production of fissionable material.

In view of the limitations placed on the ownership of production facilities, the definition of the word "facilities" is very important. Turning to section 17, we find that this is defined as "any equipment or device capable of such production and any important component part especially designed for such equipment or devices, as determined by the Commission."

It is obvious that a facility capable of such production might not have been originally intended for the production of fissionable material and, therefore, it seems to me that this term is entirely too broad and I recommend that it be modified as follows:

(g) The term "facilities for the production of fissionable material" shall be construed to mean any equipment or device peculiarly adapted for and capable of such production and any important component part especially designed for such equipment or devices, as determined by the Commission.

I repeat, gentlemen, that the powers conferred on the Commission and the limitations on production of fissionable material and ownership of production facilities are inconsistent with the avowed purpose of facilitating the rapid scientific development of atomic energy or of "strengthening free competition in private enterprise."

Indeed, this expression of intent is vitiated by the admission that a Government monopoly in the production of fissionable material is being created. And this cannot be reconciled with our traditional free enterprise system.

Instead of facilitating the rapid scientific development of atomic energy the proposals contained in this measure would tend to stifle them—and the free enterprise system with them.

Experience has shown that the forces of free competition do more to aid the rapid development of an art than does any other system. Let us not fool ourselves—this bill will not foster either the development of atomic energy or the free enterprise system. It tends to kill them both and it is not at all necessary, for we can attain all of our objectives of safeguarding the national health and welfare, of facilitating "the rapid scientific development of atomic energy" and "strengthening free competition in private enterprise" if by "controls" we mean not state ownership but controls through proper supervision under an adequate system of licensing. This, I believe, as I have already explained, can be done and should be done.

Mr. MAY. I yield such time as he may desire to the gentleman from Pennsylvania [Mr. FLOOD].

Mr. FLOOD. Mr. Chairman, the principles and objectives of the McMahon atomic-energy bill should receive the full and sincere support of the House. The declared purposes of the act incorporate the desired ends of progress, security, and development, as well as international accord. All these demand support and require vigilant and constant guarding of the public interest, but the technical and scientific phases of the problem make it difficult for a full, public understanding of the extent and the far-reaching effects of research and experimentation in the field of nuclear-chain reaction.

The popular concept of atomic energy to the average American is a bomb—a lethal weapon designed to lay cities in ruins, and to blot out lives of thousands of people.

The pictures of the ruins of Hiroshima, of the nuclear clouds rising above Nagasaki, of the scarred hulks in Bikini atoll, have impressed upon the American people the terrific forces which have been harnessed by science. The control of these forces is well established in the statement of powers of the Commission and the committees provided for in the bill known as the McMahon bill. That this control should be lodged in civilian hands with due provision for military advice and counsel is a principle which, in my opinion, is unanswerable and worthy of the unqualified support of the membership of this House, who are the elected representatives of the people.

Adherence to civilian control of atomic energy is demanded, because the interest of every American citizen is involved.

Fundamentally, atomic energy is a new source of power which, according to scientific testimony, is capable of industrial use and application. In fact, the pending bill directs arrangements to such use in section 3(a). What is the anticipated result? Great basic industries, embracing many sections of this country and employing hundreds of thousands of employees, will be faced with a newcomer in the field of production of power. The great anthracite and bituminous coal industry of Pennsylvania and the tremendous source of electrical energy—all will find themselves face to face with progress. This progress, which may come and if guided and directed in the paths of peace, must march with our existing economic structure. To tear down without consideration our great basic industry of coal would bring national calamity. As a result, the careful guidance, the sound thought, and deliberation which atomic energy and its uses demand should rest in civilian hands.

The bill adequately provides for the necessary safeguards to protect the

public. However, in the appointment of representatives to the commission, the General Advisory Committee and the Advisory Boards, mentioned in section 2, I hope that the basic industry of coal will receive representation from its ranks of its management and of its workers. Their interest in any future program or reconversion should receive adequate hearing and competent representation. And what is more, it should be published and broadcast to the American public the fact that this bill is designed not only to give them security but, what is more, to protect them in their economic lives, so that scientific progress as it occurs in the future will not forthwith and without full determination of its effects, blot out a great basic industry which today is the greatest source of power for the wheels of American production.

I trust that the President of the Senate and the Speaker of this House will in their selections of members for service on the Joint Committee on Atomic Energy, established by section 15 of the House bill, recognize that the people's representatives from the great coal-producing areas of this country deserve representation in the work of the joint committee.

It is a fact that atomic energy demolished great industries and factories in Japan. Let us not have this same great force wipe out the economic structure of great industries in our country without the people and the Congress studying and plotting the change, if any, which may come with the advance of science. None of us knows as a certainty what the full force and effect of this new form of energy will be on our way of life in the coal fields. We have never stood in the way of progress, in this matter we probably could not if we wished. But the fact remains that at this early moment I feel it is my duty as a representative of the millions of people of the coal fields to bring to the attention of the proposed Atomic Commission and to the Nation at large, the obligation owed to the coal industry and its people in the great mining area of Luzerne County, Pa., in particular, and the coal-producing areas of our Nation generally. Thought and care and planning must be given to whatever tremendous transition and reconversion problems will follow in the wake of atomic energy harnessed to our economic and

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industrial life. Where would there be a better place as the center in which to develop this new potential? The livelihood, employment, and welfare of the future generations of these areas is to be affected. Then these generations must be served by and be permitted to give service to any such program. Mr. Speaker, out of an abundance of caution, if for no other reason, I must insist that in this turmoil and concern and grave uncertainty filling the minds of everyone on this subject, the coal-mining areas of the country must not be lost in the shuffle of things to come. I am not an alarmist but I have seen the coal fields forgotten for years and its welfare ignored in all sorts of ways. I am making this statement now to make certain and to serve warning that we are not going to be forgotten again, if it develops that science is going to utilize atomic energy for industrial and commercial energy and power. Proper correlation of and with the coal industry is a vital factor to our national economy.

The force of this new energy may shake the sky as it is developed, I do not know; but I do know that with reference to the anthracite coal area, its patriotic workers and their families and the vast industry which is the backbone of a vast section, "let there be justice though the heavens fall."

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Mr. ELSTON. Mr. Chairman, first of all I wish to thank the gentleman from Missouri for his very much undeserved compliment.

Mr. Chairman, as I have heretofore said, this bill is both dangerous and unnecessary. It is dangerous because it sets up a Government bureau with more power and authority than has ever been granted before. This bureau, under the provisions of the bill as now written, would have life and death control over the industry of the Nation whenever we reach the place where atomic energy may become useful for industrial purposes, in fact, even before that time. Moreover, the armed forces would become subservient to this power even in matters of national defense so far as the use of atomic energy is concerned. Furthermore, it removes incentives provided by our patent laws to inventors, and adopts a patent system found only in Soviet Russia. The fact that the Constitution of the United States gives to every inventor the exclusive right to his discoveries has meant nothing to the proponents of this legislation, for under the provisions of this bill patents relating to the use of atomic power are either revoked or become the property of the Government.

Although the measure relates to the use of atomic power for military as well as civilian purposes, every conceivable effort has been made to eliminate representatives of the armed forces from representation on that all-powerful bureau known as the Atomic Energy Commission. In its introductory section this bill is presented to us through a series of misrepresentations. For example, section 1 provides that it is "declared to be the policy of the people of the United States that, subject at all times to the paramount objective of assuring the common defense and security, the development and utilization of atomic energy shall, so far as practicable, be directed toward improving the public welfare, increasing the standard of living, strengthening free competition in private enterprise, and promoting world peace."

If enacted into law this bill would do exactly the reverse of these things. If the paramount objective is to assure the common defense and security, why has so desperate an effort been made to completely eliminate the armed forces from representation on the Commission or in any department under the supervision of the Commission? Even though the bill purports to deal with atomic weapons and national defense, every attempt to give the Army and the Navy some representation has been resisted to the utmost. The House Committee on Military Affairs was bitterly assailed by the supporters of the bill generally because it dared to amend the act as it came from the Senate so as to provide that at least one member of the Commission and the head of the Division of Military Application should be from the armed forces. The only argument I have heard against it is the rather specious claim that it is not in keeping with our traditions for a military man to serve on a policy-making commission—that military men are only interested in war, and that other nations might frown upon their presence on the Commission. In this connection I wonder why the civil functions of the War Department are so conveniently forgotten. If there has been any Government agency that has been free from criticism and that has been elevated above the run-of-mine Washington bureau, it has been the Corps of Army Engineers which has for so many years been responsible for our rivers and harbors and flood-control projects. In this work they have handled billions of dollars and have performed work in no way related to war. Yet I have never heard that it was not in keeping with American tradition for them to exercise these functions.

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Before we look into the powers of the Commission and the extent to which it encroaches upon private industry and interferes with our American way of life, you will note that section 9 re-

quires the Army to transfer to the Commission forthwith upon the passage of the bill, all facilities, equipment, and material devoted to atomic energy, research, and development. This would include even the Oakridge plant, together with any bombs now in existence, as well as formulas and secrets in connection with the atomic bomb and other atomic weapons. So at the start, even before the war is officially over, the branches of the services charged under the Constitution with the defense of the Nation are required to turn over to a civilian Government bureau of political appointees weapons which the services may require for the defense of the country. If this does not jeopardize the security of the Nation, then the Bikini tests and the results at Hiroshima and Nagasaki were incorrectly reported.

So much for security. As to other powers of the Commission, let us examine a few of them. In the field of research the Commission may make grants-in-aid and loans to public or private institutions or persons even in connection with research for industrial purposes. Thus the Commission has the power to favor one school or university as against another, and to favor industries, companies, or individuals to the detriment of others. As no person or company would have the right to engage in research on their own part, you

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perhaps begin to appreciate what is meant by the term "life-and-death control of industry."

Mr. SHORT. Mr. Chairman, if the gentleman will yield, may I say that that is why some of the college professors are so strong for this legislation.

Mr. ELSTON. I guess there is little doubt of it.

Mr. SMITH of Ohio. Mr. Chairman, will the gentleman yield?

Mr. ELSTON. I yield to the gentleman from Ohio.

Mr. SMITH of Ohio. I cannot understand this talk about giving this secret away. We have never done anything like that before. We have kept our military secrets to ourselves. Who are these people who want to share this secret with the world and what are they doing it for? That is the thing I cannot understand at all.

Mr. ELSTON. I have an idea who some of them are.

Bear in mind, Mr. Chairman, that the Commission will become the owner of all fissionable material regardless of who may now possess it. It can be parceled out for industrial purposes only with the consent of the Commission. As the time may come when atomic energy power may supplant many other forms of power, and become vital to every industry in the Nation, it is not difficult to understand the extent to which the Atomic Commission would control the industries of the country.

If any person, industry or company should be dissatisfied with the distribution or refusal of the Commission to distribute any fissionable or by-product materials, such person or company may obtain a review of the determination of the Commission by an appeal. But let us examine into the type of appeal afforded. On a matter as important as this, one would feel the appeal should be to the courts, or at least to an unbiased or disinterested tribunal of some sort. Such is not the case, however. Section 5 (d) (2) makes the Commission the judge, jury, and executioner so far as appeals under this section are concerned. The Board of Appeals created by this section shall consist of three members who shall be appointed by the Commission. Should any person feel himself aggrieved by a decision of the Board of Appeals his only further appeal is to the Commission itself. Even this right is not guaranteed as it is provided that "the Commission may in its discretion review and revise any decision of such board of appeal." Here, I submit we see bureaucracy at its worst.

Mr. COLE of Missouri. That sounds just like the OPA.

Mr. ELSTON. Well the OPA never asked for anything more than that. And if there was ever anything that is the fulfillment of a bureaucrat's dream, I think it is this section.

Mr. DURHAM. Mr. Chairman, will the gentleman yield?

Mr. ELSTON. I am glad to yield to my distinguished friend from North Carolina.

Mr. DURHAM. The gentleman certainly would not be in favor of exporting this material to some foreign country?

Mr. ELSTON. I certainly would not.

Mr. DURHAM. Well, at the present time that could happen if we allow the matter to run loose as it is at the present time. Any country could import this material into their country from the United States.

Mr. ELSTON. No. I am sure we have ample authority today to regulate exports and imports of dangerous commodities.

Mr. HANCOCK. Under the existing law, has the Army the power to monopolize the sources of materials and real estate containing deposits of such materials? Is there any such authority under present law?

Mr. ELSTON. The Army might have that authority in time of war under war power acts.

Mr. JENNINGS. Mr. Chairman, will the gentleman yield?

Mr. ELSTON. I yield.

Mr. JENNINGS. Does not the Government have power to condemn any property it may need, under the general law?

Mr. ELSTON. Yes. The Government has the power to condemn anything it needs for a public purpose.

Mrs. ROGERS of Massachusetts. Mr. Chairman, will the gentleman yield?

Mr. ELSTON. I yield.

Mrs. ROGERS of Massachusetts. It seems to me it would give that group tremendous power over other groups. I am thinking even in terms of internal disorder and strife and conflict in our own country. That is one reason I would like to have the Army in it. That would not happen if the Army was in it.

Mr. ELSTON. I do not think it would either.

Mr. VOORHIS of California. Mr. Chairman, will the gentleman yield?

Mr. ELSTON. I yield.

Mr. VOORHIS of California. I would like to ask the gentleman what he feels should be done, under the circumstances he alluded to himself, namely, that if some development in the field of atomic energy were made which rendered all development of power obsolete, whether he would not believe that, should that happen, it would be most important that some provision be made somewhere so as to assure that some such development as that could be available to be used on an equitable basis by all competent users in the country.

Mr. ELSTON. Well, I would want to wait until that happened and then regulate it.

On the question of the appeal procedure I was discussing, it may be contended that the Administrative Procedure Act would apply, but since that act makes an exception in cases where agency action is by law committed to agency discretion, the Administrative Procedure Act could not be invoked in view of the section to which I have just referred. In an effort to make the Administrative Procedure Act apply to this bill, I offered an amendment in committee to the effect that it shall apply to this act, but since the appeal section contained in section 5 still remains in the bill, it would no doubt be construed to be an exception.

One of the most objectionable features of this bill is section 7, which contains the licensing provisions. Under this section it shall be unlawful for any person to manufacture, produce, or export any equipment or device utilizing fissionable material or to utilize atomic energy except under and in accordance

with a license issued by the Commission. Do not be misled by subsection (b) which requires a report to Congress before such licenses may be issued. If you will examine that section you will find that there is but one report to be made to Congress. That report will be made when, in the opinion of the Commission, any industrial, commercial, or other nonmilitary use of atomic energy has been sufficiently developed to be of practical value. In that report the Commission will set forth all the facts with respect to such use, and the report will contain the Commission's estimate of the social, political, economic, and international effects of such use. After 90 days subsequent to the making of such report, the Commission will have unlimited authority to issue licenses for the utilization of atomic energy to such persons and on such terms as it sees fit.

Mr. McDONOUGH. Mr. Chairman, will the gentleman yield?

Mr. ELSTON. I yield.

Mr. McDONOUGH. After the report is made, what happens? Is it merely an informative report? Does the bill further say that the Congress shall say "Yes" or "No"?

Mr. ELSTON. They simply file a report with us whether or not the Congress wants to enact supplemental legislation. If we want to enact supplemental legislation at any time, we do not have to wait for a report from any bureau.

Mr. DOYLE. Mr. Chairman, will the gentleman yield?

Mr. ELSTON. I yield.

Mr. DOYLE. Would you not want the Commission to give a full report to Congress on every phase of the subject?

Mr. ELSTON. Certainly, I would want them to report, but I am pointing out that this section is meaningless as far as the issuance of licenses is concerned.

Mr. DOYLE. If you want a full report, should it not cover the economic phase of the proposal?

Mr. ELSTON. I am pointing out the misleading language of the section and the effort to convey the impression that before licenses may be issued in any case the Commission must report to the Congress.

When we reach section 10 of the bill we see unfolded a strange philosophy for America. Let me read the pertinent part of this section:

> It shall be the policy of the Commission to control the dissemination of restricted data in such a manner as to assure the common defense and security. Consistent with such policy, the Commission shall be guided by the following principles:
>
> (1) That information with respect to the use of atomic energy for industrial purposes should be shared with other nations on a reciprocal basis as soon as the Congress declares by joint resolution that effective and enforceable international safeguards against the use of such energy for destructive purposes have been established.

In other words, hereafter it shall be the policy of this country, as soon as

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international safeguards have been established, to share the use of atomic energy secrets and power with the other Nations of the world. When in all the history of this Nation has it been required that anything developed for the benefit of American industry shall be shared with other Nations? American industry leads the world today because of American inventive genius and our free enterprise system, but now we have a new philosophy. Do not lose sight of the fact that this sharing plan pertains to the use of atomic energy for industrial purposes only. It has no relation to the outlawing of atomic energy for military purposes which, I am sure, every thinking person favors when it can be done without endangering our own security. Judge for yourselves what this international plan will mean to American industry.

* * * * *

Mr. ELSTON. If the terms of the Espionage Act were violated.

Why do they say this legislation is needed? The principal claim is that it will impress the rest of the world that

we have taken the matter out of the hands of the military and invested it with civilians. If that be the purpose, this legislation very definitely is not needed as the President can order the military authorities to cease any of their military activities at any time, including the manufacture of atomic bombs or the use of atomic energy in any way.

Another claim is that peace of the world requires international control of atomic energy. If that be so point out a single thing in this bill dealing with international control or in any manner related to it. International control can come about only by international agreement. If any legislation is needed to augment such an agreement it necessarily would come after the international agreement was entered into.

Do we need this legislation to begin negotiations for such an agreement? The best answer is—such negotiations have begun before the duly constituted United Nations Atomic Energy Commission. Mr. Baruch submitted a proposal to this Commission a month ago. But it takes two or more to enter into an agreement, and Russia has flatly rejected Mr. Baruch's plan. Not only has she rejected it, but she has submitted a counterproposal which never could be agreed to if we have any regard at all for the security of this country.

So if we do not need this bill to remove an impression that we are militaristically inclined and we do not need it for the purpose of helping to bring about international control of atomic energy, what do we need it for? If it seeks to do anything further than to place shackles on American industry and barriers against inventive genius and ingenuity such purpose does not appear from the language of the bill.

If this Nation is concerned lest the other nations of the world think we are assuming too much of a military attitude we perhaps should explain why we are spending hundreds of millions of dollars in proceeding with the Bikini tests. Is it consistent to carry on these demonstrations and at the same time try to fool the American people into believing we can pacify the world by creating another bureau and many expensive bureaucrats to further regi-

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ment the lives of our people and further encroach upon their liberties?

If this measure were to stop with encroachment upon American freedom it would be bad enough, but not necessarily fatal, as such an invasion might be corrected by subsequent legislation, although I have found that liberty and freedom, once surrendered, are not easy to regain. There is always another emergency offered as an excuse for retaining them. On the other hand, if the security of the country is involved legislation might be helpless to correct the error.

As I see it, the bill before us today, if enacted into law, will definitely jeopardize the Nation's security. At the moment the secrets of the atomic bomb and the bomb itself are safely in the hands of the military authorities in the keeping of that branch of the Government charged by the Constitution with the responsibility of defending the Nation. That is where I submit it should remain until our safety is assured under international agreements actually entered into and until machinery has been set up in the world adequate to enforce such agreements.

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Mr. HINSHAW. Mr. Chairman, I have listened with interest to the gentleman from Texas [Mr. THOMASON] and the gentleman from Wisconsin [Mr. BIEMILLER] and others who have discussed the question of whether or not military men should be on this Atomic Energy Commission. I want to say to you here and now that considering the context of the bill any such discussion is poppycock. It is not

relatively important in comparison with what this bill does.

If you will give careful attention to the bill you will find that, generally speaking, it divides itself naturally into two parts. The first part is that part of the bill or those parts of the bill grouped together which, in total, completely vest all rights, titles, and interests, not only of every person in the United States, but of every agency of the Government of the United States, in any property or any rights in production facilities or any raw materials and any patent rights and even any ideas, in the Commission as the sole and exclusive owner.

The second part of the bill which is of even more vital importance is section 8. I desire to call your attention to section 8 and hope you will turn to it and read it while I read it aloud.

It is entitled "International Arrangements."

SEC. 8. (a) Definition: As used in this act, the term "international arrangement" shall mean any treaty approved by the Senate or international agreement—

The committee proposes to here insert the word "hereafter," so the section will read:

hereafter approved by the Congress, during the time such treaty or agreement is in full force and effect.

(b) Effect of international arrangements: Any provision of this act or any action of the Commission to the extent that it conflicts with the provisions of any international arrangement made after the date of enactment of this act shall be deemed to be of no further force or effect.

Then subsection (c), Policies Contained in International Arrangements:

In the performance of its functions under this act, the Commission shall give maximum effect to the policies contained in any such international arrangement.

Now, my colleagues, the first group of provisions in this bill to which I have referred, as I said before, vests in the Commission all rights, titles, and interests, in everything having to do with atomic energy, certainly in the United States. Then it provides that when an "international arrangement" is agreed to, the Commission shall give maximum effect—note carefully the words "give maximum effect"—to the policies contained in the arrangement, and that any provision of this act or any act of the Commission to the extent that it conflicts with the provisions of the international arrangements are thereafter null and void and of no further force or effect. Note that provision carefully. That is really important.

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Mr. HINSHAW. That means a broad abandonment of sovereignty on our part and on the part of other nations. The report advises us very plainly that in the dawning atomic age such abandonment of sovereignty is necessary to the peace of the world and the safety and happiness of its citizens.

Then, under plant, it says practically the same thing as it does for mining.

It says:

The second and major function of the international authority would be the construction and operation of useful types of atomic reactors and separation plants. This means that operations like those at Hanford and Oak Ridge and their extensions and improvements would be owned and conducted by the authority—

Meaning the international authority. In other words, this bill provides first that the Congress vest full authority in the Commission to take over, in absolute ownership, everything connected with atomic energy in the United States, including ideas; and then directs that when this proposed international arrangement is made, all of this property acquired by the American Commission shall be turned over to an international authority. Now, that is the kernel of this very hard nut. That is the thing which we must decide. All the rest of these issues are minor. They are relatively unimportant and we should not spend much time in discussing them. This is the question we

must consider and consider carefully. Are we willing in the first place to vest all right, title, and interest in everything connected with atomic energy, including the bombs already manufactured, in a commission, and then give the Commission authority and even direct it to turn all this over to an international authority?

Mr. GRAHAM. Mr. Chairman, will the gentleman yield?

Mr. HINSHAW. I yield.

Mr. GRAHAM. And if an international arrangement is incorporated and one of the high contracting parties vetoed that, it is of no effect, and null and void.

Mr. HINSHAW. I thank the gentleman. I was coming to that. It seems to me, in view of the very unsettled condition in the United Nations Atomic Subcommittee, and the very difficult situation that has been brought about through lack of unanimous agreement in that committee, that this Congress and this House at this point would do very well to hold this legislation for a little while, begging the pardon of the chairman of the committee. I know he has been diligent in bringing this matter to the floor. But it seems to me that in view of the seriousness of the present situation and the flux that everything seems to be in, in the United Nations organization, it would be very well if we withheld action on this matter for a little while. I may be entirely in favor of the provisions of this bill, even including the patent sections set up in the bill, and I have no argument on the question of who should be on the Commission. I think that is a small matter. It does not matter greatly whether it is military men or nonmilitary men. I am perfectly willing that it should be nonmilitary men.

Mr. MAY. Mr. Chairman, will the gentleman yield?

Mr. HINSHAW. I yield.

Mr. MAY. Does the gentleman have any views with respect to a possible difference in cost that would be incurred by a separate outside Commission as provided in the bill, and that which is now being carried on by the Army at Oak Ridge?

Mr. HINSHAW. I have no ideas on that, but perhaps the gentleman's committee has taken some testimony on that subject. I do not find any in the hearings. As a matter of fact, this little volume of hearings deserves to be about 3 inches thick instead of three-eighths of an inch, and to contain the complete views of everybody in the United States concerned in this vital subject, because in the very preamble of S. 1717 it sets out that this bill is liable to change the entire way of life not only of the people of the United States but of the people of the world. Therefore, it deserves long, careful, and well-published hearings. I do not find much in the hearings except glittering generalities. I understand that the committee sat in hearings only 3 days.

Mr. DONDERO. Mr. Chairman, will the gentleman yield?

Mr. HINSHAW. I yield.

Mr. DONDERO. The gentleman does not anticipate that Russia would veto the turning over of this $2,000,000,000 worth of improvements that the United States has invested in this matter?

Mr. HINSHAW. If you would like to refer to it as such, this bill is one of the greatest acts of appeasement to Russia that has ever been performed by the United States, and that includes all the lend-lease sent to them. I may be in favor of this kind of appeasement. I do not yet know. The scientists all point out that you cannot keep scientific information to yourself; that the basic information that led to the development of the atomic bomb did not come from the United States, but came from various foreign sources. Those foreign sources have that information because they brought it to us. We did not give it to them. The only knowledge we have that they do not have is some of the techniques in connection with the actual manufacture of this

bomb and the release of explosive atomic energy; and it is not a question of basic facts at all.

Mr. VOORHIS of California. Mr. Chairman, will the gentleman yield?

Mr. HINSHAW. I yield.

Mr. VOORHIS of California. I think the gentleman's analysis of the bill is very helpful. Would not the gentleman agree with me, however, that we are faced with the general risk of the unilateral development of atomic weapons by many nations on the one hand or the alternative of finding some international agreement whereby that can be prevented on the other?

The CHAIRMAN. The time of the gentleman from California has expired.

Mr. MAY. Mr. Chairman, I yield the gentleman one additional minute.

Mr. HINSHAW. We may be running that risk; I do not know; but I do know that they are likewise in the position of seeing us here with this plant established and with this atomic energy know-how. That risk of unilateral development is not an immediate risk because the report states that even if we did nothing further about this bill no other nation would be able to develop anything with which to actively threaten us within about 5 years.

Mr. VOORHIS of California. I think that is true.

Mrs. LUCE. Mr. Chairman, will the gentleman yield?

Mr. HINSHAW. I yield.

Mrs. LUCE. Is it the gentleman's thought that if such a world authority to control atomic energy were formed that we would have to give them not only our so-called secrets but land, facilities, and raw materials?

Mr. HINSHAW. Indeed we might; this bill provides for it; and then the international authority would own all of the plants in the United States they required for their purposes and we would be required to turn everything over to them. We would be then harboring an extraterritorial authority within the United States.

Mr. Chairman, under authority granted to extend my remarks I include the following:

Mr. Chairman, I have given as careful study to the bill S. 1717, which is an act for the development and control of atomic energy, as has been possible in the limited time available to me from my other duties. I have listened attentively to the debates, read several reports, and have received a number of letters from qualified persons on this subject. It seems to me that most of those who have engaged in this debate thus far, have missed the point of this bill. I believe that in order to understand this bill, one must first read the "Report on the International Control of Atomic Energy," prepared for the Secretary of State's Committee on Atomic Energy by the board of consultants, of which Mr. David E. Lilienthal is chairman. Section III of that report contains the summary of their proposed plan. I desire to quote from that summary as follows:

> The proposal contemplates an international agency conducting all intrinsically dangerous operations in the nuclear field with individual nations and their citizens free to conduct, under license and minimum of inspection, all nondangerous, or safe, operations.
>
> The international agency might take any one of several forms, such as a UNO commission, or an international corporation or authority. We shall refer to it as Atomic Development Authority. It must have authority to own and lease property, and to carry on mining, manufacturing, research, licensing, inspecting, selling, or any other necessary operations.

Further in this summary, it states:

> The proposal contemplates an international agency with exclusive jurisdiction to conduct all intrinsically dangerous operations in the field. This means all activities relating to raw materials, the construction and operation of production plants, and the conduct of research in explosives.

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Mr. HINSHAW: Section 4(b) contains the prohibition that it shall be unlawful for any person to own any facilities for the production of fissionable material or for any person to produce fissionable material, except to

the extent authorized by subsection (c).

Then section 4 (c) provides that the Commission shall be the exclusive owner of all facilities for the production of fissionable material other than certain designated facilities useful in research, and other facilities which have a low potential production rate.

Then section 5, vests all right, title and interest within or under the jurisdiction of the United States in or to any fissionable material, now or hereafter produced. Section 5 then proceeds to prohibit the export or import into the United States of any fissionable material, and to prohibit any person to engage either directly or indirectly in the production of any fissionable material outside the United States. It furthermore authorizes the Commission and directs it to purchase, take, require, condemn, or otherwise acquire, supplies of source materials, or any interest in real property containing deposits of source materials. In fact, the entire bill, in its various applications, gives the Commission greater authority than has been given to any other agency of the Government at any time in history—and that includes, in my humble opinion, any powers that may have been given to the President, and to the War and Navy Departments in the conduct of a war.

Section 9 of the bill even goes so far as to order the President to direct the transfer to the Commission of all interests owned by the United States or any governmental agency, not only all fissionable material, but all atomic weapons and parts thereof; all facilities, equipment, and materials for the processing, production, or utilization of fissionable material or atomic energy; all processes and technical information of any kind, and the source thereof—including data, drawings, specifications, patents, patent applications, and other sources—relating to the processing, production, or utilization of fissionable material or atomic energy; and all contracts, agreements, leases, patents, applications for patents, inventions and discoveries—whether patented or unpatented—and other rights of any kind concerning any such items, including the transfer of the Manhattan Engineer District to the Commission. And of course, the act turns over to the Commission irrevocably, any and every patent relating to atomic energy, and even requires that any person who has made or hereafter makes any invention or discovery along these lines, to report within 60 days to the Commission giving a complete description thereof.

Now, permit me to quote to you the exact wording of the bill and its definition of the term "person," subsection c, beginning at page 50:

> The term "person" means any individual, corporation, partnership, firm, association, trust, estate, public or private institution, group, the United States, or any agency thereof, any government other than the United States, any political subdivision of any such government, and any legal successor, representative, agent, or agency of the foregoing, or other entity, but shall not include the Commission or officers or employees of the Commission in the exercise of duly authorized functions.

Please note carefully this definition of the word "person" because for the first time to my knowledge a congressional act includes in the term "person" the United States, or any agency thereof, any government other than the United States, or any political subdivision of any such government, while at the same time this definition of the term "person" excludes the Commission or officers or employees of the Commission in the exercise of duly authorized functions. In other words, Mr. Chairman, this bill completely divests from every person, including the United States or any agency thereof, and any government other than the United States, or any political subdivision, of all their right, title, and interest in and to all property, patents, and even ideas that may have anything to do with source material, and the production of fissionable material, the material itself, and every other activity

connected with atomic energy, and invests all such right, title, and interest in the Commission. In the words of the act itself it provides "that the Commission shall be the exclusive owner of all facilities."

Now for the purposes of this discussion, let us consider that the Commission has proceeded to acquire all of these rights, titles, and interests to everything in the United States that has to do even remotely with atomic energy and then let us turn to section 8, which is captioned "International arrangements." I desire to quote section 8 in full again, as follows:

As used in this act, the term "international arrangement" shall mean any treaty approved by the Senate or international agreement hereafter approved by the Congress, during the time such treaty or agreement is in full force and effect.

(b) Effect of international arrangements: Any provision of this act or any action of the Commission to the extent that it conflicts with the provisions of any international arrangement made after the date of enactment of this act shall be deemed to be of no further force or effect.

(c) Policies contained in international arrangements: In the performance of its functions under this act, the Commission shall give maximum effect to the policies contained in any such international arrangement.

Section 8 is indeed the key to the entire bill. That is the section which makes it mandatory upon the Commission in the performance of its functions under the act, to give "maximum effect to the policies contained in any such international arrangement."

Please note further, and under the assumption that all of this property, including production facilities, patents, and so forth, having already been acquired by the Commission, and title to which has been irrevocably vested in the Commission, that under subsection (b) of section 8, any provision of this act which we are here considering as S. 1717, or any action of the Commission to the extent that it conflicts with the provision of any international arrangement made after the date of enactment of this act, shall be deemed to be of no further force or effect.

In other words, Mr. Chairman, this bill carries out absolutely the intent of the report on the International Control of Atomic Energy prepared by the Lilienthal committee for the Secretary of State, from which I have already quoted, and which provides that the International Atomic Development Authority must "own and lease property, carry on mining, manufacturing, research, licensing, inspecting, selling, or any other necessary operations," and the bill provides quite definitely that when any such international authority is agreed to by the Congress of the United States that it shall be mandatory for the Commission to turn over to the International Authority all such property and rights as have been acquired by the Commission, and in turn provides for the repeal of any provision of this act to the extent that it conflicts with the provision of any such international arrangement.

That, Mr. Chairman, is the essence of S. 1717 as I read the bill.

Perhaps the provisions of S. 1717 are the same provisions that this Congress, or two-thirds of the Senate, as the case may be, will approve in years to come. Perhaps it is the only answer to the new era which is so terrible to contemplate —the atomic age. I am sure that I am not wise enough to know. The entire subject is awful to contemplate. I wish that this bill were not before us just now. I wish that every Member

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of the House could have time to consider further, to study, and indeed to pray over this subject. Indeed, I am sure that even the great Committee on Military Affairs, which presents this bill, does not fully understand its implications. The members of that committee admit that fact freely.

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The CHAIRMAN. The time of the gentleman from South Carolina [Mr. RIVERS] has expired.

All time has expired.

The Clerk will read.

The Clerk read as follows:

DECLARATION OF POLICY

SECTION 1. (a) Findings and declaration: Research and experimentation in the field of nuclear chain reaction have attained the stage at which the release of atomic energy on a large scale is practical. The significance of the atomic bomb for military purposes is evident. The effect of the use of atomic energy for civilian purposes upon the social, economic, and political structures of today cannot now be determined. It is a field in which unknown factors are involved. Therefore, any legislation will necessarily be subject to revision from time to time. It is reasonable to anticipate, however, that tapping this new source of energy will cause profound changes in our present way of life. Accordingly, it is hereby declared to be the policy of the people of the United States that, subject at all times to the paramount objective of assuring the common defense and security, the development and utilization of atomic energy shall, so far as practicable, be directed toward improving the public welfare, increasing the standard of living, strengthening free competition in private enterprise, and promoting world peace.

(b) Purpose of act: It is the purpose of this act to effectuate the policies set out in section 1 (a) by providing, among others, for the following major programs relating to atomic energy:

(1) A program of assisting and fostering private research and development to encourage maximum scientific progress;

(2) A program for the control of scientific and technical information which will permit the dissemination of such information to encourage scientific progress, and for the sharing on a reciprocal basis of information concerning the practical industrial application of atomic energy as soon as effective and enforceable safeguards against its use for destructive purposes can be devised;

(3) A program of federally conducted research and development to assure the Government of adequate scientific and technical accomplishment;

(4) A program for Government control of the production, ownership, and use of fissionable material to assure the common defense and security and to insure the broadest possible exploitation of the field; and

(5) A program of administration which will be consistent with the foregoing policies and with international arrangements made by the United States, and which will enable the Congress to be currently informed so as to take further legislative action as may hereafter be appropriate.

Mr. RANKIN. Mr. Chairman, a preferential motion.

The CHAIRMAN. The Clerk will report the motion offered by the gentleman from Mississippi.

The Clerk read as follows:

Mr. RANKIN moves that the Committee do now rise and report the bill back to the House with the recommendation that the enacting clause be stricken out.

Mr. RANKIN. Mr. Chairman, the best thing we can do is to send this bill back to the committee and let it rest there, for the time being at least.

There is no hurry about sacrificing what America has gained in the development of atomic energy. There cannot possibly be any danger to world peace by the United States maintaining its position and holding the secrets of the atomic bomb as she has them today. Every intelligent individual knows that America is not going to use this bomb for aggressive purposes. Every intelligent individual knows that the world is safer with this weapon in the hands of the United States than it would be with it in any other hands in the world. If a vote were taken of the entire English-speaking world I dare say it would be overwhelmingly in favor of leaving this atomic bomb exactly where it is, at least for the time being.

There is no hurry about legislation of this kind. You might pick out the average American district and go to the doughboys, if you please, who fought this war, and take a vote on whether or not you should give the secrets of this atomic bomb to those enemies who are seeking to get their hands on it, and you would not get enough votes for it in the average congressional district to wad a shotgun.

We spent $2,000,000,000 building this plant. The atomic bomb is the greatest weapon the world has ever known. From this time on, marching armies will probably be a thing of the past. The entire procedure of naval warfare is now obsolete. We have this powerful weapon in our hands and it is in the

hands of the Military Establishment of

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the United States and is controlled by men whose patriotism cannot be questioned. We have all the materials necessary, we have the bomb, we have the planes to drop it, we have the know-how; but everybody on earth knows that if this bill is recommitted and this proposition left as it is today that the world is safer from war at our hands than it would be from any other nation on earth with this weapon in its possession.

So I am making this motion that we may send this bill back to the committee for further study.

Mr. BARDEN. Mr. Chairman, will the gentleman yield?

Mr. RANKIN. I yield to the gentleman from North Carolina.

Mr. BARDEN. Does not the gentleman believe that we could well afford to put first on our objectives the securing of the peace, and second the distribution of any weapons we may have?

Mr. RANKIN. Absolutely. The gentleman from North Carolina has expressed it in terms that no one can deny. We had better first let the world settle down before we begin to give them weapons to carry on the kind of warfare that some of them are trying to carry on today.

I told you yesterday of the murder of General Mihailovitch at the hands of the Communists in a country he had given his life to defend. We had the leader of his nation stand at this desk and praise him as a great patriot. All over America today there are American boys whose lives he saved when they were shot down in that country. Are we going to turn over to those who murdered him the greatest weapon the world has ever seen? Are we going to turn over to the other nations this power to blow cities from the face of the earth? No. It is in civilized hands now. Let us keep it there.

God Almighty placed this great weapon in our hands. Let us keep it there at least for the time being. Then we can protect our own country and help to perpetuate the peace of the world.

The CHAIRMAN. The time of the gentleman from Mississippi has expired.

Mr. MAY. Mr. Chairman, I rise in opposition to the amendment offered by the gentleman from Mississippi.

Mr. Chairman, I said in the very beginning of my opening statement on this legislation that I wanted the House to have an opportunity to work its will with respect to what it wanted on atomic bomb legislation. I stated equally emphatically that I was in favor of some sort of military control with respect to the secrets of the atomic bomb. I do not think the House ought to go haywire, so to speak, and strike the enacting clause, making it impossible for the House to work on this bill and do what it wants to do about it.

As I said before, the big issue comes on the very first amendment in section 2. Let me see what this bill declares here in the very first section entitled "Declaration of Policy." After reciting the dangers of the thing involved and the seriousness of the questions involved it states:

Accordingly, it is hereby declared to be the policy of the people of the United States that, subject at all times to the paramount—

And I emphasize that word "paramount"—

objective of assuring the common defense and security—

And so forth. Then it provides for the development and utilization of atomic energy for civilian use. You have a bill before you and if you strike out the enacting clause you simply leave things in status quo, whereas, if you continue to debate the bill and consider the amendment which puts the Military Establishment in some sort of communication with the matter, then you will have done your duty. I think you ought to retain military control to the extent that the committee has done

so, but unless you go ahead with debate the bill as is will be left exactly where it is.

Mr. SHORT. Mr. Chairman, will the gentleman yield?

Mr. MAY. I yield to the gentleman from Missouri.

Mr. SHORT. I want to announce to the membership that if the pending motion prevails and we go back into the House, I propose to offer a motion to recommit the bill to the committee for further study, which will be voted upon before the recommendation of the committee.

Mr. MAY. I do not know what the parliamentary situation will be there.

Mr. RANKIN. Let me say to the gentleman from Missouri that if my motion prevails, the bill goes back to the committee presided over by the gentleman from Kentucky [Mr. MAY] for further consideration. The measure will be left there and we will still have the question before us at the next Congress.

Mr. MAY. It is my understanding that if the motion to strike out the enacting clause prevails, it kills the legislation.

Mr. HINSHAW. That is my understanding.

Mr. MAY. That is all I care to say.

Mr. HARNESS of Indiana. Mr. Chairman, will the gentleman yield?

Mr. MAY. I yield to the gentleman from Indiana.

Mr. HARNESS of Indiana. After the weeks we spent on this bill, does not the gentleman feel it would be utterly impossible to perfect the present bill in the House? Would it not be better to send this bill back to the committee and to either adopt this or any other amendment or motion than to try to perfect a bill here that has the wrong approach to this whole problem?

Mr. MAY. I would be utterly inconsistent in what I have done heretofore and in what I have heretofore said if I did not take the position that this House ought to legislate on the subject because I have said from the beginning that I felt the House of Representatives would do what it wanted to do about the bill, and would probably do the right thing when it got to it.

Mr. JOHNSON of California. Mr. Chairman, will the gentleman yield?

Mr. MAY. I yield to the gentleman from California.

Mr. JOHNSON of California. Every single phrase and sentence in this bill was read thoroughly by the committee and agreed on, was it not?

Mr. MAY. It was argued, it was read and reread, it was considered and reconsidered, it was studied and restudied, and we have done the very best we could. I doubt if we can do anything else.

The CHAIRMAN. The time of the gentleman from Kentucky has expired.

Mr. CASE of South Dakota. Mr. Chairman, a parliamentary inquiry.

The CHAIRMAN. The gentleman will state it.

Mr. CASE of South Dakota. Mr. Chairman, if the pending motion should be adopted and the enacting clause is stricken out, would not this bill, S. 1717, be dead? Would not the number be killed?

The CHAIRMAN. If the House agrees to the recommendation of the Committee of the Whole, yes.

Mr. RANKIN. Mr. Chairman, a parliamentary inquiry.

The CHAIRMAN. The gentleman will state it.

Mr. RANKIN. It would not be dead. It would merely go back to the committee for future legislation. The whole question would be in the hands of the Military Affairs Committee.

Mr. BARDEN. Mr. Chairman, a parliamentary inquiry.

The CHAIRMAN. The gentleman will state it.

Mr. BARDEN. As I understand the parliamentary situation, if this motion prevails, when we go back into the House it would be proper to introduce a motion to recommit the bill back to the committee for further consideration; is that not correct?

The CHAIRMAN. That is correct.

Mr. SHORT. That is exactly what I propose to do.

The CHAIRMAN. When we go back into the House, the House will vote whether or not they want to strike out the enacting clause.

Mr. BARDEN. Mr. Chairman, instead of voting whether or not we want to strike out the enacting clause, will it not be a vote to recommit to the committee?

The CHAIRMAN. After we go back into the House, a motion to recommit would be in order.

Mr. THOMASON. Mr. Chairman, a parliamentary inquiry.

The CHAIRMAN. The gentleman will state it.

Mr. THOMASON. Is it not a fact that if the Committee of the Whole adopts the motion offered by the gentleman from Mississippi, we then go back into the House, and if the House approves that motion, this bill is dead?

The CHAIRMAN. That is correct.

Mr. SHORT. The bill would be dead, but I am not letting them kill the bill.

The CHAIRMAN. The question is on the motion offered by the gentleman from Mississippi [Mr. RANKIN].

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The question was taken; and on a division (demanded by Mr. RANKIN) there were—ayes 93, noes 102.

Mr. RANKIN. Mr. Chairman, I demand tellers.

Tellers were ordered, and the Chairman appointed as tellers Mr. MAY and Mr. RANKIN.

The Committee again divided; and the tellers reported that there were—ayes 102, noes 131.

So the motion was rejected.

Mr. SHORT. Mr. Chairman, I move that the Committee do now rise.

The CHAIRMAN. The question is on the motion offered by the gentleman from Missouri [Mr. SHORT].

The question was taken; and on a division (demanded by Mr. SHORT) there were—ayes 50, noes 107.

So the motion was rejected.

Mr. JOHNSON of California. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. JOHNSON of California: That lines 5 to 11, inclusive, on page 1 and line 1 to 4, inclusive, and the first three words of line 5, page 2, be stricken out.

Mr. JOHNSON of California. Mr. Chairman, the purpose of this amendment is to strike out all irrelevant matter in section 1. In fact, I do not believe in having any statement of policy at all. The purpose of a statute is to lay down a principle or rule of action, and the words used in the law itself indicate what you have in mind without putting in any statement of principle or purposes. However, it seems to be the custom in framing bills to set down some matters of principle or a statement of policy. These things that I refer to are absolutely irrelevant and have no place in the law. For instance, the first sentence says:

Research and experimentation in the field of nuclear chain reaction have attained the stage at which the release of atomic energy on a large scale is practical.

That has nothing to do with the principles involved in this law.

The next sentence says:

The significance of the atomic bomb for military purposes is evident.

Certainly it is evident. It has no place in this law. That is in the very background of this law and is perhaps the reason for it.

The next sentence I want to strike out says:

The effect of the use of atomic energy for civilian purposes upon the social, economic, and political structures of today cannot now be determined.

Well, we all know that, and that has no place in the law.

Mrs. LUCE. Mr. Chairman, will the gentleman yield for a question?

Mr. JOHNSON of California. I yield.

Mrs. LUCE. With reference to the statement that the use of atomic energy for civilian purposes upon the social, economic, and political structure of today cannot now be determined, does not the gentleman agree that this bill will determine precisely the political effects upon our society?

Mr. JOHNSON of California. Not necessarily. It will have some effect on our society. But that refers to the effect of atomic energy in our life and in a subordinate way by virtue of the legislation our political and social life may be effected.

The next sentence reads:

> It is a field in which unknown factors are involved.

Every one of those statements and the additional sentence, that I need not read, shows clearly that they are not fundamental basic statements of principles or facts. They are merely propaganda. They are merely statements of the evidence. In my opinion, they have no place in the statute at all. What I propose to leave in is a fair statement of principle, so that the section will read as follows:

> It is hereby declared to be the policy of the people of the United States that, subject at all times to the paramount objective of assuring the common defense and security, the development and utilization of atomic energy shall, so far as practicable, be directed toward improving the public welfare, and promoting world peace.

I believe those are the purposes for which this law is designed to be carried out, and they are the only ones that have any place in the preamble of this act. It is for that reason that I hope the Committee will strike out not only what is proposed in this amendment, but also two additional clauses that I propose to move to strike out in the next section.

The CHAIRMAN. The time of the gentleman from California has expired.

Mr. MATHEWS. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, of all the bills that have come before this House in which the statement of purposes and policies in the act was frustrated by the provisions of the act itself, this is about the worst. I do not have much time. I will hasten.

Why did we become superior with the atomic bomb? Because we were one step ahead and kept one step ahead. Now, what will this act do? I am not going into theory. I am going into actual facts. The moment this act is passed there is to be a Commission of five persons, to be appointed by the President and confirmed by the Senate. That will take some time. The President has to make a careful selection of a Commission as important as this. The Senate should, and probably will, hold hearings on those appointments. An advisory committee must be appointed. The whole organization must be set up. There must be any number of employees hired. Some of them will have to be investigated by the FBI.

I cannot go into all of the ramifications because I do not have the time, but what happens in the meantime? The moment this act goes into effect every bit of ownership of material goes into the hands of this Commission, which does not exist. What is the manufacturer, the man who has the facilities, going to do? He does not know what to do. The act is so complicated that he will not know what to do with his facilities or with his material for months and months, and probably a year, before this Commission is formed. He cannot take any chances, unless he risks going to jail for 2 years to 20 years or paying a fine of $5,000 to $20,000. The net result is that this is not going to promote the development of atomic energy. It will stop it.

As to the patent clause, that adds to the confusion. There will be no incentive for further inventions. It revokes patents even in existence. If a person wanted a new patent there is no incentive for him to get it, because the moment he gets it it will be taken from him. Mr. Chairman, this will throw the whole question of atomic energy into the most unutterable confusion and will

create a situation which the very purposes of this act are said to avoid.

Mr. ELSTON. Mr. Chairman, will the gentleman yield?

Mr. MATHEWS. I yield.

Mr. ELSTON. The gentleman said it would take some time for the FBI to investigate the personnel of the Commission. Does not the gentleman recall that recently the Civil Service Commission reported that it did not have adequate funds or adequate personnel to make investigations of civil-service employees?

Mr. MATHEWS. That is right.

Mr. ELSTON. And would not the net result be that this Commission would be hiring people whose activities are not known?

Mr. MATHEWS. That is right.

Mr. ELSTON. And would that not be an exceedingly dangerous thing in itself?

Mr. MATHEWS. It certainly would, because in a proposition like this the very essence of it is national defense and national security. You must have in that vast organization that you will form only the right kind of people.

Mr. KOPPLEMANN. Mr. Chairman, will the gentleman yield?

Mr. MATHEWS. I yield.

Mr. KOPPLEMANN. Does not the gentleman know that the incentive to inventors and industry is written right in this bill?

Mr. MATHEWS. No; it is not.

Mr. KOPPLEMANN. It is. If you will read it you will see it.

Mr. MATHEWS. I have read it carefully, and I cannot agree with the gentleman's conclusion.

It takes away from all persons any title in or to fissionable materials. It also becomes unlawful for any person except under certain circumstances to manufacture, process, or transfer any fissionable material except as authorized by the Commission or export or import fissionable material or directly or indirectly engage in the production of fissionable material outside the United States.

Mr. KOPPLEMANN. Mr. Chairman, will the gentleman yield?

Mr. MATHEWS. I cannot yield further. My time is limited. If I can get further time I will be glad to yield.

This is so important, this is so obvious that the moment this goes into effect the whole atomic energy industry

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of this country will be affected. Every little firm that has a small device or a small quantity of fissionable material will be uncertain as to what it can do and it therefore will do nothing without great jeopardy to itself, and that will continue until this Commission is formed, completely organized, and ready to operate. It will be months, and months, and months before it will issue a single license, and then it can only issue a license after it has made an official investigation. I say it will bring about utter chaos. I hope this bill will be recommitted to the committee.

Mr. GAVIN. Mr. Chairman, will the gentleman yield?

Mr. MATHEWS. I yield.

Mr. GAVIN. Does not the gentleman believe that this matter should be left in the hands of the War Department where it rightfully belongs?

Mr. MATHEWS. I cannot go quite that far.

Mr. KOPPLEMANN. Mr. Chairman, will the gentleman yield further?

Mr. MATHEWS. I yield.

Mr. KOPPLEMANN. The gentleman's fears are fears only insofar as the protection of inventors and private industry is concerned. If the gentleman will read the bill, however, he will find that inventors are to be paid for their inventions and that industry will receive a royalty on any invention. So they are taken care of and the incentive is there.

Mr. MATHEWS. I am afraid the gentleman has misconstrued my position entirely. The fact that the inventor will, at some unknown future time, have to take an unknown sum deter-

mined by a body not yet formed, unless he appeals to a court, which causes further delay, is certainly anything but an incentive to him.

Mr. PRICE of Illinois. Mr. Chairman, will the gentleman yield?

Mr. MATHEWS. I yield.

Mr. PRICE of Illinois. If the gentleman will read section 11 of the bill, he will discover that the gentleman from Connecticut [Mr. KOPPLEMANN] was right in his contentions.

Mr. MATHEWS. I have read the bill very carefully and I still cannot agree with the contentions of the gentleman from Connecticut. To say an inventor is protected when he is forced to accept an arbitrary amount for his patent, instead of what he can make from it, as was intended by the patent law, seems to me a strange view of what protection is. And it certainly will not alleviate the confusion private industry will be in between the passage of this act and the organization of the Commission to the point where it can properly issue licenses.

The CHAIRMAN. The time of the gentleman from New Jersey has expired.

Mr. CASE of South Dakota. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, I have been trying to find some reason why there should be all this hurry in passing this bill. The nearest approach to a direct suggestion as to why the bill should be passed at this time which I have heard, was in the remarks of the gentleman from Tennessee [Mr. KEFAUVER] and I am not sure that I understood him correctly. So I raise the question. I understood the gentleman to say that if this bill should be passed that we might enter into some international agreement on atomic energy. I want to ask the chairman of the Committee on Military Affairs or some member of the committee whether or not the passage of this bill will make it possible for this Commission to turn over to an international commission some agreement with respect to our handling of nuclear energy.

Mr. MAY. There is nothing in the legislation as I understand it, that authorizes or even directs turning over the atomic bomb to any international organization; but it does provide that on a reciprocal basis there may be exchanges with respect to the civilian uses of atomic energy.

Mr. CASE of South Dakota. But the Commission does not have the power or would not have the power by this act to commit us to any exchange or to control without an approval by the Congress?

Mr. MAY. I think not, undoubtedly.

Mr. CASE of South Dakota. One thing is self-evident; Congress cannot pass any law that is going to bind the hands of other nations. We cannot determine what they do. That was the compelling factor I think when the Appropriations Committee proceeded in its appropriations for Manhattan project. There was a time back in 1944 and early 1945, when some persons were very leery about going any further with the Manhattan project. One member of the subcommittee handling appropriations for the War Department raised the question during our deliberations because he was afraid that if the thing flopped we would be severely criticized for throwing good money after bad. We had then spent over a billion dollars and at least another billion was involved.

As a result of that we had some secret sessions with Secretary Patterson and General Marshall. The one consideration that appealed to us was that if we did not do this Germany might. Everything pointed to their trying to do it, and, as I said a few minutes ago, General Marshall said it was a race for time. That is the consideration which prevailed and that is why we continued to appropriate money for the Manhattan project.

By the same token we still cannot control what other countries do. That is why I am very reluctant to vote for any legislation which may shackle the

development of nuclear energy in this country.

No matter what we do here the scientists, the engineers, the resources of every other country will be devoted to the development of atomic energy. I hope we do not handcuff the United States by any legislation which we propose here.

That is why I would be opposed to any legislation that would place this matter exclusively in the hands of the War Department, or any other single group, on the evidence now before me.

Why is there any hurry right now to pass this bill? I would like to have some real reason for taking action. There may be such a reason. I ask for information.

It has been said repeatedly on the floor here that Members are confused. Several members of the Military Affairs Committee have told us during this debate that they did not know which way to vote.

How, then, can the average Member of Congress, on the basis of the debate that has developed so far, know whether or not we should vote to do anything at this time?

What is the harm in letting things ride a little while? The War Department has these projects under way. The General Electric has taken over operation of the project at Hanford, Wash. General Electric and other organizations are pursuing their research and development. What is the reason for doing anything about this now? I ask for information. We all want to do the right thing in this matter.

Mr. JOHNSON of California. Mr. Chairman, will the gentleman yield?

Mr. CASE of South Dakota. If the gentleman can answer that question, I am glad to yield to him.

Mr. JOHNSON of California. My answer to that is this, and I do not like to interrupt the gentleman: On October 3 last the President wrote a letter to our committee or to the Congress in which he requested what he called interim legislation, which resulted in the May-Johnson bill, a bill somewhat like this one. He claimed in the letter and by public statements, and witnesses claimed, including the Secretary of War, that this legislation is necessary as a forerunner of the efforts that our State Department is going to make to try to outlaw atomic-bomb warfare.

Mr. CASE of South Dakota. Then the gentleman is more or less supporting the position taken by the gentleman from Tennessee.

The CHAIRMAN. The time of the gentleman from South Dakota has expired.

Mr. CASE of South Dakota. Mr. Chairman, I ask unanimous consent to proceed for two additional minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from South Dakota?

There was no objection.

Mr. VOORHIS of California. Mr. Chairman, will the gentleman yield?

Mr. CASE of South Dakota. I yield to the gentleman from California.

Mr. VOORHIS of California. It seems to me not only is that an important reason for passing the bill now, but it is also true that unless effective domestic control over this admittedly very dangerous proposition is established, there is not any assurance that the whole business will not get completely out of hand at home, rendering it more difficult to enter into an effective international agreement; furthermore, under present circumstances there is nothing in law to prevent the possession of fissionable material by any one or preventing development taking place.

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Mr. CASE of South Dakota. This bill does not cover that.

Mr. VOORHIS of California. Yes, it does.

Mr. CASE of South Dakota. No. This bill on page 20 says, "except that with respect to any location, entry, or

settlement made prior to the date of enactment of this act no reservation shall be deemed to have been made." That is, existing mining claims are respected. And this bill does not require that the Secretary of Agriculture in administering claims in the national forests shall make any reservation of rights.

So, if it were desirable that all private interests were extinguished, it does not seem to me that this bill does it completely. And certainly it is debatable whether all private rights in the field should be extinguished.

The arguments that have been offered do not seem to me to be persuasive. Why should we create a control commission to put handcuffs on the development of some great new force or power? That is the question I have not heard answered.

I repeat the question, seeking an answer. Why should we handcuff ourselves unless we can have some assurance that other nations are going to handcuff themselves? No law that we can pass here will handcuff development in other countries.

We do not want the United States to get behind in this procession. If private interests are going to be able to develop nuclear energy in other countries, why should they not be free to do so here? I do not think that we ought to adopt a policy of fear here but that we ought to take plenty of time in deliberating on the question.

Every page in the bill carries language giving the Atomic Energy Commission the power to make final determination on one matter or another. Together they constitute the most complete delegation of power to a bureau or agency that has ever been proposed in this country. The character of the problem may give us no choice. Perhaps we have to go the whole way or not at all. But should we set up such a colossus of bureaucracy with all these powers until we thoroughly explore the proposition?

Again I ask, what is the reason for doing this now? I do not seek to argue, I simply want to know.

TAKE THE PROFIT OUT OF WAR—OUR NATIONAL SECURITY AND SAFETY IS PARAMOUNT

Mr. DOYLE. Mr. Chairman, on yesterday reference was made to a member of the American Bar Association as opposing some of the features of this bill, so I respectfully call your attention to the American Bar Association Journal of May 1946, at page 292 thereof, to an article entitled "One World or None" by Reginald Smith of the Massachusetts bar, "The Need for World Law," and briefly quote as follows:

> A symposium on the atomic bomb has been written by 13 preeminent scientists, the Federation of American Scientists, one military man (Gen. H. H. Arnold) and one political scientist (Walter Lippmann). The foreword is by Niels Bohr and the introduction is by Arthur H. Compton, both winners of Nobel prizes.
>
> It is the latest word, in a real sense the last word, on the subject now the most important in the world. Its emphasis is not on how to make the bomb but on how to make some protection for civilization against the bomb. The concluding words are: "Time is short. And survival is at stake."
>
> How much time have we? The answer is given: "We are led by quite straightforward reasoning to the conclusion that any one of several determined foreign nations could duplicate our work in a period of about 5 years" (p. 46).

Being a member of the Patents Committee of this House and also having practiced civil law for about 25 years; having had the benefit and pleasure of drafting very many contracts and licenses relative to patents and patent rights during that law practice, I do not feel as though studying S. 1717 on its patent and rights provisions is entirely a new subject to me. Already in this debate, there has been much emphasis by those who oppose the bill, or by those who want to postpone action and delay legislation or even kill the bill, that the business, industrial, manufacturing, and patent interests of this Nation do not favor or approve so-called compulsory license provisions of

this bill's proposal as contained in section 11 of the bill.

On yesterday the distinguished gentleman from Texas [Mr. LANHAM] referred to a letter from the chairman of the patents committee of the American Bar Association. I have in my hands two letters from the chairman of the committee on patents and research of the National Association of Manufacturers from its office in New York. The first letter to me is dated June 27, 1946, and the second July 16, 1946. That portion of these letters which I here and now quote is exactly the same in both letters. So there has been no change of opinion by the National Association of Manufacturers between the dates of its letter of June 27 and the one of July 16. Furthermore, we have the official opinion of two of the distinguished executives of the National Association of Manufacturers on the same subject for the letter to me of June 27, was signed by Edward Stone, committee executive, committee on patents and research and the letter of July 16 was signed by R. J. Dearborn, chairman of committee on patents and research. I again call your attention to the fact, that both of these distinguished authorities on patents, and both of them representing this Nation-wide association of manufacturers, take exactly the same position on the same subject of the licensing provisions of this bill. First, subdivision (b) of both letters is as follows:

(b) The sections on controls of source materials, production of fissionable materials, and Government ownership of all fissionable materials should be changed so as to permit private acquisition, production by private enterprise, and use by private enterprise under adequate licensing provisions by the Commission.

I emphatically call to your attention that not only do they frankly state that the control of source materials of atomic energy should be under Government ownership, but they frankly state that Government ownership should only allow production by private enterprise under adequate licensing provisions by the Commission on Atomic Energy proposed under this bill we are now debating. So, gentlemen, under this section (b), the National Association of Manufacturers recognizes that it is sound public policy and certainly not against the interest of free enterprise or private industry to have the control of the source materials and the production of fissionable materials under Government ownership, nor the rights by private enterprise to use the same subject to adequate license by the Commission representing the American people.

And just as subdivision (b), above-quoted, is identically the same in both letters, so subdivision (c) in both letters is exactly the same, to wit:

(c) Similarly, utilization of atomic energy should be permitted by private enterprise under appropriate licensing.

Therefore, I think it is not entirely sound or accurate reasoning for anyone to claim again in this debate that American industry and American manufacturers are opposed to either Government ownership of atomic materials or of exclusive Government control of its source nor of Government licensing by the Commission proposed. These two paragraphs in these two letters make it crystal clear that the National Association of Manufacturers recognizes two fundamental requirements in the interest of national security and safety and in the interests of private and free enterprise development by reason of their position stated in paragraphs (b) and (c), respectively.

Mr. JOHNSON of California. Mr. Chairman, will the gentleman yield?

Mr. DOYLE. I yield to the gentleman from California.

Mr. JOHNSON of California. Under the situation now prevailing, anybody could make an atomic bomb.

Mr. DOYLE. That is correct.

Mr. JOHNSON of California. We want some way to control it so that private individuals cannot make it.

Mr. DOYLE. I agree with the gentleman.

The objectives of this bill can be properly divided into two sections, to wit: first, as relates to production and development of atomic energy for military uses. And secondly, for industrial and scientific uses and purposes.

Does anyone disagree with me? Should we let the manufacturers of military arms and munitions and of weapons for use in times of war have the right and privilege of acquiring and developing this God-given energy —an asset for the world's blessing—in order to produce munitions of war for the purpose of filling their pockets with more money gained? I say "No!" It is absolutely necessary, sound, and sensible, and in the interests of self-preservation of ourselves and of our world neighbors as well, that no right to produce, control, or use this energy shall be given to any person whatsoever directly or indirectly for the purpose of developing it for arms or military use —unless it is through the Commission

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proposed in this bill. In this way, we can help to begin to take the motive of money profit out of war. This I believe to be absolutely essential in sound steps to help eliminate causes of war. Under section 4, this bill provides for the exclusive ownership in the United States of all facilities for the production of fissionable material in quantities sufficient to produce an atomic bomb or any other weapon by the Commission representing our beloved Nation, while section 5 provides that any person owning any interest in any fissionable material at the time of the enactment of this act or who lawfully produces any fissionable material incident to privately financed research "shall be paid just compensation therefor." And this bill does not intend to confiscate any private property but, as is necessary for war materials and in the interest of national defense and security, the bill proposes that any person having such material at this time shall be paid a just compensation therefor. This is sound. This is sensible. This is in accordance with American principles of fair dealing. Subdivision (2) of section 5 on page 17 of the bill provides that no person shall transfer or deliver title to any "source material" from its "deposit in nature" except by permission from the Commission. And why not? Again, for purposes of "national security and safety," it is imperative that our Nation be in the exclusive control of the "source of the material" in order to assure exclusive control and access in times of war or for needs of "national security and safety." Does any Member of this House now propose that private money gain or profits shall be placed paramount and above the national security and safety by allowing private ownership and production of this dangerous material at its source?

Mr. McDONOUGH. Mr. Chairman, will the gentleman yield?

Mr. DOYLE. I yield to the gentleman from California.

Mr. McDONOUGH. The gentleman is an attorney, and he knows that the manufacture of firearms or explosive materials in all States is now controlled by statute. There is law now that controls that manufacture.

Mr. DOYLE. Those laws are not adequate to cover this subject. State laws cannot do it.

Mr. McDONOUGH. But there are laws.

Mr. DOYLE. Yes, but inadequate laws—ridiculously inadequate. We must take the profit out of war. Nor is that theoretical, either. I have no objection to my Government being placed in a position of maximum immediate ability to protect the safety and security of our Nation in its new world relationships.

Now, as to section 10, which relates to control of information about atomic energy and without being disrespectful, I really believe that some of the gentlemen who have talked against this section in the bill in this debate had not recently carefully read the full text of

that section 10, for it expressly states on page 30 of the bill, as follows:

SEC. 10. (a) Policy: It shall be the policy of the Commission to control the dissemination of restricted data in such a manner as to assure the common defense and security. Consistent with such policy, the Commission shall be guided by the following principles:

(1) That information with respect to the use of atomic energy for industrial purposes should be shared with other nations on a reciprocal basis as soon as the Congress declares by joint resolution that effective and enforceable international safeguards against the use of such energy for destructive purposes have been established.

You will note, gentlemen, that any dissemination of any information is first restricted so as to assure the common defense and security. This, then, is the controlling policy. No, not even any information about it for industrial purposes may be shared or disseminated by the commission, excepting Congress first declares by joint resolution that effective and enforceable international safeguards against the use of such energy for destructive purposes have been established. The term "Congress," as used in this bill, Mr. Speaker, refers not only to this House of Representatives, but to the United States Senate. What chance does the Commission have to be put in a position of disseminating any atomic energy information for industrial purposes before it should, when a joint resolution of both Houses of this Congress must first be obtained, which clearly declares that enforceable international safeguards against the use of such energy for destructive purposes have been established.

Therefore, it does not appear that the arguments so far made that this Commission will be promptly releasing atomic energy information to foreign nations are well founded. It is in fact without any foundation, for under section 10 Congress controls the time and event when any such information shall be shared with other nations on a reciprocal basis. Furthermore, subdivision (c) of said section 10 on page 31 of the bill provides that the Commission is only authorized to establish information service as it may deem necessary as to nonrestricted data. And at line 10 on page 31 it further provides:

(1) The term "restricted data" as used in this section means all data concerning the manufacture or utilization of atomic weapons, the production of fissionable material, or the use of fissionable material in the production of power, but shall not include any data which the Commission from time to time determines may be published without adversely affecting the common defense and security.

Therefore, section 10 makes it clear to any who desire to see it that there can be no dissemination of any data for either war or industrial purposes until joint resolution by both of the Houses of the United States Congress has first so declared, and the basis of this joint resolution thus required is that enforceable international safeguards against the use of such energy for destructive purposes have first been established.

Mr. Chairman, this time may come after many years, or it may come before we realize it.

The matter of the patent section of this bill has frequently been mentioned on this floor. It is claimed that the provisions of section 11 will destroy the fundamentals of the American patent system. I disagree with this contention and no man in this House feels more strongly than I do that we must preserve our competitive free enterprise, principles, and economy. But, gentlemen, we cannot perpetuate or preserve that free enterprise as it relates to our patent system if we make it easier than ever for there to grow up monopoly, restraint of trade, unlawful competition, or other restraints against free enterprise and free competitive economy by reason of allowing private or individual ownership and control of this atomic energy through patents in private control. There are four primary functions of a patent system, as I understand it, as follows:

A. To induce disclosure of inventions.

B. To induce the investment of venture capital.

C. To promote what has been called enforced diversity of innovation, for instance, where the improvement is already patented, B will be forced to invent a new and different improvement in order to maintain his competitive position.

D. To reward the inventor.

Right here gentlemen, let me call your careful attention to page 27 of the bill beginning at line 6 to line 22, inclusive, wherein it is provided as follows:

> Where activities under any license might serve to maintain or to foster the growth of monopoly, restraint of trade, unlawful competition, or other trade position inimical to the entry of new, freely competitive enterprises in the field, the Commission is authorized and directed to refuse to issue such license or to establish such conditions to prevent these results as the Commission, in consultation with the Attorney General, may determine. The Commission shall report promptly to the Attorney General any information it may have with respect to any utilization of fissionable material or atomic energy which appears to have these results. No license may be given to any person for activities which are not under or within the jurisdiction of the United States, to any foreign government, or to persons within the jurisdiction of the United States where the issuance thereof would be inimical to the common defense and security.

Assuming that no Member of this Congress desires to have any control of this destructive energy in hands of private money profit for war-munitions-making purposes, it is likewise my hope that no Member is thinking that this energy is a subject of proper monopoly or cartel for purposes of peace. Yet, I do know that in our system of free enterprise the facts have proven that some men get so greedy for material gain and economic power and dominion, that they interpret free enterprise to mean that they can and should be allowed to create monopolies or cartels and restrain free enterprise or competition with their particular business. Free enterprise in the highest sense should be encouraged in this new field of peaceful endeavor. It can be under the terms of this bill. Monopoly must not fasten its hands over free enterprise in the field of peaceful pursuits to be blessed by use of atomic energy.

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But slight mention has yet been made of section 15, which establishes a joint committee of the Senate and House which by the terms of this bill is expressly charged with making continuing studies of the activities of the Atomic Energy Commission and of problems relating to the development, use, and control of atomic energy. And not only is this joint committee of Congress so chargeable, but it charges the Atomic Energy Commission with keeping this very same joint committee of the Senate and House fully and currently informed with respect to the Commission's activities. Thus, Congress itself is placed in an intimate and continuing position of full and current contact with the Commission's plans and policies and actions. Furthermore, section (e), on page 47 of the bill, expressly empowers this joint congressional committee to appoint and fix the compensation of such experts, consultants, and technicians and clerks, as it deems necessary. So, from our viewpoint, Congress is made a watchdog of the Commission, and in another sense a trustee in the same field as is the Atomic Energy Commission itself—even though to a more limited degree, of course.

So much has been so splendidly said about the place and province of atomic energy from here on and forward in the life of our Nation and the world that I will not dwell at length along the same lines. But you and I are in a new era from which we cannot extricate ourselves if we would. Nor can nations withdraw from a world neighborhood, for in the twinkling of an eye, whole cities can now be obliterated. Rifle bullets kill men singly, while atomic bombs obliterate hundreds of thousands of people and crush concrete buildings into dust instantly. Use of atomic energy for peaceful pursuits must come

to be the first and only use from here on all over the world—else there will be no survival of civilization. World understanding and cooperation is essential for either national or international existence as civilized people.

Mr. JUDD. Mr. Chairman, I move to strike out the last two words.

Mr. Chairman, I should like to approach this whole subject of atomic energy from a little different standpoint than has been touched upon so far. Most of the discussion has been about the explosive, the blasting effects of the release of atomic energy. But there is a possibly even more devastating force released in nuclear fission and that is radioactive energy. It so happens I have had considerable personal experience with one form of radioactive energy and bear about in my body the marks of overexposure to it. So I have been interested in it for a great many years.

The physical and biological history of this planet has been one of decreasing radioactive energy. The earth originally was and still is at its center a ball of fire—that is a body gradually disintegrating by atomic fission. The sun supposedly is a body engaged in violent atomic fission. Gradually through the centuries the materials in this earth have been losing their radioactive energy, even as radium constantly gives off radioactive energy until it becomes exhausted through hundreds and thousands of years, and then becomes lead. From the radioactive energy standpoint, our planet, so to speak, has been running down since its original formation. It was only when radioactive energy fell below a certain level that it became possible for vegetation to grow on the planet, and then after more millenniums of running down, the level of radioactive energy was low enough so that animal life could exist.

As many of you know, I am sure, radioactive energy can have a special effect upon germ cells, the cells that bring into being new life, a new organism. It can cause internal changes in germ cells which produce mutations, sports, or biological monsters. Thus the period when radioactive energy became just low enough to permit animal life, but was still high enough to act on the chromosomes in germ cells, was the period when dinosaurs and all sorts of bizarre biological freaks inhabited the earth—a period when great varieties of new species appeared. Doubtless it was one of those mutations that produced the new species, man.

In the beginning, God created the heavens and the earth, and all that live therein. Perhaps it was through the operation of His radioactive energy that He produced all that live.

In any case, here we now are after all the millenniums. There has been one steady process of gradual exhaustion of the radioactive energy stored in the earth in a form which was released naturally.

Now for the first time in man's history he has discovered how to release radioactive energy artificially. This is a reversal of the direction in which physical processes on the planet have been going since its formation. It involves profoundly not just this Nation but life itself from the standpoint of sheer existence.

Hitherto most of the radioactive energy we have had was that which we discovered already active in such elements as radium. We could use what existed. Now we have found a way to increase the amount in existence, a way to release new radioactive energy.

Heretofore it has been gradually dying down; now we can start building it up, in active form and at a terrible rate.

This can mean far more to us ultimately than just the blasting effect of bomb explosions, destructive as they are.

If too much radioactive energy is released in an uncontrolled form, what may it do to human life itself; in fact, to all life?

Incidentally, I have been told that

the reason they had the Hiroshima bomb go off about 1,500 feet in the air instead of closer to the ground was that they wanted only the blasting effect and were afraid of the possible radioactive effect. If it exploded high in the air, most of the radioactive particles would be carried miles high and dispersed. If it went off too low down, it might spread over the area so much radioactive energy that the land would not again support even plant life, to say nothing of animal life. No one yet knows. To find out is one of the great tasks with which this Commission is to be charged. That is why we want the greatest scientists and statesmen on it. We want to know the possible uses of atomic energy in military weapons, in industry and commerce, and in medicine. We also must make sure that radioactive energy is not released in such forms and quantities that the surface of the earth returns to where it was ages ago. One or the other of two things would result, extermination of all life or, in an intermediate stage, drastic effects on germ cells of species which have long been stable, so that mutations would result, and the human being as we know him be changed to a biological sport, or a freak of some sort, other than the freak he already is at times.

I do not know whether I have been able to make clear what I have in mind and my great concern lest we bungle the handling of this great power with truly cataclysmic results. This is the only reason I would consider giving any commission such monopolistic power. It is the chief reason in my own mind which requires that we set up this Commission for controlling the development of atomic energy for civilian use as well as for military use.

Several Members have said they want to have everything under military control. Others have said they do not want to have anything under military control. I do not think either of those extreme positions is tenable. This force has enormous significance for our industry and our economy. It has terrible implications for civilian life, as well as for military security. We have to deal with both of them in a reasonable sort of balance. I do not see any better way to handle this titanic power than to put it under the control of a commission of truly great men who will have available the knowledge and services both of the military and of the civilian scientists who are acutely aware of all the dangers I have mentioned and more. They developed this process; they have lived with it day and night for years; they see far-reaching implications which we in our debate as to what the Bikini explosion means to the future of our Navy do not adequately appreciate. I do not know any safer hands in which to place it.

Mr. VOORHIS of California. Mr. Chairman, I move to strike out the last two words. What the gentleman from Minnesota, himself an eminent physician, just said only underlines the importance for the time being and until people know something about what atomic energy is and will do, and until such time as nations have grown up sufficiently in their international relationships to control it; what the gentleman has said only underlines the necessity of effective controls over this thing during the period that lies immediately ahead.

Mr. JUDD. Mr. Chairman, will the gentleman yield?

Mr. VOORHIS of California. I yield gladly.

Mr. JUDD. This is the only possible justification, if there is an adequate justification, for the patent provisions of this bill.

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Mr. VOORHIS of California. I agree with the gentleman that it justifies that section.

Mr. JUDD. Because if we knew more about atomic energy, and if we knew what the effect would be on human lives as well as in war, we could

not have section 11. I am not sure that we can have it even so. But this is the only justification until we do know more of what the ultimate significance is and we dare not allow anybody at their own will to begin experimenting out in their own backyards. Our very existence does not permit us to allow it.

Mr. VOORHIS of California. I agree with the gentleman. I think there is another reason for the patent provisions. At least, it will prevent the private monopolization of a thing so fundamental and so revolutionary as atomic energy. I believe that would be wrong—morally wrong and economically wrong. I am not talking about applications of atomic energy, but I am talking about the patent on fissionable material itself, on the very energy iself.

I want to make this first point, that the bill does provide, and I quote: "That the Commission is authorized and directed to purchase, take, requisition, condemn, or otherwise acquire, supplies of source materials or any interest in real property containing deposits of source materials to the extent it deems necessary to effectuate the provisions of this act."

It will give the possibility of control over sporadic, dangerous uses of atomic energy, just as the gentleman from California suggested a while ago.

Mr. CASE of South Dakota. Mr. Chairman, will the gentleman yield?

Mr. VOORHIS of California. I yield.

Mr. CASE of South Dakota. Assuming that that control were desirable, if it could be obtained, how does the gentleman propose to establish control in Argentina, in Spain, or in Russia, or in any other part of the world other than the United States?

Mr. VOORHIS of California. That is precisely what we are attempting to do through the Baruch proposals. Further answering the gentleman, the gentleman makes the point that he did not want us to block our own development while other nations had not agreed to any type of international control. I am in full accord with that. I would not be in support of this bill if it were not for the fact that all of the testimony of every reputable scientist that I know of is to the effect that under the terms of this bill atomic-energy development will be encouraged in the scientific field where it is all important. That testimony has been given over and over again. It is true that that development is safeguarded in certain respects. It is true there are controls more far-reaching than the Congress would authorize under any other circumstances. Those who seem to feel that atomic energy is comparable to natural gas or firecrackers will find it hard, naturally, to understand. But those who have at least an inkling of what this energy is will know why it is necessary that there be control of private development and regulation of the possibility of anyone going out and dealing with fissionable material as he sees fit. I personally think such control absolutely essential for the time being if the national interests are to be effectively protected, but I am convinced that the passage of this bill will make much more possible than it is today the continuance of atomic-energy development in the United States and that it provides the only way that can be done. May I say further, it disturbs me very much to find some people who are concerned about the preservation of what they term the secret of the atomic bomb, arguing in the next breath that atomic energy itself should be patentable under which circumstances the patented devices and the patented processes have to be made a matter of public record in the Patent Office. It does not seem to me that those two things possibly can be fitted together. I think this bill goes as well as it can down the middle of the road, providing for the kind of control that is necessary under existing circumstances and on the other hand, assuring provision for the continuance of scientific development.

Mr. CASE of South Dakota. Mr. Chairman, will the gentleman yield?

Mr. VOORHIS of California. I yield.

Mr. CASE of South Dakota. Does not the gentleman feel that the agreement for international control should precede our handcuffing of our own research and development?

Mr. VOORHIS of California. I do not think we are handcuffing our own research and development. I think that it is severely crippled for the want of legislation precisely like this. Most of our scientists have left the project. I believe they will return if this bill is passed. Obviously, it is most important that they do so. I believe further that American leadership in working for international control now is most important. Indeed, it is the only leadership there can be. I think it necessary that this Congress rise to a plane of vision where it can see that our country, after all, is the sole possessor of this thing and has the responsibility and opportunity of leadership for the possibility of peace, and unless the structure of peace is built there can, as other speakers have said, be no safety for anyone, anywhere. It seems clear to me that adequate domestic control must precede, not follow, international control.

The CHAIRMAN. The time of the gentleman from California [Mr. VOORHIS] has expired.

Mrs. ROGERS of Massachusetts. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, I rise to ask the gentleman from Minnesota, Dr. JUDD, a question, if he will answer it, as he has had experience with overradiation. I would like to ask the gentleman if he does not feel that it is important to keep the Army, at least in a measure, in control for the time being. It seems to me the Army did an amazing job in protecting human beings during the Manhattan project. I would like to have that protection continued; also, the military forces are responsible for the security and protection of America. They are the ones who follow constantly the danger to our country.

Mr. JUDD. I think it has done a magnificent job in protecting all those who were working on that project. As you know, there was a great corps of physicians meticulously checking every process in the whole project. On the other hand, we cannot sit down and say that because we have achieved this high stage of development in atomic energy nobody else has caught up or will catch up with us. We ought to move ahead, and we are going to move ahead, in its development for civilian use, as well as military.

The two should be integrated and carried on together. The bill protects the military aspects, but does not keep it solely under the military. It will enable those working with it for civilian purposes to have the benefit of the knowledge and experience gained in the Manhattan project. It was civilian scientists who were responsible for most of this excellent protective work done by the military. I believe the military need to have their share in the work and the civilians have their share. I think on the whole the bill achieves that general integration and balance.

Mrs. ROGERS of Massachusetts. But who would have the last word?

Mr. JUDD. The last word would be with the military of course.

Mrs. ROGERS of Massachusetts. But not in this bill, as I understand it.

Mr. JUDD. Yes, it can go to the President. The Military Liaison Committee, which has access to all the information, can always appeal to the President, if it is not satisfied.

Mrs. ROGERS of Massachusetts. I am very much afraid, if the military does not have control, that the President will side with civilians. It may be hard for the military to place the security angle before him. It will give enormous power to any civilian board—power for evil as weil as power for good. I am very much afraid of it.

Mr. MAY. Mr. Chairman, will the gentlewoman yield.

Mrs. ROGERS of Massachusetts. I

am glad to yield. I am seeking information.

Mr. MAY. I wanted the lady to yield to me that I might ask the gentleman from Minnesota, Dr. JUDD, a question.

Mrs. ROGERS of Massachusetts. I yield.

Mr. MAY. The gentleman from Minnesota made the statement in his most excellent address that there ought to be reasonable balance of control between the civilian and military aspects of the problem. May I ask the gentleman if the provision which the House committee wrote into the bill providing for some sort of military control, would be a reasonable balance on that subject, with the provision for letting it out to laboratories and so forth?

Mr. JUDD. Yes. I also think it is adequately taken care of in the original McMahon bill. I expect to vote to strike out the committee amendment.

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On the other hand, if it stays in I do not think it makes any great difference.

All members of the Commission will be serving first of all as Americans and I cannot believe that any damage would be done by having one or two members of the military forces on this Commission. On the other hand, I cannot believe any damage would be done by having them all civilians with the Military Liaison Committee also on the job. I do not think that is the really great consideration here, although it has been made the chief bone of contention. I think the great consideration is to see that we begin to get progress in an integrated, balanced way between the military and civilian uses of atomic energy.

Mrs. ROGERS of Massachusetts. I wish to say that I have always found the Army and Navy extremely anxious to allow civilians to get the advantage of any of their developments. Recently in the matter of prosthetic appliances, Secretary of War Patterson has done a magnificent job in connection with civilians who are working with artificial arms and legs. In 2 years some of the experimental prosthetic appliances I hope will be perfected. That is one of the reasons why I am so anxious to have automobiles for the amputees to allow those veterans a couple of years in which they may get about before artificial legs are perfected. That is just one instance—and there are thousands of others—where the Army and Navy were very anxious to cooperate with civilians. They have given Army and Navy orders to many civilian firms, and have sponsored great inventions in such things as radar, robots, and so forth. I, for one, am duly grateful to the Army and Navy for their scientific work.

The CHAIRMAN. The time of the gentlewoman from Massachusetts has expired.

Mrs. ROGERS of Massachusetts. Mr. Chairman, I ask unanimous consent to proceed for one additional minute.

The CHAIRMAN. Is there objection to the request of the gentlewoman from Massachusetts?

There was no objection.

Mrs. ROGERS of Massachusetts. I should like also to ask the members of the Military Affairs Committee if there has been anything in connection with the United Nations organization that would set up a commission that would handle the exchange of military secrets among the nations? I think it is a very pertinent question. Why should we do it in the matter of this and not all other military secrets?

Mrs. LUCE. Mr. Chairman, will the gentlewoman yield?

Mrs. ROGERS of Massachusetts. I am very glad to yield, for I want all the information I can get.

Mrs. LUCE. Anyone who has followed carefully the Baruch proposals and the comments in the press by experts in that field realizes that there will be set up in the UN a framework for the control of all forms of heavy armaments and weapons, including the

atomic bomb, which in effect does mean that if that control works, all of our military secrets will probably be shared; and as further proof of that you will find in the Lilienthal report or rather the Acheson report on the atomic bomb that such is the intention of the authorities.

Mrs. ROGERS of Massachusetts. Again I say apparently the so-called friendly nations will be given all our secrets. Truly this measure is starting an endless giving to other countries of our resources besides our loans and gifts of money. We shall be an impoverished Nation.

The following is the letter from Col. Robert S. Allen who has done such dynamic work in prosthetic-appliance development. The amputees in the service and civilian amputees owe him much. He is the chairman of the advisory board of the Prosthetic Appliance Service under Assistant Director of the Veterans' Administration, Walter Bura. Both the gentleman from Pennsylvania and I are members of that board.

WASHINGTON, D.C., *July 15, 1946.*

MY DEAR MRS. ROGERS: Through the kindness of Judge Patterson, Secretary of War, I had the opportunity to attend the July meeting of the Committee on Prosthetic Devices. The meeting consisted of two sessions, a symposium in San Francisco and a visit to the Northrop prosthesis laboratory in Los Angeles. This letter is a brief report on my observations.

I was tremendously thrilled and inspired by what I saw and heard. At the San Francisco symposium I saw the artificial arm developed by Northrop, which unquestionably is the best device of its kind in existence today. It weighs about 2 pounds, with the hook, has an automatic elbow-locking mechanism, and is a great advance over existing artificial arms. It is already being distributed to Army amputees, and a project has been initiated under which the United Drug Co. will undertake the marketing of these devices at cost to all arm amputees, civilian as well as military. Northrop also has begun work on a mechanical hand to replace the unsightly hook. This is still in the early stages, but on the basis of the outstanding results already achieved by the company, I am sure that in the not-too-distant future they will produce an efficient and practical artificial hand.

Northrop also has developed an artificial leg with a suction mechanism. This mechanism is a German device. The Germans have been using a suction leg for some 10 years. Northrop is now applying it to American climatic conditions and, on the basis of its preliminary experiments, is confident that it can produce a workable suction leg in a relatively short time. The advantages of such a prosthesis are obvious. It would eliminate the cumbersome and trying harness now necessary and be a great boon to the leg amputee.

In addition, several other concerns, working under contracts from the committee, have made considerable progress in developing a self-locking knee. Northrop has a device of this kind already in use by test pilots with very good results. There is no reason why in the next 12 months these projects should not develop a reliable and practical self-locking knee. This device combined with the suction mechanism should give the leg amputee an artificial limb that would be a tremendous advance on anything now in existence.

The most exciting and stirring demonstration at the meeting was an electrical arm produced by International Business Machines Corp. This was only a mock-up model; actually, only a few days old. That is, it was completed only a few days before the meeting. It is still only a promise. But it is a tangible promise that bears every hope of full realization in a matter of a year or so.

The basic essentials of this device, the motor and batteries, are available. The problem now is merely of developing the prosthesis to the point where it is durable and can be produced in quantity at a reasonable cost. The model weighed about 4 pounds and the engineers were confident that they could bring this down to 3 pounds. The whole mechanism is revolutionary in design and operation. Instead of hanging on the stump, it rests on a cradle that extends from a belt around the waist. This not only eliminates the onerous feature of dead weight hanging from a stump, but also gives the wearer complete freedom of shoulder movement.

The committee also has a number of studies under way. One of the basic motions of the leg by the University of California, and another by UCLA on the arm and hand. These studies already have been extremely useful to the contractors and I am sure will be increasingly so as they develop new facts and data.

All in all, as I said, I was tremendously inspired and heartened by what I saw and learned. I have every confidence that if this research and development work is continued without hitch for another year or so that truly modern and scientific prostheses will be evolved. The important thing now is continuity; that is, to insure that the work of the committee is continued without hitch or impairment. That is the crux of the whole situation and that is the thing on which everyone interested in this field must concentrate at this time. I have made a few recommendations to Judge Patterson toward this end and I have every belief that these sug-

gestions will be instituted. They call for no radical departures but are implementations which members of the committee feel would greatly assist their work.

With warmest personal regards

Sincerely,

ROBERT S. ALLEN.

The CHAIRMAN. The time of the gentlewoman from Massachusetts has expired.

Mr. AUGUST H. ANDRESEN. Mr. Chairman, I move to strike out the last three words.

Mr. Chairman, I am not a scientist nor do I claim to be one. We are being advised today, however, by a good many individuals and groups who are not scientists but who claim to know all about atomic energy and demand from us that we should pass certain legislation on the subject. They know very little about it, probably less than we do who are seeking the true and the best solution to handle atomic energy for the general good. As I see it, the thing that should come first with all of us is the question of the security for our country.

Up to about 2 weeks ago I thought that I would support the McMahon bill. It seemed to me that was a good measure and that to turn control of atomic energy over to a civilian commission might be the best plan, but after hearing the debate and talking with members of the Military Affairs Committee and also talking to certain members of the FBI, I have come to the conclusion that it might be better for the safety of our country to delay action on the pending bill until matters among the allied countries reach a more satisfactory conclusion.

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We are given some information from behind the iron curtain as to what is going on and we know that the world situation in our effort to secure peace is not progressing satisfactorily. We also learn that there are thousands of foreign agents running loose throughout the United States who are working to get all the secret information they can on the atomic bomb so they can pass it back to their respective countries. I doubt very much if our agents are having the same freedom in some of the Allied countries as we are giving foreign agents sent over here to the United States. I am not naming any countries. You may draw your own conclusions.

Mr. Chairman, I do not see any particular harm in delaying action on this legislation for 3 or 4 months or until a peace treaty is written. We have been running along from the beginning of time—I do not know how long it is, whether it is 9,000 years or 100,000,000 years—without any knowledge on atomic energy. Now, what harm can there be if we wait 3, 4, or 5 months until there is a peace conference to determine whether or not the nations of the world can work together on a peaceful basis before we go into this matter of turning deadly secrets over to any group? The larger the group the easier it will be to divulge the secrets to some of these organizations or countries that are so anxious today to get hold of them.

I have a high regard for scientists. There are many good Americans among them, probably all of them are good, patriotic Americans that will be on the commission, but I also know some scientists in our country, in the United States, who are as red as you can make them. If they were to get any information about atomic energy, I know that it would go outside the United States just as quickly as they could hand it to some agent who would be willing to pass it along.

When conditions become settled in the world, especially between the Big Three nations, we can begin talking about sharing our atomic secrets with scientists, and until that time occurs, I strongly believe that it will be in the interest of our national security to leave matters as they now stand. A few months delay in turning the handling of the secrets of atomic energy

over to a civilian commission, will not retard human progress.

Speaking for myself, I am unalterably opposed to sharing the secrets of the atomic bomb with Russia or any other country. The safety and future security of the world will depend upon our retention of this destructive force and the know-how to produce it. I do not believe it will be in the interest of peace for us to make the secret available to any country.

I may support the McMahon bill for the control of atomic energy, when conditions become more settled in the world, but for the time being, I suggest that no legislation be considered until after the peace conference.

The CHAIRMAN. The time of the gentleman from Minnesota has expired.

Mr. HERTER. Mr. Chairman, I move to strike out the last seven words.

Mr. Chairman, throughout this whole debate all those who have spoken have admitted very freely and very frankly that they were confused, that they were not in full possession of the so-called secrets that all of us feel should be zealously guarded in this country, and that because of this confusion and uncertainty, and in many cases a very real fear that the secret will be divulged to those who might use it badly, they argue that all legislation ought to be postponed. I cannot agree with that point of view. I have not any more information than any other Member of this House, but when reaching a final judgment on this subject it seems to me we ought to give some consideration as to where this legislation originated, and who the individuals are who feel it is desirable that we pass this type of legislation.

The individual principally involved in the drafting of the original May-Johnson bill was Mr. George Harrison, president of the New York Life Insurance Co., formerly president of the Federal Reserve Bank of New York, who worked for 2 years as personal assistant to Secretary Stimson and sat as Mr. Stimson's alternate delegate on the Board that recommended this legislation. He was representing a hard-headed, practical point of view as to why the control over this newly found power should be put into the hands of a civilian commission. Working with him were the two men who did more to develop the scientific coordination that made possible the building of the bomb than any two others, namely, President Conant, of Harvard University, and President Compton, of the Massachusetts Institute of Technology, both of them very distinguished scientists in their own right.

The recommendations of those gentlemen, which led to this legislation that we have before us, were, as I said, based on the fundamental thesis that we are now embarking on an era of scientific rivalry where all nations are trying to get ahead in this particular matter. Testimony has been given that the development of the bomb did not come from a single new scientific discovery; that everything scientific about it was known before the war period; that the development of the bomb came entirely through the development of technological processes for putting that scientific information into effective use.

Mr. JOHNSON of California. Mr. Chairman, will the gentleman yield?

Mr. HERTER. I yield to the gentleman from California.

Mr. JOHNSON of California. I thank the gentleman for that statement. That is exactly the idea that General Groves expressed to us at the very first hearing on the May-Johnson bill, only he elaborated on it a little more. But it is the same idea that the gentleman expresses here.

Mr. HERTER. There is no question in my mind about it that if we are really interested in the security of this country we have to do everything that we can to encourage our scientific people to devote their energy toward seeing what further progress can be made in this particular field until satisfactory international controls have been developed. To my mind, to delay, or

not to enact any legislation—and I am not worrying too much about any amendments to be offered; I am merely speaking of some form of legislation—at this moment, is playing with our security rather than enhancing our security.

Mr. CASE of South Dakota. Mr. Chairman, will the gentleman yield?

Mr. HERTER. I yield to the gentleman from South Dakota.

Mr. CASE of South Dakota. In what way does this bill offer inducements for private research or scientific research that would not exist without this bill?

Mr. HERTER. It does this: this particular Commission will have control through license of all fissionable materials, but at the present time, under War Department controls, General Groves, or whoever the responsible official may be, cannot divulge anything that he has got, nor can he allow the scientists of the country to use fissionable material to experiment with. Today the War Department, under existing regulations, is extremely tight. But the minute the war is over, from the point of view of the realistic situation that we are up against here, the controls that the War Department has over this thing disappear like that, and you have an absolutely free field in this country which is not covered by any peacetime legislation.

The CHAIRMAN. The time of the gentleman from Massachusetts has expired.

Mr. THOMAS of New Jersey. Mr. Chairman, I ask unanimous consent that the gentleman be permitted to proceed for one additional minute.

The CHAIRMAN. Is there objection to the request of the gentleman from New Jersey?

There was no objection.

Mr. THOMAS of New Jersey. The gentleman said that the War Department at the present time—he mentioned General Groves—did not have any right to permit any experimentation and give out any secrets. The gentleman is absolutely wrong about that. At the present time industrial experiments are being made, and much of that information has been given out.

Mr. ELSTON. Mr. Chairman, will the gentleman yield?

Mr. HERTER. I yield to the gentleman from Ohio.

Mr. ELSTON. As a matter of fact, the testimony before the Committee on Appropriations given by General Groves was to the effect that the War Department is giving out whatever may be needed by industry to develop atomic energy for industrial purposes.

Mr. HERTER. That may be very true. The War Department at the moment, under war powers, has control of this situation. The minute those war powers are over, that control is gone.

Mr. CASE of South Dakota. Mr. Chairman, if the gentleman will yield further, what would be wrong with such a situation? I am asking for information. Is that not a situation that is going to obtain in every other country? Is there any control or restriction

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upon the use of atomic energy in other countries? Or at least any that we can dictate?

Mr. HERTER. There is absolutely no control that I know of.

Mr. CASE of South Dakota. Why should we have restriction in this country when it does not exist in other countries?

Mr. HERTER. I feel that this is an orderly expansion of research.

Mrs. LUCE. Mr. Chairman, will the gentleman yield?

Mr. HERTER. I yield to the gentlewoman from Connecticut.

Mrs. LUCE. I think perhaps the gentleman excepts totalitarian countries when he says there is no control of research in other countries.

Mr. HERTER. I meant to say no restriction of research in other countries. I think certainly every country is doing everything it can to encourage its scientists to work as hard and as fast as

they can in this particular field; in fact, they are making very large grants of money in every country, I think, for the development of this field.

Mr. CASE of South Dakota. I certainly would agree with the gentleman that the War Department should not have permanent control. I do not believe in that. However, we ought not to handicap ourselves when other nations do not.

Mr. MAY. Mr. Chairman, I ask unanimous consent that all debate on pro forma amendments to section 1 do now close, and that bona fide amendments to the section be reported for discussion.

The CHAIRMAN. Is there objection to the request of the gentleman from Kentucky?

There was no objection.

The CHAIRMAN. The question is on the amendment offered by the gentleman from California [Mr. JOHNSON].

The amendment was rejected.

Mr. FULTON. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. FULTON: On page 1, line 4, after "Section 1. (a) Findings and declaration", strike out the remainder of paragraph (a) and insert: "It is hereby declared to be the policy of the people of the United States that the development and utilization of atomic energy shall be directed toward the public welfare and increasing the standard of living of all peoples, and for the promotion of world peace, including assuring the common defense, security, and protection of all peace-loving nations."

Mr. FULTON. Mr. Chairman, this amendment is to make a restatement of the declaration of policy found at the beginning of the bill. If you look at the declaration of policy as we now have stated in the bill you will find that it is nothing but pious platitude. Read it with me:

Research and experimentation in the field of nuclear chain reaction have attained the stage at which the release of atomic energy on a large scale is practicable.

It would take a fool not to know that is true.

The significance of the atomic bomb for military purposes is evident.

If it is evident, why do we say it? To me, legislation should be passed for a particular purpose with a policy definitely stated. We should not in legislation keep repeating things that are self-evident and are mere drapings.

I read further:

The effect of the use of atomic energy for civilian purposes upon the social, economic, and political structures of today cannot now be determined.

Of course that is true. If we need anybody to tell us that it surely ought not to be in a measure cluttered up with things like that.

Mr. JOHNSON of California. Mr. Chairman, will the gentleman yield?

Mr. FULTON. I yield to the gentleman from California.

Mr. JOHNSON of California. Does the gentleman realize that the Committee of the Whole voted just a few minutes ago to retain that language in the bill and turned down the amendment I offered to strike it out?

Mr. FULTON. I am putting something else in its place.

Mr. JOHNSON of California. I wanted to put something else in its place. Let me tell the gentleman what happened.

Mr. FULTON. I realize what happened, but the question is, should this be substituted when the gentleman's language was not accepted?

Mr. JOHNSON of California. I will vote for the gentleman's amendment. I think it is all right.

Mr. FULTON. I thank the gentleman. [Reading further:]

This is a field in which unknown factors are involved.

I agree with what the gentlewoman from Connecticut [Mrs. LUCE] said yesterday, that there are unknown factors in everything. Important legislation will necessarily be subject to revision from time to time. I have yet to see any legislation in this House, even the Constitution of the United States, that

would not be subject to revision from time to time. Then the declaration of policy says it is reasonable to anticipate, however, that adopting this new source of energy will cause definite changes in our present way of life.

Our life is full of changes and, of course, that is to be understood. But why put it in here and clutter up the bill? Now, what we should do, of course, is to assure the people of the world and the people of this country that we are going to use atomic energy for the public welfare, not only of ourselves, but of all peoples, and also to increase the standards of living of ourselves and of all peoples. We should put that first. Then we should say we want it for the promotion of world peace and we want it for security and protection. But we should say that we want it not only for ourselves but for all peace-loving nations. That does not mean that we will let foreign nations have the secrets at this time, but it certainly says what our aims are and states them specifically, shortly, and directly.

Mr. DONDERO. Mr. Chairman, will the gentleman yield?

Mr. FULTON. I yield to the distinguished gentleman from Michigan.

Mr. DONDERO. The gentleman mentions world peace. Do you think we should share the secrets of this bomb if the peace conference which will convene in Paris on the 29th of this month fails because of the veto power of one or more of our allies, as it has failed up to the present time?

Mr. FULTON. I agree with the intent of the question and with the presumption made by the gentleman from Michigan that we should not share it. But because we have this stewardship and trusteeship, we should let the people of the world know that in the protections that we are throwing around the development of atomic energy and the secrets of atomic energy we will see that it is done for the good of the world. I hope we will do just contrary to what some other countries might want to do, who would keep it selfishly for themselves and then use it, not for the good of the people in raising the standards of living for the people, but for aims that they might call protection but which really were for purposes of aggression.

Mr. DONDERO. I think the whole world knows now that the secret of this bomb is in the hands of a government that does not think it is necessary for the whole world to adopt our form of government in order to insure world peace.

Mr. FULTON. I think the gentleman's remarks are very much to the point and agree with them. May I then ask the chairman of the Committee on Military Affairs two questions?

On page 3 is found this language which my Harvard training will not permit me to read and make any sense out of. The language is as follows:

> A program of federally conducted research and development to assure the Government (with a capital "g") of adequate scientific and technical accomplishment.

Is the word "Government" there used in the sense of the Federal Government, or is the word "Government" used to mean the control of accomplishment?

The CHAIRMAN. The time of the gentleman from Pennsylvania has expired.

Mr. FULTON. Mr. Chairman, I ask unanimous consent to proceed for three additional minutes.

The CHAIRMAN. Without objection, it is so ordered.

There was no objection.

Mr. MAY. I might answer the gentleman's question, although I am not a Harvard man, by saying that I would understand from the language in line 13 on page 2 that it is the purpose of the act to effectuate the policies set out in section 1 (a), which is the preceding section, which provides, among other things, for the following major programs relating to atomic energy. Then when you go to subsection (3) it would be a program of federally conducted

research. That means the Government would carry on the program of scientific research and development to assure

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the Government of adequate scientific and technical accomplishment.

Mr. FULTON. Do you mean to assure the Government adequate scientific and technical accomplishment, or do you mean to assure the Government —meaning "control"—of adequate scientific and technical accomplishment? If you mean the Federal Government, you have to strike out the word "of."

Mr. MAY. All it does is to assure a program of federally conducted research and development. That is all.

Mr. FULTON. Then may I recommend that the conferees, when they meet, change that section (3) to read: "to assure the Federal Government" and strike out the word "of." The word "of" does not fit there according to the meaning that you have given.

Subsection (5) on page 3 refers to a program of administration which will be consistent with the foregoing policies "and international arrangement made by the United States." I ask the chairman of the Military Affairs Committee whether any arrangements already have been made internationally, by the United States. Have there been any international arrangements already made by the United States in respect to atomic energy? In this act the committee seems to assume that there have been.

Mr. MAY. Mr. Chairman, will the gentleman yield?

Mr. FULTON. Yes.

Mr. MAY. This bill by a subsequent provision provides adequate facilities and plans, under licensed systems of authority, to research laboratories, industries, colleges, and universities. This is merely a statement of federally conducted experiments through this Commission. The Commission will determine who is licensed and under what conditions.

The CHAIRMAN. The time of the gentleman from Pennsylvania [Mr. FULTON] has again expired.

Mr. FULTON. Mr. Chairman, I ask unanimous consent to proceed for two additional minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from Pennsylvania?

There was no objection.

Mr. FULTON. But you say, "international arrangements made," not to be made, which infers they already have been made by the United States. That is international agreements with respect to atomic energy. Why do you use the statement, "made"? If they are to be made, let us say it, but if they are already made, then I ask you, what are those international arrangements already made in respect to atomic energy, by the United States? Are there any? Let me hear directly.

Mr. MAY. Let me call the gentleman's attention to section 8:

> As used in this act, the term "international arrangement" shall mean any treaty approved by the Senate or international agreements hereafter approved by the Congress during the time such treaty or agreement is in full force and effect.

That is the answer.

Mr. FULTON. May I state to the chairman of the Military Affairs Committee, as a practicing attorney, that is what the definition would be if the act were passed. The act is not now in effect. So I again ask the chairman of the Military Affairs Committee, Are there any international agreements in respect to atomic matters that are now in existence? I would appreciate a yes or no answer.

Mr. MAY. Well, you are not going to get a yes or no answer out of me, because I am not on the witness stand to be cross-examined. In the second place, this bill provides what the Commission may or may not do. It does not make it mandatory.

Mr. FULTON. May I then request, whom shall I ask to find out as to the possible existence of these international atomic agreements?

Mr. MAY. I suggest to the gentleman that he study the bill.

The CHAIRMAN. The time of the gentleman from Pennsylvania has again expired.

Mr. FULTON. Mr. Chairman, I ask unanimous consent to proceed for three additional minutes to answer the questions of several Members now on their feet.

The CHAIRMAN. Is there objection to the request of the gentleman from Pennsylvania?

Mr. DURHAM. Mr. Chairman, I object.

Mr. SHAFER. Mr. Chairman, I rise in opposition to the amendment.

The CHAIRMAN. The gentleman from Michigan is recognized for 5 minutes.

Mr. SHAFER. Mr. Chairman, the gentleman from Pennsylvania [Mr. FULTON] asked the chairman of the Military Affairs Committee if there had been any international agreements entered into in connection with the atomic energy. Apparently there have been. If my understanding is correct, we have agreements with Great Britain and Canada. Is that not true?

Mr. MAY. That is my understanding, but I do not know what they are.

Mr. SHAFER. Everyone seems to be greatly interested in what we are going to do with the atomic bomb. I hold in my hand a message from Mr. Ernest Adamson, chief counsel of the Un-American Activities Committee, and I think it should be read at this point in the debate. The message, written today, reads:

I have just learned through the State Department channels that an International Scientists Conference will be held in Paris during the month of September to discuss control of the atom bomb. The head of the conference is one Joliot-Curie, an active member of the French Communist Party. A large group of delegates from the United States is expected to attend.

Mr. AUGUST H. ANDRESEN. Mr. Chairman, will the gentleman yield?

Mr. SHAFER. I yield.

Mr. AUGUST H. ANDRESEN. Does the gentleman have any suspicions that there might be some secret agreement which was made over in Potsdam or some other place?

Mr. SHAFER. I do not know whether there are secret agreements. I have my own opinions, but I do not care to state them here.

Mr. JOHNSON of California. Mr. Chairman, will the gentleman yield?

Mr. SHAFER. I yield.

Mr. JOHNSON of California. Is this a conference of private individuals or an official government conference?

Mr. SHAFER. It is called an International Conference of Scientists. I do not know whether it is a government conference; it is an international conference.

Mr. BROOKS. Mr. Chairman, will the gentleman yield?

Mr. SHAFER. I yield.

Mr. BROOKS. The gentleman knows that while this matter was under consideration by the House Military Affairs Committee we made special inquiries of the State Department as to whether or not there were any secret agreements affecting the atomic bomb that had not been published in any respect and we received definite and positive word without qualification to the effect that there was nothing affecting this legislation that had not been completely published and publicized. Is that correct?

Mr. SHAFER. That is what we were told.

Mr. BARDEN. Mr. Chairman, will the gentleman yield?

Mr. SHAFER. I yield.

Mr. BARDEN. That leaves me somewhat at a loss to understand why the chairman of the committee would say he does not know what they are.

Mr. SHAFER. That is the reason why I called attention to the fact that we do have agreements with Great Britain and Canada.

Mr. BROOKS. The chairman had those in mind when he referred to agreements.

Mr. BARDEN. Possibly the gentleman from Louisiana would know the contents of those agreements.

Mr. SHAFER. I will yield for him to tell us.

Mr. BROOKS. I have just told the gentleman that the State Department stated that there was no secret agreement on the subject. As to whether or not another agreement covers the subject, the gentleman is aware of what has been published in the daily press just as well as I, and I presume he has read them as carefully as I did.

Mr. BARDEN. Mr. Chairman, will the gentleman yield further?

Mr. SHAFER. I yield.

Mr. BARDEN. Would the gentleman mind giving us the benefit of the contents of the agreements that are in existence with Great Britain and Canada?

Mr. BROOKS. No. I can tell the gentleman that if he had read what has been published, he would know just as well as I do. I understood there was some sort of understanding between Canada and us because we did obtain

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the original materials from Canada, but there is nothing secret at all. It was called to our attention at the time.

Mr. RICH. Mr. Chairman, will the gentleman yield?

Mr. SHAFER. I yield.

Mr. RICH. Does not the gentleman believe that the House should know something about these agreements and promises that are being made with these foreign countries before we turn loose what is probably the most destructive force that the world has ever known?

Mr. SHAFER. If there are any agreements or promises, I think it is highly important to find out all about them.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Pennsylvania [Mr. FULTON].

The question was taken; and on a division (demanded by Mr. FULTON) there were—ayes 5, noes 42.

So the amendment was rejected.

Mr. MAY. Mr. Chairman, a parliamentary inquiry.

The CHAIRMAN. The gentleman will state it.

Mr. MAY. Are there further amendments pending at the desk with reference to section 1?

The CHAIRMAN. There are not.

Mr. MAY. Then I ask unanimous consent that all debate on this section and all amendments thereto do now close.

* * * * *

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The Clerk read as follows:

RESEARCH

SEC. 3. (a) Research assistance: The Commission is directed to exercise its powers in such manner as to insure the continued conduct of research and development activities in the fields specified below by private or public institutions or persons and to assist in the acquisition of an ever-expending fund of theoretical and practical knowledge in such fields. To this end the Commission is authorized and directed to make arrangements (including contracts, agreements, grants-in-aid, and loans) for the conduct of research and development activities relating to—

(1) nuclear processes:

(2) the theory and production of atomic energy, including processes, materials, and devices related to such production;

(3) utilization of fissionable and radioactive materials for medical, biological, health, or military purposes:

(4) utilization of fissionable and radioactive materials and processes entailed in the production of such materials for all other purposes, including industrial uses; and

(5) the protection of health during research and production activities.

The Commission may make such arrangements without regard to the provisions of section 3709 of the Revised Statutes (U. S. C., title 41, sec. 5) upon certification by the Commission that such action is necessary in the interest of the common defense and security, or upon a showing that advertising is not reasonably practicable, and may make partial and advance payments under such arrangements, and may make available for use in connection therewith such of its equipment and facilities as it may deem desirable. Such arrangements shall contain such provisions to protect health, to minimize danger from explosion and other hazards to life

or property, and to require the reporting and to permit the inspection of work performed thereunder, as the Commission may determine; but shall not contain any provisions or conditions which prevent the dissemination of scientific or technical information, except to the extent such dissemination is prohibited by law.

(b) Research by the Commission: The Commission is authorized and directed to conduct, through its own facilities, activities and studies of the types specified in subsection (a) above.

Mr. CLASON. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. CLASON: On page 11, line 2, after the period on line 2, insert "The armed services, as well as private individuals, shall be permitted to engage in independent military research and to enter into research and development contracts with nongovernmental organizations provided that all such contracts are made subject to the provisions of this bill."

Mr. CLASON. Mr. Chairman, this amendment is taken from the words in the report of the Senate committee which are set forth on page 58. The amendment is based upon the statement of Mr. Kenney, the Assistant Secretary of the Navy. In his testimony before our committee he pointed out that the Navy is in a unique position; that the Navy is the greatest user of power and the largest power engineering organization in the world, which gives it an interest in the development and application of atomic energy for power uses.

Then he goes on to say that these ships have to carry fuel, and if they can use atomic energy it will mean much to them. He pointed out also that there are two propositions which, in connection with this bill, have given the Navy great concern. The first of them has to do with whether or not the armed services would be adequately taken care of on the Atomic Energy Commission. I believe that adequate protection for the Navy's interests will be furnished by any commission which is appointed.

The second proposition is whether the armed services will be free to continue its energetic program of research and development in the field of atomic energy. In connection with that program he pointed out that the Navy Department is at the present time engaged in a very large research and development activity. They have contracts with outside private firms and they wish to carry them on. Their point is that unless an amendment is offered in this bill the Navy must rely upon an interpretation of the provisions in this bill made in the report of the Senate committee to carry on these contracts and this research development.

Unfortunately the House committee in its report on page 8, section 3, research, makes no mention whatsoever as to the right of the armed services, either the Army or the Navy, to carry on their own development and research work. Because of that there is no interpretation by the House or its committee as to what the Army and the Navy would be able to do.

In view of the position of the Navy Department, Mr. Kenney stated that the Navy Department is vitally interested in the development and use of atomic energy for many purposes, particularly as a source of power in ship propulsion. Plans are already under way whereby an extended program of research and development will be undertaken in the near future in the field of atomic power for use in ship propulsion.

The Navy's plans contemplate that eventually such a program will be carried out by projects placed with governmental organizations, including naval laboratories, and by means of contracts with private educational institutions and commercial organizations.

In view of the statement made by the Assistant Secretary, Mr. Kenney, I feel that the House ought to protect the armed services in this regard. The only purpose of this amendment is to put in the bill words which will indicate that the House agrees with the Senate, that the proper interpretation of this bill is that the armed services may go ahead with the work which they have already carried on with such outstanding success during the war. In peace it

is going to mean much more to the United States insofar as the Navy and the Army are concerned if they can continue the development and research work which they have been heading up over the last 5 years.

For that reason I have offered this amendment, and unless it is in the bill, as I see it, the Navy might be wiped out by the absolute terms of this legislation from continuing work on which they have already expended millions of dollars and upon which they have a program which will also run into more millions. I feel it is very important that the Navy and the Army should be allowed to carry on the work which they have developed so well in the past.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Massachusetts [Mr. CLASON].

The amendment was rejected.

Mr. MATHEWS. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. MATHEWS: On page 9, line 16, strike out "grants-in-aid."

Mr. MATHEWS. Mr. Chairman, the purpose of this amendment is to prevent the giving of a blank check of unknown millions of the taxpayers' dollars for unnamed purposes to an unformed body of men. This Commission will be in a position of spending many millions and billions of dollars, particularly in paying for patents and royalties thereon, and for its own expenses and salaries. I do not think we should go so far as to give it a blank check in the form of grants-in-aid. Therefore, I think the amendment should be adopted.

More important, however, I am of the belief from talking to several Members of this House that they and out-

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siders in business and industry are laboring under a misconception about this bill. This misconception is simply this. They are assuming that under the provisions of this bill the necessity for obtaining a license and the ability to obtain that license will be simultaneous. That is not correct. The moment the President signs this bill, if it is passed, all restrictions on ownership, on export and import, on transfer, and in every other respect will go into effect. The requirements for the licenses will go into effect, but there will be no place to get the licenses. That creates the gap, the hiatus, of which I spoke this morning, which will put the whole industry in an uproar and confusion.

A man using fissionable material or facilities in his own industry for his own business will go to his lawyer and say, "Tell me what I can do under this act without a license, or what I have to have a license for." If his lawyer is very, very smart he might be able to tell him. If he tells him what he needs a license for, the man may say, "Get me a license." The lawyer will say, "I cannot. The Commission is not formed, it has no organization, it has no employees, it has no forms of application, it has no personnel to make an inspection, and it has nobody to make a decision." That is the situation the industry will be in if this bill is passed and is then signed by the President.

Mr. CASE of South Dakota. Mr. Chairman, will the gentleman yield?

Mr. MATHEWS. I yield to the gentleman from South Dakota.

Mr. CASE of South Dakota. I hope the gentleman's amendment will be adopted, for the further reason that the Commission is the judge of its own expenditures. Under the language of the bill on page 52, the General Accounting Office will not have the usual accounting authority over the Commission.

The bill provides that—

The acts appropriating such sums may appropriate specified portions thereof to be accounted for upon the certification of the Commission only.

In other words, the Commission alone will decide about these grants-in-aid, and they cannot be restricted or ex-

amined by the General Accounting Office.

Mr. MATHEWS. That is right. That is why it is a real blank check.

The CHAIRMAN. The question is on the amendment offered by the gentleman from New Jersey.

The question was taken; and on a division (demanded by Mr. MATHEWS) there were—ayes 60, noes 55.

Mr. HINSHAW and Mr. BIEMILLER demanded tellers.

Tellers were ordered, and the Chairman appointed as tellers Mr. MAY and Mr. MATHEWS.

The Committee again divided, and the tellers reported that there were—ayes 79, noes 68.

So the amendment was agreed to.

The Clerk read as follows:

PRODUCTION OF FISSIONABLE MATERIAL

SEC. 4. (a) Definition: As used in this act, the term "produce," when used in relation to fissionable material, means to manufacture, produce, or refine fissionable material, as distinguished from source materials as defined in section 5 (b) (1), or to separate fissionable material from other substances in which such material may be contained or to produce new fissionable material.

(b) Prohibition: It shall be unlawful for any person to own any facilities for the production of fissionable material or for any person to produce fissionable material, except to the extent authorized by subsection (c).

(c) Ownership and operation of production facilities:

(1) Ownership of production facilities: The Commission shall be the exclusive owner of all facilities for the production of fissionable material other than facilities which (A) are useful in the conduct of research and development activities in the fields specified in section 3, and (B) do not, in the opinion of the Commission, have a potential production rate adequate to enable the operator of such facilities to produce within a reasonable period of time a sufficient quantity of fissionable material to produce an atomic bomb or any other atomic weapon.

(2) Operation of the Commission's production facilities: The Commission is authorized and directed to produce or to provide for the production of fissionable material in its own facilities. To the extent deemed necessary, the Commission is authorized to make, or to continue in effect, contracts with persons obligating them to produce fissionable material in facilities owned by the Commission. The Commission is also authorized to enter into research and development contracts authorizing the contractor to produce fissionable material in facilities owned by the Commission to the extent that the production of such fissionable material may be incident to the conduct of research and development activities under such contracts. Any contract entered into under this section shall contain provisions (A) prohibiting the contractor with the Commission from subcontracting any part of the work he is obligated to perform under the contract, and (B) obligating the contractor to make such reports to the Commission as it may deem appropriate with respect to his activities under the contract, to submit to frequent inspection by employees of the Commission of all such activities, and to comply with all safety and security regulations which may be prescribed by the Commission. Any contract made under the provisions of this paragraph may be made without regard to the provisions of section 3709 of the Revised Statutes (U. S. C., title 41, sec. 5) upon certification by the Commission that such action is necessary in the interest of the common defense and security, or upon a showing that advertising is not reasonably practicable, and partial and advance payments may be made under such contracts. The President shall determine at least once each year the quantities of fissionable material to be produced under this paragraph.

(3) Operation of other production facilities: Fissionable material may be produced in the conduct of research and development activities in facilities which, under paragraph (1) above, are not required to be owned by the Commission.

(d) Irradiation of materials: For the purpose of increasing the supply of radioactive materials, the Commission is authorized to expose materials of any kind to the radiation incident to the processes of producing or utilizing fissionable material.

(e) Manufacture of production facilities: Unless authorized by a license issued by the Commission, no person may manufacture, produce, transfer, or acquire any facilities for the production of fissionable material. Licenses shall be issued in accordance with such procedures as the Commission may by regulation establish and shall be issued in accordance with such standards and upon such conditions as will restrict the production and distribution of such facilities to effectuate the policies and purposes of this act. Nothing in this section shall be deemed to require a license for such manufacture, production, transfer, or acquisition incident to or for the conduct of research or development activities in the United States of the types specified in section 3, or to prohibit the Commission from manufacturing or producing such facilities for its own use.

Committee amendment:

On page 12, line 20, after the comma, insert "except as authorized by the Commission."

Mr. MAY. Mr. Chairman, that merely means that without that amendment the Commission would not be able to subcontract in the letting of licenses. This was put in by the committee to enable them to expand their operations to small business.

The CHAIRMAN. The question is on agreeing to the committee amendment.

The committee amendment was agreed to.

The CHAIRMAN. The Clerk will report the next committee amendment.

The Clerk read as follows:

Committee amendment: Page 13, line 20, strike out the word "is" and insert "and persons performing pursuant to section 3 (a), section 4 (c) (1) (A) and (B), or section 7 are."

Mr. MAY. Mr. Chairman, I offer a corrective amendment to the committee amendment.

The Clerk read as follows:

Amendment offered by Mr. MAY as a substitute for the committee amendment: On page 13, line 20, strike out the word "is" and insert in lieu thereof the following: "and persons lawfully producing or utilizing fissionable material are."

The substitute amendment was agreed to.

Mr. HINSHAW. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. HINSHAW: On page 11, line 18, after the word "Commission", insert a comma and the words "as agent of and on behalf of the United States."

Mr. HINSHAW. Mr. Chairman, I hope the committee will agree to this amendment. I would like to call attention to the prohibition contained in line 11, page 11, which reads:

It shall be unlawful for any person to own any facilities for the production of fissionable material or for any person to produce fissionable material, except to the extent authorized by subsection (c).

If you will note the language on page 43, lines 4, 5, and 6, the Commission is authorized to acquire and purchase land and hold real and personal property as agent of, and on behalf of, the United States.

The language I have used here is identical with that language on page 43.

My reason for offering the amendment is because of the definition in the bill of the term "person" and referring now back to the prohibition on page 11:

It shall be unlawful for any person to own any facilities—

Please note that the definition of the term "person" means not only any indi-

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vidual, corporation, partnership, and so forth, but it means also the United States or any agency thereof. The United States is included in the term "person."

I merely ask for the insertion of these words, Mr. Chairman, in order that this section shall be in such form as not to conflict with the definition of the term "person."

I hope the chairman of the committee will agree to accept the amendment, as I think it clarifies the matter. It is purely clarifying in nature.

I yield back the balance of my time.

The CHAIRMAN. The question is on the amendment offered by the gentleman from California.

The question was taken: and on a division (demanded by Mr. HINSHAW) there were—ayes 49, noes 2.

So the amendment was agreed to.

The clerk read as follows:

Page 14, line 14:

"CONTROL OF MATERIALS

"SEC. 5. (a) Fissionable materials:

"(1) Definition: As used in this act, the term 'fissionable material' means plutonium, uranium enriched in the isotope 235, any other material which the Commission determines to be capable of releasing substantial quantities of energy through nuclear chain reaction of the material or any material artificially enriched by any of the foregoing; but does not include source materials, as defined in section 5 (b) (1).

"(2) Government ownership of all fissionable material: All right, title, and interest within or under the jurisdiction of the United States, in or to any fissionable material, now

or hereafter produced, shall be the property of the Commission, and shall be deemed to be vested in the Commission by virtue of this act. Any person owning any interest in any fissionable material at the time of the enactment of this act, or owning any interest in any material at the time when such material is hereafter determined to be a fissionable material, or who lawfully produces any fissionable material incident to privately financed research or development activities, shall be paid just compensation therefor. The Commission may, by action consistent with the provisions of paragraph (4) below, authorize any such person to retain possession of such fissionable material, but no person shall have any title in or to any fissionable material.

"(3) Prohibition: It shall be unlawful for any person, after 60 days from the effective date of this act to (A) possess or transfer any fissionable material, except as authorized by the Commission, or (B) export from or import into the United States any fissionable material, or (C) directly or indirectly engage in the production of any fissionable material outside of the United States.

"(4) Distribution of fissionable material: Without prejudice to its continued ownership thereof, the Commission is authorized to distribute fissionable material, with or without change, to applicants requesting such material (A) for the conduct of research or development activities either independently or under contract or other arrangement with the Commission, (B) for use in medical therapy, or (C) for use pursuant to a license issued under the authority of section 7. Such material shall be distributed in such quantities and on such terms that no applicant will be enabled to obtain an amount sufficient to construct a bomb or other military weapon. The Commission is directed to distribute sufficient fissionable material to permit the conduct of widespread independent research and development activity, to the maximum extent practicable. In determining the quantities of fissionable material to be distributed, the Commission shall make such provisions for its own needs and for the conservation of fissionable material as it may determine to be necessary in the national interest for the future development of atomic energy. The Commission shall not distribute any material to any applicant, and shall recall any distributed material from any applicant, who is not equipped to observe or who fails to observe such safety standards to protect health and to minimize danger from explosion or other hazard to life or property as may be established by the Commission, or who uses such material in violation of law or regulation of the Commission or in a manner other than as disclosed in the application therefor.

"(5) The Commission is authorized to purchase or otherwise acquire any fissionable material or any interest therein outside the United States, or any interest in facilities for the production of fissionable material, or in real property on which such facilities are located, without regard to the provision of section 3709 of the Revised Statutes (U. S. C., title 41, sec. 5) upon certification by the Commission that such action is necessary in the interest of the common defense and security, or upon a showing that advertising is not reasonably practicable, and partial and advance payments may be made under contracts for such purposes. The Commission is further authorized to take, requisition, or condemn, or otherwise acquire any interest in such facilities or real property, and just compensation shall be made therefor.

"(b) Source materials:

"(1) Definition: As used in this act, the term 'source material' means uranium, thorium, or any other material which is determined by the Commission, with the approval of the President, to be peculiarly essential to the production of fissionable materials; but includes ores only if they contain one or more of the foregoing materials in such concentration as the Commission may by regulation determine from time to time.

"(2) License for transfers required: Unless authorized by a license issued by the Commission, no person may transfer or deliver and no person may receive possession of or title to any source material after removal from its place of deposit in nature, except that licenses shall not be required for quantities of source materials which, in the opinion of the Commission, are unimportant.

"(3) Issuance of licenses: The Commission shall establish such standards for the issuance, refusal, or revocation of licenses as it may deem necessary to assure adequate source materials for production, research, or development activities pursuant to this act or to prevent the use of such materials in a manner inconsistent with the national welfare. Licenses shall be issued in accordance with such procedures as the Commission may by regulation establish.

"(4) Reporting: The Commission is authorized to issue such regulations or orders requiring reports of ownership, possession, extraction, refining, shipment, or other handling of source materials as it may deem necessary, except that such reports shall not be required with respect to (A) any source material prior to removal from its place of deposit in nature, or (B) quantities of source materials which in the opinion of the Commission are unimportant or the reporting of which will discourage independent prospecting for new deposits.

"(5) Acquisition: The Commission is authorized and directed to purchase, take, requisition, condemn, or otherwise acquire, supplies of source materials or any interest in real property containing deposits of source materials to the extent it deems necessary to effectuate the provisions of this act. Any purchase made under this paragraph may be made without regard to the provisions of section 3709 of the Revised

Statutes (U. S. C., title 41, sec. 5) upon certification by the Commission that such action is necessary in the interest of the common defense and security, or upon a showing that advertising is not reasonably practical, and partial and advance payments may be made thereunder. The Commission may establish guaranteed prices for all source materials delivered to it within a specified time. Just compensation shall be made for any property taken, requisitioned, or condemned under this paragraph.

"(6) Exploration: The Commission is authorized to conduct and enter into contracts for the conduct of exploratory operations, investigations, and inspections to determine the location, extent, mode of occurrence, use, or conditions of deposits or supplies of source materials, making just compensation for any damage or injury occasioned thereby. Such exploratory operations may be conducted only with the consent of the owner, but such investigations and inspections may be conducted with or without such consent.

"(7) Public lands: All uranium, thorium, and all other materials determined pursuant to paragraph (1) of this subsection to be peculiarly essential to the production of fissionable material, contained, in whatever concentration, in deposits in the public lands are hereby reserved for the use of the United States; except that with respect to any location, entry, or settlement made prior to the date of enactment of this act no reservation shall be deemed to have been made, if such reservation would deprive any person of any existing or inchoate rights or privileges to which he would otherwise be entitled or would otherwise enjoy: *Provided, however*, That no person, corporation, partnership, or association, which had any part, directly or indirectly, in the development of the atomic bomb project, may benefit by any location, entry, or settlement upon the public domain made after such person, corporation, partnership, or association took part in such project. The Secretary of the Interior shall cause to be inserted in every patent, conveyance, lease, permit, or other authorization hereafter granted to use the public lands or their mineral resources, under any of which there might result the extraction of any materials so reserved, a reservation to the United States of all such materials, whether or not of commercial value, together with the right of the United States through its authorized agents or representatives at any time to enter upon the land and prospect for, mine, and remove the same, making just compensation for any damage or injury occasioned thereby. Any lands so patented, conveyed, leased, or otherwise disposed of may be used, and any rights under any such permit or authorization may be exercised, as if no reservation of such materials had been made under this subsection; except that when such use results in the extraction of any such material from the land in quantities which may not be transferred or delivered without a license under this subsection, such material shall be the property of the Commission and the Commission may require delivery of such material to it by any possessor thereof after such material has been separated as such from the ores in which it was contained. If the Commission requires the delivery of such material to it, it shall pay to the person mining or extracting the same, or to such other person as the Commission determines to be entitled thereto, such sums, including profits, as the Commission deems fair and reasonable for the discovery, mining, development, production, extraction, and other services performed with respect to such material prior to such delivery, but such payment shall not include any amount on account of the value of such material before removal from its place of

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deposit in nature. If the Commission does not require delivery of such material to it, the reservation made pursuant to this paragraph shall be of no further force or effect.

"(c) Byproduct materials:

"(1) Definition: As used in this act, the term 'byproduct material' means any radioactive material (except fissionable material) yielded in or made radioactive by exposure to the radiation incident to the processes of producing or utilizing fissionable material."

Mr. THOMASON. Mr. Chairman, I ask unanimous consent that the further reading of the bill be dispensed with, with the understanding that any amendments may be offered at the appropriate places.

The CHAIRMAN. Is there objection to the request of the gentleman from Texas?

Mr. THOMAS of New Jersey. Mr. Chairman, reserving the right to object, how many amendments are there at the Clerk's desk?

The CHAIRMAN. There are 16 amendments.

Mr. THOMAS of New Jersey. How many committee amendments are there?

Mr. THOMASON. Three more.

The CHAIRMAN. There are three more.

Mr. THOMASON. Mr. Chairman, this is not an effort to deprive any one from offering an amendment at the appropriate place in the bill, but inasmuch as the Speaker is anxious to conclude the consideration of this bill on

account of a very crowded calendar, we want to save time.

Mr. THOMAS of New Jersey. Will the gentleman tell us when he expects to have the Committee rise?

Mr. THOMASON. If I may quote the Chairman and also the Speaker, I think there is an understanding to rise at 5:30.

Mr. THOMAS of New Jersey. If the gentleman will agree to rise at 5:30 I will not object; otherwise I will have to object.

Mr. KEEFE. Mr. Chairman, reserving the right to object, this is an extremely important bill and should be read section by section so that the Members may understand it; therefore I object.

Mr. THOMAS of New Jersey. Mr. Chairman, I object.

The Clerk read as follows:

(2) Distribution: The Commission is authorized to distribute, with or without charge, byproduct materials to applicants seeking such materials for research or development activity, medical therapy, industrial uses, or such other useful applications as may be developed. In distributing such materials, the Commission shall give preference to applicants proposing to use such materials in the conduct of research and development activity or medical therapy. The Commission shall not distribute any byproduct materials to any applicant, and shall recall any distributed materials from any applicant, who is not equipped to observe or who fails to observe such safety standards to protect health as may be established by the Commission or who uses such materials in violation of law or regulation of the Commission or in a manner other than as disclosed in the application therefor.

(d) General provisions:

(1) The Commission shall not distribute (A) any fissionable or source material to any person for a use which is not under or within the jurisdiction of the United States or to any foreign government.

(2) The Commission shall establish by regulation a procedure by which any person who is dissatisfied with the distribution or refusal to distribute to him, or the recall from him, of any fissionable or byproduct materials or with the issuance, refusal, or revocation of a license to him for the transfer or receipt of source materials may obtain a review of such determination by a board of appeal consisting of three members appointed by the Commission. The Commission may in its discretion review and revise any decision of such board of appeal.

With the following committee amendments:

Page 20, line 10, strike out "person" and insert "individual."

Page 10, line 14, strike out "person" and insert "individual."

Page 20, line 15, after the word "project", insert "unless first authorized so to do by the Commission."

Page 22, line 22, after the word "distribute" insert "(A)."

The committee amendments were agreed to.

The Clerk read as follows:

Committee amendment: Page 22, line 23, strike out the words "or source."

Mr. THOMASON. Mr. Chairman, I offer a substitute for the committee amendment on page 22, line 22.

The Clerk read as follows:

Substitute offered by Mr. THOMASON for the committee amendment:

Page 22, line 22, strike out all of paragraph (1) and insert in lieu thereof the following:

"(1) The Commission shall not—

"(A) Distribute any fissionable material to (i) any person for a use which is not under or within the jurisdiction of the United States, (ii) any foreign government, or (iii) any person within the United States if, in the opinion of the Commission, the distribution of such fissionable material to such person would be inimical to the common defense and security.

"(B) License any person to transfer or deliver, receive possession of or title to, or export from the United States any source material if, in the opinion of the Commission, the issuance of a license to such person for such purpose would be inimical to the common defense and security."

Page 18, beginning in line 1, strike out "and no person may receive possession of or title to" and insert in lieu thereof "receive possession of or title to, or export from the United States."

Page 23, line 11, strike out "transfer or receipt" and insert in lieu thereof "transfer, delivery, receipt, or exportation."

The CHAIRMAN. The question is on the committee substitute.

The committee substitute was agreed to.

The CHAIRMAN. The question is on the committee amendment as amended by the substitute.

The committee amendment was agreed to.

Mr. THOMASON. Mr. Chairman, I offer a clarifying amendment.

The Clerk read as follows:

Amendment offered by Mr. THOMASON: Page 20, line 4, strike out the semicolon and all that follows down through the word "enjoy" in line 9, and insert in lieu thereof the words "subject to valid claims existing on the date of the enactment of this act."

Mr. CASE of South Dakota. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, if I understand the amendment correctly, it proposes on page 20 to strike out the language between line 4 and line 9 and to substitute merely language reading "subject to existing claims."

Mr. THOMASON. Mr. Chairman, if the gentleman will yield, I will say to the gentleman from South Dakota that the language reads "subject to valid claims existing on the date of the enactment of this act." May I add that I do not pretend to be too familiar with the matter except the chairman of the committee, with the advice of counsel, tells me that the Department of the Interior sent this amendment over, with the assurance that it does not change the meaning or the import of the language in the bill but merely clarifies it to conform to existing law.

Mr. CASE of South Dakota. The language which is proposed to be stricken, as nearly as I can determine its meaning, seeks to make clear that valid claims are not violated or rights are not lost.

Mr. THOMASON. That is correct, and the substitute does the same thing.

Mr. CASE of South Dakota. The gentleman from Texas says it does the same thing?

Mr. THOMASON. That is what the chairman of the committee as well as counsel for the committee advise me, and that it was the request of the Department of the Interior.

Mr. CASE of South Dakota. While I am here, I would like to ask the gentleman from Texas also whether the committee proposes to do anything about the matter on the same page to which I drew attention yesterday? I pointed out yesterday that the language in the bill, which reads: "The Secretary of the Interior shall cause to be inserted in every patent, conveyance, lease, permit, or other authorization hereafter granted to use the public lands or their mineral resources," apparently would not apply similar requirements to lands in the national forest administered by the Secretary of Agriculture unless they went to patent.

Mr. THOMASON. My information is that it is subject to existing executive orders which cover the subject, and therefore the committee would have no other amendment.

Mr. CASE of South Dakota. I should like to ask the gentleman then what would happen in a situation like this: Claims are filed in the national forests simply by the act of the individual who files the claim. He goes out with a hatchet and pencil and makes his location. Within a certain number of days he files that location notice, if he desires, in the county courthouse. But from the time that he has put up his notice there he may mine that particular claim if he does a certain amount of development each year, called assessment work.

Mr. THOMASON. My personal opinion is that if the substitute amendment offered by the committee is

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adopted, this is just about as plain as it could be made, because it is all subject to valid claims existing on the date of the act. Therefore, there could be no violence done to the existing claims.

Mr. CASE of South Dakota. I think that is probably correct, and certainly I am not objecting to that. I am trying to draw attention to another matter in the language that follows. I assume the purpose of the legislation from line 16 on is to make a specific reservation and have the Secretary of the Interior put it in any form of mineral permit he administers. I am wondering why you

do not do the same for lands under the Secretary of Agriculture.

I know, as a matter of fact, for example, that a permit system is in operation on certain lands in the national forests in South Dakota which are what we call Federal game sanctuaries. Under that system, prospecting permits and mining permits are issued but they are issued by the Secretary of Agriculture and not by the Secretary of the Interior.

It is entirely immaterial to me. I am not seeking to tighten the bill in this respect, but in all fairness to the Committee, I thought I should point out that there are mining permits which are administered by the Secretary of Agriculture and not by the Secretary of the Interior. If the Committee does not care to do anything about it, it is immaterial to me.

Mr. THOMASON. Existing claims are not affected in any way.

The CHAIRMAN. The question is on the committee amendment offered by the gentleman from Texas.

The committee amendment was agreed to.

Mr. ELSTON. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. ELSTON: On page 23, strike out subsection (2).

Mr. ELSTON. Mr. Chairman, the purpose of offering this amendment is to eliminate from the bill a rather strange form of procedure. This section you will notice touches on control of material. The Commission under this section has the power and authority to distribute materials which may vitally affect the private industry of the Nation. The concluding paragraph of this section reads as follows:

The Commission shall establish by regulation a procedure by which any person who is dissatisfied with the distribution or refusal to distribute to him, or the recall from him, of any fissionable or byproduct materials, or with the issuance, refusal, or revocation of a license to him for the transfer or receipt of source materials may obtain a review of such determination by a board of appeal consisting of three members appointed by the Commission.

You will note that the Commission appoints its own board of appeal to pass on a question which may mean life or death to an industry, because if the time comes when fissionable material is used for industrial purposes it may make or break a company to be able to get it or not get it. The Commission makes an order on the use of fissionable material, and if a person is aggrieved by the order of the Commission, he may appeal, but he appeals to a board of appeal consisting of three members appointed by the Commission. If a person is not satisfied with the decision of the board of appeal, he does not appeal to the courts. The only recourse he has under this section is to do what is provided for in the last sentence of this section, which I read:

The Commission may in its discretion review and revise any decision of such board of appeal.

In other words, the Commission appoints the board of appeal in the first instance, and makes its own choice of membership. If the person or company aggrieved is not satisfied with the decision of the board of appeal, which the Commission appoints, such person or company appeals back to the Commission itself. That is about the strangest appeal procedure of which I have ever heard. I submit that it should be eliminated from the bill, and the general provisions of the administrative code of procedure, which we adopted some time ago in this House, should apply.

Under that code an appeal could be had to the courts of the land. That code was inserted in this bill by an amendment which I offered in committee, and it was made applicable to any decision of the Commission. But since this separate section remains here I believe it would be construed as a special section and as an exception to the general appeal provisions laid down in the administrative code of procedure if it is not stricken out. Therefore, I am offering an amendment to strike

this special appeal section out of the bill.

Mrs. LUCE. Does that mean if the Atomic Commission should manage, as Mr. Lilienthal predicts it will, to generate heat and electrical energy for commercial use, since it has the power to license this and sell it to the public, if an industry was not satisfied with what it got, it could only appeal to this board?

Mr. ELSTON. This is not the section under which you appeal with reference to the issuance of a license. This is the section under which you would appeal from an order of the Commission allocating fissionable or byproducts material, which would be about the same thing because if you have a license and cannot get the material, the license would be meaningless.

Mr. THOMASON. Mr. Chairman, I think there is merit to the amendment offered by the gentleman from Ohio. I do think there ought to be some appeal from the acts of the Commission, but since I am led to believe that it would be covered by the Administrative Appeals Act it seems to me it is more or less unnecessary. In my judgment, it seems to be a rather awkward procedure.

Mr. VORYS of Ohio. As I understand will the gentleman yield?

Mr. THOMASON. I yield.

Mr. VORYS of Ohio. As I understand the gentleman from Ohio, by striking out this very awkward attempt at providing an appeals section we therefore put this bill under the appeal provisions of the code of administrative procedure over which the Congress has labored for so many years.

Mr. THOMASON. I think the gentleman is correct.

Mr. VOORHIS of California. Mr. Chairman, will the gentleman yield?

Mr. THOMASON. I yield.

Mr. VOORHIS of California. Where would that leave the situation? I mean, where would that leave a person under the circumstances described by the gentleman from Ohio?

Mr. ELSTON. Mr. Chairman, if the gentleman from Texas will yield, may I say we not only depend on the code of administrative procedure which we adopted some time ago in the House and which is now law, but to make certain that every kind of appeal that you might take from an order of the Atomic Energy Commission could be taken, we wrote into this bill that the code of administrative procedure should apply. The amendment which I offered in committee appears on pages 45 and 46 of the bill. So, if the section which I am endeavoring to strike from the bill is stricken from the bill, it is my opinion that we are fully protected under the code of administrative procedure plus the committee amendment which appears on pages 45 and 46 of the bill.

Mr. THOMASON. May I say to the gentleman from California, if I recall correctly, the gentleman from Ohio had offered in committee an amendment putting this under the terms of the Administrative Procedure Act.

Mr. ELSTON. Yes, that is correct.

Mr. THOMASON. So it does seem to me that it is not only rather cumbersome but superfluous.

Mr. VOORHIS of California. What I was trying to get at was, what would be the practical effect on a person if he felt he had been unjustly treated?

Mr. THOMASON. My reply to that is, from my limited knowledge of the subject, that he could appeal to the Commission, and if he still felt aggrieved he would have the right of judicial review.

Mr. VORYS of Ohio. Mr. Chairman, will the gentleman yield?

Mr. THOMASON. I yield.

Mr. VORYS of Ohio. Such a person would hire a lawyer and proceed under the code of judicial procedure which we have set up.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Ohio [Mr. ELSTON].

The amendment was agreed to.

Mr. LANHAM. Mr. Chairman, I offer an amendment, which is at the

Clerk's desk.

The Clerk read as follows:

Amendment offered by Mr. LANHAM: On page 15, line 24, after the word "material", insert "owned by it."

The CHAIRMAN. The question is on the amendment offered by the gentleman from Texas.

The question was taken; and the Chair being in doubt, the Committee divided; and there were—ayes 69, noes 39.

The motion was agreed to.

Mr. THOMASON. Mr. Chairman, I move that the Committee do now rise.

The motion was agreed to.

Accordingly the Committee rose; and the Speaker having resumed the chair, Mr. JOHN J. DELANEY, Chairman of the Committee of the Whole House on the State of the Union, reported that that Committee, having had under consideration the bill (S. 1717) for the development and control of atomic energy, had agreed to no resolution thereon.

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ATOMIC ENERGY ACT OF 1946

The SPEAKER. The question is on the motion of the gentleman from Kentucky.

The motion was agreed to.

Accordingly the House resolved itself into the Committee of the Whole House on the State of the Union for the further consideration of the bill (S. 1717) for the development and control of atomic energy, with Mr. JOHN J. DELANEY in the chair.

The Clerk read the title of the bill.

Mr. MAY. Mr. Chairman, a parliamentary inquiry.

The CHAIRMAN. The gentleman will state it.

Mr. MAY. Mr. Chairman, I understand the reading of the bill was completed to and including all of section 5. May I inquire whether the committee amendments were agreed to?

The CHAIRMAN. The reading was completed down to page 23, line 15. The Chair may say for the information of the gentleman that all committee amendments were adopted.

Mr. HINSHAW. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, I take the floor at this time to propound an inquiry or two of the committee in connection with the prohibition on page 15, line 15. It is stated there:

It shall be unlawful for any person after 60 days from the effective date of this act to * * * (c) directly or indirectly engage in the production of any fissionable material outside of the United States.

How are you going to prevent any one from producing such material outside the United States? I would like to ask that question of the committee.

Mr. MAY. I would like to answer the gentleman by saying that is a Senate provision that was in the bill when we received it, and the committee merely left it in the bill.

Mr. HINSHAW. That is not an answer. How in the world can you prevent anybody from manufacturing or engaging in the production of any fissionable material outside of the United States?

Mr. MAY. I will answer the gentleman directly by saying this Government has no jurisdiction outside of its own territory except in its possessions, and they are outside of the United States. That provision was likely put in there to enable this Commission to control the production of these materials and the handling of them in our territories. There is Alaska, for instance.

Mr. HINSHAW. That is not outside of the territorial definition of the United States as set forth on page 43 of the bill.

Mr. CASE of South Dakota. As a matter of fact, the gentleman has put his finger on the futility of the whole bill. That is the assumption of placing the production of fissionable material in the United States under control and the use of that under control. That will have no effect on what happens

outside of the United States. I think that this shows the futility of this bill until some international agreement is arrived at.

Mr. HINSHAW. Now let us refer to page 16, line 25, where it is stated:

> The Commission is authorized to purchase or otherwise acquire any fissionable material or any interest therein outside the United States, or any interest in facilities for the production of fissionable material, or in real property on which such facilities are located.

And so forth. The last sentence of that subsection reads:

> The Commission is further authorized to take, requisition, or condemn, or otherwise acquire any interest in such facilities or real property, and just compensation shall be made therefor.

I would like to know how the Commission can condemn an interest in any property outside the United States?

Mr. MAY. This merely provides that it may purchase.

Mr. HINSHAW. It provides for condemnation.

Mr. MAY. Where is the gentleman reading?

Mr. HINSHAW. The word "condemn" appears in line 11, page 17.

Mr. MAY. Line 11, page 17:

> The Commission is authorized to take, requisition, or condemn, or otherwise acquire any interest in such facilities or real property, and just compensation shall be made therefor.

Mr. HINSHAW. I would like to know how you can do that outside the United States, and I merely asked for this time in order to call the attention of the membership to some of these things. I do not care whether the Senate put them in or who put them in.

Mr. MAY. I did not say that. I said it was the Senate that put it in, and it probably relates to the materials that they acquire in the United States.

Mr. HINSHAW. Mr. Chairman, I would like to reiterate that the answers of the committee on a great many questions that have been asked here have necessarily been probabilities rather than facts, because I do not believe that either the committee or this House understands the import of this bill.

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Mr. MAY. Mr. Chairman, will the gentleman yield?

Mr. HINSHAW. I yield to the gentleman from Kentucky, the Chairman, if he has an answer to the question.

Mr. MAY. Yes, I will answer it for the gentleman. Under section 9 of the bill, which requires the turning over of property to the Commission, which becomes effective on the date of enactment and approval of the bill. As to the provision in line 8 down to and including line 11 on page 24, it becomes effective thereafter and provides that the Commission may authorize the armed forces to manufacture atomic weapons as they see fit.

Mr. HINSHAW. No. It says that the President may direct the Commission to authorize, and on page 28 it says that the President shall direct the transfer of all interests owned by the United States, in any material and any machinery and any weapons, to the Commission. Those two sections are not compatible, if I can read the English language.

Mr. MAY. The gentleman is not opposed to a provision in the bill which would authorize the Commission to give the armed forces the right to manufacture atomic weapons after the Commission takes over the property, Oak Ridge, for instance? If they want to manufacture them, does not the gentleman think the Commission ought to let them do it?

Mr. HINSHAW. As I say, section 9 directs the President to transfer, and then the bill states at other places that when so transferred this property comes under the full and complete ownership of the Commission. The proposed committee amendment then states that the President may direct the Commission to authorize the armed forces to manufacture them. How can they do that if they cannot own any of

the equipment? I should like to know that.

Mr. ELSTON. Mr. Chairman, will the gentleman yield?

Mr. HINSHAW. I yield to the gentleman from Ohio.

Mr. ELSTON. May I tell the gentleman how this particular committee amendment happened to be adopted? In reading this bill, some of us made the point that everything was transferred to the Commission. The Army and the Navy would not even have the right to manufacture atomic weapons of any kind except with the consent of the Commission. We felt that the manufacture of atomic weapons or any other kind of weapons is a function of the War and Navy Departments which should not be interfered with by any civilian commission. We were insisting that the services be given the right to go ahead with the manufacture of weapons without any order or license from the Commission. The committee amendment, which was offered I believe by the gentleman from Texas [Mr. KILDAY], was simply a compromise, and in my judgment is just about as confusing as about everything else in this bill, which is another reason why the bill should be recommitted for further study.

Mr. HINSHAW. If you put in the bill this amendment on page 24, on page 28 in some location you will have to put in a proviso that will exempt that material and those facilities that are transferred back to the War Department for the manufacture of this material from the direction that the bill contains, which is that the President shall direct the transfer.

Mr. DOYLE. Mr. Chairman, will the gentleman yield?

Mr. HINSHAW. I yield to the gentleman from California.

Mr. DOYLE. Answering the gentleman's question, there is nothing inconsistent between this language and the language in lines 20 and 21 in section 9, because the language in line 5 of page 24, to which the gentleman refers, states that the President from time to time may direct the Commission. That language does not compel the President of the United States to authorize the armed forces to manufacture, it merely makes it optional. So this amendment, subdivision (2), on which we are now voting, is subject to an option expressly given in line 5. It is optional with the President of the United States after he gets control under section 9 as to whether or not he desires to authorize the armed forces.

The CHAIRMAN. The time of the gentleman from California has expired.

Mr. HINSHAW. Mr. Chairman, I ask unanimous consent to proceed for three additional minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from California?

There was no objection.

Mr. HINSHAW. I appreciate the gentleman's remarks, but elsewhere in the bill it states quite clearly that when these transfers are once made to the Commission the Commission is vested with all right, title, and interest to, in full and complete ownership of, all of this material and facilities and all of the atomic weapons. In section 9 not only do you direct the transfer to the Commission of all of the material, the facilities, and the equipment, but the Commission will then have the full and complete ownership of all the bombs that have heretofore been manufactured and the military will have nothing to say about it.

Mr. MAY. That is the purpose of this amendment, to make it possible for the military department to manufacture them.

Mr. HINSHAW. I again suggest that if we are going to do that we had better amend section 9 in such a way as to permit the transfer of the bombs back to that department.

Mr. MAY. We are not through that section yet.

Mr. DONDERO. Mr. Chairman, will the gentleman yield for a question?

Mr. HINSHAW. I yield.

Mr. DONDERO. In reading the hearings I can find no reference to the Federal Bureau of Investigation. Can anybody tell why?

Mr. HINSHAW. That is a little bit off this subject.

Mr. DONDERO. It has application to this bill.

Mr. HINSHAW. I know that, but I would rather that the gentleman talk on that subject on his own time.

Mr. CLASON. Mr. Chairman, will the gentleman yield?

Mr. HINSHAW. I yield to the gentleman from Massachusetts.

Mr. CLASON. Yesterday I pointed out in connection with an amendment which I offered, which is on page 9381 of the CONGRESSIONAL RECORD, that the Army and Navy are today spending millions of dollars on a program which permits them to carry on research and discovery in the field of atomic energy. Apparently my amendment was offered for the same purpose as the one offered by the committee except, I believe, the committee amendment is much more restricted in scope.

Mr. HINSHAW. Section 8, dealing with international arrangements, makes it mandatory upon the Commission as soon as an international arrangement is entered into to transfer to the international authority all of this material and facilities and bombs and everything else that the international authority may want. I would like to know how after that happens you are going to be able to authorize the armed forces to manufacture anything. You are not going to be able to do it. There is no sense having that amendment in the bill at all because the international authority will control the entire program from stem to stern and you will have located in the United States and elsewhere in the world international extraterritorial localities, if you want to call them that, where this manufacturing and so forth is to be carried on. That is a very serious question. I think it deserves the serious consideration of the Committee.

The CHAIRMAN. The time of the gentleman has expired.

Mr. VOORHIS of California. Mr. Chairman, I rise in opposition to the pro forma amendment.

Mr. Chairman, I would agree with those Members who have indicated that the bill would be confusing if the committee amendment were added to it. I think I understand quite clearly what the bill would mean if the committee amendment were not adopted. I would like to read this language as the Senate wrote it:

> The President may from time to time direct the Commission to deliver such quantities of weapons to the armed forces for such use as he deems necessary in the interests of national defense.

The principle of the bill as it came to us from the Senate was briefly that atomic-energy development was to be concentrated in the hands of the Commission. It was assumed that this Commission would be composed of the very best and most patriotic people in the whole Nation. It was assumed that they would handle this most dangerous and important problem and material that has ever faced this country with the degree of care and concern for the interests of this Nation that it demands. Anticipating, perhaps, what

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the gentleman from Michigan may have had in mind when he arose and mentioned the Federal Bureau of Investigation, may I say to him that so far as I am concerned I should be perfectly glad to support provisions in this bill providing for FBI investigation of persons who shall have any part in this work. It seems to me, however, what this proposed committee amendment which we are now considering will actually do, briefly, is this: The bill as originally brought to us provides unquestionably for the power of the President to decide how many atomic bombs shall be manufactured, at what time they shall be manufactured, whether or

not they shall be manufactured, and to tell this Commission through its Division of Military Application to make that number of bombs and deliver them to the armed forces.

Obviously, the bombs are going to have to be made by scientists if they are made at all. They will be made in the Division of Military Application, under the terms of the original bill. The committee amendment will only mean, if I understand its meaning at all, that we will set up two places for making of atomic bombs. On the one hand, they will be manufactured by the Division of Military Application of the Commission, and, on the other hand, if the President happens to decide to do it, the armed forces, the Army or the Navy, or both, may themselves set up new Oak Ridges or new something else and make them there.

Mr. MAY. Mr. Chairman, will the gentleman yield?

Mr. VOORHIS of California. Let me yield to my colleague from California because he has asked me three times.

Mr. JOHNSON of California. I think subdivision 2 on page 24 means that the Army and Navy shall have the right to requisition the property of the Commission and make various kinds of atomic weapons. That is all it means. The property to make weapons and the machinery belongs to the commission, and the armed forces can requisition those and make them in an arsenal or any other place. In other words, there are two places you can make them under this provision, as the gentleman said.

Mr. VOORHIS of California. That is what it seems to me, but it does not seem to me that that is the wise and orderly way to go about the matter.

Mr. MAY. Mr. Chairman, will the gentleman yield?

Mr. VOORHIS of California. I yield.

Mr. MAY. I think the gentleman has overlooked one important feature of the discussion here. Beginning in line 5 on page 24, it says:

> The President from time to time may direct the Commission (1) to deliver such quantities of materials or weapons to the armed forces for such use as he deems necessary in the interest of national defense, or (2) to authorize the armed forces to manufacture, produce, or acquire any equipment or device utilizing fissionable material.

What is wrong with the Commission's determining whether they will do it or the armed forces do it?

Mr. VOORHIS of California. Of course, this would provide, as the gentleman suggests, that it might be done by the Division of Military Application of the Commission or it might be done elsewhere. It seems to me this work ought to be concentrated in one organization.

The CHAIRMAN. The time of the gentleman from California [Mr. VOORHIS] has expired.

Mr. KOPPLEMANN. Mr. Chairman, I ask unanimous consent that the gentleman may proceed for five additional minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from Connecticut?

There was no objection.

Mr. KOPPLEMANN. Mr. Chairman, will the gentleman yield?

Mr. VOORHIS of California. I yield.

Mr. KOPPLEMANN. I am troubled by this committee amendment, because in placing in the hands of the War Department the power to manufacture bombs, it must, of course, be given over to private industry, and it cannot be given to small industry; it must be given to large industry. I fear the control of those, due to the fact that it might be that those large industries would make deals and cartels with other countries that would be detrimental to the safety of our own country. I would like to have the gentleman's opinion on that.

Mr. VOORHIS of California. My opinion of that is that so long as this process of manufacture is handled under the terms of the bill as written, I do not have the fear that what the gentleman postulates will happen. I

believe it might well be that the Commission or the armed forces might want to contract for some of this production. I think that might well happen. I would not object to that being done. The thing I am fearful of—and I do not want to speak about it now because I have no doubt there will be full discussion of it later—but I am fearful that if we permit the private patenting of atomic energy, the thing the gentleman mentioned will happen. But I do not think it is involved in this particular question.

Mr. BROOKS. Mr. Chairman, will the gentleman yield?

Mr. VOORHIS of California. I yield to the gentleman from Louisiana.

Mr. BROOKS. Further in reference to the subject discussed by the gentleman from California [Mr. JOHNSON] who preceded you, regarding the apparent conflict in two sections of the act, I want to say this:

The section to which he referred on page 24 deals entirely with the material application of atomic energy whereas the subsequent section which he felt conflicted with the military application section deals entirely with the ownership of the property of the Commission. To hold that that particular phrase to which the gentleman refers conflicts with the section on the property of the Commission would in effect hold that the entire section dealing with military application conflicts with the section on ownership of the property by the Commission. That is not an argument that is tenable, because they do not conflict. They are separate and stand on their own feet.

Mr. VOORHIS of California. I am much obliged to the gentleman.

In conclusion may I say that the Chief of Staff of the Army and the Secretaries of War and the Navy have expressed their satisfaction with this bill from the point of view of its guarding the military interests of this Nation.

The most important thing that the bill will do will be to assure the continued development of the military applications. That is the thing that really counts much more than the manufacture of bombs; that is the vital thing. I am for continuing that military development under present circumstances; and until an international agreement and control that we have talked about so much is finally effected.

I believe all decisions with regard to what is going to be done under this bill should be made at the very highest level in our Government, that is, the President of the United States. I think that is where they should all be made. This legislation is written from the point of view of trying to make this thing a unified proposition so that the American program with regard to it will be so well coordinated as to make possible effective hope at least of getting the international control upon which the future hope of peace really rests. These are the reasons it would seem to me reasonable to leave the bill as it was before and why the committee amendment should be defeated.

The CHAIRMAN. The time of the gentleman from California has again expired.

Mr. MAY. Mr. Chairman, I ask for a vote on the committee amendment.

The CHAIRMAN. The question is on the committee amendment.

The question was taken; and on a division (demanded by Mr. THOMASON) there were—ayes 63, noes 38.

Mr. THOMASON. Mr. Chairman, I demand tellers.

Tellers were ordered, and the Chair appointed as tellers Mr. MAY and Mr. SHORT.

The committee divided; and the tellers were unable to agree on the count.

The CHAIRMAN. Without objection, the Chair will direct that the vote by tellers be taken over.

There was no objection.

The Chair appointed as tellers Mr. THOMASON and Mr. SHORT.

The Committe again divided, and the tellers reported that there were—ayes 102, noes 72.

So the amendment was agreed to.

The CHAIRMAN. The Clerk will report the next committee amendment.

The Clerk read as follows:

Committee amendment. On page 24, line 13, after the comma insert "except as provided in section 6 (a)."

The committee amendment was agreed to.

The Clerk read as follows:

UTILIZATION OF ATOMIC ENERGY

SEC. 7. (a) License required: It shall be unlawful, except as provided in sections 5 (a) (4) (A) or (B) or 6 (a), for any person to manufacture, produce, or export any equipment or device utilizing fissionable material or atomic energy or to utilize fissionable material or atomic energy with or without such equipment or device, except under and in accordance with

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a license issued by the Commission authorizing such manufacture, production, export, or utilization. No license may permit any such activity if fissionable material is produced incident to such activity, except as provided in sections 3 and 4. Nothing in this section shall be deemed to require a license for the conduct of research or development activities relating to the manufacture of such equipment or devices or the utilization of fissionable material or atomic energy, or for the manufacture or use of equipment or devices for medical therapy.

(b) Report to Congress: Whenever in its opinion any industrial, commercial, or other nonmilitary use of fissionable material or atomic energy has been sufficiently developed to be of practical value, the Commission shall prepare a report to the President stating all the facts with respect to such use, the Commission's estimate of the social, political, economic, and international effects of such use, and the Commission's recommendations for necessary or desirable supplemental legislation. The President shall then transmit this report to the Congress together with his recommendations. No license for any manufacture, production, export, or use shall be issued by the Commission under this section until after (1) a report with respect to such manufacture, production, export, or use has been filed with the Congress; and (2) a period of 90 days in which the Congress was in session has elapsed after the report has been so filed. In computing such period of 90 days, there shall be excluded the days on which either House is not in session because of an adjournment of more than 3 days.

(c) Issuance of licenses: After such 90-day period, unless hereafter prohibited by law, the Commission may license such manufacture, production, export, or use in accordance with such procedures and subject to such conditions as it may by regulation establish to effectuate the provisions of this act. The Commission is authorized and directed to issue licenses on a nonexclusive basis and to supply to the extent available appropriate quantities of fissionable material to licensees (1) whose proposed activities will serve some useful purpose proportionate to the quantities of fissionable materials to be consumed, (2) who are equipped to observe such safety standards to protect health and to minimize danger from explosion or other hazard to life or property as the Commission may establish, and (3) who agree to make available to the Commission such technical information and data concerning their activities pursuant to such licenses as the Commission may determine necessary to encourage similar activities by as many licensees as possible. Each such license shall be issued for a specified period, not to exceed 1 year, shall be revocable at any time by the Commission in accordance with such procedures as the Commission may establish, and may be renewed upon the expiration of such period. Where activities under any license might serve to maintain or to foster the growth of monopoly, restraint of trade, unlawful competition, or other trade position inimical to the entry of new, freely competitive enterprises in the field, the Commission is authorized and directed to refuse to issue such license or to establish such conditions to prevent these results as the Commission, in consultation with the Attorney General, may determine. The Commission shall report promptly to the Attorney General any information it may have with respect to any utilization of fissionable material or atomic energy which appears to have these results. No license may be given to any person for activities which are not under or within the jurisdiction of the United States to any foreign government.

(d) Byproduct power: If energy which may be utilized is produced in the production of fissionable material, such energy may be used by the Commission, transferred to other Government agencies, or sold to public or private utilities under contracts providing for reasonable resale prices.

With the following committee amendments:

Page 27, line 3, strike out "to exceed" and insert "less than."

Page 27, line 19, strike out "States or" and insert "States."

The committee amendments were agreed to.

The CHAIRMAN. The Clerk will report the next committee amendment.

The Clerk read as follows:

Committee amendment: Page 27, line 20, after the comma insert "or to persons within the jurisdiction of the United States where the issuance thereof would be inimical to the common defense and security."

Mr. MAY. Mr. Chairman, I offer a substitute for the committee amendment.

The Clerk read as follows:

Amendment offered by Mr. MAY as a substitute for the committee amendment: On page 27, line 20, before the period insert the following: "or to any person within the United States if in the opinion of the Commission the issuance of a license to such person would be inimical to the common defense and security."

The substitute for the committee amendment was agreed to.

The committee amendment as amended was agreed to.

Mr. CLASON. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, I merely wish to point out that the last amendment over which we had a dispute and which was approved by our votes put into the bill an amendment which in effect I offered yesterday and which was rejected. I believe it is important because it will give to the armed forces through an order of the President an opportunity to carry on the very important research and development work they are now carrying on prior to the passage of this bill.

Another proposition which indicates to me how confused we are in connection with legislation today is the situation with reference to our postal employees. They are without their pay because we cannot figure out what the price of silver should be. This bill here gets all balled up because of a lot of little mix-ups between the Department of the Interior, the military departments, and all the other departments of the Government. I sincerely hope that during the course of the day not only will this committee straighten out this bill but the Committee on Appropriations will be able to bring in here a bill which will permit our postal employees to get their pay. The postal employees should not be penalized by the dispute over the price of silver now raging in the Treasury Department. They need their pay for their families, for their food, and for their vacations. In this case the Treasury Department is balling up the orderly processes of the Post Office Department.

Mr. KEEFE. Mr. Chairman, I rise in opposition to the pro forma amendment.

Mr. Chairman, I note in this section subparagraph (d), entitled "Byproduct Power," it reads:

If energy which may be utilized is produced in the production of fissionable material, such energy may be used by the Commission, transferred to other Government agencies, or sold to public or private utilities under contracts providing for reasonable resale prices.

Now, I have been trying to find out what that means. Is there anybody on this committee who can tell us what that means?

Mr. HARNESS of Indiana. If the gentleman would yield, I would like to answer the question.

Mr. KEEFE. I will yield to the gentleman in just a moment.

I get a little inkling as to what it means by reading the preface contained in the Report on the International Control of Atomic Energy prepared for the committee of the Secretary of State which I have before me. To show you how simple and easy this situation is, let me read it to you:

It is impossible to maintain a chain reaction in a mass of ordinary uranium. The neutrons which result from the fission of uranium 235 are captured by the much more abundant uranium 238 before they can get to another uranium 235 nucleus and the chain is therefore broken. However, by an adroit arrangement of ordinary uranium in the form of a lattice, imbedded in an inert material with respect to neutron capture like carbon, the neutrons can be slowed down and preferentially captured by uranium 235 to maintain the chain reaction.

Now, here is what happens:

In this way ordinary uranium can be used to maintain a chain reaction. A device of this sort is called a pile or a nuclear reactor. Since a large fraction of the neutrons in the reactor are captured by uranium 238, plutonium is a byproduct of the operation of the reactor. Another byproduct is the enormous amount of heat energy released by the fission process. A third byproduct is a large variety of highly radioactive materials which are the fission fragments or the result of neutron capture by materials inserted in the reactor.

Now we have indicated here in this section that the so-called byproduct powers that I have just described may be used by the Commission and transferred to other Government agencies or sold to public or private utilities under contracts providing for a reasonable retail price. Just so that the public and the Congress will know and understand when this bill passes and becomes operative and your constituents should certainly understand that they will perhaps have an opportunity to buy as byproducts from this Commission highly radioactive materials which are fission fragments as the result of neutrons captured by materials inserted in the reactor, it demonstrates to me so far as I am concerned, and I think most of the Members of this House are concerned, that we are going over this legislation without any very clear comprehension as to just exactly what may be involved. I conceive that possibly in this process there may be the development of heat as another byproduct. There may be developed electricity as another byproduct. I call it to the

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attention of Congress in order that we may know and may have in the RECORD a very clear and definite understanding as to what we are legislating on today.

I now yield to the gentleman from Indiana [Mr. HARNESS].

Mr. HARNESS of Indiana. A few moments ago I wanted to make an observation that that was only one of the many reasons why this legislation should go back to the committee.

Mr. KEEFE. Well, that may be a compelling reason.

The CHAIRMAN. The time of the gentleman from Wisconsin has expired.

Mr. MAY. Mr. Chairman, I move that all debate on this section and all amendments thereto close in 5 minutes.

The motion was agreed to.

Mr. VOORHIS of California. Mr. Chairman, the gentleman from Wisconsin [Mr. KEEFE] has raised an important question on which I think I can at least say one thing that will be of interest.

At the atomic-energy plant in the State of Washington there is at the present time a considerable amount of this byproduct energy, that the gentleman described when he read the report, that is being produced and wasted into the Columbia River. The fact of the matter is that the temperature of that great stream is being considerably raised. There exists the possibility that that byproduct energy might indeed be sold to some public body or some private agency for some useful purpose, on condition that since it is generated with public funds it should be resold at a fair price. That happens to be a problem right now and for want of legislation like this a great waste is going on. I take it that is why it is in the bill.

Mr. KEEFE. Mr. Chairman, will the gentleman yield?

Mr. VOORHIS of California. I yield.

Mr. KEEFE. Does the gentleman understand that in this process there might be electricity developed as a byproduct of the process?

Mr. VOORHIS of California. I understand, as fully as one man's completely inadequate mind can understand it, that there are those possibilities with regard to this matter. My main concern, as far as the domestic application of peacetime uses is concerned, is that they shall be under such circumstances as to spread the benefits as broadly as possible throughout the Nation, and to give all elements in the population and all elements in business, as nearly as possible, an equal chance.

The CHAIRMAN. The time of the gentleman from California [Mr. VOORHIS] has expired.

Mr. MURDOCK. Mr. Chairman, I regard paragraph (d) of the bill, as found on pages 27–28, a wise provision. Whoever wrote this bill, S. 1717, must have become very well acquainted with the processes thus far used in placing in human hands atomic power. I understand that there are several ex-

ceedingly valuable byproducts in the manufacture of atomic bombs. We have heard suggested that we probably have only slight conception of the great value for medicine of radioactive material.

Probably in the field of power, or in heat, there is likewise a tremendous byproduct of the process. If electric power can be produced as a byproduct in the manufacture of fissionable material, which in itself also has great peacetime utility and value, it is easily conceivable that great quantities of heat or electricity can be produced very cheaply. If such is the case, whoever has control of the processes should see to it that society gets the benefit, through lowered rates. Society has already paid a great financial price and ought to enjoy financial benefits.

The Clerk read as follows:

INTERNATIONAL ARRANGEMENTS

SEC. 8. (a) Definition: As used in this act, the term "international arrangement" shall mean any treaty approved by the Senate or international agreement approved by the Congress, during the time such treaty or agreement is in full force and effect.

(b) Effect of international arrangements: Any provision of this act or any action of the Commission to the extent that it conflicts with the provisions of any international arrangement made after the date of enactment of this act shall be deemed to be of no further force or effect.

(c) Policies contained in international arrangements: In the performance of its functions under this act, the Commission shall give maximum effect to the policies contained in any such international arrangement.

With the following committee amendment:

On page 28, line 7, after the word "agreement", insert the word "hereafter."

Mr. HINSHAW. Mr. Chairman, I ask for recognition on the amendment.

Mr. Chairman, I would like to inquire of the chairman of the committee why it was that they limited the international agreements to those which might "hereafter" be approved by Congress. Are there some agreements that have already been approved that require the insertion of this word "hereafter"?

Mr. MAY. The intention was to be all-inclusive, so that it would include not only those that have already been approved but any that may hereafter be approved.

Mr. HINSHAW. No. I believe the gentleman is mistaken. By the insertion of this word "hereafter," you are approving all of those treaties that have been heretofore as well as those hereafter approved by the Senate, but you are limiting the international agreements approved by Congress to only those which are hereafter approved. I wonder if there has been some agreement that has been heretofore approved in this connection that I do not know about.

Mr. MAY. There is none that I know of. It is simply to take care of any that might be made.

Mr. HINSHAW. I would like to call attention to the fact that this section 8 remaining in the bill is an authorization, in advance of any treaty that might be made, to carry out the provisions of any such treaty and give maximum effect to any policies contained in such arrangement. In other words, that would almost constitute a blank check to the Commission in connection with any arrangement of international character that might hereafter be made. You should understand in giving this your approval that it can be a treaty approved by two-thirds of the Senate, without regard to the House of Representatives, in which case, of course, the House would not have anything further to say on this subject. Or it can be an international agreement approved by both bodies and I assume a majority vote in both bodies.

This section 8 is the kernel of the nut in this bill. It is the section which provides that all properties, materials, real estate, and everything else in the United States under the jurisdiction of the United States Atomic Energy Commission may be transferred to the international authority upon the conclusion of the international agreement.

Mr. JOHNSON of California. Mr. Chairman, will the gentleman yield?

Mr. HINSHAW. I yield.

Mr. JOHNSON of California. Is not that the rule that pertains now, that a treaty is the supreme law of the land and it modifies all laws that may conflict with it?

Mr. HINSHAW. There is no treaty that I know of that would authorize the turning over to an international authority of real property of the United States within the United States boundaries.

Mr. JOHNSON of California. How does the gentleman know they are going to have one like that? The gentleman is just assuming that.

Mr. HINSHAW. I am assuming that after this bill becomes law with that language in it and you should want to strike that out of section 8, it would be subject to a veto and it would take a two-thirds vote in both Houses to override the veto.

Mr. JOHNSON of California. What the gentleman is talking about is the rule now in the case of international agreements. This does not change any rules.

Mr. HINSHAW. This authorizes in advance something that is not already done.

The CHAIRMAN. The time of the gentleman from California has expired.

The question is on the amendment.

The amendment was agreed:

The Clerk read as follows:

Page 28, line 19:

PROPERTY OF THE COMMISSION

SEC. 9. (a) The President shall direct the transfer to the Commission of all interests owned by the United States or any Government agency in the following property:

(1) All fissionable material; all atomic weapons and parts thereof: all facilities, equipment, and materials for the processing, production, or utilization of fissionable material or atomic energy; all processes and technical information of any kind, and the source thereof (including data, drawings, specifications, patents, patent applications, and other sources) relating to the processing, production, or utilization of fissionable material or atomic energy; and all contracts, agreements, leases, patents, applications for patents, inventions and discoveries (whether patented or unpatented), and other rights of any kind concerning any such items.

(2) All facilities, equipment, and materials, devoted primarily to atomic energy research and development, and

(3) Such other property owned by or in the custody or control of the Manhattan Engineer District or other Government agencies as the President may determine.

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(b) In order to render financial assistance to those States and localities in which the activities of the Commission are carried on and in which the Commission has acquired property previously subject to State and local taxation, the Commission is authorized to make payments to State and local governments in lieu of property taxes. Such payments may be in the amounts, at the times, and upon the terms the Commission deems appropriate, but the Commission shall be guided by the policy of not making payments in excess of the taxes which would have been payable for such property in the condition in which it was acquired, except in cases where special burdens have been cast upon the State or local government by activities of the Commission, the Manhattan engineer district or their agents. In any such case, any benefit accruing to the State or local government by reason of such activities shall be considered in determining the amount of the payment. The Commission, and the property, activities, and income of the Commission, are hereby expressly exempted from taxation in any manner or form by any State, county, municipality, or any subdivision thereof.

Mrs. LUCE. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, there is hardly an hour, certainly not a day, that I do not learn some new and frightening fact concerning atomic energy.

The gentleman from Wisconsin pointed out to you that the Lilienthal or State Department report indicated that it would only be a question of time before atomic energy installations could be used to generate heat and electrical power. As a matter of fact the report goes on to say that these installations may be put into operation in the very near future, and, I quote, "only the gradual incorporation and adaptation of such units to the specific demands of contemporary economy will involve a protracted development." This translated into plain English means that the only thing the Commission formed under the bill will need to

determine is how long it will take Government monopoly heat and electricity to put private heat and electricity out of business, without unduly upsetting the folks.

But now here is an amusing idea which occurred to me as a result of a conversation that I had in the lobby with my great good friend, Dr. JUDD, the gentleman from Minnesota, who is certainly a scientific expert in the field of radioactive materials. He told me—and I do not know whether he is on the floor, but if he is I hope he will correct the remark if I got it wrong—that he said in his speech on the floor of the House yesterday, which I have not yet had the time to study, that radioactive energy, used on human germ cells, may be used to mutate the species, and that it was radioactive energy which was probably responsible, at history's dawn, for such sports and biological monsters as dinosaurs, and, was itself the mysterious instrument God used to create the creature man. In those days only God knew how to mutate animal species. The secret may now be man's.

Now, evidently the gentleman from Minnesota, Dr. JUDD, suggests radioactive energy may eventually be used to breed a new species: a superman godlike creature, or perhaps a monster; at any rate, operating on the germ cells it could be used to bring forth out of man as we know him now an indeterminate quantity of legs, arms, ears and eyes, if a careless user of this should feel so disposed, or if a lot of the stuff got loose on the premises.

I suddenly imagined myself many years from now confronted by a commission that had gotten rather bored, as well it might, with the follies and futilities of man, or even with the stubborn unwillingness of the common Congressman to vote away his liberties; and the commission decided that the time had come to mutate the species, the male species of course—because when they got around to mutating the female of the species they would surely make them all Lana Turners; but as far as the stubborn male species are concerned they might decide the time had come to treat human beings with these radioactive particles in order to get a new type with a very large head, one eye, one ear bent permanently to hold a telephone, one armed, with only a forefinger and thumb for signing documents and checks, no legs and an anatomy constructed to fit most comfortably into a swivel chair. In other words, they might decide to make a new species—the Bureaucrats.

I consider this a very dangerous idea, but in order not to leave the matter on this humorous plane, I ask my colleague, Mr. JUDD if he will explain to the House the truly scientific aspects of the mutation of the species with atomic energy as he explained them to me earlier. And, although I speak entirely in fun, I think this question of the terrible dangers inherent in radioactive energy is, in all seriousness, a further great argument for the need of civilian control for the next years, and another reason for voting for this bill.

The CHAIRMAN. The time of the gentlewoman from Connecticut has expired.

Mr. COOLEY. Mr. Chairman, I move to strike out the last two words.

The CHAIRMAN. The gentleman from North Carolina is recognized for 5 minutes.

Mr. COOLEY. Mr. Chairman, I am definitely delighted with my membership on the Committee on Agriculture. On that committee we have not discussed such technical subjects as atomic energy. Certainly, we have not discussed subjects as technical as the subject which has been discussed by the lady from Connecticut and the doctor from Minnesota. Frankly, I think we ought to forget that discussion and leave it right where it is.

Mr. Chairman, I have never seen this House in such an atmosphere of uncertainty and indecision. I agree with the lady from Connecticut that we seem to learn something new every hour about

radioactivity and atomic energy, but, apparently, the more we talk about these things the more we are confused. The very distinguished and learned gentleman from Missouri admitted frankly that he was confused and after his very fine speech he said that he was going to take his seat and listen to the debate, in the hope that it would aid him in making up his mind. I know that the distinguished lady and distinguished doctor are confused, and I believe that most of us are confused.

It seems to me that when we consider the whole subject we are in a rather ridiculous position. According to the gentleman from Wisconsin, we are now providing for the sale of this new and mysterious power to our constituents. If this new discovery possesses the potentialities and possibilities indicated by the lady from Connecticut, I certainly do not want any of it sold down in the Fourth Congressional District of North Carolina.

As I said yesterday, I am anxious, yes, most anxious, for the secrets of atomic energy to be controlled and carefully guarded. I do not think that it is necessary for us to take anyone else into our confidence in our efforts to keep better and guard the secret which has been pretty well guarded up to this moment. I am at a loss to understand why there seems to be such controversy over, and such lack of confidence in, our military men. We certainly know that the members of our armed forces are true, patriotic Americans, and they would do nothing to jeopardize or to imperil the safety of our country. When members of the committee have been asked why they object to military men being placed on this committee, they say that they object to it because it is a violation of the traditions of America for military men to participate in the deliberations of any committee within the civil branch of our Government. It seems to me that is a very, very, weak argument. We are dealing with something about which there are no traditions. We know nothing about atomic power. We know that it has not yet been perfected for military purposes. We are now in the experimental stage. We are still experimenting with the atomic bomb in Bikini. We know what the effect of the atomic bomb is because we have seen its results at Hiroshimo and Nagasaki. Why can we not rest easy and let the development of atomic energy for peaceful pursuits remain unknown for a few months, until at least the peace documents are prepared and signed?

Mr. JENSEN. Mr. Chairman, will the gentleman yield?

Mr. COOLEY. I yield to the gentleman from Iowa.

Mr. JENSEN. Does not the gentleman agree with me that there are as many potential dangers to the peace and security of the world in this legislation that we are now considering as there are in the atomic bomb itself?

Mr. COOLEY. I do not know whether in degree I agree with the gentleman exactly, but I do say that there is great danger in this situation. We talk about being fair and we talk about dealing fairly with all the people of the world. Here is a secret that cost $2,000,000,000 and, incidentally, has cost thousands and thousands of human lives, as witnessed by the destruction of Nagasaki and Hiroshima, and yet we are talking about sharing the secret with other peoples of the world before we even have full knowledge ourselves.

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Mr. ARENDS. Mr. Chairman, will the gentleman yield?

Mr. COOLEY. I yield to the gentleman from Illinois.

Mr. ARENDS. In view of what the gentleman is saying, and the impression that was given a while ago, does he not think the smart thing to do would be to recommit this bill at the present time?

Mr. COOLEY. I agree with the gentleman.

Mr. VOORHIS of California. Mr. Chairman, will the gentleman yield?

Mr. COOLEY. I yield to the gentleman from California.

Mr. VOORHIS of California. I am sure that the gentleman from North Carolina does not think that by recommitting this bill we somehow or other make atomic energy stand still in other countries.

Mr. COOLEY. I think we can at least control the secrets that we have here and leave it in the hands of the military people.

Mr. DURHAM. Mr. Chairman, I move to strike out the last word.

Mr. MAY. Mr. Chairman, will the gentleman yield?

Mr. DURHAM. I yield to the gentleman from Kentucky.

Mr. MAY. Mr. Chairman, I ask unanimous consent that all debate on this section and all amendments thereto close in 5 minutes.

Mr. BIEMILLER. I object, Mr. Chairman.

Mr. MAY. Mr. Chairman, I move that all debate on this section and all amendments thereto close in 5 minutes.

The motion was agreed to.

Mr. DURHAM. Mr. Chairman, I do not stand in the well of the House to lecture on biology, or to lecture to any Member. I do not think I am any scientist, but I just wonder to what level this debate will fall, if we will stop and just think about ourselves, what the scientists in the world have given us. We should think about the great Scotchman, Watt, who invented the steam engine. We should think about the other great inventors, of the barometer and thermometer, compass and many other inventions that have aided our welfare. Yet here in this House today we are poking fun at the people who have given to this world today a problem that we have got to solve ourselves.

Mr. MURDOCK. Mr. Chairman, will the gentleman yield?

Mr. DURHAM. I yield to the gentleman from Arizona.

Mr. MURDOCK. I imagine the gentleman has some such thought and feeling as I have. Fun has been poked at inventors and inventions before this, even in this body. Does the gentleman recall that about 100 years ago when Morse proposed his electric telegraph and needed money to help with it, there were plenty of people, even Members of Congress, who facetiously wanted to spend money instead on investigating several other things instead of the telegraph? People poked fun at that effort in that day, but the people who made fun had a laugh on the other side of their faces in after years. Any way we look at it, atomic energy is a serious matter.

Mr. DURHAM. I thank the gentleman.

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Mr. MAY. If the bill goes to conference, the House will still have another opportunity to pass on it if a conference report comes back?

Mr. McCORMACK. Absolutely.

I urge the membership not to recommit the bill. It would be an unwise step to take. It would be construed as the defeat of the bill. Technically, of course, we know that that is not so, but actually you and I know when a bill is recommitted, so far as any bill is concerned and so far as this bill is concerned, it is defeated. The passage of the bill is defeated. This bill has taken the ordinary course through legislative processes. It has passed the Senate. It is about to be acted upon in the House with a number of amendments. We all agree that something should be done. We are all in agreement on that basic proposition. Certainly, we must have confidence in the members of the conference committee on this bill the same as we have in the members of conference committees on other bills. All they can do is their best. They are representing both branches of the Congress. Whether I agree with a conference report or not, I have confidence in the men who represent the legislative body of which I am a Member and of the other body. They are doing the

best they can. They are following the dictates of their judgment and their conscience. We ought to follow the regular ordinary course with reference to this bill.

Every one of us is in agreement that something should be passed. I hope the bill will not be recommitted.

Mr. COOLEY. Mr. Chairman, will the gentleman yield?

Mr. McCORMACK. I yield.

Mr. COOLEY. I would like the gentleman to tell us some sound reason why it should not be recommitted.

Mr. McCORMACK. That is not the question.

Mr. COOLEY. That is exactly the question.

Mr. McCORMACK. That is not the question. Can the gentleman give me any sound reasons why it should be recommitted?

Mr. COOLEY. Yes.

Mr. McCORMACK. What are they?

Mr. COOLEY. If I had the time I could give you a hundred reasons.

Mr. McCORMACK. You could give me a hundred emotional reasons, but the fact is the country needs this legislation.

Mr. COOLEY. Why?

Mr. McCORMACK. Why? It is of vital importance.

Mr. COOLEY. Why?

Mr. McCORMACK. Oh why. There are a hundred reasons why it is of vital importance. Oh, it is easy to sit there and ask the question "Why?" I am surprised at the gentleman from North Carolina who ordinarily has better judgment than that. The important fact is that this bill has been considered by this committee for several days. It has been considered by the Military Affairs Committee for weeks. It is a matter of vital importance to send it along to the conference committee.

Is the gentleman opposed to some legislation to control atomic energy?

Mr. COOLEY. At this time; yes.

Mr. McCORMACK. Are you opposed to it at any time?

Mr. COOLEY. No; not at any time.

Mr. McCORMACK. The gentleman admits that legislation is necessary. The gentleman can take his own responsibility.

Mr. COOLEY. That is exactly what I am doing.

Mr. McCORMACK. The gentleman can take his own responsibility. The fact remains that if this bill is recommitted, as far as the country is concerned they will consider it a defeat of the bill, and the people of the country are justified in considering that if the bill is recommitted, the bill has been defeated.

The CHAIRMAN. The time of the gentleman from Massachusetts has expired.

The question is on the committee amendment.

The committee amendment was agreed to.

Mrs. LUCE. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, it seems perfectly plain to everyone in this House and in the Nation that there is confusion here about how to vote on this legislation. In passing, I have been reading the newspapers in the past 3 or 4 days, with close attention to their opinions and reporting of this subject, and I have yet to find anything in the papers which clarified the Congress' mind about this legislation, and much calculated further to confuse them.

Mr. RIVERS. Mr. Chairman, will the gentlewoman yield?

Mrs. LUCE. I yield.

Mr. RIVERS. Will you please give the House the benefit of some of the reasons whereby you think it is so necessary at this time to pass this legislation?

Mrs. LUCE. I shall come to them later, although I have given them repeatedly during the course of this debate. Now the majority of the newspapers and their columnists, just like the Members, are often for or against this legislation, it seems to me in many instances, for altogether wrong reasons.

For example, there is one school that seems largely to advocate this bill as a peacetime measure for the cure of cancer and leukemia. Now, there happens to be a bill, H. R. 4502, on cancer research which has just been reported out of the Committee on Foreign Affairs of this House and I hope will be on the floor of this House today for our consideration, appropriating $100,000,000 for experiments and research in cancer.

The bill concerns an effort wholly devoted to the search to defeat the dread disease. I intend to vote for it, and I hope with all my heart that everyone else will vote for it. But the bill before us is not a medical therapy bill. If its passage does eventually result in further beneficial research in cancer, it will only do so incidentally. The main reason for this bill is the defense of our Nation, and for no other reason should it be considered as urgent.

I intend at the proper place in the bill to offer an amendment providing that this act shall expire at the end of 7 years. Seven years, I believe, is a most generous length of time in which to find out whether this bill will work of whether it will not; whether we need it or whether we do not; whether it will fulfill all the promises for welfare that are made in its name for science; or, most important of all, whether it will operate in a free country in peacetime without constricting both scientific research and our political and economic liberties.

Mr. EATON. Mr. Chairman, will the gentlewoman yield?

Mrs. LUCE. I yield with great pleasure to our most distinguished colleague.

Mr. EATON. Will the lady please give us her judgment of what will become of the atomic bomb during the 7 years? Who will be in control of it?

Mrs. LUCE. I have first been asked by the gentleman from South Carolina to try to give some reasons for the urgency for the passage of this bill. I would feel in a weak position indeed if all I could say when asked that question was, Why that should be perfectly apparent; anybody ought to see why plainly. I believe that many Members of this House sincerely do not see why it is necessary. I will tell you why I think it is of great importance that we

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should pass a civilian-control bill now, although some provisions of the Senate bill have been stricken out that I would have left in and some put in that I would have left out, but the reason I think it is important to pass this bill is that, first, we must maintain and acquire complete control of the raw materials for making atomic bombs. Secondly, that control must be necessarily civilian, because civilian scientists and others who will be needed in a long-range atomic research and experiment plan just will not work in a brass-hat atmosphere. You can like it or not, but they will not work under such conditions.

Mr. HARNESS of Indiana. Mr. Chairman, will the gentlewoman yield?

Mrs. LUCE. I yield.

Mr. HARNESS of Indiana. Will the gentlewoman tell me why we cannot now obtain the materials for the manufacture of the atomic bomb just as well as if we had this legislation?

The CHAIRMAN. The time of the gentlewoman from Connecticut has expired.

Mrs. LUCE. Mr. Chairman, I ask unanimous consent to proceed for three additional minutes and to revise and extend my remarks.

The CHAIRMAN. Is there objection to the request of the gentlewoman from Connecticut?

There was no objection.

Mrs. LUCE. The gentleman's question was why can we not have Government control of raw materials?

Mr. HARNESS of Indiana. No; that was not what I asked. Under the present emergency legislation, war emergency legislation, we are in a

position now to get all the materials necessary to manufacture the bomb.

Mrs. LUCE. There are a great many corporations, companies, and businesses which have materials to sell, or mine, in the atomic field. For example, thorium happens to be fissionable material. Today the people producing thorium do not know whether to continue their operations or to stop them; they do not know whether to make contracts with the Army, or to wait and make contracts with some civilian authority, or whether they should make them under the old free-enterprise system; in fact, everybody who has fissionable material, plants, structures, or anything whatsoever to do with atomic energy is exactly in the same position the country is in about OPA now. There is confusion in the entire field owing to uncertainty about this legislation.

Mr. HARNESS of Indiana. That is because of the policy of the administration trying to force this bill through Congress at this time. If they adopted a definite policy I do not know why they could not get it. It must be mined in order to provide the material necessary for the manufacture of atomic bombs. We did it in war. We are still at war.

Mrs. LUCE. Yes; but the war acts must one day expire.

Mr. THOMAS of New Jersey. Mr. Chairman, will the gentlewoman yield?

Mrs. LUCE. I yield.

Mr. THOMAS of New Jersey. I wish to make two short observations. One is that we can buy the materials under the law we have on the statute books at the present time, the Strategic Material Stock Pile Act; the other is that if the main purpose of this bill is defense—

Mrs. LUCE. That is what I conceive is its proper purpose—defense; and I want an expiration date to it when there is genuine peace in the world.

Mr. THOMAS of New Jersey. If the main purpose is defense, then 7 years is too long.

Mr. VOORHIS of California. Mr. Chairman, will the gentlewoman yield?

Mrs. LUCE. I yield.

Mr. VOORHIS of California. There is a great deal of difference between the Government being able to buy enough fissionable material to make bombs with on the one hand, and having a commission able to prevent somebody from possessing fissionable material that may prove very dangerous, on the other hand. Is it not the second reason, even more than the first one, with which we should be concerned?

Mrs. LUCE. That is quite correct. There must be a consistent, intelligent, coherent control over the export, ownership, and acquisition of fissionable material, and there also must be freedom to the scientists. I think there are provisions in this bill which are definitely socialistic in character. I consider that my position on this bill, that it is necessary to vote for it, while at the same time, I am concerned to point out its dangers in order to guard against them, is consistent.

The CHAIRMAN. The time of the gentlewoman from Connecticut has again expired.

Mr. BULWINKLE. Mr. Chairman, I rise in opposition to the pro forma amendment.

Mr. Chairman, I have heard during the debate here much talk about confusion and I have also heard much talk about recommitting the bill. The question was asked just a short time ago, Why the necessity for this bill?

May I not refer those who wish to know of the necessity for this bill to the hearings, and particularly Secretary of War Patterson whose evidence is on page 17:

In May 1945, in anticipation of the probable success of the atomic bomb and of the prospect of an early end to the war, the Secretary, with approval of the President, took steps to initiate a long-range policy on atomic energy. He appointed the following special committee to survey the subject and to submit it a program: Secretary Stimson, chairman; James F. Byrnes (then a private citizen); Will Clayton, Assistant Secretary of State; Ralph Bard, Under Secretary of Navy; George Harrison, Special Assistant to Secretary of War; Dr. Vannevar Bush, Chairman of the Office of Scientific Research and

Development; Dr. Karl Compton, president, Massachusetts Institute of Technology; Dr. James Conant, president, Harvard University.

The special committee was assisted by a scientific panel drawn from the most eminent scientists working on the atomic energy project: Dr. J. R. Oppenheimer, Dr. E. O. Lawrence, Dr. Arthur H. Compton, Dr. Enrico Fermi.

This special committee made findings that are worthy of the attention of any man, the last one, No. 6, I should like to call your attention to, quoting:

The activities of the commission to be consistent with foreign policy and national defense as communicated to the commission by the President.

Are we, merely by a cursory view or reading of this bill and the hearings, going to stand before the country today and say that we will put up our puny minds on this subject against the great scientists of this country? Are we, who have not studied this problem, for political or other purposes going to stand here today and say that with a matter involving as much as this we will disregard everything that has been said by those who know and cast it all away, and then say we do not need this legislation?

Ah, my colleagues, before you come to your conclusion, let me pray in behalf of this country of ours that we all love that you give serious consideration to the work of the Senate committee, the House committee, and the scientists of this country.

Mrs. DOUGLAS of Illinois. Mr. Chairman, will the gentleman yield.

Mr. BULWINKLE. I yield to the gentlewoman from Illinois.

Mrs. DOUGLAS of Illinois. Is not one reason why we need at once a long-term program the retention of top-flight scientists and research workers? I had the privilege of visiting Oak Ridge in January, and the officers in charge insisted that the imperative need was to get at once a long-range program, because they were daily losing competent men on their staff, and without a plan they could not keep them.

Mr. BULWINKLE. Certainly, the lady is correct in her statement.

Mr. LANHAM. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. LANHAM: Page 50, line 16, insert a new subsection, as follows:

"The term 'nuclear fission' shall be construed to mean that process which takes place in nuclei wherein the nucleus is split into fragments, at least two of which contain a substantial fraction of the mass of the original nucleus."

Mr. LANHAM. Mr. Chairman, nuclear fission is referred to all through the bill, and I think there should be a definition of it. This definition is probably correct; if not, it could be changed; but it certainly has the approval of a very distinguished gentleman who from the very beginning has been connected with all of the operations with reference to atomic energy.

Does not the chairman think that there should be some definition of it, since you are giving definitions of the various other terms mentioned in the bill?

Mr. MAY. I have no objection whatsoever to defining the term; and if it is not properly defined in the gentleman's amendment, that is another reason why it ought to go to conference, where we can sit down deliberately and see what the exact, proper definition is or whether this is proper or not.

Mr. LANHAM. But the conference would have no authority unless there

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was something in the bill by way of definition.

Mr. MAY. I think that is possibly true, and this will certainly give them an opportunity to do it.

Mr. Chairman, I have no objection to the amendment.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Texas [Mr. LANHAM].

The amendment was agreed to.

Mr. MILLER of Nebraska. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, mankind has always been afraid of the unknown. Mankind was afraid of influenza when it struck this country during the last war. It has been afraid of all diseases until a remedy has been found. Mankind is today afraid of cancer. Why? Because its cause is unknown. Its cure is not certain.

I think a great deal of the confusion in this House over atomic energy can be placed directly at the door of the unknown quantity. Research is nothing more than reaching out into the unknown, taking something that we have not known about and bringing it down to practical application. The scientists in this age have reached out and tapped the field of atomic energy and the many problems involving it. It seems to me that this House ought to do the thing that will take atomic energy and then use it for the benefit of mankind. How that is going to be done, I do not know, and I do not think this House knows. There are many unknown roads to travel before we reach the ultimate end of what will happen with atomic energy. That is one cause of the confusion today. We cannot pull back the curtain of tomorrow and see just what is to happen with this new-found force. It is a great destructive power. It should be harnessed for the benefit of mankind.

I wish the bill could have more study, but I will not stand in the way of progress represented by this great new discovery.

As Members of Congress we ought to approach this problem with open minds, with the hope of going down a road that will eventually take this great secret that scientists have reached out and brought down to us and use it for the benefit of the world. Perhaps we could outlaw atomic bombs in future wars. That would be ideal. Whether it can be done or not I do not know.

I heard the gentlewoman from Connecticut say that scientists would not work with the brass hats, or something like that, but I do not agree. Of course, scientific knowledge goes on regardless of this bill. I am not worried about whether cancer research will continue if we do not pass this bill. Scientists work, and have been working for years, on what causes cancer. Some day we may find out what causes cancer, we may find a cure for it. Neither do I think the knowledge of the atomic bomb will stay here in America. Science marches on and this knowledge of atomic energy will be universal. Scientists the world over are thinking along the lines of what atomic energy can do today. Other nations will have it, although they may have some difficulty in getting that intricate machinery that goes into the production of atomic bombs. But it does seem to me that with the peace conference to be held next week there perhaps is no hurry about passing this particular atomic-energy bill. What harm is there in waiting until the thing has had time to boil down and simmer a bit. Perhaps in 6 months we will be wiser and confusion will subside. The more you think about the unknown the less fearful you become about the unknown. If the bill is not recommitted for further study, I shall join with the majority and trust that, under the bill, science may march on and the powers and benefits of atomic energy will bring great benefits to the world.

Mr. EATON. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, I have been sitting here through every hour of this debate. I do not claim to have as much intellectual equipment or scientific knowledge as many of my colleagues, but I have managed through the past 22 years once in a while to vote intelligently. That privilege is going to be denied me today.

I have three convictions as a result of these weary days: First, we have created the atomic bomb. It was done with our money and our scientists under military control at the time. That is our responsibility as a people and a

government, the gravest responsibility that has ever rested upon a nation in the history of the world.

Second, I am convinced that it is a serious mistake to have kept this legislation until the dying hours of this session of Congress, when we are harassed to death with a thousand claims and calls and are looking to get away from here, and are unable to give the attention and time to it that we ought to.

Mr. MAY. Mr. Chairman, will the gentleman yield?

Mr. EATON. I yield to the gentleman from Kentucky.

Mr. MAY. I call the attention of my friend, when he says it was a mistake to keep the legislation back to this late hour, to the fact that the House Committee on Military Affairs reported a bill on the subject the 7th day of last November and urged its early consideration. I do not think we ought to be blamed for what has happened, in view of the fact that the Senate bill came to us, and we commenced hearings on it immediately.

Mr. EATON. I am not blaming anyone, I am just stating a fact.

Lastly, I join with the very brilliant and beautiful lady from Connecticut, if she will allow me to join with her, in being completely confused. When a mind such as she possesses is confused, what can you expect of a mere man?

So I say today that no matter how I vote I have not the slightest idea whether I am voting wisely or unwisely. I am inclined to cut the Gordian knot by voting to recommit this bill to the committee.

Mr. HINSHAW. Mr. Chairman, will the gentleman yield?

Mr. EATON. I yield.

Mr. HINSHAW. The gentleman has been a very distinguished representative of this body at the San Francisco Conference and at other conferences of an international character. Can the gentleman give us the benefit of his wisdom as to the immediate need for passing this legislation?

Mr. EATON. I am not profoundly acquainted with the reasons to be presented in answer to that question, but I can conceive of no immediate urgency from the point of view of the international organization at this time.

Mr. WADSWORTH. Mr. Chairman, will the gentleman yield?

Mr. EATON. I yield.

Mr. WADSWORTH. Speaking of the alleged immediate urgency, the gentleman will recall that the War Department is now entering into contracts with universities for further research in this field so that research will not cease.

Mr. EATON. So you understand, then, that the urgency is not immediate?

Mr. WADSWORTH. It is not immediate; that is correct.

Mr. CHURCH. Mr. Chairman, will the gentleman yield?

Mr. EATON. I yield.

Mr. CHURCH. The gentlewoman from Connecticut has said that there was much of the socialistic in this bill. Does the gentleman not believe that in the next year there will be less of that trend in the then membership and in the country and that it is better to delay legislation on this question?

Mr. EATON. I do not see any immediate urgency for the passage of the bill.

Mr. MAY. Mr. Chairman, I ask unanimous consent that all debate on this section and all amendments thereto do now close.

Mr. WILSON. Mr. Chairman, I object.

Mr. MAY. Mr. Chairman, I move that the debate on this section and all amendments thereto do now close.

The motion was agreed to.

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Mr. VOORHIS of California. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, as most Members know, I have opposed the amendments, with one or two exceptions, which have been adopted to this bill.

I rise at this time, none the less, to beg the House not to recommit it. The confusion that has been referred to is largely confusion that has been created —I shall not say deliberately—in the course of debate. The conception of the bill as it came to us from the Senate is absolutely clear to anyone who really wants to understand it.

It was almost a year ago that the first atomic bomb was dropped. A Member of this body, responsible for the welfare of the Nation, who, 1 year after that greatest event since the birth of Christ himself upon this earth, is willing to tell his constituents that he does not understand the over-all problems of it well enough to legislate upon them, strikes a blow at democratic Government itself. We must be able to deal with this our greatest problem if we are to prove that democratic parliamentary legislative Government can justify its continuance in the new and admittedly dynamic and in some respect fearsome age in which we live.

The question is, Do we have the courage to face the world as it is; not as we would like it, but as it is? A vote to recommit this bill means that domestic control over fissionable material and atomic energy will not be adopted at least until the Congress meets next year. Such a vote will be tantamount of cause to defeating the bill and will mean that sporadic possession and sporadic use of this most dangerous element ever to face mankind can go on. Such a vote will mean a repudiation, in effect, of the official position of this Government as laid before the other nations of the world in the Baruch proposal for the international control of atomic energy, because, unless we here establish domestic control first, we cannot expect other nations to agree with us for international control. And unless that international control be established during the period of America's unquestioned pre-eminence in this field, our chance to get that international control will be minimized immeasurably, and a continuing atomic race becomes inevitable.

Furthermore, the choice and alternative that we face is briefly this, if this legislation is recommitted, this House puts its stamp of approval on a continued armament race in atomic weapons. We would be resting the fate of this Nation in some miraculous stopping of the minds of scientists in every other nation in the world. For we would fail to make provision, as every bit of competent evidence tells us we must, for the continuance of atomic energy development at home. In other words, if we recommit this bill, we fail to say that we will do everything within the power of this House to stop an armament race in atomic weapons, and we will be saying instead that this House will have no part in what other agency of this Government has attempted and is striving to do, namely to get control in the hands of men over this engine of destruction, which otherwise will destroy him.

For my part, I am not willing to sell the future safety of my children and yours for any cheap political effort to save myself in the next few years. This is a matter for the ages. This House cannot turn this legislation down, Mr. Chairman, and be true to our duty.

For if we raise our sights even for a moment above the level of secrets that elementary reason teaches will be secret for only a moment of time, above the level of political slogans, above the level of the desires of some forces in this country for private profit—if we will raise our sights to the great stark facts we face we shall see beyond them but two visions, one is a vision of the four horsemen more terrible in mien than ever a World War I author could possibly paint them. The other is a vision of the stars themselves and the universe whence atomic energy has come, which of these visions will constitute the actual fact of our children and children's children, depends believe me, on what we do in this solemn hour.

I cannot blame Members in the slightest for feeling this is most difficult; indeed, I cannot even blame them personally for wishing, as by their votes and speeches many of them have indicated they wished that atomic energy had never been released. But I can, and do most earnestly, beg them not to continue to commit their country's course on such a wish which they know is contrary to the basic facts of our life.

The CHAIRMAN. The time of the gentleman from California has expired.

Mr. COOLEY. Mr. Chairman, I move to strike out the last word.

Mr. HINSHAW. Mr. Chairman, will the gentleman yield?

Mr. COOLEY. I yield.

Mr. HINSHAW. Will the gentleman tell me if any other nation of the world has transferred its atomic-energy program to the domestic field?

Mr. COOLEY. Not that I know of.

Mr. FOLGER. Mr. Chairman, will the gentleman yield?

Mr. COOLEY. Very briefly.

Mr. FOLGER. What other nation has the atomic bomb besides this Nation?

Mr. COOLEY. I do not know of any.

Mrs. DOUGLAS of California. Mr. Chairman, will the gentleman yield?

Mr. COOLEY. I yield.

Mrs. DOUGLAS of California. The question was asked if any countries had transferred their atomic-energy program underneath civilian control. The English have their entire program underneath civilian control, and the Army or the Navy does not appear anywhere in their program.

Mr. COOLEY. I hope the lady's answer is satisfactory to the gentleman who propounded the question.

I asked the majority leader to give the House one sound reason why this bill should not be recommitted. I did not do that with the idea of bringing about any embarrassing situation to him because he had the floor. In the hours and hours of debate I have listened for some sound reasons to be given by someone as to why it was not wise to recommit this bill.

Mr. WILSON. Mr. Chairman, will the gentleman yield?

Mr. COOLEY. I do not know whether the gentleman can give us any sound reason or not, but if he can, I am very glad to yield to him.

Mr. WILSON. The chairman of the committee just a few moments ago made the statement that this bill was reported out of the Committee on Military Affairs 8 months ago and had not been acted upon. Can anyone tell me why there should be such haste to act upon it, when 5 months from now we will be back in session again?

Mr. COOLEY. I agree with the gentleman.

Mr. BLOOM. Mr. Chairman, will the gentleman yield?

Mr. COOLEY. I yield.

Mr. BLOOM. I merely want to say that the very interesting speech made by the gentleman from California, I

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think, gives more than one reason why this bill should not be recommitted.

Mr. COOLEY. No, it does not. The gentleman from California did not give any reason except——

Mr. VOORHIS of California. Mr. Chairman, will the gentleman yield?

Mr. COOLEY. I yield.

Mr. VOORHIS of California. The first reason is to make sure that America continues to get fissionable material in the future.

The second reason is to prevent that fissionable material from getting scattered all over the Nation with people using it for all sorts of purposes.

The third reason is to establish a continuous centralized control in the hands of this Commission to prevent that thing from happening.

The fourth reason is that if you are going to talk at all about getting that international control then the first thing you have got first to do is to have domestic control.

The fifth reason is that the most dis-

tinguished people who studied this question, the scientists, the economists, the chiefs of staff, the President of the United States, the State Department, and everybody else who knows anything about it has told you that it was necessary to act now.

Mr. COOLEY. Now, to sum up the reasons that have just been given by the gentleman from California, he apparently is very much afraid at the present time that the secrets of the atomic bomb are being given away or that research in the field is being retarded or will soon be abandoned and that all of the scientists will cease to work on this newly discovered, mysterious, and most terrific of all powers. He recites the fact that others have been giving thought and consideration to the matter, that great scientists have worked on it, that the Military Affairs Committee members have considered it. I believe, and I hope he will agree, that the secret is now being safely guarded; research is continuing and will not be impeded and will not be abandoned.

Mr. DINGELL. Mr. Chairman, will the gentleman yield?

Mr. COOLEY. I yield to the gentleman from Michigan.

Mr. DINGELL. The gentleman has asked why we should pass this? Will the gentleman state precisely why he is opposed to favorable action at this time?

Mr. COOLEY. Mr. Chairman, I ask unanimous consent to proceed for five additional minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from North Carolina.

There was no objection.

Mr. COOLEY. Mr. Chairman, I will be very glad to tell the gentleman why I am opposed to it. The secret now is adequately safeguarded, it should be safeguarded, and should remain as a military secret until peace documents have been written and signed. We should hold this weapon of war.

I do not believe it has been recognized or established as a cure for cancer. The gentleman from Minnesota, Dr. JUDD, has not yet established his theory of mutating the species by radioactivity, on which the charming lady from Connecticut commented yesterday.

Mrs. LUCE. Mr. Chairman, will the gentleman yield?

Mr. COOLEY. I yield to the gentlewoman from Connecticut.

Mrs. LUCE. I had not at that time read Dr. JUDD's exceedingly brilliant explanation of the processes of mutation as they appear in yesterday's RECORD. You will find there a complete description as to radioactivity in this field and how it may have brought about the creation of dinosaurs and other monsters in prehistoric times.

I want to say also that I welcome this opportunity to say that my own remarks on the subject were a humorous attempt to focus attention on the incredible potentialities of radioactive energy. If we do not control the bomb, it might be a good thing for someone to mutate the species, so we could all escape from it, and change us into groundhogs or moles or, better still, provide us with wings, because I am sure it would be nice to have them here. If we do not stop devising weapons of slaughter, we are not likely to have wings in the hereafter, that is certain.

What is much to be preferred to the mutation of the species is that we should all begin to use the gray matter and the brains with which the Lord so abundantly provided us many millions of years ago. If we will use our brains on this matter, we need not worry about mutation of the species, because we will not take any risks with human life, and we will send this bill to conference.

Mr. DINGELL. Mr. Chairman, will the gentleman yield?

Mr. COOLEY. I want to answer the gentleman's question.

Mr. DINGELL. The gentleman stated that he feared the possible disclosure of secrets if this is placed in the hands of a commission. Is there anything in the bill that threatens any

such possibility?

Mr. COOLEY. I do not think we need to take any others in with us to help share the secrets of the atomic bomb. I regard the atomic bomb as one of the greatest instrumentalities of death ever devised by the genius of man. You do not have to guess about it. All you have to do is to go to Nagasaki and Hiroshima and see the results of it there. If we are going to remain strong, if this is an instrumentality of defense, then pray tell me why should we give it up?

Mr. DINGELL. We are not giving it up.

Mr. COOLEY. Why should we be so anxious to let Russia or any other nation on earth know the secrets of this deadly weapon that we have in our hands? I would like to ask a question of the gentleman from California. Does the gentleman believe that if the situation were reversed and Russia had possession of this secret that she would give us full information about it?

Mr. VOORHIS of California. No; and I do not believe that there is a line or a dot in this bill that proposes to give it to anybody, and if there were, I would be against the bill. What there is in this bill is the establishment of the kind of control in the hands of a commission that will make it clear and to prevent that happening until such time as we have international control over it.

Mr. COOLEY. What is the gentleman's objection to the present method of control? What is the gentleman's objection to guarding it with soldiers and controlling it as it is now being controlled?

Mr. VOORHIS of California. The present method of control does not extend at all to development throughout the country. The present method of control, as I explained over and again in the debate, does not reach fissionable material in the hands of any Tom, Dick, and Harry in this Nation. It does not prevent the development of production of any weapon that anybody may want to produce.

Mr. COOLEY. My friend seems to be alarmed over the possibility that fissionable material may fall into the hands of individuals or private corporations and that such individuals or corporations might make greater strides in development and production than will be made under our present set-up, and he seems to be under the impression that this newly created Commission will guard more carefully both the material and its development. This is about the frankest expression that I have heard in support of the bill. Technically, we are still at war, and certainly, no individual or corporation would dare attempt to seize upon fissionable material or undertake experiments which would clash with the plans and programs of the armed forces. This is a deadly instrumentality, and it should be dealt with in deadly fashion. The atomic bomb was the weapon that ended, suddenly, the world's greatest conflict. While it destroyed human life, it likewise saved human life, because it ended the war. It was a climax to cruelty. Certainly it is not unreasonable to argue that atomic energy as a weapon of war or defense should be perfected before diverting our attention and the attention of scientists to a discovery of other peacetime uses in which it may be developed.

Is this bill an act of appeasement? Are we being forced by diplomatic pressure to surrender "the big stick," the atomic bomb, before even our allies will discuss the terms of peace? This country is tired of appeasement. This country is tired of pussyfooting. We should be more determined and insist upon free, frank, and open discussions. What do we know about Russia's postwar programs, demobilization plans, or experiments in the field of atomic energy? Will the passage of this bill cause Russia and other nations to abandon all experiments and discharge all scientists and abandon their exploratory efforts or even to submit to international control the information which

they have obtained thus far? Why, Russia will not even permit American military men or civilians into Korea or into certain sections of Manchuria. It is not even safe for Members of this Congress to fly over territory which is now occupied by the Russians. They have not accorded us even the privileges of cooperation and understanding. There is constantly a tense feeling in

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China, and especially in the northern portion of that poverty-stricken nation. In China we seem to be playing both ends against the middle. We are told that we are equipping and supplying both armies—the army of the Central Government and the army of the Communists. Our men are still wondering why they are in China. They know that the war is over and they want to know why they are not permitted to return home. General Marshall has been given the world's greatest and most difficult diplomatic assignment, but I venture the assertion that there are areas with which he is dealing into which he would not even be permitted to travel in search of pertinent information. What kind of partnership is this? With what kind of ally are we dealing? Not even the members of our great Military Affairs Committee know anything at all about Russia's postwar programs, and yet we are about to run the risk of surrendering the greatest military secret of all times and even before the terms of peace have been agreed upon. Yes; I am for control of all the secrets of the atomic bomb and will continue to be for the control of such secrets until the terms of peace have been agreed upon and adequate international machinery has been provided for the future control of all phases of the development in the field of atomic energy.

The CHAIRMAN. The time of the gentleman from North Carolina has expired.

Mr. MAY. Mr. Chairman, I move that all debate on this section and all amendments thereto do now close.

The motion was agreed to.

Mr. CASE of South Dakota. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. CASE of South Dakota:

Page 52, line 13, strike out "four years" and insert "one year."

Page 52, line 13, strike out "four-year" and insert "one-year."

The CHAIRMAN. The question is on the amendment offered by the gentleman from South Dakota.

The amendment was rejected.

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Mr. MCDONOUGH. Mr. Chairman, I move to strike out the last five words.

Mr. Chairman, I have refrained from speaking on the bill during the time that we have debated it because there is evidently a great deal of confusion in the minds of many here as to the advisability of this legislation at all. On the other hand, there is no question about the fact that science is going to stop its experiments and research whether this legislation is passed or not. I am inclined to believe the Senate certainly must have had in mind the protection of the Nation and its natural resources and the dangers of this atomic energy if it were released promiscuously, when they passed this bill. On the contrary, we have amended the bill to such an extent that it is now in such a state that it is doubtful whether we all believe the things that we have added to the bill. One of the amendments which I am particularly concerned about which was adopted here a few moments ago on a voice vote, was the definition of nuclear fission. The gentleman who offered the amendment may have been sincere in his intentions, but the definition of nuclear fission in a bill passed by the Congress will carry a great deal of authority. If it is not properly defined, it is going to be a matter of ridiculousness in the minds of the public, or it is going to be looked upon as the correct

definition of nuclear fission, whether it is correct or not. I recommend that this bill go to conference and that the conferees consider the definition of nuclear fission as defined in the Smythe report which is much more scientifically correct, if there is going to be any definition of nuclear fission in the bill at all.

Mr. HINSHAW. Mr. Chairman, will the gentleman yield?

Mr. McDONOUGH. I yield.

Mr. HINSHAW. I think the House should understand that my distinguished colleague from California is a chemical engineer. His words are of value at this time.

Mr. McDONOUGH. I thank the gentleman. I have spent years in chemistry, in metallurgy, in the manufacture of steel and aluminum, and in explosives in the manufacture of nitroglycerin, nitro-starch, and tetranitroanilin before entering public service when atomic energy was revealed as an explosive. I became vitally interested in and have done considerable study on the subject. It is a highly scientific subject. It is difficult to legislate on. Scientific research and development should not be curtailed by legislation. It is an inherent characteristic of men and women of science to use their talent for the good of mankind, not for destructive purposes. Most of the progress we have made in extending life and making living more comfortable has come from scientific research and development.

I do not want to appear as an expert on atomic energy, although I appreciate the reference of my colleague because, although the revolution of atomic energy is new, in science it is as old as the hills. We have only discovered the uses of it. The defense that we are trying to protect against here is a defense for and from destructive purposes. We certainly should do nothing by legislation that would interfere with the development research and uses of atomic energy for the industries, the arts, and sciences.

Mr. COOLEY. Mr. Chairman, will the gentleman yield?

Mr. McDONOUGH. I yield.

Mr. COOLEY. The gentleman from Texas [Mr. LANHAM], in offering the amendment, confessed that he was not convinced that the definition was accurate, but he merely put it in the bill so that the conferees could discuss it later.

Mr. McDONOUGH. I appreciate that. I am only adding my contribution to it so that the conferees may have it before them. I believe the definition in the Smythe report is as accurate as you can define it. I think we have the framework of a good bill here and I do not think it should be thrown out altogether. It should go to conference. I doubt very much if the secret about which we are all talking—as a matter of fact there is no secret in the creation and formation of atomic energy. There is a secret with reference to the specific destructive force that it produces. No private corporation will get hold of that. They will not spend the amount of money necessary to develop it for that purpose. We are protecting that secret with as much security as we have in the Army and Navy and the FBI.

Mr. DINGELL. Mr. Chairman, will the gentleman yield?

Mr. McDONOUGH. I yield.

Mr. DINGELL. The gentleman's idea of the Smythe suggestion is an excellent one, but let me ask the gentleman this question: Is there anything in this bill that will disclose the secret to anyone outside of these United States?

Mr. McDONOUGH. I may say to the gentleman, I am concerned about the broad powers that are given to the Commission, and the added personnel that would be developed under the Commission, and the fact that if you allow these things to go through too many minds, they are likely to leak out and get into the wrong channels. As it is now, I have every confidence the Army is protecting the secret.

The CHAIRMAN. The time of the

gentleman from California has expired.

Mr. MAY. Mr. Chairman, I ask unanimous consent that all debate on this section and all amendments thereto close in 10 minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from Kentucky?

There was no objection.

Mr. TIBBOTT. Mr. Chairman, I ask unanimous consent to extend my remarks.

The CHAIRMAN. Is there objection to the request of the gentleman from Pennsylvania.

There was no objection.

Mr. TIBBOTT. Mr. Chairman, from the standpoint of my duty as a Member of this body and to justify my position on this bill, it is my conscientious belief that this measure should be returned to the committee for further study and consideration. While I realize that there are many who believe that the committee's bill on atomic energy should be adopted now, nevertheless, it seems to me that we are acting in too much haste. I have arrived at this conclusion after listening carefully to the arguments both for and against the bill. As the situation stands I cannot give the bill my support as there are so many confusing provisions in it that, to my way of believing, do not give our country the protection to which we are entitled. For the time being and until peace is restored throughout the world, I am of the firm belief that the secrets of the atomic bomb should be kept entirely within the confines of our own Nation. Until such time as the committee brings in additional evidence in support of their position, I am compelled to vote against the passage of the bill before us.

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The CHAIRMAN. The gentleman from Kentucky [Mr. ROBSION] is recognized.

Mr. ROBSION of Kentucky. Mr. Chairman, we have all watched with interest the efforts of our country to build a just and lasting peace and to set up an organization that would prevent aggression and the horrors and burden of wars in the future. But in that effort backed by our administration and the heart, soul, and mind of the American people we have seen our efforts frustrated from time to time so that we were unable to write a workable charter and we have been unable to bring the countries together to write or agree upon a treaty of peace. The country that has obstructed all the way, all the time, has been Russia. It has created a spirit of alarm in this country and we are continuing to draft teen-agers and keep and maintain 1,600,000 of our boys in foreign lands and in camps here and on the seven seas of the world, at great expense to our Nation. This year with a deficit facing the country the Congress has already voted the enormous sum of $12,000,000,000 for the Army and the Navy. This is one-half of the cost of World War I. The administration says all this is necessary. Why? They claim that there is danger. Russia is the threat. Now, if it is so necessary to draft our teen-agers and keep large armed forces throughout the world and spend $12,000,000,000 this year to strengthen our military and naval power, we must guard zealously our atomic secret today. We must not, while the world is in turmoil, make it possible for any potential enemy to obtain this war secret, the most powerful aggressive and defensive weapon the American people have? I have heard throughout this debate expressions of doubt as to how far we should go. The bill has been greatly amended and I think improved. But it is still not clear what type of men will be appointed on that Commission or the persons who will make up the large number of personnel. There could be a leak. Now, without a peace treaty, with a world still technically at war, shall we give away this mighty secret weapon? I am in favor of recommitting this bill and giving more time for study.

Russia is not surrendering any of her

military secrets; she has rejected all plans submitted by us and other peace-loving nations. This secret—know-how—of the atomic bomb is in the safekeeping of our military with other secrets. This is the most priceless of all. We know and the world knows we are a peace-loving Nation and will not use it except in our own defense and to preserve the peace of the world, but what will happen if some other nations get possession of this secret before a treaty of peace is signed and there is still discord throughout the world.

This bill as amended sets up a Commission of civilians and one military man. They do not have the right to give away our atomic bomb secret. The Congress and the American people should be vigilant. Some delay until Congress meets next January would give time to determine if the world's problems can be solved in a peaceful way, and we can know more about Russia's attitude.

The CHAIRMAN. The time of the gentleman from Kentucky has expired.

The gentleman from North Carolina [Mr. FOLGER] is recognized for 5 minutes.

Mr. FOLGER. Mr. Chairman, I can hardly understand what is going on in the House. It is the strangest situation from any point of view that the mind can conceive, if one has a mind, as to why a concerted, apparently well-developed campaign should be put on in this body to destroy this legislation. Is it politics? I would not make that accusation. I do not wish even to think that even in the inmost private recesses of my soul.

Mrs. LUCE. Mr. Chairman, will the gentleman yield?

Mr. FOLGER. I yield.

Mrs. LUCE. I do not think anybody in this House would dream of accusing anybody in this House of jeopardizing millions of lives and perhaps civilization itself for political reasons. There is not a man that low in this House. If there were he should be shot.

Mr. FOLGER. The gentlewoman has stated about what I have stated, that not in the inmost recesses of my soul would I think such a thing. Then, is it due to the fact that many of us have failed to inform ourselves on this subject, when the President of the United States, the Secretary of War, the Secretary of the Navy, the State Department, the scientists who discovered atomic energy have asked for this legislation? It was not an invention, it was a discovery, for nuclear energy has been here all the time. We just have discovered it and made ourselves able to apply it.

I want to read you a fine statement, and, as my opinion, the following:

The carefully considered measure for control of atomic energy passed by the Senate has now been warped beyond all recognition. The chance we may have if we subscribe to that view is that in the conference we may unwarp some of these things that have been, in my opinion, thoughtlessly injected into this legislation.

On the pretext of preserving secrecy, the House has voted to void the principle of civilian rule, as though Americans are not to be trusted simply because they do not wear a uniform. And then, by way of making ludicrous even its own pretenses, the House voted to make secrecy impossible by eliminating the Senate provision for a Government monopoly in the atomic field and providing, instead, for private patents to develop the most potent force the world has ever known. This vital legislation must not now be killed. The House has a positive obligation to act, however inadequately. If it does so, perhaps something that makes sense can be worked out in conference with the Senate. If it fails to act the Army will be left in the stultifying control which has already driven the men of science from the field. What is at stake is far too urgent, far too vital to the Nation and to the world, to be settled by craven default.

It is admitted that in this bill it is not expected we can pass a perfect piece of

legislation and we may under necessity, from time to time, to offer and adopt amendments to it; but I suggest to the Members of the House that this bill, as it comes to us from the Senate, is as nearly a perfect answer to the obligation of the United States, to its own citizens and the rest of the world, as the mind of man can conceive under the circumstances. A postponement of this would be a likely disaster to the Nation and probably to the world. Men and women, I plead that you may not scuttle this important bill.

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Mrs. LUCE. Mr. Chairman, it seems to me that there is little confusion about the character of the Senate bill before amendment. But many are confused about whether or not we should vote for it. We are torn between a distaste for the vast dictatorial domestic powers it confers on the five-man commission, and our fears that without it we shall endanger our national security in a troubled world.

When scientists read the debate on this floor they will no doubt be appalled by our ignorance of the subject of nuclear energy, and the silly unscientific things we have said about it. But when we read some of the things scientists say about the purpose and effect of domestic legislation, they also sound a

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little silly to us. We are ignoramuses in their field, but they are not exactly Daniel Websters in ours. If the world were at peace we could each stick to our own last. But it is not, unhappily. The threat of war has combined in this bill the scientists' field and ours. I apologize to the scientists for any of my scientific errors or malapropisms in this debate, which natural ignorance of the subject occasioned. But none of us owe any apology to the scientists for telling them that this bill is pure socialism. Indeed they should thank us for it, for of all men American scientists passionately love liberty. It is the liberty they have enjoyed in the past which has enabled us to grow great as a scientific nation. It is the business of a legislator to point out to them, and all the people, just what effect this law may have on their liberties, when peace comes. Moreover, I do not see why any Member should be criticized for stating a fact which the able Senator from Connecticut, a man of intellectual integrity, stated himself several times—that this bill is unprecedented, unique, and that it should never set a precedent for any other legislation. So, in saying that its unique and unprecedented aspect is precisely its totalitarian aspect, I am only repeating what Senator MCMAHON and his committee developed in their hearings, and in the few hours of debate the Senate had on the matter.

Is it wrong for a legislator to be honest with the people? I have been honest, in any case, about what I thought this bill signified for the Nation's future, if it stays on the books when the long international crisis that brought it into being is past. I have been equally honest in saying that I agree with the Senators, and I agree with our Members who think that although this is very bad medicine—socialistic medicine—indeed, the strongest dose of it that this Congress has ever been asked to take, for the world's ills and our own sins, we must nevertheless take it.

But I am now offering an amendment to this bill which will let it expire at the end of 7 years, in the event that we do not find ourselves in a war at that time with any foreign power.

Mr. Chairman, we need this bill, not to advance scientific research in time of peace, for we could continue to advance science as we have done during our whole history without it, under a free system. Remember, our scientists produced nuclear fission without any such bill as this. The reason we need the bill now, if we will be honest with ourselves, is that we are afraid of dangers from abroad, and need to safeguard and

develop our supremacy in atomic weapons until that fear is passed.

Seven years is a very long time. In 7 years all of the questions that concern me, and have concerned the gentleman from California [Mr. VOORHIS], whose reasons for accepting this legislation are the same as I have repeatedly given —will be answered. We will know the answer to whether or not we will have a world authority to control atomic weapons, for example. We will know whether our hopes for peace are well founded, or whether war is inevitable.

Yes; I agree with all those who have said during this debate that they favor a large measure of civilian control while there is the threat of war, and even a certain measure of civilian control even in times of peace to guard against serious accidents in the industrial use of fissionable materials. We must have civilian control, so long as there is any possible threat of war, of raw materials, over-all production of facilities, and the means to induce scientists to continue research; and in peace we must prevent disastrous accidents to our people. But if the dangers of such wide legislation as this in peacetime are now clearly seen by this House, as the result of this debate, then let us give ourselves a chance to get the atomic commissariat we have created, because of our fears about a third world war, off our necks, if those fears should mercifully cease to materialize and peace should come.

Let us not, because of our temporary fears of foreign totalitarianism, plunk for permanent domestic totalitarianism ourselves, when those fears are passed.

We shall regret it if we wed ourselves permanently to this vast and mysterious socialistic enterprise.

Again, please remember why we are passing this bill—it is as a defense measure in a troubled world. When the world subsides into a creative peace we will not need it.

To keep it permanently on our books is to despair of peace in the next decade.

Have we no hope for the future? Do we really believe that war between ourselves and Russia is inevitable? Are we certain, beyond any hope, that the peoples of the world will all be hurling atomic bombs at one another in 5 or 10 years? Are we despairful of the efforts of our statesmen ever to make the UN a going concern, to achieve world control of armaments, or better still, a world in which no nation will desire armaments because they are free, contented, and prosperous?

Are we really committed in our hearts and minds to an unending bomb race? Do we really believe that there is no way out of the dreadful stalemate and impasse we find ourselves in but annihilation between the nations?

If we do believe all these things, if we can see nothing but certainty of war as a solution for the international problems that confront us, then there is a real excuse for making this legislation permanent. But if that is our belief, what you and I do here will not be long remembered, it will be soon forgotten. The very archives in which we place this bill, and this building itself will be destroyed in an atomic war. No, it will not much matter then what we say or do here today. Then those who have shined on this floor will shine in the Milky Way. And none of us will be able to say to the other, "I told you so." For we will all be atomized.

But, if there is a hope for peace—and I dare to believe there is a hope—then let us support this amendment, which would cross this measure off our books in peacetime and allow our people to return to the free development of all our energies, including our atomic energy.

The CHAIRMAN The time of the gentlewoman from Connecticut has expired.

Mrs. LUCE. Mr. Chairman, I ask unanimous consent to proceed for three additional minutes.

The CHAIRMAN. Is there objection to the request of the gentlewoman from Connecticut?

There was no objection.

Mr. McDONOUGH. Mr. Chairman, will the gentlewoman yield?

Mrs. LUCE. I yield to the gentleman from California.

Mr. McDONOUGH. Does the gentlewoman believe that if atomic energy had been revealed to the world not as a destructive force there would be any necessity for this legislation?

Mrs. LUCE. I doubt if this legislation would ever have been proposed if this form of energy, which can be so very beneficial to humanity had been released in a nondestructive or industrial form. This legislation is the result of atomic energy having first been released before the public in the form of a decisive weapon and because, until our relations with Soviet Russia are free of mutual suspicions, we must take every precaution to safeguard that weapon, and, if need be, develop it.

Mr. McDONOUGH. And we wish to protect ourselves against the use of it on us for destructive purposes.

Mrs. LUCE. That is correct. We are scared of being destroyed by it if other nations get ahead of us in the development of it. The urgent need to prevent that is why I am for this bill.

Mr. McDONOUGH. The gentlewoman believes that is the principal need for this legislation?

Mrs. LUCE. That is the principal need for the bill. And when we are no longer faced with the threat of war, we will not need this bill. War with Russia is not inevitable. If we use half the brains that God gave us we will not have a war with Russia. We do not want a war with Russia. What the nations need is not so much atomic control as self-control. We would not need to worry over the destructive potentialities of nuclear fission if we all worried a little more over the destructive and evil ideas released by the minds and hearts of men. In the final analysis, if the peoples of the Nation will not seek the answers to atomic energy by consulting the authority of God, no world authority will ever be able to prevent its use for the mutual annihilation of nations. But I refuse to despair of the wisdom or piety of our statesmen. I refuse to despair of what may yet be done in the field of atomic and other disarmament in the United Nations organization, based on the achievement of a peace with justice. So, because I do not believe in the inevitability of war, and I do believe in the possibility of peace, I want to see an expiration date in this act.

Mr. DURHAM. Mr. Chairman, I rise in opposition to the amendment.

Mr. Chairman, I do not exactly understand the gentlewoman's position in

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offering this amendment. She states that it is bad legislation, very bad. Still, she is offering an amendment here to make this legislation effective for seven long years. If this is bad legislation, it should not last for 7 years.

In this bill is a provision for a Joint Committee on Atomic Energy, with 11 members from this body and 11 members from the body at the other end of the Capitol. All matters pertaining to fissionable material, nuclear fission, and everything else that has to do with the manufacture of atomic energy, have to be referred to this committee for consideration. This committee can initiate legislation at any time it wants to. Congress is in session or will be in session every 2 years, for how long, we do not know. I feel it is unwise to enact this legislation for seven long years. The first part of the amendment I think is already the law. This spells it out, and there is no objection to it. But the latter part of it setting up the act for seven long years is what I object to.

Miss SUMNER of Illinois. How long does it last under the bill?

Mr. DURHAM. There is no limit to it. The Congress always has the authority to repeal any act it sets up here at any time if they care to repeal it. The gentlewoman says that anyone who is opposed to this amendment either believes in war or believes in some kind of

socialistic state. I think my record here will show that I voted for the security of my country on every measure affecting our security. I do not believe in a socialistic state. I hope we do not have a war. That is the reason I am here at the present time and why all during the consideration of this bill I have fought for it as the gentleman from California clearly stated a few minutes ago. I think he has presented one of the best reasons for adopting this measure and sending it to conference than any man who has taken the floor. There is not just one reason, gentlemen, for this measure. I do not like all features of this bill. You never get everything you like in these matters, but it is absolutely necessary, in my opinion. It is one of the ingredients of the prescription that we must hand out to the world in order to come to an agreement and peace. You are not going to get anywhere in the negotiations, in the United Nations organization or the Security Council, until we adopt some domestic program in regard to atomic energy. I hope the House will send this bill to conference.

The CHAIRMAN. The time of the gentleman has expired.

Mr. MAY. Mr. Chairman, I ask unanimous consent that all debate on this section, and all amendments thereto close in 5 minutes, the last minute to be reserved for myself.

Mr. JUDD and Mr. LAFOLLETTE objected.

Mr. HAYS. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, the gentlewoman from Connecticut needs no defense at my hands, but when it was pleasantly stated a while ago that she is confused it seems to me that statement does not conform to the nature of the debate in the last 2 or 3 days. I think the gentlewoman from Connecticut has made it very clear that she entertains a strong conviction on this question of our defense being involved in an assertion of policy at this critical hour. I follow her logical arguments. I am sorry she has emphasized the word "socialism" in referring to the bill, but that is incidental. I doubt it can be supported. But the gentlewoman from Connecticut is absolutely right when she implies and states in fact that it is an attitude of defeatism if we refuse to do anything at all about this tremendous new power that has been turned loose in the world. I, for one, am not going to have less faith in the scientists who uncovered this new force than they had in us when they said it was a good thing—weigh these words—that the thousands of people lost their lives at Hiroshima if as a result of that dramatic happening the people of America in their position of leadership would realize that action is necessary to keep this tremendous new power under control and thus save millions of lives. The scientists said they had faith in the people acting through their representatives to declare a policy on this question. Now, we do not declare a policy and we accomplish nothing if we leave it uncontrolled with no declaration at all on this question. If we believe that the military with no mandate from us are going to exercise some control over the holding of fissionable material, we are in my judgment deluding ourselves.

The first announcement of the discovery was made in an institution in this city, George Washington University. Except for the fact that a war followed in a short time after that, we would not be discussing this problem, and it would be a matter of concern only to those of high technical training.

I wonder if in all history a thing like that has happened; if contemporaneously with the discovery of a dangerous force the people were advised of the terror that its use involved.

So the point is, beginning here in George Washington University and then terminating by the destruction of 60,000 people, the question is, Will the Congress assert a policy and say that that power must be put to use for peace and industrial needs, and that they have faith in the scientists who will be

appointed under this bill to properly use that power?

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The SPEAKER. The Clerk will report the motion to recommit.

The Clerk read as follows:

Mr. SHORT moves to recommit the bill (S. 1717) to the Committee on Military Affairs for further study.

The SPEAKER. Without objection, the previous question is ordered.

There was no objection.

The previous question was ordered.

The SPEAKER. The question is on the motion to recommit.

Mr. SHORT. Mr. Speaker, on that I demand the yeas and nays.

The yeas and nays were ordered.

The question was taken; and there were—yeas 146, nays 195, not voting 88.

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So the motion to recommit was rejected.

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The SPEAKER. The question is on the passage of the bill.

Mr. THOMASON. Mr. Speaker, on that I demand the yeas and nays.

The yeas and nays were ordered.

The question was taken; and there were—yeas 265, nays 79, not voting 86.

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So the bill was passed.

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[p. 9562]

1.1a(4)(d) July 22: Senate disagrees with House bill, asks for conference, p. 9611

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Mr. MCMAHON. Mr. President, I move that the Senate disagree to the amendments of the House; ask a conference with the House on the disagreeing votes of the two Houses thereon, 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. MCMAHON, Mr. JOHNSON of Colorado, Mr. RUSSELL, Mr. VANDENBERG, and Mr. AUSTIN conferees on the part of the Senate at the conference.

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[p. 9611]

1.1a(4)(e) July 26: House agrees to conference report, pp. 10192–10199

ATOMIC ENERGY ACT OF 1946

The SPEAKER. The gentleman from Texas [Mr. THOMASON] is recognized.

Mr. THOMASON. Mr. Speaker, in my judgment your conferees have brought back to you a very splendid report. It bears the signature of all of the Senators and of all the House conferees except my distinguished friend the gentleman from New Jersey [Mr. THOMAS].

The conference was in session for the greater part of 3 days and every section of both the Senate and the House bills was given very careful and I may say judicious consideration. I think it is the almost unanimous opinion of the conferees that the subject is so big and so important that legislation, provided

it is reasonable in its terms, is absolutely necessary, in view of our national and international situation.

It should not be forgotten that the President urged some legislation on this subject just as soon as possible. It should not be forgotten that the Secretary of State urged action in view of our proposed international agreements. It is my opinion that there must be some solution to the domestic control of atomic energy before we can move into the international field.

What I shall say will be very brief, and then I will yield to members of the committee who desire time. To get right down to the report, I may say that with the exception of two big questions, the Senate receded on practically every amendment. If you will look at the report you will find amendment after amendment, which was adopted by the House, readily accepted by the Senate conferees.

I may say that the conferees on the part of the Senate, composed of the Senator from Connecticut [Mr. MCMAHON], the Senator from Michigan [Mr. VANDENBERG], the very able and, in my judgment after hearing him, the great lawyer, the Senator from Colorado [Mr. MILLIKIN], the Senator from Colorado [Mr. JOHNSON], and the Senator from Georgia [Mr. RUSSELL], had the same objective as all of us, and that is to do something to get this fissionable material that we hear so much about, and the things that go into making not only atomic bombs but the things we hope will go into peacetime articles under control in this country just as soon as possible. Congress in all its history never had to deal with a more important problem. About it hinges the question of war or peace, and also the matter of destruction or survival. If put to proper and peacetime use, atomic energy, I predict, will become the greatest boon to humanity in all history.

Mr. ARENDS. Mr. Speaker, will the gentleman yield?

Mr. THOMASON. I yield.

Mr. ARENDS. Is it not true that on two major provisions in this bill the House receded to the Senate? One was having a military man on the Commission, the other was the patents provision.

Mr. THOMASON. I will explain that as fully as I can. The first one, of course, is this very controversial question as to whether or not anybody from the armed forces should be on the Commission proper. It will be recalled that the amendment that was adopted in the House provided that there must be at least one, and that two were permissible. If you will recall, a little later in the same military section of the bill there is a provision that the Director of Military Application should be a member of the armed forces. That amendment was offered in the House and adopted by the Senate.

The compromise—and that is why we have conference committees—was that the Senate was willing to accept the amendment that the Director of Military Application, the man who is going to make the bombs if any are to be made, or to put atomic energy to military purposes if that is to be done, should be a member of the armed forces. That, as I tried to say the other day, I think is in keeping with our tradition, because the Director of Military Application is not going to be a policy maker. The Senate stood firm, however, and opposed, as did three of the House conferees, that there should be an Army or Navy man on this policy-making committee, the Commission itself. There would be just as good argument to have a general Secretary of War or an admiral as Secretary of the Navy, or that the man in the White House is not to be a civilian, because that has been the policy of our Government from the beginning.

And I might say in this connection that after we met last evening on the report and after it was drafted and put into final form, in order to make assurance doubly sure and to bring some kind of definite information back

to this House, I had this report submitted early this morning to none other than the Chief of Staff, General Eisenhower, and asked him to read it over and give me his frank opinion so I would have it for my own satisfaction and to transmit to you if you were interested. About 2 hours after I had submitted the report General Eisenhower called me in person over the phone and told me what he had already told Senator VANDENBERG, and that was that the Army did not want a member of the armed forces on the Commission; and that in view of the Vandenberg amendment he and the War Department were entirely satisfied with the conclusions reached by the conferees and he hoped for the adoption of the conference report. So now the Director of Military Application remains an Army officer and the Vandenberg amendment provides that any representative of the War or Navy Departments, even the Chief of Staff, the Secretary of War, or the Secretary of the Navy or any military persons whom they delegate, shall attend the sessions of the Commission and keep in close touch and be fully informed of everything that goes on in the sessions of the Commission and if they are not satisfied they file their protests with the Secretary of War and the Secretary of the Navy. If they are still dissatisfied they appeal to the Commander in Chief of the United States Army, who is none other than the President. You have got to trust somebody, and all of us have confidence in the honesty and patriotism of these high officials.

I only wish I had the ability and facility of expression so that I could repeat to you the argument Senator VANDENBERG made in support of this report. He said in view of the military liaison amendment that he had insisted on he felt this arrangement was the best that could possibly be worked out, not only to protect the secrecy of the bomb but also to give us the best national security. I might also add that it was his statement that in the beginning of the consideration of this legislation he stood firm that the armed forces must be represented. I would like for you to look at the personnel of that committee again. I just do not believe you could have a greater committee appointed to consider a matter of this great importance than the Members that constituted the special Atomic Energy Committee, because there were men on it like Senator MCMAHON, Senator MILLIKIN, and Senator VANDENBERG. There was also Senator HART, formerly an admiral in the Navy for many years and with a distinguished record. After 5 months of hearings, comprising four printed volumes and the examination of 110 of the outstanding scientists, military men and industrialists of this Nation that committee unanimously reached the conclusion that it did on this important legislation.

Mr. DONDERO. Mr. Speaker, will the gentleman yield?

Mr. THOMASON. I yield to the gentleman from Michigan.

Mr. DONDERO. What was done by the conferees in regard to the amendment which provided for screening by the Federal Bureau of Investigation of the personnel?

Mr. THOMASON. I will come to that.

Before we get down to the last and perhaps the biggest controversial issue left in the bill, may I say that after we compromised this issue on whether it was necessary to have a member of the armed forces on the Commission, which is purely a civilian affair, we did provide that there must be a member of the armed forces as director of military application. We then got down to such problems as mentioned by the gentleman from Michigan regarding investigation of all these men by the FBI.

A careful analysis of the report will disclose that the House amendment is still in the bill substantially in the same form it left the House except for one

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thing. The FBI screens all of these employees, especially those having to do with what might be termed the secrets and those having anything to do with critical material, but the FBI does not do the certifying. The unanimous conclusion of the conferees, I think, was that while the FBI does a very splendid and valuable work in matters of investigation and things of that sort, yet we do not want to set the Bureau up as a kind of employment agency where they have to certify employees. However, you will find in the report where there must be a full and complete investigation by the FBI and they, in turn, submit the facts to the Commission. The conferees thought, therefore, that if the FBI furnishes the facts to the Commission that would be sufficient and, of course, we must assume that the President is going to appoint some outstanding men on this Commission. He must accompany their nominations with their qualifications to the Senate before confirmation. We direct that FBI must investigate, but we do not give them the authority to certify the names of the people who should be employed.

Another thing in that same connection, is this matter of the death penalty. That, like the FBI amendment, is substantially retained in the report, except the committee thought just as a matter of justice and also in trying to be practical that where you impose the death penalty it should only apply to men who have disclosed secrets to foreign enemies or foreign governments, or betrayed their country, and that the death penalty should only be imposed by a jury. Otherwise the death-penalty provision is retained in there in substantially the same form as it left the House.

In conclusion, let me make brief reference to the last and perhaps most controversial issue in the report, the matter of patents. That is a big subject in itself. Frankly, I share the views of a great many men in this House, especially my distinguished colleague from Texas [Mr. LANHAM] in saying that I do not want the Government in private business. I have great respect for our present patent laws. I want to encourage individual enterprise and inventive genius. Nevertheless, we are dealing here with a very unusual situation, we are dealing with a very grave and dangerous instrumentality that might mean the life or death of the human race. There was never anything like it in history. The Government has spent $3,000,000,000 to develop atomic energy. It belongs to Uncle Sam. It is in its very nature a monopoly. It has to be kept that way, at least for a time, if we are to keep the secret. There is no use for the Government to take over all fissionable material if we do not also have all the patents to process this dangerous element.

I want to be frank with you as relates to this whole report. Every member had one big objective and that was to tie up the secret of the atomic bomb. You cannot do it without also controlling all patents. Perhaps those restrictions can be lifted later, but this is certainly no time to take a chance. Because these patents have to do with all fissionable material wherever it is. I think, perhaps, with one exception, it was the opinion of the conferees that for the time being, at least until we know what we are going to do with this terrible weapon and this tremendous secret discovery, that there is nothing in the world to do except to give the Government the monopoly that it must have. But in that connection let me say that whenever it takes over an existing patent or does anything else in connection with existing patents or inventions that are later discovered, they must make adequate compensation for the taking of it and also pay a royalty. So, nobody, whose principal interest is in connection with this bomb, can find any fault about that until we settle down and determine what is the best thing for our country and for the peace of the world.

Mr. KUNKEL. Mr. Speaker, will the gentleman yield?

Mr. THOMASON. I yield to the gentleman from Pennsylvania.

Mr. KUNKEL. Then you have adopted practically in identical form the Senate amendment on patents?

Mr. THOMASON. That is correct.

Mr. KUNKEL. There are no material changes in it at all?

Mr. THOMASON. That is correct.

Mr. SUMNERS of Texas. Mr. Speaker, will the gentleman yield?

Mr. THOMASON. I yield to the gentleman from Texas.

Mr. SUMNERS of Texas. Do I understand the gentleman to say that when we come to deal with patents and the necessity to protect the secrecy in regard to the bomb, that you let the patents suffer, if I may put it that way, rather than take a chance on revealing the secrets of the bomb?

Mr. THOMASON. The gentleman is exactly right. This is something that we cannot gamble with or take the slightest chance. The secret at present is the important thing. When a man thinks he has an invention, he has to file his application down here in the Patent Office, and that becomes not only known to every Tom, Dick, and Harry who wants to look at it, but any citizen who wants to go down to the Patent Office can look at the application.

As the Senator from Colorado [Mr. MILLIKIN] so ably pointed out, you just cannot take a chance with a thing like this. We are dealing with the most terrible device that has ever been discovered in the history of mankind.

Mr. HINSHAW. Mr. Speaker, will the gentleman yield?

Mr. THOMASON. I yield to the gentleman from California.

Mr. HINSHAW. If the Lanham amendment had not been agreed to in the House, I had a provision to add to section 3 of the patent provision which related to inventions and discoveries that had not been patented, but must be turned over to the Commission within 60 days and provide that just compensation should be made for turning over the information, but we did not reach that point.

I would like to know, if a man makes an invention or discovery for which no patent application is made, how you can pay compensation under that section by turning it over to the Commission?

Mr. THOMASON. The Commission itself is authorized to make fair and just compensation.

Mr. HINSHAW. You will find under section 3 that no such language was contained, and it was covered in the first two sections relating to patents.

Mr. THOMASON. I cannot answer that technical question.

Mr. CHELF. Mr. Speaker, will the gentleman yield?

Mr. THOMASON. I yield to the gentleman from Kentucky.

Mr. CHELF. I might say to the gentleman that the bulk of the patent laws that we are now operating under were enacted back in 1870.

If we were dealing with just an ordinary thing and this were just a normal situation there would be much force, I think, to the argument that has been made that we should not invade the present patent law field, but I need not tell the Members of this House, in view of what happened at Bikini the other day and what happened at Hiroshima, what this means to the peace of the world. It was the opinion, I think, of the conferees, I know it was of most of us, that it is something you cannot trifle with at present. This bill does set up a monopoly. It has to be. If you are going to take over all the fissionable material in the United States, which you do in the bill, certainly you are going to have to take over for the time being everything connected with it including patents.

Mr. SUMNERS of Texas. I am afraid the gentleman misunderstood me. My point was that in dealing with the patents and in protecting the secret you go to the side of protecting the

secret. You do not take a chance on letting the secret get loose in order to give some fellow a patent.

Mr. THOMASON. My friend from Texas is absolutely right. Patents and everything else must be subordinated to keeping our great secret. In view of what is going on in some parts of the world today, I am not willing to take the slightest chance. We have tried to tie this thing up with the strongest language that can be written.

Mr. SUMNERS of Texas. Of course.

Mr. THOMASON. Congress is going to be in session after this law goes into effect and after we have, perhaps, an international atomic commission of some sort that will put this thing to peaceful purposes rather than to destructive purposes, so then there will be time to make changes if necessary. But it is the opinion, I think, of everybody on the committee, or nearly so, that for the present we cannot do any gambling.

Mr. COLMER. Mr. Speaker, will the gentleman yield?

Mr. THOMASON. I yield to the gentleman from Mississippi.

Mr. COLMER. As I understand, under the House bill the appointment of a military representative was compulsory, but under the conference report that would be optional.

Mr. THOMASON. No. I do not want to mislead the gentleman as

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to the Commission. They will all be civilians, with a military liaison committee sitting in session with them. However, the only member of the armed forces proper who will be in the organization will be the Director of Military Application.

Mr. COLMER. Under the House version of the bill, was not provision made for a military representative?

Mr. THOMASON. Yes.

Mr. COLMER. But that has been changed?

Mr. THOMASON. It was made compulsory that there should be one member of the armed forces, and it was permissive to have two.

Mr. COLMER. Would not the gentleman think the armed forces should be represented on this Commission?

Mr. THOMASON. No; I do not think so, and General Eisenhower does not think so, and Secretary Patterson does not think so, and Secretary Forrestal does not think so. In view of the existence of the military liaison committee, Secretary Patterson and the Under Secretary of the Navy testified before our committee that they felt there was ample and full protection under the Vandenberg amendment, which was the basis on which the Senator from Michigan changed from the position the gentleman from Mississippi now has and offered the liaison committee amendment, which is now part of the conference report.

Mr. COLMER. Of course, I differ with that.

Mr. COOLEY. Mr. Speaker, will the gentleman yield?

Mr. THOMASON. I yield to the gentleman from North Carolina.

Mr. COOLEY. When the gentleman addressed the House recently on this proposition, he seemed to emphasize the necessity and desirability of developing atomic energy for industrial or peaceful purposes. I compliment the gentleman on emphasizing today the necessity for secrecy. Does the gentleman now think that under the bill that has been agreed upon by the conferees the secret is being just as carefully guarded as it possibly can be?

Mr. THOMASON. I will be frank with my friend from North Carolina. I think the bill is stronger than it was when it left the House insofar as the guarding of the secret of the atomic bomb is concerned, because, under the section relating to giving information to other countries, that can only be done after the Congress by a joint resolution has said that all safeguards have been invoked that are necessary for the guarding of the atomic bomb as a military weapon.

Another reason why I am now fully convinced that for the present the Government must control the patents on all matters affecting atomic energy is this. Let me call my friend's attention to this statement, and I hope he will read all of it, that as to this monopoly on patents the law uses the word "solely." No other patents of any kind are touched or in any way affected. It cannot invade any other field. It has to do solely with the atomic energy problem itself and the atomic bomb.

Mr. COOLEY. I have no objection to the monopoly features of the bill. I have no objection to the Government having a monopoly on all the patents. The thing that I am most interested in is that we should agree to keep this secret at the present time.

Mr. THOMASON. I think the bill as reported back to the House is just as strong as it can be. I think it is a splendid report. I hope for its adoption.

Mr. Speaker, I yield 5 minutes to the gentleman from Massachusetts [Mr. CLASON].

Mr. CLASON. Mr. Speaker, as one of the conferees on the McMahon atomic energy bill I can say that the matters which were in dispute were thoroughly discussed by the conferees. We had some very strong arguments on the different amendments which were under discussion. The two main amendments, of course, were those which had to do with whether or not a military man should be placed upon the Commission, and the one dealing with patent law, although there were disputes on other amendments adopted by the House. Further than that, I think I should say that the position of the conferees was not unanimous on any of the important amendments which were in dispute. Nevertheless, I think we have brought back a very fine conference report. I say that because General Eisenhower, Secretary Forrestal, and Secretary Patterson all indicated that they felt even if the bill had not had as much protection in it and had not had the provisions in it which the conferees have finally brought back to you, they still would have felt and believed that the bill ought to be adopted and that they were satisfied with it. The question of whether or not there should be a military man upon the Commission was covered under amendments 1, 2, and 3. The first one, as you probably will recall, had directly to do with whether or not a military man should be appointed to the Commission; the second one had to do with the question of the director of military application, and the third had to do with the law which would permit at least one and not more than two military men to qualify to serve on the Commission at the same time. In connection with that, we had considerable argument. I have been delighted today to hear the distinguished gentleman from Texas quote so often from the two distinguished Republican Senators on the conference committee. I almost gain the impression that if either one of them were nominated for President he would be assured a large Democratic following. They certainly got it in the conference. I have no doubt they deserved it. It is my opinion we are fully protected so far as the military is concerned even though there may not be military men on the Commission itself. We have the military liaison committee which General Eisenhower stated was all he felt was necessary in order for the armed services to be fully protected in connection with atomic research in the future. However, the House added the amendment which did put the Director of Military Application directly into the armed services—he must be a member of the armed services. That being so, we have a much closer and much more important connection with atomic research in the future. Therefore, I feel even though the House did not get all they would like to have had under the amendments 1, 2, and 3, they did obtain a big advantage over the orig-

inal Senate bill. I feel that the Army and Navy are fully protected, while we have established civilian control of our national policy on atomic energy.

So far as the patent laws are concerned, the conferees called in the distinguished gentleman from Texas [Mr. LANHAM], who explained fully to them the difference between the patent sections of the Senate bill and the House bill. Many of the members of the conference committee are lawyers and each of them had his own idea of what was meant in the Senate and House versions. On a divided vote the majority of the conferees of each House voted for the provisions of the Senate bill. If they prove inadequate for our national protection, I am sure the Commission will request such changes as are necessary.

This conference report will be of great value in two important avenues: First, it will aid our representatives in the United Nations and in any peace conference to secure international cooperation and lasting peace; second, it will establish a much needed organization to facilitate research and development of atomic energy, not only for military purposes, but for medical, domestic, municipal, and industrial purposes. I urge that the conference report be adopted.

The question came right down to the proposition. Did the McMahon bill provide as much protection as was necessary and was actually needed in order to prevent dissemination of knowledge in regard to atomic energy, which we ought to have to protect our people? We have the know-how, we have the inventions and the patents. Should they be protected to the extent of the provisions of the McMahon bill?

The SPEAKER. The time of the gentleman from Massachusetts [Mr. CLASON] has expired.

Mr. THOMASON. Mr. Speaker, I yield the gentleman two additional minutes.

Mr. CLASON. As I see it, it came down to the question of whether or not we receive more protection for the United States under the McMahon version or under the Lanham version. I do not think it is proper for a conferee to state how he stood on any one thing, but there was not a unanimous vote on the particular amendment. However, a majority did decide that they preferred the McMahon provision to the Lanham provision. When the conference report was finally drawn, even though I personally did not agree with some of the provisions, I felt strongly it was necessary to have legislation on this subject at this time, and I therefore signed the report. I feel that the conference report added to the legislation which was before you and has resulted in satisfactory legislation and very valuable legislation. I will vote for the conference report, and I hope the rest of you will see it as I see it. I know you will be in disagreement on certain amendments, but on the whole we have good legislation. Otherwise we will not get the benefits for domestic purposes and for industry from atomic energy which we are entitled to obtain.

The SPEAKER. The time of the gentleman from Massachusetts has again expired.

Mr. THOMASON. Mr. Speaker, I yield 5 minutes to the gentleman from North Carolina [Mr. DURHAM].

Mr. DURHAM. Mr. Speaker, it has been well explained to you what the conferees did. I think we brought out a good conference report.

My position on this matter is pretty well known with regard to the military men on the Commission. I supported the Lanham amendment when it was on the floor of the House. After hearing the discussion on this matter when the conferees got together on it, I feel that the Senate amendment is more workable and is a far better amendment than the amendment that was adopted in the House.

There has been a little confusion spread around the House in regard to fissionable material. The rumor has

been spread that it exists in practically everything. Steel is said to be fissionable material. I am not an authority on fissionable material, but I have had some chemistry, and I have some knowledge of it. We feel that we are at the present primarily dealing with only uranium and thorium to produce this fissionable material and nuclear fission for this atomic weapon.

Looking at this patent provision, which is section 11 and applies solely to fissionable material, that is what we are trying to apply this patent provision to. If we are going to control all of that material, as this bill does, we are going to have something like a man who has a book of blank checks in his pocket and no money in the bank, if he goes down here and secures patents, because he has no material unless he secures it from the Government. Therefore, his patent becomes useless.

Furthermore, these men who have been serving at Oak Ridge and other plants of the Manhattan project will be free when they are discharged or released from that plant. Those people are ambitious, they will apply for patents on what they have already done. I therefore feel that we cannot open this thing up to everybody.

What are the principal differences between Senate section 11 and the so-called Lanham amendment?

The Senate patent provisions differ from the House provisions in five major respects:

First. The Senate makes patents on the production of fissionable material and on atomic weapons nonpatentable; the House permits private patents. Private patent rights in these two fields are inconsistent with the national security because patent litigation and procedures may well result in disclosure of secrets. It would be a risk that one or two companies would control all patents affecting these vital national defense activities.

Second. The Senate bill requires that all new inventions relating to the production of fissionable material be reported to the Commission. The House bill contains no such provisions.

Third. The Senate bill automatically authorizes the use of any patent in atomic-energy research. The House, in omitting this provision, may hamper atomic research by refusal of patentees to license their patents for research.

Fourth. The Senate requires that the patentee license at a reasonable royalty the use of any nonmilitary device of importance to the economy. The House, in omitting this provision, permits, for example, one patent holder to take over the entire power industry through control of any atomic-power patents.

Fifth. The Senate bill gives the Commission full authority to condemn all atomic-energy patents, including production of fissionable material, utilization devices, research, and atomic weapons. The House bill confines the condemnation power to patents affecting the national defense.

We must go all the way if we are going to have control of this dreadful weapon.

If this provision, section 11, in any way hinders or affects the further development of our great industrial and private enterprise system, I will be one of the first to advocate doing away with it, but I do feel for the present we cannot take a chance and hope the House will accept the conference report.

Mr. THOMASON. Mr. Speaker, I yield 8 minutes to the gentleman from New Jersey [Mr. THOMAS].

Mr. THOMAS of New Jersey. Mr. speaker, as one of the conferees, I did not sign the report on S. 1717, and I did not because I felt that the House was giving up too much, that this conference report was nothing more than a skim-milk version of the bill that passed in the House; further, the House conferees won all the skirmishes and the Senate conferees won all the big battles, and the two largest battles were: One, whether or not the military would have representation on the Com-

mission; and two, whether or not we were going to take the House version of the patent provision.

Mr. ARENDS. Mr. Speaker, will the gentleman yield?

Mr. THOMAS of New Jersey. I yield.

Mr. ARENDS. Would the gentleman say then that the conferees on the part of the House capitulated completely to the Senate in those two major items?

Mr. THOMAS of New Jersey. I do not like to criticize my good colleagues on either the Democratic side or the Republican side, but I will say that the House conferees did not carry out the version of the House on those two questions.

A great deal has been said about security, that this bill will give us more security than we had in the bill that we passed in the House. I just want to paint this picture. Just as soon as this bill is enacted into law and as soon as the Army engineers have had a reasonable time to get out of Oak Ridge they will get out of there to a man. There will be no more Army Intelligence or Army engineers in Oak Ridge. Then we are going to turn the plant and its secrets over to whom? We are going to turn them over to a lot of persons, and I will admit that in time they will be investigated by the FBI, but we are going to turn Oak Ridge over to a lot of persons who may have had no experience in security. Some of them will be political patronage. Those are the people who are going to guard the atom bomb secrets down there in Oak Ridge.

That is the reason why I say that under the provisions of S. 1717 where we turn everything over to civilian control we may be taking steps that will do the very thing that a potential aggressor or a potential enemy of this country would want us to do, and that is to open the door to the secrets that are so necessary to guard at this time particularly.

Mr. HARNESS of Indiana. Mr. Speaker, will the gentleman yield?

Mr. THOMAS of New Jersey. I yield to the gentleman from Indiana.

Mr. HARNESS of Indiana. When the conferees accepted the Senate version of the patent feature they accepted what the Socialists have been trying to do for the last half century?

Mr. THOMAS of New Jersey. No doubt about that.

Mr. HARNESS of Indiana. Completely socializing our patent system in this Nation.

Mr. THOMAS of New Jersey. There is no question about that.

Mr. HARNESS of Indiana. When they refused to permit the War Department, the Army, or the military to have one single representative out of five they assured the possibility of giving away the secrets if any may be left in connection with this bomb?

Mr. THOMAS of New Jersey. Yes.

Mr. CURTIS. Mr. Speaker, will the gentleman yield?

Mr. THOMAS of New Jersey. I yield to the gentleman from Nebraska.

Mr. CURTIS. I favor the position of the gentleman in regard to both the patent feature and the military control. This conference report should be turned down. There is no more reason to take the Army out of the atomic bomb business than to take it out of aviation, artillery, or any other branch of our defense.

Mr. THOMAS of New Jersey. Mr. Chairman, it was said in conference that the reason we should not have an Army man as one of the commissioners is because it might be considered as a military veto and, in addition, that we were overemphasizing the military. These remarks were made by one of the distinguished gentlemen whom our colleague from Texas referred to and I am sure he is going to vote for him when he runs for President of the United States. I would like to know how anybody could consider that by placing one Army man on a commission of five it would be a military veto. I would like to know how it could be

construed by any nation in the world that we were overemphasizing the military.

The reason that we want a military man on there is so that he will be in

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every conference, so that he will know absolutely what is going on, so that he will be just as close to the picture as possible. When we exclude the military we make them outcasts, something that we are a little ashamed of. I think it is just plain ridiculousness.

Mr. REED of New York. Mr. Speaker, will the gentleman yield?

Mr. THOMAS of New Jersey. I yield to the gentleman from New York.

Mr. REED of New York. I ran across something that startled me early in the war. An Army officer came to my office and he said, "I am somewhat distressed. I do not care to go to the higher-ups, but I know you, and I am going to talk to you." He said, "Every single day my men are getting communistic literature under the frank of the Patent Office." I have watched this thing very closely and when I saw this patent provision in here I could quickly understand why it was in there.

Mr. THOMAS of New Jersey. I want to say just a word about the patent feature. We House conferees did not have a chance. The cards were stacked against us from the beginning. There was never any time when we thought we were going to gain our objectives.

I think that the thing that amazed me more about the conference we had in regard to patents was this, that it was admitted, by not one conferee but by more than one, that the Senate sections on patents would do this thing above everything else, and that is, bring about a compulsory monopoly, and for the first time in the history of the United States we are now called upon to have a compulsory industrial monopoly. Yet, all of the authorities in the United States on patents tell us that the Lanham features, the sections put in by the House bill, would not only protect the Atomic Energy Commission and protect the United States when it came to the question of atomic energy and the making of the atomic bomb, but would protect the industry of the United States as well.

I disagree with my colleague from Connecticut that the Senate version on patents would benefit private business. I think under the Senate version of patents, private business, whether it had anything to do with atomic energy or not, would be absolutely stifled; it would never get started, and if these features had been in existence some 50 or 75 years ago we would not have the industrial life in America that we enjoy today.

Mr. Speaker, after hearing all the debate in Committee and on the floor of the House and in conference, I am still resolved to oppose this legislation. I think it the most dangerous we have ever considered—likewise the most important. For the safety of 135,000,000 of Americans we should delay further consideration until we have had more time for study. The stakes are too high in the gamble we are taking today.

Mr. THOMASON. Mr. Speaker, I yield 5 minutes to the gentleman from Texas [Mr. LANHAM].

Mr. LANHAM. Mr. Speaker, in my judgment this conference report involves most unfortunate legislation, and I certainly shall oppose it.

We have all seen the gradual growth of centralization of power in Washington, depriving the people of their rights and leading them to neglect their responsibilities, and now we see a blow at the fundamental basis of our progress in our patent system.

Here we have the recommendations of the Committee on Military Affairs with reference to patents. Those recommendations, from the standpoint of knowledge or familiarity, might as well have come from the Committee on Claims or the Committee on the Dis-

trict of Columbia.

The small businessmen of this country, the American Bar Association, and the gentleman from the Navy Department who has been from the beginning the adviser with reference to atomic energy on patent matters have all approved this House provision. We voted for it overwhelmingly in this body, and the conferees have not even shown us the courtesy of bringing it back in disagreement in order that we might express our views again.

I wonder if we are beginning to sacrifice and surrender our American way of life to appease those in this country and abroad who have no fondness for our governmental philosophy and principles. What will happen if you support these patent provisions in the conference report? There will be no incentive, outside of those connected with this Commission itself, to stimulate the inventive genius of America to undertake to give us discoveries that will be helpful with reference to atomic energy. Let me bring to your attention the fact that patents, wonderful inventions for our progress, come in the main not from the Government, but from the rank and file who make their research far from Washington, and unless we protect them, unless we get rid of this compulsory licensing which is going to turn our patent system over to an unknown commission, we may undermine and destroy this fundamental basis of our progress and also the initiative and the incentive of the American inventor.

Mr. HARNESS of Indiana. Mr. Speaker, will the gentleman yield?

Mr. LANHAM. I yield to the gentleman from Indiana.

Mr. HARNESS of Indiana. Under this conference report, and under the Senate bill the way it passed the House, the Commission will be the arbitrary and sole judge of what patents are connected with the development of atomic energy.

Mr. LANHAM. Absolutely.

Mr. HARNESS of Indiana. And any invention that might remotely have any connection with atomic energy will be under the control of this Commission.

Mr. LANHAM. And consequently the inventors are not going to try to invent things that will be helpful in reference to atomic energy. There will be no incentive to do it.

Let me call your attention to the fact that the House provision gives the Commission authority to get any invention, any patent, or any application for a patent, that it can use in carrying out its purposes. Why go beyond that to take away property rights from the citizens of this country, to revoke their property rights, and to assure them that they can have no further rights in their property, because you are confiscating and taking the property of the individuals when you undermine and abolish the patent system of this Nation of ours?

Mr. CHURCH. Mr. Speaker, will the gentleman yield?

Mr. LANHAM. I yield to the gentleman from Illinois.

Mr. CHURCH. If the Lanham amendment were left in the bill, does the gentleman feel the secrecy or the know-how would be endangered in any way?

Mr. LANHAM. Not in the least. As a matter of fact, it would be protected. I think this whole legislation is a bit premature, and we are likely to take steps that will menace our security if we enact legislation of this kind in advance of the agreement with reference to peace treaties and the establishment of peace in the world.

Mr. THOMASON. Mr. Speaker, I yield 5 minutes to the gentlewoman from Connecticut [Mrs. LUCE].

Mrs. LUCE. Mr. Speaker, the conference report seems to be about the best legislation we are likely to get for this vital problem. It was often noted during the debate in this House that, while this bill may open the front door to merciful peace and international and national security, it does leave the back

door open to socialism. And that still remains true of the conference report, particularly in reference to the patent sections, as the gentleman from Texas [Mr. LANHAM] has pointed out to you. Nevertheless, its socialistic features constitute a long-range danger. What we are confronted with today is the short-term danger of not protecting our atomic supremacy now, and the short-term necessity of working for international atomic control. I think we must trust in the patriotism of the President, and we must hope and believe that he will place on the Commission five men of integrity and brains and truly American convictions, who will see that this legislation is not abused in the patent field or any other, to destroy our American free-enterprise system.

There is a good deal of talk about this legislation being premature in view of the facts that international arrangements in atomic control, and peace treaties are not signed. One of the reasons which makes this precise legislation necessary is that we cannot get international arrangements in atomic control unless we do have this bill.

You have all read the newspapers. You saw that the Russians have currently turned down the Baruch plan. There will be no incentive for them further to discuss the international control of atomic energy unless we can fortify the position of the Atomic Commission in the UNO with this legislation, which provides domestic controls of the same nature as those proposed internationally. What we will not, or dare not, do ourselves, we cannot expect other nations to do.

We must not forget that within from 5 to 15 years the Russians are going to have all the atomic bombs they want.

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It will be 15 years if they have to do it alone, because of their scientific, industrial, and technological backwardness, but probably not more than 5 years if they can communize Germany, or if Germany itself becomes communized, and alines itself as a satellite state of the Soviet Union. Then German technicians, German scientists, German know-how, German skill, all which we certainly should have learned after two world wars are not to be sneezed at, combined with Russian aggressiveness and Russian manpower, would thus shorten the time it would take Soviet Russia to get the bomb. Our choice is between truly international control and an atom bomb race after that, which would certainly end in atomic war.

In the meanwhile, this bill safeguards our own national security, while allowing us to advance down the road to peace, trying as best we can to persuade our Russian friends that the cause of peace and world prosperity would best be served if they came in with us on an international control plan which would protect all the nations, great and small. I know of nothing that will so strengthen the hands of our statesmen in Paris, and of our United Nations Atomic Commission in New York, as the adoption of this legislation, which will help us to control fissionable materials and also give us some control and direction over scientific research in this field.

If you read the newspapers yesterday you saw the story about the sudden inexplicable disappearance of uranium, which is a fissionable material, in Brazil. Nobody knows where it went, after it was acquired by the Brazilians, apparently we do not know where that material has gone, or to what use it is currently being put. This is a bill which will enable America to keep an eye on the ownership and movement of fissionable material in all countries, including our own.

The conferees were, it seems very plain, men who understood very well what it meant to split the atom. They also being good Americans understand what it is to split their differences. And apart from the highly controver-

sial patent section the Senate receded in a good many matters important to the House, matters which do improve the legislation. I, like others, am deeply alarmed by the implications of the patent section. But in the end, we dare not take any chances on our atomic security in the next crucial 12 months. And let us remember, and take comfort of the fact, that the joint committee, provided by the bill, of Senators and Representatives, can at all times watch the Commission, review its reports, and see that it is not abusing its authority. They will be, and must be, the custodians of our liberties, wherever they may be threatened by this bill.

Mr. THOMASON. Mr. Speaker, I yield 1½ minutes to the gentleman from California [Mr. JOHNSON].

Mr. JOHNSON of California. The purpose of taking this minute is to ask a question along this line: If we adopt the conference report, will that mean that in the field of patents every single unique device that is developed, such as a device to improve a cyclotron, for instance, will go into the hands of the Government? I would like to have the gentleman from North Carolina answer that question.

Mr. DURHAM. It is solely for the purpose of covering patents on fissionable material and nuclear material. It says in the bill that it is only for that purpose.

Mr. JOHNSON of California. I know, but some of us do not know just how broad that is. Does it mean that it only covers those materials from which bombs can be made?

Mr. DURHAM. That is correct, as I understand it.

Mr. JOHNSON of California. For instance, out in California we have a cyclotron at the University of California that cracks atoms, but that machine cannot make bombs. Now, would any device to perfect that machine, which is patentable, be outside the scope of the provision of this bill as reported back by the conferees?

Mr. DURHAM. I would say if that machine were capable of making fissionable material it would come under this provision.

Mr. JOHNSON of California. This machine only cracks atoms and does not make bombs.

Mr. DURHAM. Then how are they going to get the fissionable material?

Mr. JOHNSON of California. I do not know.

Mr. DURHAM. They must get it through the use of the equipment.

The SPEAKER. The time of the gentleman from California has expired.

Mr. THOMASON. Mr. Speaker, I yield 1½ minutes to the gentleman from Iowa [Mr. MARTIN].

Mr. MARTIN of Iowa. Mr. Speaker, I am keenly disappointed in the results of the conference on this legislation. I cannot give up, lying down, the importance of the taking of an active part by a representative of the armed forces in a field that involves one of the greatest potential weapons of all time. I cannot surrender completely the whole field of atomic energy policy making to the scientists or to the manufacturers, and bar absolutely only one class of people, namely, those who know something about military application of any super weapon such as the atomic bomb. In spite of all you say about it, the time has come when our Nation must not appease potential future enemies in that fashion. This is no time to set the stage for the first Munich of World War III. That is exactly what you are doing—exactly that and nothing else. When the time comes when I can prove to you that I am right, it will be too late. You will then be led around by the nose by foreign enemies who are laughing up their sleeves at you now for appeasing them and sticking your ostrich head deeper below the sands than any isolationist that has ever been condemned by the left-wing internationalists of this Nation.

The SPEAKER. The time of the gentleman from Iowa has expired.

Mr. THOMASON. Mr. Speaker, I yield the balance of the time to the gentleman from Minnesota [Mr. JUDD].

Mr. JUDD. Mr. Speaker, I do not believe anybody can accuse me of being an appeaser of any of these countries which have been mentioned as possible dangers to our security. I support this conference report precisely because I want us to do our utmost to assure the Nation's security.

The Bikini test was called Operations Crossroads, because it was held at the crossroads of the Pacific. It might well have been called that because the unleashing of atomic energy is the crossroads of history. That is where we are this afternoon. We are deciding which way our Nation and the world are to take at the great crossroads.

There are about four possibilities. One, we can ignore atomic energy, rest on our first achievements, fail to keep in the forefront of progress until somebody blows us off the face of the earth or covers our land with radioactive energy, making life impossible.

Second, we can say that since we have the secret now, we can beat other countries by building more and bigger and better bombs than they; therefore we have nothing to fear.

The trouble with that argument is that a nation does not need to have any bigger or better bombs than exist now. If, and when other nations are able to build them as they will be in a relatively short time, all they need is a few hundred of the present type delivered by plane or rocket to cripple us hopelessly.

Third, we could wipe out every possible potential enemy right now while we alone have the bomb. The trouble with that course is twofold: First, we could not do it, because the President and the Army do not have any such power, and I think you will agree there would be quite a little discussion before the Congress would do that. The nation to be destroyed would certainly be notified well in advance. Second, we would not do it, because we just are not the sort of people who carry out sneak attacks like Pearl Harbor. We simply would not start such a war. It is unrealistic to imagine we would.

Fourth, we can try to develop international control with rigid and complete supervision of all fissionable materials, factories, and armaments in every country by a real international organization with no vetoes.

Bombs are now made in Tennessee, in Washington, and New Mexico. I live in Minnesota, but I am not scared. Why? Because the use of the bombs made in those three States is controlled by the United States Government on behalf of all the 48 States. They are for the security, not of three States, but of everybody.

I see no hope except in this fourth course. I believe we should take the lead in trying to unite in such a real organization all nations that will join. We cannot make headway in that direction unless we have unified control within our own country of all atomic energy, whether for military or for civilian purposes. That is why I support the conference report. We must have unified civilian control so that we can keep our present processes secret while doing everything possible to im-

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prove those processes, to expand our knowledge of atomic energy and skill in handling it.

Let us not make a wrong decision today at operations crossroads.

The SPEAKER. The time of the gentleman from Minnesota has expired.

Mr. THOMASON. Mr. Speaker, I move the previous question.

The previous question was ordered.

The SPEAKER. The question is on agreeing to the conference report.

The conference report was agreed to.

A motion to reconsider was laid on the table.

Mr. THOMASON. Mr. Speaker, I ask unanimous consent that all Mem-

bers may have five legislative days in which to revise and extend their remarks at this point in the RECORD on the conference report just agreed to.

The SPEAKER. Is there objection to the request of the gentleman from Texas?

There was no objection.

THE CONFEREES HAVE BROUGHT US A SOUND BILL FOR ADOPTION

Mr. DOYLE. Mr. Speaker, a few days ago when debate upon this vital subject of the atomic-energy bill was in progress and it was known that the distinguished gentleman from Texas [Mr. LANHAM] was to offer an amendment to strike out all the patent section of the committee bill and to offer a substitute which would make unnecessary the obtaining of a license from the United States to obtain, or use, or develop atomic energy, even for military weapons, I naturally hesitated to speak in opposition to his proposals, for I know how deservedly his proposals receive the cordial regard by the Members of this House. However, as a new member of your Patents Committee, I soon discovered that his industry and knowledge and natural "drive" were all big factors in the functioning of that important committee.

Yet, having studied the committee bill at length and also having studied his proposals also at length, I felt I had a duty to speak out emphatically for the patent section of the committee bill and for its retention, as distinguished from the proposals of the gentleman from Texas.

The conferees have now put back the patent section of the House bill for which I spoke. I compliment the House conferees for agreeing to same. During the debate here a few days ago I felt many Members had not had opportunity to carefully study the bill and so must have voted under a mistaken idea of what it did do and did not do.

True it is that this conferees' report as to patents will place exclusive control of atomic energy for military purposes in the hands of Uncle Sam. But, my colleagues, why should it not be there? I have previously argued that such control would help take the profit out of war. I do it again. What a man makes for sale at a money profit, he is going to try to sell at the most profit possible. And, he is not always too choosy about his customers, as long as the customer pays him his price. So, it would be with the private manufacture of atomic energy for military weapons. The Government retaining exclusive control of the source of material and its manufacture for war-weapon uses and purposes should make it far more difficult for the development of international cartels in the field of munitions manufacture. And that is exactly what I said before and now repeat as highly desirable. The less material profit there is in war, the fewer wars we will have.

Because these are unusually hazardous times in the world's history, we must be willing to step forth in unusual pathways to peace. We must dare to pioneer in the field of essential legislation in this field of atomic energy, as much as in any field for world peace.

We must protect our field of free enterprise in patents in due fashion. But, gentlemen, there is no soundness in immediately releasing this most dangerous material to free enterprise to make money profit out of it, at the expense of, our national safety and security. This bill guarantees every inventor an adequate compensation for his invention in this field. It assures an applicant for patent the same. We do not yet know the rudiments of need for our national security, and until we know what we need for it, it is unsound and unsafe to let atomic energy loose for promiscuous acquisition and development.

Why the hurry? The war is not even officially ended as yet.

Besides, our executive leaders must know what they can and cannot do in the field of atomic energy. This is a

world neighborhood problem now. It is not merely whether or not American inventors shall have full freedom to do as they please immediately.

The problem before us filters into the very fabric of international policy and world peace from atomic warfare. We must keep our President and delegates to Paris and other conferences where world peace is involved, in a position of knowledge to what extent America can control atomic energy for war and peace purposes.

Therefore, any private control, without regard to our national security, of and for the purpose of war or military weapons, is fundamentally incompatible with our national welfare and security.

So I am pleased the conferees have confirmed my humble words of several days ago as also being their firm conviction and decision.

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1.1(a)(4)(f) July 26: Senate agrees to conference report, p. 10168

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Mr. McMAHON. Mr. President, I ask unanimous consent for the immediate consideration and adoption of the conference report.

There being no objection, the report was considered and agreed to.

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1.1b ATOMIC ENERGY ACT OF 1954

August 30, 1954, P.L. 83–703, §§1, 2, 3, 31, 53, 62, 63, 69, 81, 102. 103, 104, 109, 123, 161, 68 Stat. 921, 927, 930, 948

AN ACT

To amend the Atomic Energy Act of 1946, as amended, and for other purposes.

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the Atomic Energy Act of 1946, as amended, is amended to read as follows:

"ATOMIC ENERGY ACT OF 1954

"CHAPTER 1. DECLARATION, FINDINGS, AND PURPOSE

"Sec. 1. Declaration.
"Sec. 2. Findings.
"Sec. 3. Purpose.

"CHAPTER 2. DEFINITIONS

"Sec. 11. Definitions.

"CHAPTER 3. ORGANIZATION

"Sec. 21. Atomic Energy Commission.
"Sec. 22. Members.
"Sec. 23. Office.
"Sec. 24. General Manager.

"Sec. 25. Divisions and Offices.
"Sec. 26. General Advisory Committee.
"Sec. 27. Military Liaison Committee.
"Sec. 28. Appointment of Army, Navy, or Air Force Officers.

"CHAPTER 4. RESEARCH

"Sec. 31. Research Assistance.
"Sec. 32. Research by the Commission.
"Sec. 33. Research by Others.

"CHAPTER 5. PRODUCTION OF SPECIAL NUCLEAR MATERIAL

"Sec. 41. Ownership and Operation of Production Facilities.
"Sec. 42. Irradiation of Materials.
"Sec. 43. Acquisition of Production Facilities.
"Sec. 44. Disposition of Energy.

"CHAPTER 6. SPECIAL NUCLEAR MATERIAL

"Sec. 51. Special Nuclear Material.
"Sec. 52. Government Ownership of All Special Nuclear Material.
"Sec. 53. Domestic Distribution of Special Nuclear Material.
"Sec. 54. Foreign Distribution of Special Nuclear Material.
"Sec. 55. Acquisition.
"Sec. 56. Fair Price.
"Sec. 57. Prohibition.

"CHAPTER 7. SOURCE MATERIAL

"Sec. 61. Source Material.
"Sec. 62. License for Transfers Required.
"Sec. 63. Domestic Distribution of Source Material.
"Sec. 64. Foreign Distribution of Source Material.
"Sec. 65. Reporting.
"Sec. 66. Acquisition.
"Sec. 67. Operations on Lands Belonging to the United States.
"Sec. 68. Public Lands.
"Sec. 69. Prohibition.

"CHAPTER 8. BYPRODUCT MATERIAL

"Sec. 81. Domestic Distribution.
"Sec. 82. Foreign Distribution of Byproduct Material.

"CHAPTER 9. MILITARY APPLICATION OF ATOMIC ENERGY

"Sec. 91. Authority.
"Sec. 92. Prohibition.

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"CHAPTER 10. ATOMIC ENERGY LICENSES

"Sec. 101. License Required.
"Sec. 102. Finding of Practical Value.
"Sec. 103. Commercial Licenses.
"Sec. 104. Medical Therapy and Research and Development.
"Sec. 105. Antitrust Provisions.
"Sec. 106. Classes of Facilities.
"Sec. 107. Operators' Licenses.

"Sec. 108. War or National Emergency.
"Sec. 109. Component Parts of Facilities.
"Sec. 110. Exclusions.

"CHAPTER 11. INTERNATIONAL ACTIVITIES

"Sec. 121. Effect of International Arrangements.
"Sec. 122. Policies Contained in International Arrangements.
"Sec. 123. Cooperation with other Nations.
"Sec. 124. International Atomic Pool.

"CHAPTER 12. CONTROL OF INFORMATION

"Sec. 141. Policy.
"Sec. 142. Classification and Declassification of Restricted Data.
"Sec. 143. Department of Defense Participation.
"Sec. 144. International Cooperation.
"Sec. 145. Restrictions.
"Sec. 146. General Provisions.

"CHAPTER 13. PATENTS AND INVENTIONS

"Sec. 151. Military Utilization.
"Sec. 152. Inventions Conceived During Commission Contracts.
"Sec. 153. Nonmilitary Utilization.
"Sec. 154. Injunctions.
"Sec. 155. Prior Art.
"Sec. 156. Commission Patent Licenses.
"Sec. 157. Compensation, Awards, and Royalties.
"Sec. 158. Monopolistic Use of Patents.
"Sec. 159. Federally Financed Research.
"Sec. 160. Saving Clause.

"CHAPTER 14. GENERAL AUTHORITY

"Sec. 161. General Provisions.
"Sec. 162. Contracts.
"Sec. 163. Advisory Committees
"Sec. 164. Electric Utility Contracts.
"Sec. 165. Contract Practices.
"Sec. 166. Comptroller General Audit.
"Sec. 167. Claim Settlements.
"Sec. 168. Payments in lieu of Taxes.
"Sec. 169. No Subsidy.

"CHAPTER 15. COMPENSATION FOR PRIVATE PROPERTY ACQUIRED

"Sec. 171. Just Compensation.
"Sec. 172. Condemnation of Real Property.
"Sec. 173. Patent Application Disclosures.
"Sec. 174. Attorney General Approval of Title.

"CHAPTER 16. JUDICIAL REVIEW AND ADMINISTRATIVE PROCEDURE

"Sec. 181. General.
"Sec. 182. License Applications.
"Sec. 183. Terms of Licenses.
"Sec. 184. Inalienability of Licenses.
"Sec. 185. Construction Permits.

"Sec. 186. Revocation.
"Sec. 187. Modification of License.
"Sec. 188. Continued Operation of Facilities.
"Sec. 189. Hearings and Judicial Review.

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"CHAPTER 17. JOINT COMMITTEE ON ATOMIC ENERGY

"Sec. 201. Membership.
"Sec. 202. Authority and Duty.
"Sec. 203. Chairman.
"Sec. 204. Powers.
"Sec. 205. Staff and Assistance.
"Sec. 206. Classification of Information.
"Sec. 207. Records.

"CHAPTER 18. ENFORCEMENT

"Sec. 221. General Provisions.
"Sec. 222. Violation of Specific Sections.
"Sec. 223. Violation of Sections Generally.
"Sec. 224. Communication of Restricted Data.
"Sec. 225. Receipt of Restricted Data.
"Sec. 226. Tampering with Restricted Data.
"Sec. 227. Disclosure of Restricted Data.
"Sec. 228. Statute of Limitations.
"Sec. 229. Other Laws.
"Sec. 230. Injunction Proceedings.
"Sec. 231. Contempt Proceedings.

"CHAPTER 19. MISCELLANEOUS

"Sec. 241. Transfer of Property.
"Sec. 251. Report to Congress.
"Sec. 261. Appropriations.
"Sec. 271. Agency Jurisdiction.
"Sec. 272. Applicability of Federal Power Act.
"Sec. 273. Licensing of Government Agencies.
"Sec. 281. Separability.
"Sec. 291. Short Title.

"CHAPTER 1. DECLARATION, FINDINGS, AND PURPOSE

"SECTION 1. DECLARATION.—Atomic energy is capable of application for peaceful as well as military purposes. It is therefore declared to be the policy of the United States that—

"a. the development, use, and control of atomic energy shall be directed so as to make the maximum contribution to the general welfare, subject at all times to the paramount objective of making the maximum contribution to the common defense and security; and

"b. the development, use, and control of atomic energy shall be directed so as to promote world peace, improve the general

welfare, increase the standard of living, and strengthen free competition in private enterprise.

"SEC. 2. FINDINGS.—The Congress of the United States hereby makes the following findings concerning the development, use, and control of atomic energy:

"a. The development, utilization, and control of atomic energy for military and for all other purposes are vital to the common defense and security.

"b. In permitting the property of the United States to be used by others, such use must be regulated in the national interest and in order to provide for the common defense and security and to protect the health and safety of the public.

"c. The processing and utilization of source, byproduct, and special nuclear material affect interstate and foreign commerce and must be regulated in the national interest.

"d. The processing and utilization of source, byproduct, and special nuclear material must be regulated in the national interest and in order to provide for the common defense and security and to protect the health and safety of the public.

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"e. Source and special nuclear material, production facilities, and utilization facilities are affected with the public interest, and regulation by the United States of the production and utilization of atomic energy and of the facilities used in connection therewith is necessary in the national interest to assure the common defense and security and to protect the health and safety of the public.

"f. The necessity for protection against possible interstate damage occurring from the operation of facilities for the production or utilization of source or special nuclear material places the operation of those facilities in interstate commerce for the purposes of this Act.

"g. Funds of the United States may be provided for the development and use of atomic energy under conditions which will provide for the common defense and security and promote the general welfare.

"h. It is essential to the common defense and security that title to all special nuclear material be in the United States while such special nuclear material is within the United States.

"SEC. 3. PURPOSE.—It is the purpose of this Act to effectuate the policies set forth above by providing for—

"a. a program of conducting, assisting, and fostering research and development in order to encourage maximum scientific and industrial progress;

"b. a program for the dissemination of unclassified scien-

tific and technical information and for the control, dissemination, and declassification of Restricted Data, subject to appropriate safeguards, so as to encourage scientific and industrial progress;

"c. a program for Government control of the possession, use, and production of atomic energy and special nuclear material so directed as to make the maximum contribution to the common defense and security and the national welfare;

"d. a program to encourage widespread participation in the development and utilization of atomic energy for peaceful purposes to the maximum extent consistent with the common defense and security and with the health and safety of the public;

"e. a program of international cooperation to promote the common defense and security and to make available to cooperating nations the benefits of peaceful applications of atomic energy as widely as expanding technology and considerations of the common defense and security will permit; and

"f. a program of administration which will be consistent with the foregoing policies and programs, with international arrangements, and with agreements for cooperation, which will enable the Congress to be currently informed so as to take further legislative action as may be appropriate.

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the Army, Navy, or Air Force may serve as Director of the Division of Military Application without prejudice to his commissioned status as such officer. Any such officer serving as Director of the Division of Military Application shall receive in addition to his pay and allowances, including special and incentive pays, an amount equal to the difference between such pay and allowances, including special and incentive pays, and the compensation prescribed in section 25. Notwithstanding the provisions of any other law, any active or retired officer of the Army, Navy, or Air Force may serve as Chairman of the Military Liaison Committee without prejudice to his active or retired status as such officer. Any such officer serving as Chairman of the Military Liaison Committee shall receive, in addition to his pay and allowances, including special and incentive pays, or in addition to his retired pay, an amount equal to the difference between such pay and allowances, including special and incentive pays, or between his retired pay, and the compensation prescribed for the Chairman of the Military Liaison Committee.

"CHAPTER 4. RESEARCH

"SEC. 31. RESEARCH ASSISTANCE.—

"a. The Commission is directed to exercise its powers in such manner as to insure the continued conduct of research and development activities in the fields specified below, by private or public institutions or persons, and to assist in the acquisition of an ever-expanding fund of theoretical and practical knowledge in such fields. To this end the Commission is authorized and directed to make arrangements (including contracts, agreements, and loans) for the conduct of research and development activities relating to—

"(1) nuclear processes;

"(2) the theory and production of atomic energy, including processes, materials, and devices related to such production;

"(3) utilization of special nuclear material and radioactive material for medical, biological, agricultural, health, or military purposes;

"(4) utilization of special nuclear material, atomic energy, and radioactive material and processes entailed in the utilization or production of atomic energy or such material for all other purposes, including industrial uses, the generation of usable energy, and the demonstration of the practical value of utilization or production facilities for industrial or commercial purposes; and

"(5) the protection of health and the promotion of safety during research and production activities.

"b. The Commission may (1) make arrangements pursuant to this section, without regard to the provisions of section 3709 of the Revised Statutes, as amended, upon certification by the Commission that such action is necessary in the interest of the common defense and security, or upon a showing by the Commission that advertising is not reasonably practicable; (2) make partial and advance payments under such arrangements; and (3) make available for use in connection therewith such of its equipment and facilities as it may deem desirable.

"c. The arrangements made pursuant to this section shall contain such provisions (1) to protect health, (2) to minimize danger to life or property, and (3) to require the reporting and to permit the inspection of work performed thereunder, as the Commission may determine. No such arrangement shall contain any provisions or conditions which prevent the dissemination of scientific or technical information, except to the extent such dissemination is prohibited by law. [p. 927]

"SEC. 53. DOMESTIC DISTRIBUTION OF SPECIAL NUCLEAR MATERIAL.—

"a. The Commission is authorized to issue licenses for the possession of, to make available for the period of the license, and to distribute special nuclear material within the United States to qualified applicants requesting such material—

"(1) for the conduct of research and development activities of the types specified in section 31;

"(2) for use in the conduct of research and development activities or in medical therapy under a license issued pursuant to section 104; or

"(3) for use under a license issued pursuant to section 103.

"b. The Commission shall establish, by rule, minimum criteria for the issuance of specific or general licenses for the distribution of special nuclear material depending upon the degree of importance to the common defense and security or to the health and safety of the public of—

"(1) the physical characteristics of the special nuclear material to be distributed;

"(2) the quantities of special nuclear material to be distributed; and

"(3) the intended use of the special nuclear material to be distributed.

"c. The Commission may make a reasonable charge, determined pursuant to this section, for the use of special nuclear material licensed and distributed under subsection 53 a. (1) or subsection 53 a. (2) and shall make a reasonable charge determined pursuant to this section for the use of special nuclear material licensed and distributed under subsection 53 a. (3). The Commission shall establish criteria in writing for the determination of whether a charge will be made for the use of special nuclear material licensed and distributed under subsection 53 a. (1) or subsection 53 a. (2), considering, among other things, whether the licensee is a nonprofit or eleemosynary institution and the purposes for which the special nuclear material will be used.

"d. In determining the reasonable charge to be made by the Commission for the use of special nuclear material distributed to licensees of utilization or production facilities licensed pursuant to section 103 or 104, in addition to consideration of the cost thereof, the Commission shall take into consideration—

"(1) the use to be made of the special nuclear material;

"(2) the extent to which the use of the special nuclear material will advance the development of the peaceful uses of atomic energy;

"(3) the energy value of the special nuclear material in the particular use for which the license is issued;

"(4) whether the special nuclear material is to be used in facilities licensed pursuant to section 103 or 104. In this respect, the Commission shall, insofar as practicable, make uniform, nondiscriminatory charges for the use of special nuclear material distributed to facilities licensed pursuant to section 103; and

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"(5) with respect to special nuclear material consumed in a facility licensed pursuant to section 103, the Commission shall make a further charge based on the cost to the Commission, as estimated by the Commission, or the average fair price paid for the production of such special nuclear material as determined by section 56, whichever is lower.

"e. Each license issued pursuant to this section shall contain and be subject to the following conditions—

"(1) title to all special nuclear material shall at all times be in the United States;

"(2) no right to the special nuclear material shall be conferred by the license except as defined by the license;

"(3) neither the license nor any right under the license shall be assigned or otherwise transferred in violation of the provisions of this Act;

"(4) all special nuclear material shall be subject to the right of recapture or control reserved by section 108 and to all other provisions of this Act;

"(5) no special nuclear material may be used in any utilization or production facility except in accordance with the provisions of this Act;

"(6) special nuclear material shall be distributed only on terms, as may be established by rule of the Commission, such that no user will be permitted to construct an atomic weapon;

"(7) special nuclear material shall be distributed only pursuant to such safety standards as may be established by rule of the Commission to protect health and to minimize danger to life or property; and

"(8) the licensee will hold the United States and the Commission harmless from any damages resulting from the use or possession of special nuclear material by the licensee.

"f. The Commission is directed to distribute within the United States sufficient special nuclear material to permit the conduct of widespread independent research and development activities to the maximum extent practicable and within the limitations set by

the President pursuant to section 41. In the event that applications for special nuclear material exceed the amount available for distribution, preference shall be given to those activities which are most likely, in the opinion of the Commission, to contribute to basic research, to the development of peacetime uses of atomic energy, or to the economic and military strength of the Nation.

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"CHAPTER 7. SOURCE MATERIAL

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"SEC. 62. LICENSE FOR TRANSFERS REQUIRED.—Unless authorized by a general or specific license issued by the Commission, which the Commission is hereby authorized to issue, no person may transfer or receive an interstate commerce, transfer, deliver, receive possession of or title to, or import into or export from the United States any source material after removal from its place of deposit in nature, except that licenses shall not be required for quantities of source material which, in the opinion of the Commission, are unimportant.

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"SEC. 63. DOMESTIC DISTRIBUTION OF SOURCE MATERIAL.—

"a. The Commission is authorized to issue licenses for and to distribute source material within the United States to qualified applicants requesting such material—

"(1) for the conduct of research and development activities of the types specified in section 31;

"(2) for use in the conduct of research and development activities or in medical therapy under a license issued pursuant to section 104;

"(3) for use under a license issued pursuant to section 103; or

"(4) for any other use approved by the Commission as an aid to science or industry.

"b. The Commission shall establish, by rule, minimum criteria for the issuance of specific or general licenses for the distribution of source material depending upon the degree of importance to the common defense and security or to the health and safety of the public of—

"(1) the physical characteristics of the source material to be distributed;

"(2) the quantities of source material to be distributed; and

"(3) the intended use of the source material to be distributed.

"c. The Commission may make a reasonable charge determined pursuant to subsection 161 m. for the source material licensed and distributed under subsection 63 a. (1), subsection 63 a. (2), or subsection 63 a. (4), and shall make a reasonable charge determined pursuant to subsection 161 m., for the source material licensed and distributed under subsection 63 a. (3). The Commission shall establish criteria in writing for the determination of whether a charge will be made for the source material licensed and distributed under subsection 63 a. (1), subsection 63 a. (2), or subsection 63 a. (4), considering, among other things, whether the licensee is a nonprofit or eleemosynary institution and the purposes for which the source material will be used.

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"SEC. 69. PROHIBITION.—The Commission shall not license any person to transfer or deliver, receive possession of or title to, or import into or export from the United States any source material if, in the opinion of the Commission, the issuance of a license to such person for such purpose would be inimical to the common

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defense and security or the health and safety of the public.

"CHAPTER 8. BYPRODUCT MATERIAL

"SEC. 81. DOMESTIC DISTRIBUTION.—No person may transfer or receive in interstate commerce, manufacture, produce, transfer, acquire, own, possess, import, or export any byproduct material, except to the extent authorized by this section or by section 82. The Commission is authorized to issue general or specific licenses to applicants seeking to use byproduct material for research or development purposes, for medical therapy, industrial uses, agricultural uses, or such other useful applications as may be developed. The Commission may distribute, sell, loan, or lease, such byproduct material as it owns to licensees with or without charge: *Provided, however,* That, for byproduct material to be distributed by the Commission for a charge, the Commission shall establish prices on such equitable basis as, in the opinion of the Commission, (a) will provide reasonable compensation to the Government for

such material, (b) will not discourage the use of such material or the development of sources of supply of such material independent of the Commission, and (c) will encourage research and development. In distributing such material, the Commission shall give preference to applicants proposing to use such material either in the conduct of research and development or in medical therapy. Licensees of the Commission may distribute byproduct material only to applicants therefor who are licensed by the Commission to receive such byproduct material. The Commission shall not permit the distribution of any byproduct material to any licensee, and shall recall or order the recall of any distributed material from any licensee, who is not equipped to observe or who fails to observe such safety standards to protect health as may be established by the Commission or who uses such material in violation of law or regulation of the Commission or in a manner other than as disclosed in the application therefor or approved by the Commission. The Commission is authorized to establish classes of byproduct material and to exempt certain classes or quantities of material or kinds of uses or users from the requirements for a license set forth in this section when it makes a finding that the exemption of such classes or quantities of such material or such kinds of uses or users will not constitute an unreasonable risk to the common defense and security and to the health and safety of the public.

"SEC. 82. FOREIGN DISTRIBUTION OF BYPRODUCT MATERIAL.—

"a. The Commission is authorized to cooperate with any nation by distributing byproduct material, and to distribute byproduct material, pursuant to the terms of an agreement for cooperation to which such nation is party and which is made in accordance with section 123.

"b. The Commission is also authorized to distribute byproduct material to any person outside the United States upon application therefor by such person and demand such charge for such material as would be charged for the material if it were distributed within the United States: *Provided, however,* That the Commission shall not distribute any such material to any person under this section if, in its opinion, such distribution would be inimical to the common defense and security: *And provided further,* That the Commission may require such reports regarding the use of material distributed pursuant to the provisions of this section as it deems necessary.

"c. The Commission is authorized to license others to distribute byproduct material to any person outside the United States under the same conditions, except as to charges, as would be applicable

if the material were distributed by the Commission.

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"CHAPTER 10. ATOMIC ENERGY LICENSES

"SEC. 101. LICENSE REQUIRED.—It shall be unlawful, except as provided in section 91, for any person within the United States to transfer or receive in interstate commerce, manufacture, produce, transfer, acquire, possess, import, or export any utilization or production facility except under and in accordance with a license issued by the Commission pursuant to section 103 or 104.

"SEC. 102. FINDING OF PRACTICAL VALUE.—Whenever the Commission has made a finding in writing that any type of utilization or production facility has been sufficiently developed to be of practical value for industrial or commercial purposes, the Commission may thereafter issue licenses for such type of facility pursuant to section 103.

"SEC. 103. COMMERCIAL LICENSES.—

"a. Subsequent to a finding by the Commission as required in section 102, the Commission may issue licenses to transfer or receive in interstate commerce, manufacture, produce, transfer, acquire, possess, import, or export under the terms of an agreement for cooperation arranged pursuant to section 123, such type of utilization or production facility. Such licenses shall be issued in accordance with the provisions of chapter 16 and subject to such conditions as the Commission may by rule or regulation establish to effectuate the purposes and provisions of this Act.

"b. The Commission shall issue such licenses on a nonexclusive basis to persons applying therefor (1) whose proposed activities will serve a useful purpose proportionate to the quantities of special nuclear material or source material to be utilized; (2) who are equipped to observe and who agree to observe such safety standards to protect health and to minimize danger to life or property

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as the Commission may by rule establish; and (3) who agree to make available to the Commission such technical information and data concerning activities under such licenses as the Commission may determine necessary to promote the common defense and security and to protect the health and safety of the public. All such information may be used by the Commission only for the purposes of the common defense and security and to protect the health and safety of the public.

"c. Each such license shall be issued for a specified period, as determined by the Commission, depending on the type of activity to be licensed, but not exceeding forty years, and may be renewed upon the expiration of such period.

"d. No license under this section may be given to any person for activities which are not under or within the jurisdiction of the United States, except for the export of production or utilization facilities under terms of an agreement for cooperation arranged pursuant to section 123, or except under the provisions of section 109. No license may be issued to any corporation or other entity if the Commission knows or has reason to believe it is owned, controlled, or dominated by an alien, a foreign corporation, or a foreign government. In any event, no license may be issued to any person within the United States if, in the opinion of the Commission, the issuance of a license to such person would be inimical to the common defense and security or to the health and safety of the public.

"SEC. 104. MEDICAL THERAPY AND RESEARCH AND DEVELOPMENT.—

"a. The Commission is authorized to issue licenses to persons applying therefor for utilization facilities for use in medical therapy. In issuing such licenses the Commission is directed to permit the widest amount of effective medical therapy possible with the amount of special nuclear material available for such purposes and to impose the minimum amount of regulation consistent with its obligations under this Act to promote the common defense and security and to protect the health and safety of the public.

"b. The Commission is authorized to issue licenses to persons applying therefor for utilization and production facilities involved in the conduct of research and development activities leading to the demonstration of the practical value of such facilities for industrial or commercial purposes. In issuing licenses under this subsection, the Commission shall impose the minimum amount of such regulations and terms of license as will permit the Commission to fulfill its obligations under this Act to promote the common defense and security and to protect the health and safety of the public and will be compatible with the regulations and terms of license which would apply in the event that a commercial license were later to be issued pursuant to section 103 for that type of facility. In issuing such licenses, priority shall be given to those activities which will, in the opinion of the Commission, lead to major advances in the application of atomic energy for industrial or commercial purposes.

"c. The Commission is authorized to issue licenses to persons

applying therefor for utilization and production facilities useful in the conduct of research and development activities of the types specified in section 31 and which are not facilities of the type specified in subsection 104 b. The Commission is directed to impose only such minimum amount of regulation of the licensee as the Commission finds will permit the Commission to fulfill its obligations under this Act to promote the common defense and security and to protect the health and safety of the public and will permit the conduct of widespread and diverse research and development.

"d. No license under this section may be given to any person for activities which are not under or within the jurisdiction of the United States, except for the export of production or utilization

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facilities under terms of an agreement for cooperation arranged pursuant to section 123 or except under the provisions of section 109. No license may be issued to any corporation or other entity if the Commission knows or has reason to believe it is owned, controlled, or dominated by an alien, a foreign corporation, or a foreign government. In any event, no license may be issued to any person within the United States if, in the opinion of the Commission, the issuance of a license to such person would be inimical to the common defense and security or to the health and safety of the public.

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"SEC. 109. COMPONENT PARTS OF FACILITIES.—With respect to those utilization and production facilities which are so determined by the Commission pursuant to subsection 11 p. (2) or 11 v. (2) the Commission may (a) issue general licenses for activities required to be licensed under section 101, if the Commission determines in writing that such general licensing will not constitute an unreasonable risk to the common defense and security, and (b) issue licenses for the export of such facilities, if the Commission determines in writing that each export will not constitute an unreasonable risk to the common defense and security.

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"SEC. 123. COOPERATION WITH OTHER NATIONS.—No cooperation with any nation or regional defense organization pursuant to sections 54, 57, 64, 82, 103, 104, or 144 shall be undertaken until—

"a. the Commission or, in the case of those agreements for cooperation arranged pursuant to subsection 144 b., the Department of Defense has submitted to the President the

proposed agreement for cooperation, together with its recommendation thereon, which proposed agreement shall include (1) the terms, conditions, duration, nature, and scope of the cooperation; (2) a guaranty by the cooperating party that security safeguards and standards as set forth in the agreement for cooperation will be maintained; (3) a guaranty by the cooperating party that any material to be transferred pursuant to such agreement will not be used for atomic weapons, or for research on or development of atomic weapons, or for any other military purpose; and (4) a guaranty by the cooperating party that any material or any Restricted Data to be transferred pursuant to the agreement for cooperation will not be transferred to unauthorized persons or beyond the jurisdiction of the cooperating party, except as specified in the agreement for cooperation;

"b. the President has approved and authorized the execution of the proposed agreement for cooperation, and has made a determination in writing that the performance of the proposed agreement will promote and will not constitute an unreasonable risk to the common defense and security; and

"c. the proposed agreement for cooperation, together with the approval and the determination of the President, has been submitted to the Joint Committee and a period of thirty days has elapsed while Congress is in session (in computing such thirty days, there shall be excluded the days on which either House is not in session because of an adjournment of more than three days).

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"CHAPTER 14. GENERAL AUTHORITY

"SEC. 161. GENERAL PROVISIONS.—In the performance of its functions the Commission is authorized to—

"a. establish advisory boards to advise with and make recommendations to the Commission on legislation, policies, administration, research, and other matters, provided that the Commission issues regulations setting forth the scope, procedure, and limitations of the authority of each such board;

"b. establish by rule, regulation, or order, such standards and instructions to govern the possession and use of special nuclear material, source material, and byproduct material as the Commission may deem necessary or desirable to promote

the common defense and security or to protect health or to minimize danger to life or property;

"c. make such studies and investigations, obtain such information, and hold such meetings or hearings as the Commission may deem necessary or proper to assist it in exercising any authority provided in this Act, or in the administration or enforcement of this Act, or any regulations or orders issued thereunder. For such purposes the Commission is authorized to administer oaths and affirmations, and by subpena to require any person to appear and testify, or to appear and produce documents, or both, at any designated place. No person shall be excused from complying with any requirements under this paragraph because of his privilege against self-incrimination, but the immunity provisions of the Compulsory Testimony Act of February 11, 1893, shall apply with respect to any individual who specifically claims such privilege. Witnesses subpenaed under this subsection shall be paid the same fees and mileage as are paid witnesses in the district courts of the United States;

"d. appoint and fix the compensation of such officers and employees as may be necessary to carry out the functions of the Commission. Such officers and employees shall be appointed in accordance with the civil-service laws and their

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compensation fixed in accordance with the Classification Act of 1949, as amended, except that, to the extent the Commission deems such action necessary to the discharge of its responsibilities, personnel may be employed and their compensation fixed without regard to such laws: *Provided, however,* That no officer or employee (except such officers and employees whose compensation is fixed by law, and scientific and technical personnel) whose position would be subject to the Classification Act of 1949, as amended, if such Act were applicable to such position, shall be paid a salary at a rate in excess of the rate payable under such Act for positions of equivalent difficulty or responsibility. The Commission shall make adequate provision for administrative review of any determination to dismiss any employee;

"e. acquire such material, property, equipment, and facilities, establish or construct such buildings and facilities, and modify such buildings and facilities from time to time, as it may deem necessary, and construct, acquire, provide, or arrange for such facilities and services (at project sites where such facilities and services are not available) for the housing,

health, safety, welfare, and recreation of personnel employed by the Commission as it may deem necessary, subject to the provisions of section 174;

"f. with the consent of the agency concerned, utilize or employ the services or personnel of any Government agency or any State or local government, or voluntary or uncompensated personnel, to perform such functions on its behalf as may appear desirable;

"g. acquire, purchase, lease, and hold real and personal property, including patents, as agent of and on behalf of the United States, subject to the provisions of section 174, and to sell, lease, grant, and dispose of such real and personal property as provided in this Act;

"h. consider in a single application one or more of the activities for which a license is required by this Act, combine in a single license one or more of such activities, and permit the applicant or licensee to incorporate by reference pertinent information already filed with the Commission;

"i. prescribe such regulations or orders as it may deem necessary (1) to protect Restricted Data received by any person in connection with any activity authorized pursuant to this Act, (2) to guard against the loss or diversion of any special nuclear material acquired by any person pursuant to section 53 or produced by any person in connection with any activity authorized pursuant to this Act, and to prevent any use or disposition thereof which the Commission may determine to be inimical to the common defense and security, and (3) to govern any activity authorized pursuant to this Act, including standards and restrictions governing the design, location, and operation of facilities used in the conduct of such activity, in order to protect health and to minimize danger to life or property;

"j. without regard to the provisions of the Federal Property and Administrative Services Act of 1949, as amended, except section 207 of that Act, or any other law, make such disposition as it may deem desirable of (1) radioactive materials, and (2) any other property, the special disposition of which is, in the opinion of the Commission, in the interest of the national security: *Provided, however,* That the property furnished to licensees in accordance with the provisions of subsection 161 m. shall not be deemed to be property disposed of by the Commission pursuant to this subsection;

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"k. authorize such of its members, officers, and employees

as it deems necessary in the interest of the common defense and security to carry firearms while in the discharge of their official duties. The Commission may also authorize such of those employees of its contractors engaged in the protection of property owned by the United States and located at facilities owned by or contracted to the United States as it deems necessary in the interests of the common defense and security to carry firearms while in the discharge of their official duties;

"l. secure the admittance free of duty into the United States of purchases made abroad of source materials, upon certification to the Secretary of the Treasury that such entry is necessary in the interest of the common defense and security;

"m. enter into agreements with persons licensed under section 103 or 104 for such periods of time as the Commission may deem necessary or desirable (1) to provide for the processing, fabricating, separating, or refining in facilities owned by the Commission of source, byproduct, or other material or special nuclear material owned by or made available to such licensees and which is utilized or produced in the conduct of the licensed activity, and (2) to sell, lease, or otherwise make available to such licensees such quantities of source or byproduct material, and other material not defined as special nuclear material pursuant to this Act, as may be necessary for the conduct of the licensed activity: *Provided, however,* That any such agreement may be canceled by the licensee at any time upon payment of such reasonable cancellation charges as may be agreed upon by the licensee and the Commission: *And provided further,* That the Commission shall establish prices to be paid by licensees for material or services to be furnished by the Commission pursuant to this subsection, which prices shall be established on such a nondiscriminatory basis as, in the opinion of the Commission, will provide reasonable compensation to the Government for such material or services and will not discourage the development of sources of supply independent of the Commission;

"n. assign scientific, technical, professional, and administrative employees for instruction, education, or training by public or private agencies, institutions of learning, laboratories, or industrial or commercial organizations and to pay the whole or any part of the salaries of such employees, costs of their transportation and per diem in lieu of subsistence in accordance with applicable laws and regulations, and training charges incident to their assignments (including tuition and other related fees): *Provided, however,* That (1) not more

than one per centum of the eligible employees shall be so assigned during any fiscal year, and (2) any such assignment shall be approved in advance by the Commission or shall be in accordance with a training program previously approved by the Commission: *And Provided further*, That appropriations or other funds available to the Commission for salaries or expenses shall be available for the purposes of this subsection;

"o. delegate to the General Manager or other officers of the Commission any of those functions assigned to it under this Act except those specified in sections 51, 57 a. (3), 61, 102 (with respect to the finding of practical value), 108, 123, 145 b. (with respect to the determination of those persons to whom the Commission may reveal Restricted Data in the national interest), 145 e., and 161 a.;

"p. require by rule, regulation, or order, such reports, and the keeping of such records with respect to, and to provide for

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such inspections of, activities and studies of types specified in section 31 and of activities under licenses issued pursuant to sections 53, 63, 81, 103, and 104, as may be necessary to effectuate the purposes of this Act, including section 105; and

"q. make, promulgate, issue, rescind, and amend such rules and regulations as may be necessary to carry out the purposes of this Act.

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1.1b(1) JOINT COMMITTEE ON ATOMIC ENERGY

H.R. REP. No. 2181, 83rd Cong., 2d Sess. (1954).

AMENDING THE ATOMIC ENERGY ACT OF 1946, AS AMENDED, AND FOR OTHER PURPOSES

JULY 12, 1954.—Committed to the Committee of the Whole House on the State of the Union and ordered to be printed

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Mr. COLE of New York, from the U.S. Congress Joint Committee on Atomic Energy submitted the following

REPORT

[To accompany H. R. 9757]

The Joint Committee on Atomic Energy, to whom was referred the bill (H. R. 9757) to amend the Atomic Energy Act of 1946, as amended, and for other purposes, having considered the same, unanimously report favorably thereon and recommend that the bill do pass. Some individual members of the Joint Committee hold divergent views on certain sections of the bill which are attached hereto or will be presented appropriately in their respective Houses.

This report describes the background of H. R. 9757, which is the committee-approved revision of H. R. 8862 on which public and executive hearings have been held, sets forth the basic considerations which impelled the Joint Committee to report it favorably, and furnishes a section-by-section analysis of the bill.

CHANGING PERSPECTIVES IN ATOMIC ENERGY

The primary purpose of H. R. 9757 is to bring the Atomic Energy Act of 1946 into accord with atomic progress and to make our Nation's legislative controls better conform with the scientific, technical, economic, and political facts of atomic energy as they exist today—almost a decade after S. 1717 became the law of the land (Public Law 555, 79th Cong.).

The organic law was written at the very outset of the atomic era. Those who participated in drafting that law were keenly aware that many unknown factors were involved in measuring the future impact of this new source of energy upon our national life. Indeed, the law warned in its findings and declaration that "any legislation will necessarily be subject to revision from time

to time." We deem it a tribute to the special committee which drafted S. 1717, 79th Congress, and to the late Senator Brien McMahon, sponsor of the legislation and subsequently chairman of the Joint Committee, that the organic law has served our Nation so well for nearly a full decade. We would also record our satisfac-

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tion with the fact that, at a time when atomic energy was popularly associated only with the atom bomb, the organic law specifically called attention to constructive uses of the atom, by declaring that—

> subject at all times to the paramount objective of assuring the common defense and security, the development and utilization of atomic energy shall, so far as practicable, be directed toward improving the public welfare, increasing the standard of living, strengthening free competition in private enterprise, and promoting world peace.

Under the Atomic Energy Act of 1946, our Nation has developed, in the form of our atomic-weapon stockpile, a degree of deterring power which may well constitute the free world's greatest material asset in its effort to avert another worldwide war. The elementary requirements of national security have compelled us to give military uses of the atom top priority. Yet we have simultaneously developed, to a considerable degree, beneficent applications of this new force.

The past 8 years have witnessed extraordinary scientific and technical achievements in atomic energy, both on the peacetime and military sides. Technological developments—some promising longer and richer lives for all privileged to share in the peacetime benefits of the atom, and others posing grave threats to the very existence of civilization—have proceeded much more rapidly than was expected in 1946. As a result, atomic-energy legislation which was once fully responsive to assuring the common defense and promoting the national welfare must now be revised to take account of existing realities in atomic energy, in our Nation and throughout the world.

When the original act was written, the United States possessed a monopoly of atomic weapons. In a world where just and lasting peace was fervently sought though not yet assured, simple prudence dictated stringent security regulations aimed at prolonging our monopoly. It was widely believed that the Soviet Union might not explode its first atomic bomb for many years to come, and that still more years might pass before it could produce atomic weapons in quantity. In point of fact, however, the Soviet Union broke our atomic monopoly less than 3 years after the Atomic Energy Act of

1946 was put on the statute books. In the fall of 1953, less than a year after our first full-scale fusion-weapon test, the Soviets also achieved a thermonuclear explosion. This clearly does not mean that the security regulations contained in the Atomic Energy Act of 1946 served no useful purpose, or that an indiscriminate relaxation of these safeguards is now in order. It does mean that our provisions for the control of information must now be revised to protect our national interest in a world where the forces of evil have added to their conventional arms a growing ability to launch a devastating atomic blow against the free world.

When the organic law was enacted, atomic bombs were regarded by most as strategic weapons. Tactical applications of the military atom were but dimly perceived. Still less was it recognized that the time would soon come when tactical atomic weapons could profoundly, perhaps even decisively, affect the operations of the ground forces defending Western Europe. With our Nation the sole possessor of atomic weapons, and with these weapons husbanded for a strategic counterblow against an aggressor, there was no need for acquainting friendly nations with information concerning the effects and military employment of tactical atomic weapons. [p. 2]

Today, however, we are engaged with our allies in a common endeavor, involving common planning and combined forces, to dam the tide of Red military power and prevent it from engulfing free Europe. America's preponderance in atomic weapons can offset the numerical superiority of the Communist forces, and serve emphatic notice on the Soviet dictators that any attempt to occupy free Europe, or to push further anywhere into the free world, would be foredoomed to failure. Yet, so long as our law prohibits us from giving our partners in these joint efforts for common defense such atomic information as is required for realistic military planning, our own national security suffers.

To contrast still further differences between the perspective of 1946 and that of 1954: It was commonly believed 8 years ago that the generation of useful power from atomic energy was a distant goal, a very distant goal. Atomic energy then was 95 percent for military purposes, with possibly 5 percent for peacetime uses. The resources of the Atomic Energy Commission and of its contractors appeared fully adequate to develop atomic-power reactors at a rate consistent with foreseeable technical progress. Moreover, there was little experience concerning the health hazards involved in operating atomic plants, and this fact was in itself a compelling argument for making the manufacture and use of atomic materials a Government monopoly.

Today, however, we can draw on the experience acquired in designing, building, and operating more than a score of atomic reactors. It is now evident that greater private participation in power development need not bring with it attendant hazards to the health and safety of the American people. Moreover, the atomic-reactor art has already reached the point where atomic power at prices competitive with electricity derived from conventional fuels is on the horizon, though not within our immediate reach. For more than 2½ years, the experimental breeder reactor has actually been producing relatively small amounts of electricity at the national reactor testing station in Idaho. The land-based prototype of the atomic engine propelling the U. S. S. *Nautilus* has already produced more than enough power to send an atomic submarine around the world, fully submerged and at full speed. The Westinghouse Electric Corp. and the Duquesne Power & Light Co. are now constructing the Nation's first large-scale atomic-power reactor, which will generate 60,000 kilowatts of electricity—an amount sufficient to furnish light and power for a sizable city.

Many technological problems remain to be solved before widespread atomic power, at competitive prices, is a reality. It is clear to us that continued Government research and development, using Government funds, will be indispensable to a speedy and resolute attack on these problems. It is equally clear to us, however, that the goal of atomic power at competitive prices will be reached more quickly if private enterprise, using private funds, is now encouraged to play a far larger role in the development of atomic power than is permitted under existing legislation. In particular, we do not believe that any developmental program carried out solely under governmental auspices, no matter how efficient it may be, can substitute for the cost-cutting and other incentives of free and competitive enterprise.

Today we are not alone in the drive to achieve peacetime atomic power. Eight years ago, besides the United States, only the United

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Kingdom, Canada, and—as we have recently come to find—the Soviet Union, had major atomic energy projects in being. The possibility of cooperating with other nations to gain mutual advantage in the area of peacetime power appeared far in the future. As against this, however, more than 20 countries now have vigorous atomic energy programs, and several of them are pressing toward the construction of atomic power plants to turn out useful amounts of electricity.

In 1946, finally, our Nation earnestly hoped that worldwide agreement on international control of atomic energy might soon be

secured. It was reasonable, therefore, that the original act should prohibit an exchange of information on commercial uses of atomic energy with other nations until such time as the Congress declared that effective and enforcible international safeguards against the use of atomic energy for destructive purposes had been established.

But our hopes of 1946 have been thwarted by unremitting Soviet opposition to the United Nations plan for the control of atomic energy. Although we would be morally derelict if we abandoned our hopes for the eventual effective international regulation of all armaments, legislative policy cannot now be founded on the expectation that the prospect of such control is either likely or imminent.

In summary: Statutory provisions which were in harmony with the state of atomic development in 1946 are no longer consistent with the realities of atomic energy in 1954. Legislation not responsive to the needs and problems of today can serve only to deny our Nation, and like-minded nations as well, the true promise of atomic energy—both in augmenting the total military strength of the free world, and in increasing opportunities for beneficent uses of the atom.

HISTORY OF PROPOSED LEGISLATION

As the committee of Congress required by statute to "make continuing studies of the development, use and control of atomic energy," the joint committee has, since it first met in 1947, concerned itself with the relationship between a changing and growing atomic program and the overall legislative requirements of this new field. As a result, the joint committee has, from time to time, recommended to the Congress certain amendments to the basic law as circumstances have demanded.

In the summer of 1952, the committee decided to begin an intensive study of the problems of atomic power development, and requested the Commission to prepare a statement of its views on this matter. Pending completion of the Commission statement, the committee prepared and issued in December 1952, a 415-page print entitled "Atomic Power and Private Enterprise." This print, the first compilation on the subject, sought to illuminate the problems associated with increased peacetime atomic energy developments.

In the spring of 1953 the Commission submitted its policy statement on atomic power, and the committee held extensive hearings on the subject. During the course of these hearings, the Atomic Energy Commission emphasized that maximum progress in this area required greater contributions in manpower, dollars, and resources from private enterprise, and that legislative revisions

would be needed to make this possible. Witnesses from the Department of Defense and the Department of State reported that

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our nation could invigorate its atomic power development effort without subtracting from our atomic military strength, and that such a broadened attack on peacetime power would advantage our country in its international relations.

The testimony of executive branch representatives and of spokesmen for science, industry, labor, and management heard by the joint committee in the course of the 1953 hearings on atomic power development appears in the 649 page joint committee publication on the subject of Atomic Power Development and Private Enterprise, published in the fall of 1953.

The committee has, in addition, maintained a continuing and active interest in all other phases of the atomic program affected by the proposed legislation. Last spring, its Security Subcommittee inquired into the procedures of the Atomic Energy Commission for safeguarding classified information. Its Research and Development Subcommittee held extended hearings on the Commission's 5-year reactor development program and on other related scientific and engineering activities. The weapons program has demanded a large portion of the committee's intense attention.

Thus, through studies, inspections, meetings, hearings, and continuing day-to-day contact with the atomic energy program the committee has amassed a body of information and experience which forms the base underlying the legislation now recommended.

On February 17 of this year, the President of the United States submitted to the Congress a series of recommendations incorporating the proposals of the executive branch for amending the Atomic Energy Act of 1946. These amendments, aimed at "strengthening the defense and economy of the United States and of the free world," sought to accomplish the following:

> First, widened cooperation with our allies in certain atomic energy matters;
> Second, improved procedures for the control and dissemination of atomic energy information; and
> Third, encouragement of broadened participation in the development of peacetime uses of atomic energy in the United States.

Following submission of the President's message to the Congress, the Joint Committee, sitting as a subcommittee of the whole, drafted a series of amendments to the Atomic Energy Act of 1946. On April 15 and 19, the chairman and vice chairman of the Joint Committee introduced into the House and Senate H. R. 8862 and S. 3323, the resulting companion bills. At the time these bills were

introduced, attention was drawn to the fact that they would undoubtedly be subject to revision by the Joint Committee during the course of public and executive hearings on the proposed legislation.

The committee met almost daily in its consideration of these bills and held many public hearings, at which witnesses representing Government and industry were heard.

Throughout, our deliberations were marked with the spirit of nonpartisanship which has characterized the work of the Joint Committee from its inception. Virtually all differences of opinion originally existing between committee members concerning specific provisions of the legislation were resolved in the course of our discussions, and through a more complete understanding of the problems and the provisions of the measure, and our hearings ended

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with essential unanimity having been reached on the general provisions of the bills.

On June 30, new bills incorporating the revisions made during the executive meetings on H. R. 8862 and S. 3323, were introduced. It is these bills, H. R. 9757 and S. 3690, which we now unanimously report favorably.

We are aware of the heavy responsibility we now assume in commending this legislation to the Congress, and thereby to the American people. Many imponderables are still involved in trying to chart the future course of atomic progress, and we presume that the legislative changes we now recommend will themselves undoubtedly require revision from time to time.

It is our deep conviction, however, that this legislation will speed atomic progress and will promote the security and well-being of the Nation. It accomplishes the purposes set forth in the President's February 17 message to the Congress. It addresses itself to a needed, across-the-board modernization of the Atomic Energy Act of 1946. It proposes changes wherever 8 years of testing the organic law in the hard crucible of actual experience has led the committee to conclude that revisions would make for greater security, efficiency, and economy in the operation of our national atomic energy program.

THE PRESIDENT'S MESSAGE AND THE PROPOSED AMENDMENTS

Widened cooperation with our allies in certain atomic energy matters

H. R. 9757 and S. 3690 authorize the negotiation of bilateral agreements for cooperation with foreign nations in the area of peacetime uses of atomic energy under carefully stipulated safe-

guards. The Commission may transfer and exchange restricted data dealing with industrial, nonmilitary uses of atomic energy. Also, under explicitly stated safeguards, the Commission may transfer to another nation, party to an "agreement for cooperation," atomic materials in quantities needed for the development or utilization of atomic energy for nonmilitary and research purposes. Besides allowing bilateral agreements in this field, the legislation also authorizes the President to enter into an international arrangement with a group of nations for the purpose of international cooperation in nonmilitary applications of atomic energy and thereafter to cooperate with that group of nations, pursuant to agreements for cooperation. The legislation provides a mechanism to implement the President's peacetime International Atomic Pool Plan, outlined in his speech before the United Nations on December 8, 1953.

On the military side, the legislation permits the Department of Defense, under comprehensive security safeguards, to transfer to another nation, or to a regional defense organization of which we are a member, restricted data concerning the tactical employment of atomic weapons. Such information includes data necessary to the development of defense plans, the training of personnel in the employment of, and defense against, atomic weapons, and the evaluation of the capabilities of potential enemies in the employment of atomic weapons. The types of information that may be communicated to others to achieve these objectives are carefully delineated, and it is made clear that no information which would reveal important or significant data on the design or fabrication of the nuclear portions of atomic weapons, or on the detailed

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engineering of other important parts of atomic weapons, can be revealed.

We believe that peacetime international atomic energy cooperation on the basis of the terms set forth in this legislation will redound to the mutual benefit of all concerned in such common undertakings. We believe also that the degree of military atomic cooperation envisaged in these amendments will increase the effectiveness of our joint defense planning with other nations in our mutual defense. We further believe that the attendant gains to our own security will more than offset the risks taken when any classified military information, irrespective of its sensitivity or quantity, passes beyond our exclusive control.

In making our recommendations for international cooperation, we have proceeded under the policy that security restrictions which prove to be onerous or unnecessary can always be relaxed, whereas

the act of abandoning exclusive control over any item of information is irrevocable. Accordingly, we have approached these sections of legislation with great circumspection—preferring to resolve any doubts on the side of caution.

Improvement of procedures for the control and dissemination of atomic energy information

The information control provisions of the organic law and of these bills are built around the concept of restricted data, which the Atomic Energy Act of 1946 defines as "all data concerning the manufacture or utilization of atomic weapons, the production of fissionable material, or the use of fissionable material in the production of power, but shall not include any data which the Commission from time to time determines may be published without adversely affecting the common defense and security."

Clearance for access to restricted data has been contingent upon an investigation as to character, associations, and loyalty of the individual. The same investigative requirements have applied to all personnel employed by the Atomic Energy Commission or its contractors, whether such employees would in fact have subsequent access to only small amounts of classified information of little security significance, or whether their positions required broad and continuing access to the most sensitive data in the atomic program. The amended legislation would permit the Atomic Energy Commission, on the basis of established criteria, to relate the scope of background investigation required to the extent and sensitivity of the classified information to which an employee would have access while on the project. We believe that such a practice will make for greater overall security and greater protection of atomic secrets, by permitting the resources of our investigative agencies to be concentrated on those areas where painstaking and scrupulous background checks are most urgently required.

As atomic weapons have more and more assumed the status of conventional armaments in our military services, an increasing number of Department of Defense personnel have required access to restricted data. The Atomic Energy Commission is now permitted to disclose restricted data to military personnel qualifying for such information on a need-to-know basis and possessing the appropriate service clearance. At the same time, Commission contractors are prohibited from revealing or disclosing restricted data

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to military personnel on the basis of their military clearance, requiring instead that potential recipients first secure an Atomic Energy Commission clearance—based on investigation by the

Federal Bureau of Investigation or by the Civil Service Commission. The amendments would remedy this administrative anomaly by permitting contractors and licensees of the Commission to give Department of Defense personnel access to restricted data under conditions which would assure safeguarding of the information.

Much restricted data concerns the military utilization of atomic weapons. Responsibility for the control of all restricted data, however, is vested in the Atomic Energy Commission. In certain instances, the Department of Defense has desired to remove military utilization information from the restricted data category, and without putting it in the public domain, to handle it under the safeguards used to protect other classified military information. Under the Atomic Energy Act of 1946, however, information can be removed from the restricted data category only through declassification, following a Commission determination that the publication of this data would not adversely affect the common defense and security. To meet this problem, the bill would permit information relating primarily to the utilization of atomic weapons to be removed from the restricted data category after a joint determination by the Commission and the Department of Defense that the data related primarily to military utilization, and that it should and could be safeguarded under the Espionage Act and other applicable statutes. The Department of Defense would also be given a voice with the Atomic Energy Commission in declassification actions involving a restricted data which relates primarily to military utilization of atomic weapons.

The joint committee has been keenly aware of the critical role of information control in helping assure this Nation's continued atomic supremacy. We have recommended legislative changes in this area only after exhaustive consideration of all the factors involved, and on the basis of our carefully considered judgment that these changes will promote our common defense and security.

The domestic development of peacetime uses of atomic energy

The organic law makes the production and use of fissionable material a Government monopoly. Private industry is permitted neither to own nor possess such material, nor to own or operate atomic reactors or other facilities capable of producing or utilizing these same materials. The basic law stipulates that "All right, title, and interest within or under the jurisdiction of the United States, in or to any fissionable material, now or hereafter produced, shall be the property of the Commission, and shall be deemed to be vested in the Commission by virtue of this act." It defines "fissionable material" as "plutonium, uranium enriched in the

isotope-235, or any other material which the Commission deems to be capable of releasing substantial quantities of energy through nuclear chain reactions of the material, or any material artificially enriched by any of the foregoing. * * *"

The phrase "fissionable material" is stricken from the proposed legislation, and the new words "special nuclear material" are substituted in its stead. This change is intended to clarify the original provision of the act to give to the Commission, in addition to the power to determine and regulate the use of materials utilizable in

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the fission process, the power to perform the same functions in respect to materials which can be utilized in fusion processes.

This report has already summarized the considerations underlying the stringent prohibitions of the Atomic Energy Act of 1946 against private participation in atomic energy. It has also made clear that changing conditions now not only permit but require a relaxation of these prohibitions if atomic energy is to contribute in the fullest possible measure to our national security and progress.

The recommended legislation therefore permits the Commission to license private industry, to possess and use special nuclear materials. The United States Government, however, would retain title to such materials. The legislation also permits private persons, under license of the Commission, to own reactors intended to produce and utilize such materials.

It is our firmly held conviction that increased private participation in atomic power development, under the terms stipulated in this proposed legislation, will measurably accelerate our progress toward the day when economic atomic power will be a fact. It is likewise our conviction that the safeguards written into this legislation will prevent special interests from winning undue advantages at the expense of the national interest.

We do not believe that the efforts of free enterprise, using its own resources and moneys, are by themselves adequate to achieve the speediest possible attack on the goal of peacetime power. Neither do we believe that maximum progress toward this objective will be afforded by an effort relying exclusively on governmental research and development, using the public's moneys. We believe, rather, that teamwork between Government and industry —teamwork of the type encouraged by these amendments—is the key to optimum progress, efficiency, and economy in this area of atomic endeavor. In other words, our legislative proposals aim at encouraging flourishing research and development programs under both Government and private auspices.

We are mindful of the fact that in the immediate future, relatively few firms may be involved in this effort. We acknowledge that dangers of restrictive patent practices are present, though not inherent, in such a situation. Accordingly, we recommend to the Congress that holders of patents on inventions of primary importance to the peacetime uses of atomic energy be required to license such patents to others in return for fair royalties. This requirement of compulsory licensing will apply to all patents in the field which are sought in the next 5 years.

Other matters

During the course of its deliberations on these amendments, the committee has scrutinized the entire organic law, revising it in such instances where 8 years of experience have argued that changes were desirable. As a result, all of the 21 sections of the Atomic Energy Act of 1946 have been changed. Some of the proposed revisions affect matters of substance—they attempt to afford legislative answers for problems not existing at the time the organic law was drafted. Many of the suggested changes are minor—they are in the nature of perfecting amendments, or else they resolve possible ambiguities in the construction of the language of the original law. These revisions are set forth in the

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section-by-section analysis, and in the columnar comparison sections of this report.

Considered in their entirety, the amendments, in our opinion, make our Nation's atomic energy legislation a more responsive and adequate instrument for dealing with the problems posed by the advent and evolution of this epochal new force.

Yet we are aware that legislation, standing by itself, can never substitute for prudent and courageous administration of our atomic enterprise by the responsible officials of the executive branch, for continuing understanding and support of our atomic program in the Congress, and—most of all—for that enlightened and informed public opinion which is the bedrock of wise national policy in our democratic society.

We have every confidence that the domestic problems created by atomic energy can be resolved through the application of wisdom, willingness of compromise, and good will. We are no less confident that the critical international problems arising out of the growth of nuclear stockpiles could likewise be amenable to resolution through these same means.

We in America cannot be held accountable for the failure of the Communist rulers to join with the free nations of the world in

ushering in an era of true atomic peace. We in America are accountable, however, for what we ourselves do, or do not do, in our strivings toward this goal.

We of this generation have been visited with a new form of energy which can ravage this planet beyond recognition, or make it fair beyond the wildest dreams of our fathers. It is the hope, it is the prayer of those of us who now commend this legislation to the Congress that the atom will be not the destroyer but the servant of humanity.

CHAPTER 1. DECLARATION, FINDINGS, AND PURPOSES

In this chapter are set forth the basic statements of policy and aims of the legislation and the constitutional findings in support of the legislation.

Section 1: The aim of the bill is to assure that atomic energy makes the maximum contribution to the general welfare of the Nation, subject to the paramount objective of having it make the maximum contribution to the common defense and security. The ends toward which the development of atomic energy are directed are further stated to be "to promote world peace, improve the general welfare, increase the standard of living, and strengthen free competition in private enterprise."

Section 2: The legal basis of the proposed legislation is the constitutional powers of the United States including, among others, to provide for the common defense; to raise and support armies; to provide and maintain a navy; to make all needful rules and regulations respecting the territory or other property belonging to the United States; and to regulate commerce with foreign nations and among the several States.

Title to special nuclear material is vested in the United States so that there is adequate means of providing the United States with the materials for weapons or other preempting national uses in times of need. The use of the special nuclear material by others in facilities which, for the first time, are permitted to be owned by

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persons other than the United States Government, is regulated under the power, among the others cited, of the United States to provide for the regulation of its own property. In view of the broad powers conferred upon the Congress by article 4, section 3, clause 2, of the Constitution, there can be no doubt of the authority of the Congress to exercise its powers to provide for any manner of regulation needed to protect the national interests, and the interests of the public.

Section 3: The bill specifies that the Commission shall carry out programs of encouraging research; of disseminating technical information and controlling and declassifying restricted data; of controlling atomic energy and special nuclear material; of encouraging widespread participation in the atomic-energy program; and of international cooperation, subject to suitable safeguards; and of administration.

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CHAPTER 4. RESEARCH

This chapter provides the Commission with the statutory authority to see that adequate research is performed in the program.

Section 31 provides the Commission with the authority to enter contracts or other arrangements to have research work performed for the Commission within very broad scientific areas.

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CHAPTER 6. SPECIAL NUCLEAR MATERIAL

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Section 53 sets forth the uses for which the Commission may license and distribute special nuclear material. These include research of the type specified in section 31, research and development or medical therapy under a license under section 104, or commercial operation under a license issued under section 103. The Commission is authorized to issue general or special licenses for the possession of special nuclear material, and to make a charge for the use of such material. The Commission is required to make a charge for such use if it is in connection with a commercial license issued under section 103. An additional charge for special nuclear material consumed by a licensee under section 103 is based on the cost to the Commission of producing or acquiring the special

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nuclear material. The charges for the other uses are in the discretion of the Commission, but must be established by rule so as to be fair to all in similar situations. The statutory conditions on permitting the use or possession by others of special nuclear material are set forth, and include:

1. Title shall remain in the United States.
2. Only those rights specified in the license are to be granted to the licensee.
3. No license is transferable except pursuant to the bill.

4. All special nuclear material is subject to the right of recapture or control in the event of war or a national emergency.

5. Special nuclear material may be used or produced in utilization and production facilities only in accordance with the provisions of the bill.

6. The possession shall be subject to such terms that no user will be permitted to construct an atomic weapon.

7. The possession is subject to the health and safety standards established by the Commission.

8. The licensee will hold the United States and the Commission harmless from damages resulting from the use or possession of the material.

In distributing the material, the Commission is directed to encourage independent research.

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Section 62 prohibits any person from transferring any source material except pursuant to a license issued by the Commission.

Section 63 specifies the criteria under which the Commission is authorized to distribute source material within the United States. In addition to such distribution for use in research of the type specified in section 31, for use in a research and development facility, or for medical therapy, licensed under section 104, or for use in a commercial facility licensed under section 103, as is permitted for special nuclear material, source material may also be distributed for any other use approved by the Commission as an aid to science or industry. The criteria for having the Commission establish general or specific licensing provisions are set forth. Also, the method of establishing prices for the source materials so sold is specified. This is tied to the method of charging for materials generally furnished to licensees under section 161 m., and the price is to be such that the Government will receive reasonable compensation, and yet will not discourage the development of sources of supply independent of the Government. The Commission is given authority to determine whether or not charges shall be made for the use of such material, depending, among other factors, upon whether or not a profit is to be made from such use by the distributee.

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Section 69 prohibits the Commission from licensing any person to have source material if such licensing would be inimical to the

common defense and security or to the health and safety of the public.

CHAPTER 8. BYPRODUCT MATERIAL

Section 81: This section permits the Commission to distribute and permit other persons producing byproduct materials to distribute such material to licensees of the Commission who will abide by Commission regulations on the use of those materials, the regu-

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lations having been imposed to protect the common defense and security and the health and safety of the public.

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CHAPTER 10. ATOMIC ENERGY LICENSES

This chapter sets forth the provisions and conditions for licensing the facilities which utilize or produce special nuclear material.

Section 101 contains a prohibition against having or dealing with any utilization or production facility except pursuant to a license issued by the Commission.

Section 102 requires the Commission to find that a type of utilization or production facility is of practical value before it can issue licenses for commercial installations of such facilities under section 103. This finding separates the issuance of research and development licenses for any facility under section 104 b., and the issuance of commercial licenses under section 103. This finding of practical value is required by the act, which also requires a report to be filed with Congress with respect to the social, political, economic, and international effects of the utilization of special nuclear material before the issuance of any license. In view of the provisions in the act requiring the Commission to keep the joint committee fully and currently informed, the addition provisions in the bill requiring the joint committee to investigate the development of the atomic-energy industry during the first 60 days of each session of Congress, and the amount of study that has already been put into this proposed legislation, it is felt that the requirement for the report to Congress should be discontinued.

Section 103: This section specifies the conditions for the issuance of licenses for types of utilization or production facilities that

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have been found to be of practical value. For each such type, the Commission is required to issue licenses to all qualified applicants without other discretion on its part. The licensed operations are subject to regulation by the Commission in the interest of the com-

mon defense and security and in order to protect the health and safety of the public. The Commission is authorized to issue licenses for specified periods up to 40 years. Licenses cannot be granted to any person where the issuance of such a license would be inimical to the common defense and security or the health and safety of the public.

Section 104 provides the conditions for the issuance of licenses for medical therapy purposes, and for research and development facilities. With respect to the use of utilization facilities in medical therapy, the Commission is required to permit the widest amount of effective medical therapy possible with the amount of special nuclear material available for the purposes. The Commission is directed to impose only the minimum amount of regulation on medical therapy licenses.

With respect to utilization and production facilities which are in the research and development stage, but which look toward the demonstration of any type of facility as having practical value, the Commission is authorized to issue licenses and is directed to impose only those regulations which would be compatible with any regulations which might be imposed later if that type of facility is shown to be of practical value. The Commission is directed to issue licenses giving priority to those facilities which will lead to major advances in the application of atomic energy for industrial or commercial purposes.

With respect to other research and development facilities, the Commission is authorized to issue licenses for them and to impose the minimum amount of regulation.

All of the facilities authorized to be licensed under this section are subject to the same general conditions as facilities licensed under section 103, namely, ownership and control in United States citizens, and operation to be consonant with the common defense and security and with the health and safety of the public.

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CHAPTER 11. INTERNATIONAL ACTIVITIES

This chapter provides for international arrangements in the field of atomic energy, and also includes statutory provision for agreements for cooperation which do not rise to the stature of international arrangements. An international arrangement is defined to be a treaty or an executive agreement approved by both Houses of Congress.

Section 121 declares that the provisions of the statute are to be superseded by the terms of any international arrangement during

the time that such terms conflict with the provisions of the statute. The force of this section is, of course, in existing law even without any statutory provision. It is, however, reincorporated from the act.

Section 122 provides that the Commission shall give maximum effect to the policies contained in international arrangements, and is in the act.

Section 123 contains the provisions to be included in, and the procedures to be followed in entering into, agreements for cooperation with another nation or with a regional defense organization. The provisions to be incorporated in any such agreement for cooperation include:

(1) The terms, conditions, duration, nature, and scope of the cooperation;

(2) A guaranty by the cooperating party that security safeguards and standards as set forth in the agreement for cooperation will be maintained;

(3) A guaranty by the cooperating party that any material to be transferred pursuant to any such agreement will not be used for atomic weapons, or for research or on development of atomic weapons, or for any other military purpose; and

(4) A guaranty by the cooperating party that any material or any restricted data to be transferred pursuant to the agreement for cooperation will not be transferred to unauthorized persons or beyond the jurisdiction of the cooperating party, except as specified in the agreement.

The procedures that any such agreement for cooperation must take is:

(1) It must be approved by the Commission, or, in the case of the transfer of restricted data for the development of military plans pursuant to section 144 b., the Department of Defense.

(2) The President must approve the agreement for cooperation. He must also make a determination in writing that the performance of the agreement for cooperation will promote and will not constitute an unreasonable risk to the com- [p. 21]

mon defense and security.

(3) The proposed agreement for cooperation together with the Presidential approval and determination must lie before the joint committee for 30 days while Congress is in session.

Through the provisions that are required to be incorporated in the agreement for cooperation and through the procedures set forth in this section, there are ample and sufficient statutory safe-

guards on the international cooperation. Almost any cooperation with any foreign country can be said to involve some risk to the common defense and security of the United States. The provisions incorporated in section 123 are designed to permit cooperation where, upon weighing those risks in the light of the safeguards provided, there is found to be no unreasonable risk to the common defense and security in permitting the cooperation.

It should be specifically pointed out that no cooperation is permitted which would disclose the basic secrets involved in the design or fabrication of atomic weapons. In section 144 a., the section dealing with cooperation relating to restricted data, the subject matter in which such cooperation is possible, is specified to include only:

(1) Refining, purification, and subsequent treatment of source material;

(2) Reactor development;

(3) Production of special nuclear material;

(4) Health and safety;

(5) Industrial and other applications of atomic energy for peaceful purposes; and

(6) Research and development relating to the foregoing.

This subsection provides further, that "no such cooperation shall involve the communication of Restricted Data relating to the design or fabrication of atomic weapons."

In section 144 b., the section permitting cooperation with a nation or regional defense organization with respect to restricted data, the subject matter includible in that cooperation is limited to that restricted data necessary to:

(1) The development of defense plans;

(2) The training of personnel in the employment of and defense against atomic weapons; and

(3) The evaluation of the capabilities of potential enemies in the employment of atomic weapons.

This subsection provides further that "no such cooperation shall involve communication of restricted data relating to the design or fabrication of atomic weapons except with regard to the external characteristics, including size, weight, and shape, yields and effects, and systems employed in the delivery or use thereof but not including any data in these categories unless in the joint judgment of the Atomic Energy Commission and the Department of Defense such data will not reveal important information concerning the design or fabrication of the nuclear components of an atomic weapon."

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CHAPTER 14. GENERAL AUTHORITY

This chapter sets forth the general powers of the Commission in operating or regulating any of the activities authorized by this bill.

Section 161 permits the Commission to: Establish advisory boards; to issue rules on the possession of dangerous materials; to hold hearings; to appoint officers and employees; to acquire property; to use the personnel or services of any other Government agency; to acquire real or personal property including patents; to combine in one license one or more of the activities of which licenses are required by the bill; to prescribe regulations to protect restricted data, to guard against the loss or diversion of special nuclear material, and to govern activities authorized pursuant to the bill, including health and safety regulations; to dispose of radioactive materials or property where special disposition is needed in the interests of national security; to authorize its personnel to carry firearms and also to authorize employees of the contractors who protect the property of the United States to carry firearms; to import, duty free, source and other material obtained abroad; to enter agreements with licensees under section 103 or 104 to provide services or materials to such licensees where those services and materials are not otherwise commercially available; to permit small numbers of its employees to obtain further instruction and training outside of the Commission each year; to delegate to its employees and officers all functions authorized by the act except those specified functions which have the highest degree of importance to the program; to require persons in the program to keep records and reports and to authorize the inspection of the activities of persons in the program and to make rules and regulations necessary to carry out the purposes of the act.

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COMPLIANCE WITH RULE XIII, CLAUSE 3

The following is submitted in compliance with clause 3 of rule XIII of the Rules of the House of Representatives (existing law proposed to be eliminated is enclosed in black brackets in the left-hand column, provisions in the existing law proposed to be changed are italicized in the left-hand column, and new matter proposed to be added to the law is italicized in the right-hand column):

PRESENT LAW

THE ATOMIC ENERGY ACT OF 1946

With Amendments Through the Eighty-Third Congress (1st Sess.)

AN ACT For the development and control of atomic energy

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

DECLARATION OF POLICY

SECTION 1. (a) FINDINGS AND DECLARATION.—[Research and experimentation in the field of nuclear chain reaction have attained the stage at which the release of atomic energy on a large scale is practical. The significance of the atomic bomb for military purposes is evident. The effect of the use of atomic energy for civilian purposes upon the social, economic and political structures of today cannot now be determined. It is a field in which unknown factors are involved. Therefore, any legislation will necessarily be subject to revision from time to time. It is reasonable to anticipate, however, that tapping this new source of energy will cause profound changes in our present way of life.] *Accordingly, it is hereby declared to be the policy of the people of the United States that, subject at all times to the paramount objective of assuring the common defense and security, the development and utilization of atomic energy shall, so far as practicable, be directed toward improving the public welfare, increasing the standard of living, strengthening free competition in private enterprise, and promoting world peace.*

PROPOSED BILL

H. R. 9757, 83D CONGRESS 2D SESSION

A BILL To amend the Atomic Energy Act of 1946 as amended, and for other purposes

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the Atomic Energy Act of 1946, as amended, is amended to read as follows:

"CHAPTER 1. DECLARATION, FINDINGS, AND PURPOSE

"SECTION 1. DECLARATION. *Atomic energy is capable of application for peaceful as well as military purposes.* It is therefore declared to be the policy of the United States that—

"a. the development, use, and control of atomic energy shall be directed so as to make the maximum contribution to the general welfare, subject at all times to the paramount objective of making the maximum contribution to the common defense and security; and

"b. the development, use, and control of atomic energy shall be directed so as to promote world peace, improve the general welfare, increase the standard of living, and strengthen free competition in private enterprise.

SEC. 2. FINDINGS.—*The Congress of the United States hereby makes the following findings concerning the development, use, and control of atomic energy:*

"a. The development, utilization, and control of atomic energy for military and for all other purposes are vital to the common defense and security.

"b. In permitting the property of the United States to be used by others, such use must be regulated in the national interest and in order to provide for the common defense and security and to protect the health and safety of the public.

"c. The processing and utilization of source, byproduct, and special nuclear material affects interstate and foreign commerce and must be regulated in the national interest.

"d. The processing and utilization of source, byproduct, and special nuclear

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(Section 1.)

(b) PURPOSE OF ACT.—It is the purpose of this Act to effectuate the policies set *out in section 1 (a)* by providing [, among others,] for [the following major programs relating to atomic energy]:

(1) A program of assisting and fostering [private] research and development to encourage maximum scientific progress;

(2) A program for the *control of* scientific and technical information [which will permit the] dissemination *of such information* to encourage scientific progress [, and for the sharing on a reciprocal basis of information concerning the practical industrial application of atomic energy as soon as effective and enforceable safeguards against its use for destructive purposes can be devised];

(3) [A program of federally conducted research and development to assure the Government of adequate scientific and technical accomplishment;]

(4) A program for Government control of the production, [ownership,] and use of *fissionable material to assure* the common defense and security [and to insure the broadest possible exploitation of the fields]; and

(5) A program of administration which will be consistent with the fore-

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material must be regulated in the national interest and in order to provide for the common defense and security and to protect the health and safety of the public.

"e. Source and special nuclear material, production facilities, and utilization facilities are affected with the public interest, and regulation by the United States of the production and utilization of atomic energy and of the facilities used in connection therewith is necessary in the national interest to assure the common defense and security and to protect the health and safety of the public.

"f. The necessity for protection against possible interstate damage occurring from the operation of facilities for the production or utilization of source or special nuclear material places the operation of those facilities in interstate commerce for the purposes of this Act.

"g. Funds of the United States may be provided for the development and use of atomic energy under conditions which will provide for the common defense and security and promote the general welfare.

"h. It is essential to the common defense and security that title to all special nuclear material be in the United States while such special nuclear material is within the United States.

"SEC. 3. PURPOSE.—It is the purpose of this Act to effectuate the policies set forth above by providing for—

"a. a program of *conducting,* assisting, and fostering research and development *in order* to encourage maximum scientific *and industrial* progress;

"b. a program for the dissemination of unclassified scientific and technical information and for the control, dissemination, and declassification *of Restricted Data, subject to appropriate safeguards,* so as to encourage scientific *and industrial* progress;

"c. a program for Government control of the *possession,* use, and production of atomic energy and special nuclear material so directed as to make the maximum contribution to the common defense and security *and the national welfare;*

"d. a program to encourage widespread participation in the development and utilization of atomic energy for peaceful pur-

poses to the maximum extent consistent with the common defense and security and with the health and safety of the public;

"e. a program of international cooperation to promote the common defense and security and to make available to cooperating nations the benefits of peaceful ap-

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going policies and with international arrangements [made by the United States,] and which will enable the Congress to be currently informed so as to take further legislative action as may [hereafter] be appropriate.

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plications of atomic energy as widely as expanding technology and considerations of the common defense and security will permit; and

"f. a program of administration which will be consistent with the foregoing policies *and programs*, with international arrangements, *and with agreements for cooperation*, which will enable the Congress to be currently informed so as to take further legislative action as may be appropriate.

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RESEARCH

SEC. 3. (a) RESEARCH ASSISTANCE.—The Commission is directed to exercise its powers in such manner as to insure the continued conduct of research and development activities in the fields specified below by private or public institutions or persons and to assist in the acquisition of an ever-expanding fund of theoretical and practical knowledge in such fields. To this end the Commission is authorized and directed to make arrangements (including contracts, agreements, and loans) for the conduct

"CHAPTER 4, RESEARCH

"SEC. 31. RESEARCH ASSISTANCE.—

"a. The Commission is directed to exercise its powers in such manner as to insure the continued conduct of research and development activities in the fields specified below, by private or public institutions or persons, and to assist in the acquisition of an ever-expanding fund of theoretical and practical knowledge in such fields. To this end the Commission is authorized and directed to make arrangements (including contracts, agreements, and loans) for the

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(Section 5.)

(4) DISTRIBUTION OF FISSIONABLE MATERIAL.—[Without prejudice to its continued ownership thereof,] the Commission is authorized to distribute *fissionable* material [owned by it, with or without charge,] to applicants requesting such material (A) for the conduct of research *or* development activities [either independently or] under contract or other arrangement with the Commission, (B) for use in medical therapy, or (C) for use *pursuant* to a license issued *under the authority of section 7.* [Such material shall be distributed in such quantities and on such terms that no applicant will be enabled to obtain an amount sufficient to construct a bomb or other military weapon. The Commission is directed to distribute sufficient fissionable material to permit the conduct of widespread independent research and development activity, to the maximum extent practicable. In determining the quantities of fissionable material to be distributed,

the Commission shall make such provisions for its own needs and for the conservation of fissionable material as it may determine to be necessary in the national interest for the future development of atomic energy. The Commission shall not distribute any material to any applicant, and shall recall any distributed material from any applicant, who is not equipped to observe or who fails to observe such safety standards to protect health and to minimize danger from explosion or other hazard to life or property as may be established by the Commission, or who uses such material in violation of law or regulation of the Commission or in a manner other than as disclosed in the application therefor.]

"SEC. 53. *DOMESTIC DISTRIBUTION OF SPECIAL NUCLEAR MATERIAL.*—

"a. The Commission is authorized *to issue licenses for the possession of, to make available for the period of the license, and* to distribute special nuclear material *within the United States to qualified* applicants requesting such material—

"(1) for the conduct of research and development activities *of the type specified in section 31;*

"(2) for use in the conduct of research and development activities or in medical therapy *under a license issued pursuant to section 104; or*

"(3) for use under a license issued pursuant to section 103.

"b. The Commission shall establish, by rule, minimum criteria for the issuance of specific or general licenses for the distribution of special nuclear material depending upon the degree of importance to the common defense and security or to the health and safety of the public of—

"(1) the physical characteristics of the special nuclear material to be distributed;

"(2) the quantities of special nuclear material to be distributed; and

"(3) the intended use of the special nuclear material to be distributed.

"c. The Commission may make a reasonable charge, determined pursuant to this section, for the use of special nuclear material licensed and distributed under subsection 53 a. (1) or subsection 53 a. (2) and shall make a reasonable charge determined pursuant to this section for the use of special nuclear material licensed and distributed under subsection 53 a. (3). The Commission shall establish criteria in writing for the determination of whether a charge will be made for the use of special nuclear material licensed and distributed under subsection 53 a. (1) or subsection 53 a. (2), considering, among other things, whether the licensee is a nonprofit or eleemosynary institution and the purposes for which the special nuclear material will be used.

"d. In determining the reasonable charge to be made by the Commission for the use of special nuclear material distributed to licensees of utilization or production facilities licensed pursuant to section 103 or 104, in addition to consideration of the cost thereof the Commission shall take into consideration—

"(1) the use to be made of the special nuclear material;

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(From section 5 (a) (4).)

Such material shall be distributed [in such quantities and] on such terms that no *applicant* will be *enabled* to [obtain an amount sufficient] to construct [a bomb or other military] weapon.

(From section 5 (a) (4).)

The Commission shall not distribute any material to any applicant, [and shall recall any distributed material from any applicant, who is not equipped to observe or who fails to observe] such safety standards to protect health and to minimize danger

[from explosion or other hazard] to life or property [as may be established

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"(2) the extent to which the use of the special nuclear material will advance the development of the peaceful uses of atomic energy;

"(3) the energy value of the special nuclear material in the particular use for which the license is issued;

"(4) whether the special nuclear material is to be used in facilities licensed pursuant to section 103 or 104. In this respect, the Commission shall, insofar as practicable, make uniform, nondiscriminatory charges for the use of special nuclear material distributed to facilities licensed pursuant to section 103; and

"(5) with respect to special nuclear material consumed in a facility licensed pursuant to section 103, the Commission shall make a further charge based on the cost to the Commission, as estimated by the Commission, or the average fair price paid for the production of such special nuclear material as determined by section 56, whichever is lower.

"e. Each license issued pursuant to this section shall contain and be subject to the following conditions—

"(1) title to all special nuclear material shall at all times be in the United States;

"(2) no right to the special nuclear material shall be conferred by the license except as defined by the license;

"(3) neither the license nor any right under the license shall be assigned or otherwise transferred in violation of the provisions of this Act;

"(4) all special nuclear material shall be subject to the right of recapture or control reserved by section 108 and to all other provisions of this Act;

"(5) no special nuclear material may be used in any utilization or production facility except in accordance with the provisions of this Act;

"(6) special nuclear material shall be distributed *only* on terms, *as may be established by rule of the Commission,* such that no user will be permitted to construct an atomic weapon;

"(7) special nuclear material shall be distributed only pursuant to such safety standards as may be established by rule of the Commission to protect health and to minimize danger to life or property; and

"(8) the licensee will hold the United States and the Commission harmless from any damages re-

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by the Commission, or who uses such material in violation of law or regulation of the Commission or in a manner other than as disclosed in the application therefor.]

(From section 5 (a) (4).)

The Commission is directed to distribute sufficient *fissionable* material to permit the conduct of widespread independent research and development activity, to the maximum extent practicable. *In determining the quantities of fissionable material to be distributed, the Commission shall make such provisions for its own needs and for the conservation of fissionable material as it may determine to be necessary in the national interest for the future development of atomic energy.*

* * * * *

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sulting from the use or possession of special nuclear material by the licensee.

"f. The Commission is directed to distribute *within the United States* sufficient special nuclear material to permit the conduct of widespread independent research and development activities, to the maximum extent practicable *and within the limitations set by the President pursuant to section 41.* In the event that applications for special nuclear material exceed the amount available for distribution, preference shall be given to those activities which are most likely, in the opinion of the Commission, to contribute to basic research, to the development of peacetime uses of atomic energy, or to the economic and military strength of the Nation.

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(Section 5 (b).)

(2) LICENSE FOR TRANSFERS REQUIRED.—Unless authorized by a license issued by the Commission, no person may transfer or deliver, receive possession of or title to, or export from the United States any source material after removal from its place of deposit in nature, except that licenses shall not be required for quantities of source materials which, in the opinion of the Commission, are unimportant.

(Section 5 (b).)

(3) ISSUANCE OF LICENSES.—*The Commission shall establish such standards for the issuance, refusal, or revocation of licenses as it may deem necessary to assure adequate source materials for production, research, or development activities pursuant to this Act or to prevent the use of such materials in a manner inconsistent with the national welfare. Licenses shall be issued in accordance with such procedures as the Commission may by regulation establish.*

SEC. 62. LICENSE FOR TRANSFERS REQUIRED.—Unless authorized by a *general or specific* license issued by the Commission, *which the Commission is hereby authorized to issue,* no person may transfer or *receive in interstate commerce, transfer,* deliver, receive possession of or title to, or *import into or* export from the United States any source material after removal from its place of deposit in nature, except that licenses shall not be required for quantities of source material which, in the opinion of the Commission, are unimportant.

"SEC. 63. DOMESTIC DISTRIBUTION OF SOURCE MATERIAL.—

"a. The Commission is authorized to issue licenses for and to distribute source material within the United States to qualified applicants requesting such material—

"(1) for the conduct of research and development activities of the types specified in section 31;

"(2) for use in the conduct of research and development activities or in medical therapy under a license issued pursuant to section 104;

"(3) for use under a license issued pursuant to section 103; or

"(4) for any other use approved by the Commission as an aid to science or industry.

"b. The Commission shall establish, by rule, minimum criteria for the issuance of specific or general licenses for the distribution of source material depending upon the degree of importance to the common defense and security or to the health and safety of the public *of*—

"(1) the physical characteristics of the source material to be distributed;

"(2) the quantities of source material to be distributed; and

"(3) the intended use of the source material to be distributed.

"c. The Commission may make a reasonable charge determined pursuant to subsection 161 m., for the source material licensed and distributed under subsection 63 a. (1) or subsection 63 a. (2), and shall make a reasonable charge determined pursuant to subsection 161 m., for the source material li-

censed and distributed under subsection 63 a. (3). The Commission shall establish criteria in writing for the determination of whether a charge will be made for the source material licensed and distributed under subsection 63 a.

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(1) or subsection 63 a. (2), considering, among other things, whether the licensee is a nonprofit or eleemosynary institution and the purposes for which the source material will be used.

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(Section 5(d)—The Commission shall not—)

(2) license any person to transfer or deliver, receive possession of or title to, or export from the United States any source material if, in the opinion of the Commission, the issuance of a license to such person for such purpose would be inimical to the common defense and security.

(Section 5(c)—Byproduct Material—)

(2) DISTRIBUTION.—The Commission is authorized *to distribute, with or without charge, byproduct materials* to applicants seeking *such materials* for research or development activity, medical therapy, industrial uses, or such other useful applications as may be developed. In distributing such materials, the Commission shall give preference to applicants proposing to use such materials in the conduct of research and development activity or medical therapy. The Commission shall not *distribute* any byproduct materials to any *applicant*, and shall recall any distributed materials from any *applicant*, who is not equipped to observe or who fails to observe such safety standards to protect health as may be established by the Commission or who uses such materials in violation of law or regulation of the Commission

"SEC. 69. PROHIBITION.—The Commission shall not license any person to transfer or deliver, receive possession of or title to, or *import into or* export from the United States any source material if, in the opinion of the Commission, the issuance of a license to such person for such purpose would be inimical to the common defense and security *or the health and safety of the public.*

"CHAPTER 8. BYPRODUCT MATERIAL

"SEC. 81. *DOMESTIC DISTRIBUTION. —No person may transfer or receive in interstate commerce, manufacture, produce, transfer, acquire, own, possess, import, or export any byproduct material, except to the extent authorized by this section or by section 82.* The Commission is authorized to *issue general or specific licenses* to applicants seeking to use byproduct material for research or development purposes, for medical therapy, industrial uses, *agricultural uses*, or such other useful applications as may be developed. *The Commission may distribute, sell, loan, or lease such byproduct material as it owns to licensees with or without charge: Provided, however, That, for byproduct material to be distributed by the Commission for a charge, the Commission shall establish prices on such equitable basis as, in the opinion of the Commission, (a) will provide reason-*

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or in a manner other than as disclosed in the application therefor.

* * * * *

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able compensation to the Government for such material, (b) will not discourage the use of such material or the development of sources of supply of such material independent of the Commis-

sion, and (c) will encourage research and development. In distributing such material, the Commission shall give preference to applicants proposing to use such material *either* in the conduct of research and development or in medical therapy. *Licensees of the Commission may distribute byproduct material only to applicants therefor who are licensed by the Commission to receive such byproduct material.* The Commission shall not permit the distribution of any byproduct material to any licensee, and shall recall *or order the recall of* any distributed material from any licensee, who is not equipped to observe or who fails to observe such safety standards to protect health as may be established by the Commission or who uses such material in violation of law or regulation of the Commission or in a manner other than as disclosed in the application therefor *or approved by the Commission. The Commission is authorized to establish classes of byproduct material and to exempt certain classes or quantities of material or kinds of uses or users from the requirements for a license set forth in this section when it makes a finding that the exemption of such classes or quantities of such material or such kinds of uses or users will not constitute an unreasonable risk to the common defense and security and to the health and safety of the public.*

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UTILIZATION OF ATOMIC ENERGY

* * * * *

(Section 7.)

(b) REPORT TO CONGRESS.—Whenever in its opinion, any industrial, commercial, or other nonmilitary use of *fissionable* material or atomic energy has been sufficiently developed to be of practical value, the Commission [shall prepare a report to the President stating all the facts with respect to such use, the Commission's estimate of the social, political, economic, and international effects of such use and the Commission's recommendations for necessary or desirable supplemental legislation. The President shall then transmit this report to the Congress together with his recommendations. No license for any manufacture, production, export, or use shall be issued by the Commission under this section until after (1) a report with respect to such manufacture, production, export, or use has been filed with the Congress; and (2) a period of ninety days in which the Congress was in session has elapsed after the report has been so filed. In computing such period of ninety days, there shall be excluded the days on which either House is not in session because of an adjournment of more than three days.]

"CHAPTER 10. ATOMIC ENERGY *LICENSES*

"SEC. 102. *FINDING OF PRACTICAL VALUE.—Whenever the Commission has made a finding in writing that any type of* utilization or production facility has been sufficiently developed to be of practical value *for industrial or commercial purposes, the Commission may thereafter issue licenses for such type of facility pursuant to section 103.*

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(Section 7.)

(c) ISSUANCE OF LICENSES.—*After such ninety-day period, unless hereafter prohibited by law, the Commission may license such manufacture, production, export or use in accordance with such procedures and subject to such conditions as it may by regulation establish to effectuate the provisions of this Act.* The Commission *is authorized and directed* to issue licenses on a nonexclusive basis [and to supply to the extent available appropriate quantities of fissionable material] to *licensees* (1) whose proposed activities will serve some useful purpose proportionate to the quantities of *fissionable* material to be consumed; (2) who are

equipped to observe such safety standards to protect health and to minimize danger [from explosion or other hazard] to life or property as the Commission may establish; and (3) who agree to make available to the Commission such technical information and data concerning [their] activities *pursuant to* such licenses as the Commission may determine necessary to [encourage similar activities by as many licensees as possible]. Each such license shall be issued for a *special* period, [shall be revocable at any time by the Commission in accordance with such procedures as the Commission may establish,] and may be renewed upon the expiration of such period. [Where activities under any license might serve to maintain or to foster the growth of monopoly, restraint of trade, unlawful competition, or other trade position inimical to the entry of new, freely competitive enterprises in the field, the Commission is authorized and directed to refuse to issue such license or to establish such conditions to prevent these results as the Commission, in consultation with the Attorney General, may determine. The Commission shall report promptly to the Attorney General any information it may have with respect to any utilization of fissionable material or atomic energy which appears to have these results.] No license may be *given to any person for activities which are not under or within the jurisdiction of the United States, to any foreign government, or to any person within the United States if, in the opinion of the Commission, the issuance of a license to such person would be inimical to the common defense and security.*

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"SEC. 103. COMMERCIAL LICENSES.—

"a. Subsequent to a finding by the Commission as required in section 102, the Commission may issue licenses to *transfer or receive in interstate commerce,* manufacture, produce, *transfer, acquire, possess, import, or* export under the terms of an agreement for cooperation arranged pursuant to section 123, such type of utilization or production facility. *Such licenses shall be issued in accordance with the provisions of chapter 16 and subject to such conditions as the Commission may by rule or regulation establish to effectuate the purposes and provisions of this Act.*

"b. The Commission shall issue such licenses on a nonexclusive basis to applicants (1) whose proposed activities will serve a useful purpose proportionate to the quantities of special nuclear material to be utilized; (2) who are equipped to observe *and who agree to observe* such safety standards to protect health and to minimize danger to life or property as the Commission may *by rule* establish; and (3) who agree to make available to the Commission such technical information and data concerning activities under such licenses as the Commission may determine necessary *to promote the common defense and security and to protect the health and safety of the public. All such information may be used by the Commission only for the purposes of the common defense and security and to protect the health and safety of the public.*

"c. Each such license shall be issued for a specified period, *as determined by the Commission, depending on the type of activity to be licensed, but not exceeding forty years,* and may be renewed upon the expiration of such period.

"d. No license *under this section* may be given to any person for activities which are not under or within the jurisdiction of the United States, *except for the export of production or utilization facilities under terms of an agreement for cooperation arranged pursuant to section 123, or except under the provisions of section 109.* No license may be issued to any corporation or other entity if the Commission knows or has reason to believe it is owned, controlled, or dominated by an

alien, a foreign corporation, or a foreign government. In any event, no license may be issued to any person within the United States if, in the opinion of the Commission, the issuance of a license to such person would be inimical to the common defense and security or to the health and safety of the public.

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(From Section 7 (a).)

[No license may permit any such activity if fissionable material is produced incident to such activity, except as provided in sections 3 and 4. Nothing in this section shall be deemed to require a license for the conduct of research or development activities relating to the manufacture of such equipment or devices or the utilization of fissionable material or atomic energy, or for the manufacture or use of equipment or devices for medical therapy.]

(From Section 4 (e).)

[Licenses shall be issued in accordance with such procedures as the Commission may by regulation establish and shall be issued in accordance with such standards and upon such conditions as will restrict the production and distribution of such facilities to effectuate the policies and purposes of this Act. Nothing in this section shall be deemed to require a license for such manufacture, production, transfer, or acquisition incident to or for the conduct of research or development activities in the United States of the types specified in section 3, or to prohibit the Commission from manufacturing or producing such facilities for its own use.]

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"SEC. 104. MEDICAL THERAPY AND RESEARCH AND DEVELOPMENT.—

"*a. The Commission is authorized to license utilization facilities for use in medical therapy. In issuing such licenses the Commission is directed to permit the widest amount of effective medical therapy possible with the amount of special nuclear material available for such purposes and to impose the minimum amount of regulation consistent with its obligations under this Act to promote the common defense and security and to protect the health and safety of the public.*

"*b. The Commission is authorized to issue licenses for utilization and production facilities involved in the conduct of research and development activities leading to the demonstration of the practical value of such facilities for industrial or commercial purposes. In issuing licenses under this subsection, the Commission shall impose the minimum amount of such regulations and terms of license as will permit the Commission to fulfill its obligations under this Act to promote the common defense and security and to protect the health and safety of the public and will be compatible with the regulations and terms of license which would apply in the event that a commercial license were later to be issued pursuant to section 103 for that type of facility. In issuing such licenses, priority shall be given to those activities which will, in the opinion of the Commission, lead to major advances in the application of atomic energy for industrial or commercial purposes.*

"*c. The Commission is authorized to issue licenses for utilization and production facilities useful in the conduct of research and development activities of the types specified in section 31 and which are not facilities of the type specified in subsection 104 b. The Commission is directed to impose only such minimum amount of regulation of the licensee that the Commission finds will permit the Commission to fulfill its obligations under this Act to promote the common defense and security and to protect the health and safety of the public and will permit the conduct of widespread and diverse research and development.*

"d. No license under this section may be given to any person for activities which are not under or within the jurisdiction of the United States, except for the export of production or utilization facilities under terms of an agree-

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ment for cooperation arranged pursuant to section 123 or except under the provisions of section 109. No license may be issued to any corporation or other entity if the Commission knows or has reason to believe it is owned, controlled, or dominated by an alien, a foreign corporation, or a foreign government. In any event, no license may be issued to any person within the United States if, in the opinion of the Commission, the issuance of a license to such person would be inimical to the common defense and security or to the health and safety of the public.

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"SEC. 109. *COMPONENT PARTS OF FACILITIES.—With respect to those utilization and production facilities which are so determined by the Commission pursuant to subsection 11 p. (2), or 11 w. (2) the Commission may (a) issue general licenses for activities required to be licensed under section 101, if the Commission determines in writing that such general licensing will not constitute an unreasonable risk to the common defense and security, and (b) issue licenses for the export of such facilities, if the Commission determines in writing that each export will not constitute an unreasonable risk to the common defense and security.*

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INTERNATIONAL ARRANGEMENTS

* * * * *

(Section 10 (a) (3).—)

*(3) Nothing contained in this section shall prohibit the Commission, when in its unanimous judgment the common defense and security would be substantially promoted and would not be endangered, subject to the limitations hereinafter set out, from entering into specific arrangements involving the communication to another nation of restricted data * * * Provided,*

(1) that no such arrangement shall involve the communication of restricted data on design and fabrication of atomic weapons;

(2) that no such arrangement shall be entered into with any nation threatening the security of the United States;

(3) that the restricted data involved shall be limited and circumscribed to the maximum degree consistent with the common defense and security objective in view, and that in the judgment of the Commission the recipient nation's security standards applicable to such data are adequate;

(4) that the President, after securing the written recommendation of the National Security Council, has determined in writing (incorporating the National Security Council recommendation) that the arrangement would substantially promote and would not endanger the common defense and security of the United States, giving specific consideration to the security sensitivity of the restricted data involved and the adequacy and sufficiency of the security safeguards undertaken to be maintained by the recipient nation; and

(5) that before the arrangement is consummated by the Commission the Joint Committee on Atomic

Energy has been fully informed for a period of thirty days in

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"CHAPTER 11. INTERNATIONAL ACTIVITIES

"SEC. 123. COOPERATION WITH OTHER NATIONS.—No cooperation with any nation *or regional defense organization* pursuant to sections 54, 57, 64, 82, 103, 104, or 144 shall be undertaken until—

"a. the Commission or, in the case of those agreements for cooperation arranged pursuant to subsection 144 b., the Department of Defense has approved the proposed agreement for cooperation, which proposed agreement shall include (1) the terms, conditions, duration, nature, and scope of the cooperation; (2) a guaranty by the cooperating party that security safeguards and standards as set forth in the agreement for cooperation will be maintained; (3) a guaranty by the cooperating party that any material to be transferred pursuant to such agreement will not be used for atomic weapons, or for research on or development of atomic weapons, or for any other military purpose; and (4) a guaranty by the cooperating party that any material or any Restricted Data to be transferred pursuant to the agreement for cooperation will not be transferred to unauthorized persons or beyond the jurisdiction of the cooperating party, except as specified in the agreement for cooperation;

"b. the President has approved and authorized the execution of the proposed agreement for cooperation, and has made a determination in writing that the performance of the proposed agreement will promote and will not constitute an unreasonable risk to the common defense and security; and

"c. the proposed agreement for cooperation, together with the approval and the determination of

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which the Congress was in session (in computing such thirty days, there shall be excluded the days on which either House is not in session because of an adjournment of more than three days).

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the President, has been submitted to the Joint Committee and a period of thirty days has elapsed while Congress is in session (in computing such thirty days, there shall be excluded the days on which either House is not in session because of an adjournment of more than three days).

"SEC. 124. INTERNATIONAL ATOMIC POOL.—*The President is authorized to enter into an international arrangement with a group of nations providing for international cooperation in the non-military applications of atomic energy and he may thereafter cooperate with that group of nations pursuant to sections 54, 57, 64, 82, 103, 104, or 144 a.: Provided, however, That the cooperation is undertaken pursuant to an agreement for cooperation entered into in accordance with section 123.*

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GENERAL AUTHORITY

SEC. 12. (a) In the performance of its functions the Commission is authorized to—

(1) establish advisory boards to advise with and make recommendations to the Commission on legislation, policies, administration, research, and other matters;

(2) establish by regulation or order such standards and instructions to govern the possession and use of *fissionable* and byproduct

materials as the Commission may deem necessary or desirable to protect health or to minimize danger [from explosions and other hazards] to life or property.

(3) make such studies and investigations, obtain such information, and hold such hearings as the Commission may deem necessary or proper to assist it in exercising any authority provided in this Act, or in the administration or enforcement of this Act, or any regulations or orders issued thereunder. For such purposes the Commission is authorized to administer oaths and affirmations, and by subpena to require any person to appear and testify, or to appear and produce documents, or both, at any designated place. No person shall be excused from complying with any requirements under this paragraph because of his privilege against self-incrimination, but the immunity provisions of the Compulsory Testimony Act of February 11, 1893 [(U. S. C., title 19, sec. 46)], shall apply with respect to any individual who spe-

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"CHAPTER 14. GENERAL AUTHORITY

"SEC. 161. In the performance of its functions the Commission is authorized to—

"a. establish advisory boards to advise with and make recommendations to the Commission on legislation, policies, administration, research, and other matters, *provided that the Commission issues regulations setting forth the scope, procedure, and limitations of the authority of each such board;*

"b. establish by *rule*, regulation, or order, such standards and instructions to govern the possession and use of special nuclear material, source material, and byproduct material as the Commission may deem necessary or desirable to promote the common defense and security or to protect health or to minimize danger to life or property;

"c. make such studies and investigations, obtain such information, and hold such *meetings or* hearings as the Commission may deem necessary or proper to assist it in exercising any authority provided in this Act, or in the administration or enforcement of this Act, or any regulations or orders issued thereunder. For such purposes the Commission is authorized to administer oaths and affirmations, and by subpena to require any person to appear and testify, or to appear and produce documents, or both, at any designated place. No person shall be excused from complying with any requirements under this paragraph because of his privilege against self-incrimination, but the immunity provisions of the Compulsory Testimony Act of February 11, 1893, shall apply with respect to any individual who

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specifically claims such privilege. Witnesses subpenaed under this subsection shall be paid the same fees and mileage as are paid witnesses in the district courts of the United States;

(From section 2 (a) (3).)

The Commission shall hold such meetings, conduct such hearings, and receive such reports as may be necessary to enable it to carry out the provisions of this Act.

(Section 12 (a).)

(4) appoint and fix the compensation of such officers and and employees as may be necessary to carry out the functions of the Commission. Such officers and employees shall be appointed in accordance with the civil-service

laws and their compensation fixed in accordance with the Classification Act of *1923*, as amended, except that to the extent the Commission deems such action necessary to the discharge of its responsibilities, personnel may be employed and their compensation fixed without regard to such laws. The Commission shall make adequate provision for administrative review of any determination to dismiss any employee;

(5) acquire such materials, property, equipment, and facilities, establish or construct such buildings and facilities, and modify such buildings and facilities from time to time as it may deem necessary, and construct, acquire, provide, or arrange for such facilities and services (at project sites where such facilities and services are not available) for the housing, health, safety, welfare, and recreation of personnel employed by the Commission as it may deem necessary;

(6) with the consent of the agency concerned, utilize or employ the services or personnel of any Government agency or any State or local government, or voluntary or uncompensated personnel, to perform such functions on its behalf as may appear desirable;

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cifically claims such privilege. Witnesses subpenaed under this subsection shall be paid the same fees and mileage as are paid witnesses in the district courts of the United States;

"d. appoint and fix the compensation of such officers and employees as may be necessary to carry out the functions of the Commission. Such officers and employees shall be appointed in accordance with the civil-service laws and their compensation fixed in accordance with the Classification Act of 1949, as amended, except that, to the extent the Commission deems such action necessary to the discharge of its responsibilities, personnel may be employed and their compensation fixed without regard to such laws: *Provided, however, That no officer or employee (except such officers and employees whose compensation is fixed by law, and scientific and technical personnel) whose position would be subject to the Classification Act of 1949, as amended, if such Act were applicable to such position, shall be paid a salary at a rate in excess of the rate payable under such Act for positions of equivalent difficulty or responsibility.* The Commission shall make adequate provision for administrative review of any determination to dismiss any employee;

"e. acquire such material, property, equipment, and facilities, establish or construct such buildings and facilities, and modify such buildings and facilities from time to time, as it may deem necessary, and construct, acquire, provide, or arrange for such facilities and services (at project sites where such facilities and services are not available) for the housing, health, safety, welfare, and recreation of personnel employed by the Commission as it may deem necessary, *subject to the provisions of section 174;*

"f. with the consent of the agency concerned, utilize or employ the services or personnel of any Government agency or any State or local government, or voluntary or uncompensated personnel, to perform such functions on its behalf as may appear desirable;

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(7) acquire, purchase, lease, and hold real and personal property as agent of and on behalf of the United States and to sell, lease, grant, and dispose of such real and personal property as provided in this Act; and

(8) without regard to the provisions of the *Surplus Property Act of 1941* or any other law, make such disposition as it may deem desirable of (A) radioactive materials, and (B) any other property the special disposition of which is, in the opinion of the Commission, in the interest of the national security.

(9) authorize such of its members, officers, and employees as it deems necessary in the interest of the common defense and security to carry firearms while in the dis-

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"g. acquire, purchase, lease, and hold real and personal property, including patents, as agent of and on behalf of the United States *subject to provisions of section 174,* and to sell, lease, grant, and dispose of such real and personal property as provided in this Act;

"h. The Commission may consider in a single application one or more of the activities for which a license is required by this Act and is authorized to combine in a single license one or more of such activities. The Commission is also authorized to permit the applicant or licensee to incorporate by reference pertinent information already filed with the Commission.

"i. The Commission is authorized to prescribe such regulations or orders as it may deem necessary (1) to protect Restricted Data received by any person in connection with any activity authorized pursuant to Act, (2) to guard against the loss or diversion of any special nuclear material acquired by any person pursuant to section 53 or produced by any person in connection with any activity authorized pursuant to this Act, and to prevent any use or disposition thereof which the Commission may determine to be inimical to the common defense and security, and (3) to govern any activity authorized pursuant to this Act, including standards and restrictions governing the design, location, and operation of facilities used in the conduct of such activity, in order to protect health and to minimize danger to life or property.

"j. without regard to the provisions of the *Federal Property and Administrative Services Act of 1949, as amended, except section 207 of that Act,* or any other law, make such disposition as it may deem desirable of (1) radioactive materials, and (2) any other property, the special disposition of which is, in the opinion of the Commission, in the interest of the national security: *Provided, however, That the property furnished to licensees in accordance with the provisions of subsection 161 m. shall not be deemed to be property disposed of by the Commission pursuant to this subsection;*

"k. authorize such of its members, officers, and employees as it deems necessary in the interest of the common defense and security to carry firearms while in the dis-

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charge of their official duties. The Commission may also authorize such of those employees of its contractors engaged in *guard duties at facilities owned by the United States as it deems necessary* in the

interest of the common defense and security to carry firearms while in the discharge of their official duties.

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charge of their official duties. The Commission may also authorize such of those employees of its contractors engaged *in the protection of property owned by the United States and located at facilities owned by or contracted to the United States as it deems necessary* in the interests of the common defense and security to carry firearms while in the discharge of their official duties;

"l. secure the admittance free of duty into the United States of purchases made abroad of source materials and other materials and supplies essential to its program, upon certification to the Secretary of the Treasury that such entry is necessary in the interest of the common defense and security: Provided, however, That the authority granted by this subsection shall not be used to admit free of duty materials and supplies, other than source materials, which are adequately available within the United States;

"m. enter into agreements with persons licensed under section 103 or 104 for such periods of time as the Commission may deem necessary or desirable (1) to provide for the processing, fabricating, separating, or refining in facilities owned by the Commission of source, byproduct, or other material or special nuclear material owned by or made available to such licensees and which is utilized or produced in the conduct of the licensed activity, and (2) to sell, lease, or otherwise make available to such licensees such quantities of source or byproduct material, and other material not defined as special nuclear material pursuant to this Act, as may be necessary for the conduct of the licensed activity: Provided, however, That any such agreement may be canceled by the licensee at any time upon payment of such reasonable cancellation charges as may be agreed upon by the licensee and the Commission: And provided further, That the Commission shall establish prices to be paid by licensees for material or services to be furnished by the Commission pursuant to this subsection, which prices shall be established on such a nondiscriminatory basis as, in the opinion of the Commission, will provide reasonable compensation to the Government for such material or services and will not discourage the development of sources of supply independent of the Commission;

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(Section 10.)

(c) *INSPECTIONS, RECORDS, AND REPORTS.—The Commission is—*

(1) *authorized by regulation or order* to require such reports and the keeping of such records with respect to, and to provide for such inspections of, activities and studies of types specified in section *3* and of activities under licenses issued pursuant to section *7* as may be necessary to effectuate the purposes of this Act;

(*2*) *authorized and directed by regulation or order to require regular reports and records with respect to, and to provide for frequent inspections of, the production of fissionable material in the conduct of research and development activities.*

(Section 12 (a).)

(10) make, promulgate, issue, rescind, and amend such rules and regulations as may be necessary to carry out the purposes of this Act.

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"n. assign scientific, technical, professional, and administrative employees for instruction, education, or training by public or private agencies, institutions of learning, laboratories or industrial or commercial organizations and to pay the whole or any part of the salaries of such employees, cost of their transportation and per diem in lieu of subsistence in accordance with applicable laws and regulations, and training charges incident to their assignments (including tuition and other related fees): Provided however, That (1) no more than one per centum of the eligible employees shall be so assigned during any fiscal year, (2) any such assignment shall be approved in advance by the Commission or shall be in accordance with a training program previously approved by the Commission: And provided further, That appropriations or other funds available to the Commission for salaries or expenses shall be available for the purposes of this subsection;

"o. the Commission may delegate to the General Manager or other officers any of those functions assigned to it under this Act except those specified in sections 51, 57 a. (3), 61, 102 (with respect to the finding of practical value), 108, 123, 145 b. (with respect to the determination of those persons to whom the Commission may reveal Restricted Data in the national interest), 145 e., and 161 a.;

"p. require by rule, regulation, or order, such reports, and the keeping of such records with respect to, and to provide for such inspections of, activities and studies of types specified in section 31 and of activities under licenses issued pursuant to sections 53, 63, 81, 103, and 104, as may be necessary to effectuate the purposes of this Act, including section 105; and

"q. make, promulgate, issue, rescind, and amend such rules and regulations as may be necessary to carry out the purposes of this Act.

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SEPARATE VIEWS ON INTERNATIONAL ACTIVITIES

I have been impressed by the spirit of patriotic unselfishness and the display of bipartisanship demonstrated by the committee and its staff through the long days spent in preparation of this bill.

The atomic energy program is both highly technical and complex. The framers of this law had to examine and understand the past and present complexities of nuclear energy activities and try somehow to predict the future. Issues arose which went to the very roots of individual political and economical philosophies, and yet these were resolved by the members of the committee in a spirit of compromise and good will which is the very essence of our democratic legislative process. The difficult questions of compulsory licensing of patents, of antitrust provisions, and of licensing and regulatory provisions were settled in this fashion.

I am frank to state that several portions of this bill do not have my unqualified endorsement, but I am compelled to join the majority in its favorable report on S. 3690 because, on balance, the compromises reached have been for the greater good, and I can accept —as should any reasonable man in a position of responsibility— something less than what I think is perfect in each of its parts if the whole structure is worthwhile. But to compromise on anything of deep principle is personally and morally repugnant to me. Therefore, in all conscience, I must append a statement of my views on the all-important matter of international cooperation.

I urge that section 124 of the bill be struck, and that the words "group of nations" be inserted in sections 11b, 54, 57, 64, 82, 103, 104, and 144 to make those sections read as in the committee print of May 21, 1954.

I have not taken this position lightly; I take it because I believe the very existence of our civilization depends on our finding some way to end safely the mounting atomic and hydrogen armaments race which bodes to annihilate man and all his works. To my mind, the key to finding such a solution lies in the hearts of men of good will everywhere; it is a solemn duty for us, the most powerful Nation on earth, to seize the initiative in bringing about a renascence of the cooperative spirit of common humanity that is needed to solve the basic causes of war—want, hunger, poverty, and disease. President Eisenhower gave voice to these thoughts when he addressed the United Nations General Assembly last December. There he boldly outlined a plan to bring the great benefits of atomic energy to mankind everywhere. To my mind, in this address the President did what we must now do—he rose to meet the basic problem head on. His proposal gave heart to all.

In testimony before the Joint Committee on June 3, 1954, the Secretary of State, Mr. John Foster Dulles, made some highly important comments on the subject of international arrangements for the sharing of atomic knowledge:

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* * * * * * *

As I see it, a main purpose of the proposed legislation is to do just that—"to increase our emphasis on the peaceful uses of atomic power at home and abroad."

* * * * * * *

We cannot any longer adhere to the theory that knowledge, because it is capable of use for destruction, must be denied for uses of construction.

* * * * * * *

By amending the Atomic Energy Act now as proposed, we will be laying some

of the groundwork for a future era of peace when atomic energy inevitably will be doing constructive work in the world.

* * * * * * *

Three circumstances, (1) the developing Soviet program, (2) our dependence on foreign uranium, and (3) legitimate hopes for nuclear power abroad, combine to create the need to amend the international cooperation provisions of the Atomic Energy Act of 1946.

* * * * * * *

Other countries are making progress in atomic power technology. There is a growing tendency for certain raw materials supplying nations which are not industrially well advanced to turn to such other countries for nuclear power information because they have been disappointed by our inability to give them significant help. It is clear to me that if this trend continues the interests of the United States will be seriously and detrimentally affected. There is no need here to emphasize how important it is for us to stay ahead of the U.S.S.R. in providing knowledge of how to put atomic energy to peaceful uses.

In extending abroad, under proper security safeguards, the evolving technology of atomic energy for peaceful purposes, we shall tighten the bonds that tie our friends abroad to us, we shall assure material resources that we need, and we shall maintain world leadership in atomic energy—leadership which today is such a large element of our national prestige.

* * * * * * *

In modernizing our atomic-energy law I feel that we will be taking three steps in the direction of peace: First, we will be increasing the deterrent factor represented by our weapons stockpile by the provisions we have requested permitting us to integrate certain tactical weapons information into our foreign military planning. Second, by being able to give our friends abroad atomic energy information and material, we shall be strengthening our capacity to build the raw material base on which our entire atomic energy program rests; and, third, we will be strengthening the ties which unite the free nations by a sense of fellowship.

* * * * * * *

Perhaps most significant of all, however, are the hundreds of millions of people in the world who, having heard of the promise of atomic energy, wait eagerly to see if there are benefits in it for them in addition to the military shield which has held off the aggressive forces of Soviet communism for almost a decade. The military atom is a fearsome thing, even to those who owe their liberties to it. The constructive uses of atomic energy could promote both peace and plenty, and so holds a special place in man's dream of the future.

The bills which your Committee is considering need to be enacted if our Nation is to serve its own interests and at the same time to show the world anew that our national interests harmonize with the interests of men everywhere.

* * * * * * *

I believe the Secretary of State clearly and forcibly pointed out that the provisions of the bill which are most important to our very survival are those that treat with international cooperation. I share that view.

I also believe that the development of atomic power in this country is important. Coming from an area of the United States

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which has high-power costs and no foreseeable way of reducing these costs except by the speedy development of this new, primordial source of energy—I believe I am as aware as any man of the responsibilities of this Congress to provide fully for the fastest development of atomic energy for peacetime uses in this country.

The United States Government has expended many billions of dollars in the development of its atomic program. While the primary purpose of this was the creation of armaments, there were secondary discoveries and advancements of importance in the peacetime uses of nuclear power. Despite this activity, the field of peacetime development is still embryonic. To hasten advancement in this art, it is being proposed to Congress that the private business community of the United States be allowed to share in the opportunities of developing useful applications of what has been but barely touched on in our Government monopoly of the field. In this we can say that the greater good is in making available to the people of the United States at the earliest moment the fruits of such combined Government and private development. We can hardly say that permitting friendly nations to collectively share in some small part of our knowledge for the purpose of the peace and good of all mankind is not equally advantageous.

Our responsibilities transcend our national borders. We have developed materials, knowledge, and techniques which, if exploited fully for the benefit of all mankind, will redound not only to our international credit, but more importantly to the establishment of peace and prosperity in all portions of the globe. We are not alone in this race for atomic-power development. Twenty nations, as the majority report points out, are embarked upon atomic development programs. Not the least of these programs is that of the Soviet Union which now stands second in world effort on the searching out of the atom's secrets. Coupled with this is the fact that we and the free world are joined against the Soviet Union in a competition for the minds and souls of men. This competition will not be won by words, but by deeds. Consider the effect on the downtrodden of Asia, for example, if the Soviet Union should seize the initiative in bringing to these power-starved nations the great benefits of atomic energy. I say on that day we shall have lost the battle.

It is argued that our national security is in greater jeopardy if we deal with a "group of nations" as against dealing with one nation at a time, in transmitting information on peacetime developments of atomic energy. I find it very difficult to reconcile this distinction and I would further point out that this is not so, for the information with which we are here concerned is of a low

degree of sensitivity and is far removed from the area of information on atomic weapons and atomic production that we must carefully circumscribe.

It is argued by the majority that S. 3690 offers, in section 121, a possible mechanism for the President to employ in bringing to reality his great plan for spreading atomic blessings to all. I maintain that the bill as presented does little more than restate the powers he already has under the Constitution and existing law. It is no more than an indication—and a half-hearted indication at that—of congressional encouragement. It is, to my mind, inadequate and I urge favorable consideration to the amendment on this subject which I will introduce on the floor of the Senate. [p. 102]

In explanation of why I believe that amendment, which will insert the important phrase "group of nations" in the international portions of the bill, is of transcendent importance, I would point out the following:

Section 123 of the bill contains carefully drawn conditions under which the Government is authorized to cooperate bilaterally with another nation in the field of peacetime development of atomic energy or with a regional defense organization on tactical uses of atomic weapons. These stringent safeguards are:

(1) The agreement for cooperation must include (*a*) the terms, conditions, duration, nature, and scope of the cooperation; (*b*) a guaranty by the cooperating party that security safeguards and standards as set forth in the agreement will be maintained; (*c*) a guaranty by the cooperative party that any material to be transferred will not be used for atomic weapons or for any other military purpose; and (*d*) a guaranty by the cooperating party that any material or any restricted data to be transferred will not be further transferred to any unauthorized person or beyond the jurisdiction of a cooperating party.

(2) The agreement for cooperation must be approved by the Commission or, in the case of a transfer of military data, the Department of Defense.

(3) The President himself must approve the agreement for cooperation and he must also determine in writing that the performance of the agreement for cooperation will promote and will not constitute an unreasonable risk to the common defense and security.

(4) The proposed agreement for cooperation, together with the President's approval and determination, must lie before the Joint Committee on Atomic Energy for 30 days while

Congress is in session.

These conditions are indeed adequate to protect the national interest. It should be noted that these agreements for cooperation can be entered into only bilaterally; that is to say, the statute does not authorize the President to enter into agreements for cooperation with a group of nations or with an international agency unless, as specified in section 124, an international agreement has previously been entered into with a group of nations. This means that the President must negotiate a treaty (which must receive the approval of two-thirds of the Senate before it can be effective), or an executive agreement (which, under the terms of the law, must be submitted to both Houses of Congress and receive a favorable majority vote before it can become effective), before he can cooperate under the bill with any group of nations.

I would submit that this is an unwarranted and unwise restriction and destroys the pool idea suggested by the President. If the President can deal with a single nation in the atomic field under the stringent safeguards prescribed in this bill, then he should be able to deal with a group of nations under the same stringent arrangement.

Section 121, which purports to deal with the international atomic pool, is, in my considered opinion, nothing more than a restatement of what the President can do now under existing law, without the necessity of passing this bill.

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In short, section 124 is illusory and a naked grant, since unless we add the phrase "group of nations," we are, under the language of this bill, giving voice to a pious hope, but in fact giving no additional authority to the President to carry out his atomic-pool plan which he does not already have under existing law.

While I consider it desirable and important for us to cooperate bilaterally in the field of peacetime atomic energy, I feel nevertheless that the real solution to the problem which drives men to war will not be found until we deal broadly and collectively with many nations in a spirit of cooperation and partnership to bring the God-given benefits of this new source of power to our friends all over the world. It is for these reasons that I urge the reinsertion of the phrase "group of nations" in the international section of the bill.

The very foundation of our foreign policy has been built on a philosophy of collectiveness. As a result we have seen the free world grow stronger step by step. It would be wiser for us to take no action at all, rather than injure the spirit of unity which now prevails in the free world. Psychologically, I am afraid that we

do exactly this if we make it more difficult for us to deal with a group of nations as against dealing with one nation in this very important field.

Because of this deep-seated feeling I am constrained to disagree with the committee on this point and submit my own minority view.

JOHN O. PASTORE.

I subscribe to the foregoing views of Senator Pastore.

MELVIN PRICE
CHET HOLIFIELD.

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SEPARATE VIEWS OF REPRESENTATIVE HOLIFIELD AND REPRESENTATIVE PRICE ON H. R. 9757

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8. Inadequate power licensing provisions

H. R. 9757 not only fails to mark out a clear and constructive program for Federal production of atomic power; it is altogether deficient in the matter of safeguards to protect the public interest in the licensing of non-Federal agencies to produce and sell atomic power.

As noted above, the nuclear energy resource itself will remain the property of the Federal Government. Thus, in terms of the public interest, the use of nuclear energy and the use of the energy in the falling water of streams should be subject to the same safeguards established by law.

These safeguards involve far more than the bare assurance that the electricity generated from the resource shall be subject to the ordinary processes of utility regulation. They are based on the principles that a public resource must be conserved and developed for the best possible use, that it must be always kept open for public use if the people so decide, and that, whatever States may do or fail to do about it, the use must always be directed at providing electricity at the lowest possible rates through preventing private capitalization of the value inherent in the right to use a public resource.

The very fact that there are still six States which have set up no State agency to regulate the rates charged by privately owned electric utilities reveals the extraordinary importance of these public resource safeguards, and the necessity for their incorporation in any legislation designed to facilitate the use of atomic energy as a source of commercial power. These safeguards for the right of the

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people to get the full value out of their resources, without any toll being taken above what is necessary to assure the funds required for development, have already been formulated in detail by Congress in the Federal Power Act which prescribes how hydroelectric resources may be used. They include:

(1) Safeguard for the prior right of Federal development of the resource in any specific case where this will best serve the public interest.

(2) Safeguard for the prior right of public bodies and cooperatives, as against a private applicant for a license for any specific development of the resource.

(3) Safeguards for the right to public hearing in connection with any application, with specific provision for admission of interested States, State commissions, municipalities, representatives of interested consumers or competitors as parties.

(4) Safeguards for the right of Federal or other public recapture of any development by a private licensee at the end of the license period on payment of no more than the licensee's net investment in the project.

(5) Safeguards for reasonable rates to consumers by provision requiring licensees as a condition of any license to agree to Federal regulation where States have provided no regulation of electric rates, with further provision that in any rate proceeding the licensee can claim no more than net investment in the development for rate base purposes.

(6) Safeguards for the preferred position of public and cooperative electric systems to obtain power supply from Federal development of the resource.

The bill, as reported, is wholly lacking in such safeguards. It would enable the Atomic Energy Commission to turn this greatest energy resource over to private power monopoly under licenses unconditioned except for the requirements of national security and public health and safety. Aside from section 271, providing that nothing in this act shall affect the authority or regulations of Federal, State, and local regulatory agencies, it is barren of any recognition of the public interest in securing electric energy from this new resource at the lowest possible rates. Experience has shown clearly that such regulatory authority is entirely inadequate to protect the public interest in electric power developed from public resources, unless supplemented by specific standards governing licenses and the availability of public or cooperative competition in the distribution of electric energy.

The bill includes no provision to encourage public or cooperative

distribution of nuclear power. Furthermore, it includes no provisions assuring that privately owned electric utilities producing nuclear electric energy under license from the Commission shall sell the power at the lowest possible rates consonant with sound business practices.

The following comments on specific licensing features of the bill indicate what we consider essential requirements for protection of the public interest in use of this new public resource for the generation of commercial electric power.

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Section 103 (b), establishing the minimum qualifications for applicants for commercial licenses to construct, own, and operate facilities for the utilization and production of special nuclear material or atomic energy, contains no provisions requiring agreement by the applicant, where the end result is generation of electric energy for sale, to claim no more than net investment in such facilities for ratemaking purposes. Such a limitation is placed upon all licenses for use of the people's waterpower resources under the Federal Power Act. This section of the bill should be amended to bring it in line with established Federal power policy.

Section 103 (c), providing for a limitation on the term of commercial licenses issued by the Commission for the ownership and operation of facilities for the utilization and production of special nuclear material or atomic energy, contains no provision for the right of the United States, after reasonable notice, to take over, maintain, and operate such facilities at the end of the license period on payment to the licensee of its net investment, plus severance damages, if any. All private hydroelectric power developments, licensed under the Federal Power Act, are subject to such a provision. This section should be amended to bring it in line with established Federal power policy.

Section 182 (b), providing for due notice to the public before the issuance of any license for utilization or production facilities which generate commercial power, is lacking as to both breadth of notice required and provision of specific procedures in connection with license applications to assure full protection of the rights of interested parties. It also lacks specific recognition of those interests whose rights may be affected by Commission action or whose participation may be in the public interest.

To cure these deficiencies, where generation of nuclear-electric power is the primary purpose involved, we believe the section should be amended to provide that notice of applications shall also be sent to municipalities, and to public and cooperative electric

systems within transmission distance; that, in case of protests, conflicting applications, or proposals for special conditions, interested parties shall be accorded opportunity for intervention, hearing, petition for rehearing, and appeal, in general accord with the procedures now prevailing under Federal power legislation; and that the Commission may admit as parties interested States, State commissions, municipalities, public and cooperative electric systems, or representatives of interested consumers or security holders, or any competitor of a party to such proceedings, or any other person whose participation may be in the public interest.

Section 182 (c), providing for preferred consideration to applications for facilities which will be located in high-cost power areas in the United States, lacks a similar provision which has been the policy of the Government since the Federal Power Act became law in 1920, according preferred consideration to public bodies where their applications conflict with those of privately owned systems. We believe this lack should be overcome to bring the section into line with established Federal power policy.

Section 183, providing specific terms which must be included in licenses for the ownership and operation of facilities for the utilization or production of special nuclear material or atomic energy, is com-

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ability should extend to inventions or discoveries that affect the weapons field.

Although drastic penalties are provided for violations of certain provisions in the bill, no penalty is provided for failing to report inventions or discoveries under section 151c, which could involve matters of strategic significance to the atomic-energy program.

The Patent Compensation Advisory Board created under section 156a, being "advisory" only, apparently could not be delegated authority to make final decisions, as under the McMahon Act, in the event the Commission found itself bogged down with matters of compensation, awards, and royalties to the detriment of major responsibilities.

12. Built-in subsidy feature

Section 2h of the bill makes this finding:

> It is essential to the common defense and security of the United States that title to all special nuclear material be in the United States while such special nuclear material is within the United States.

Accepting as fundamental to the legislation this finding, which is implemented in section 52 and other sections of the bill, never-

theless we wish to point out some of its implications for the development of atomic-energy enterprise.

What this bill proposes in effect is to relinquish the Federal Government's exclusive ownership rights in the facilities which produce or use nuclear material but to retain its exclusive ownership rights in the material itself. As a consequence, the incidents of private and public ownership are intermingled in such a way that not only may vexatious problems of administration and accounting control arise, but the private companies licensed for a maximum period of 40 years to own and operate production facilities (atomic reactors) legally can depend on the Government to compensate them adequately for whatever they produce during the life of the license. This constitutes a built-in subsidy for licensed atomic enterprise until about the year 2000 A. D. The subsidy implications have been recognized and objected to by industrial spokesmen appearing before our Joint Committee.

Since the Government, under the bill, owns any nuclear material which now or may hereafter be produced in privately owned plants, it cannot refuse to take and pay for what is produced. If the Government pays less than the cost of production in a given plant, the action would, in effect, be confiscatory. Therefore the provision in section 56 of the bill that the Atomic Energy Commission shall pay the same fair price to all licensed producers of the same material means that the highest cost and least efficient producer will set the pace on price schedules.

The fact that the Commission is obligated by the same section to consider the value of the material for official Government use in determining a fair price constitutes no ground for paying less than it costs to produce the material. Conceivably, by some happy turn of international events, the Government's requirements of material for atomic weapons could be drastically reduced; and new discoveries of source materials or greatly improved processes of production in the Government's own plants could yield a surplusage of material, reducing its value to the Government to virtually nothing. Still the Government would have to take the material it

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owns off the hands of private producers at a price fair to them for 40 years during which they may be licensed to do business.

Even though the Commission can establish "guaranteed fair prices" for only 7 years at a time, as provided in section 56, the Commission is not thereby relieved of the obligation to pay fair prices throughout the life of the license.

If the Commission, to forestall the possibility that it may be saddled in the future with huge amounts of nuclear material it doesn't

need or want, insists on writing into licenses under section 53e or section 183 a cancellation provision against such contingencies, or issues licenses for a much shorter period than 40 years, it is obvious that few firms would be persuaded to enter the field under such uncertainties.

Again, to forestall such conditions, the Commission might easily persuade itself to grant licenses to only a handful of the largest or most efficient producers, thereby denying wide access to competing industrial firms or other interested sectors of industry.

The intertwined complexities implicit in the obligation to compensate producers for the material automatically owned by the Government and to charge licensed users for such material, create further subsidy possibilities.

Section 53 deals with the Commission as a distributor of special nuclear material to qualified applicants, including licensees under section 103; while sections 52 and 56 deal with the Commission as a purchaser of special nuclear material from licensed producers who produce such material in the burning of the nuclear fuel secured from the Commission. In the first instance, the Commission is authorized to make a "reasonable charge," in the second, to pay a "fair price." But the vague generalities set up in lieu of standards to guide the Commission in determining both these critical figures leaves a degree of discretion in the administrative body that would enable it to pay considerably more for the production than it charged for the original supply of special nuclear material, thus affording private utilities, let us say, subsidies of undetermined magnitude for their participation in the development of nuclear power. Such subsidies resulting from dual transactions might well escape the public eye.

The Federal Power Commission analysis submitted by Chairman Kuykendall, in pointing out the lack of legislative standards and the subsidy possibilities for electric utilities in the sections discussed immediately above, added this note:

> If subsidies are to be permitted, consideration should be given to the question of the desirability of provisions for passing the benefits of such subsidies on to the public (hearings, pt. II, p. 1131).

The legal ramifications of the intermingled incidents of public and private ownership in nuclear-producing facilities have not been explored by the Committee. We venture to suggest that private firms, including utilities, may very well find themselves subject to a variety of Federal statutes affecting Government business in private plants, including the Walsh-Healey Act and other

labor standards laws, inasmuch as the nuclear material used in their operations will be Government property.

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14. Complicating international arrangements

We stated at the outset our conviction that international matters relating to atomic energy would be better treated in legislation separate from that which seeks to open the atomic field to domestic private enterprise and profitmaking opportunities. Our dependence on foreign sources of uranium, our mutual defense requirements, our moral and economic obligations to assist less privileged nations, our never-ending search for world peace—all these would seem to pose problems of an order and magnitude that press more urgently for solution than how to make a profit from the atom.

Some years ago our Government outlined a plan for the international control of atomic weapons. The plan embraced procedures, carefully drawn, to provide for the gradual transfer of our atomic facilities to international control without endangering national security. It was conceived that the international atomic authority would maintain an inspection system to make sure that no nation would deviate from the control arrangements for aggressive ends.

The Soviets would have no part of this plan. In those days, especially before they had atomic weapons, they insisted that such weapons be banned outright by treaty rather than put under the control of an international authority. Nor did they take kindly to the idea of inspectors coming behind the Iron Curtain. In the face of persistent and stubborn refusal by Soviet Russia to consider a control agency, our plan became dormant.

But the United States has never abandoned as a stated policy its willingness to participate in a really effective program of atomic armament control. The goal may be too remote for achievement in our time, but certainly we should do nothing to throw obstacles in the way of that achievement. Whether the creation of vested ownership rights in atomic facilities by private persons will narrow our opportunities to negotiate in matters which may determine the life or death of civilized society is a question deserving of our most earnest consideration.

When President Eisenhower proposed in an address to the United Nations General Assembly the creation of an international agency to develop peacetime uses of atomic energy, new hope was kindled among peoples everywhere that somehow this might be a vehicle for promoting world peace. Even the Soviets did not dare

to ignore the compelling force of this appeal for cooperative peaceful endeavor.

Reportedly, our Secretary of State, entered into preliminary discussions with the Soviets on the President's proposal. So far as we know, nothing productive resulted from these meetings. Al-

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though the dismisal record of Soviet intransigence leaves little to hope for, we see nothing to be gained by closing the door entirely to possible participation by Soviet Russia in an atomic pool plan for peaceful uses.

Section 124 of the bill would seem to close that door. Whereas the President would be authorized to enter into an international arrangement with a group of nations providing for international cooperation in the nonmilitary applications of atomic energy, and to cooperate with that group in specified atomic endeavor, the proviso is entered that the cooperation must accord with the conditions presented in section 123.

Section 123 requires that agreements for cooperation cannot be undertaken until a series of conditions are fulfilled by the other nation or nations involved, including acceptable security safeguards and standards. It would be utterly unrealistic to suppose that Soviet Russia could ever comply with the security and other requirements laid down in section 123, even though the atomic pool is intended for nonmilitary uses.

The international atomic pool provision comprising section 124 seems to be a last-minute insertion to suggest that the bill is intended to implement President Eisenhower's proposal. Actually, the legislative requirements, if any, of the atomic pool proposal never have been communicated to us. President Eisenhower in his February 17 message to the Congress making recommendations for legislation to facilitate cooperation in atomic affairs with other nations, stated as follows:

> These recommendations are apart from my proposal to seek a new basis for international cooperation in the field of atomic energy as outlined in my address before the General Assembly of the United Nations last December. Consideration of additional legislation which may be needed to implement that proposal should await the development of areas of agreement as a result of our discussions with other nations (83d Cong. 2d sess., H. Doc. No. 328, p. 4).

Not only would section 124 preclude the "new basis for international cooperation" which the President seeks; the wording of the section is confusing and self-contradictory. It would authorize the President to enter an "international arrangement," which by definition in section 11 k excludes "any agreement for cooperation"; and yet section 124 requires than an "agreement for coop-

eration" is necessary if the desired cooperation is to be exercised.

The United States might very well find itself in the position under section 124 of consummating agreements with other nations without being able to exercise the cooperation promised by the agreement unless such cooperation conformed rigidly to the formula contained in section 123.

If the contention is that the President could further the atomic pool idea by the conventional treaty route, or by an international agreement (which requires approval by both Houses of Congress under the bill) independent of section 124, then it is difficult to see what purpose the section serves, except a restrictive one.

The President has broad authority now to negotiate treaties under the Constitution. Section 124 attempts to prescribe a rigid and more restrictive formula of negotiation upon the President and his Secretary of State. The authority to negotiate treaties in our opinion should be left unfettered, subject always of course to Senate debate and final ratification.

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No additional authority is conferred upon the President by the second method embodied in the term "international arrangement," i.e., "international agreement." The President already has the right to send to Congress any international agreement for legislative approval.

Section 124 on its face seems to authorize the President to "enter into an international arrangement with a group of nations," but the proviso requires compliance with the provisions of section 123, which provides for bilateral agreement only between the United States and an individual nation on all peacetime exchange of nuclear material or nuclear information. The reference therefore to a "group of nations" is misleading because of the proviso. Again it is restrictive and inflexible rather than helpful. It could prove to be embarrassing.

While President Eisenhower's original proposal evidently contemplated a single international atomic pool for peacetime purposes under one universal agreement, our country may be obliged, or may wish, to proceed by smaller group or regional stages, particularly in view of the Soviet Union's negative response. If the negotiations must be undertaken through a bilateral approach, then the language of section 124 which on its face indicates a multilateral agreement, again becomes ambiguous and restrictive on the President.

Section 124 appears to us a premature attempt to legislate in a delicate field where international diplomatic negotiations are pending, and it conflicts with the President's admonition in his message

to the Congress that legislation to implement the atomic pool proposal "should await the development of areas of agreement as a result of our discussions with other nations."

Section 123, which sets forth a method of cooperation other than treaties or international agreements, is the principal section of the bill dealing with the authority of the President to make executive agreements on the international plane. The President cannot make any such agreement unless it is approved by the Atomic Energy Commission or, in case of agreements relating to defense and military matters, by the Department of Defense. Note that the Atomic Energy Commission is an independent agency whose members serve, not at the pleasure of the President, but for a fixed statutory term.

We seriously question the subordination of the President's authority in the conduct of foreign affairs to the judgment of officials who may not be in a position to weigh the importance of countervailing risks, as is the President. In the present juncture of world affairs it cannot be assumed in case of doubt that no agreement is preferable to the only obtainable agreement, even though the obtainable agreement has not all the provisions which those charged with the technical judgments would like it to have. In place of requiring the consent of the Atomic Energy Commission or the Department of Defense, we would prefer merely that the President, before making an agreement, be required to obtain a statement from the Commission or the Department of Defense as to the desirability and sufficiency of the agreement in respect to the matters referred to in section 123a.

Many of the provisions in section 123 as well as some of the provisions in section 144 to which we will refer seem in part to be based on the obsolete and false assumption that we have a monopoly of atomic materials and weapons, that our allies will have only what we give them and will have nothing to give in return. [p. 135] We know that Great Britain, for instance, has manufactured and exploded atomic bombs.

Section 144a and section 144b both carry a proviso that international cooperation shall not involve the communication of restricted data relating to the design and fabrication of atomic weapons except as to limited external characteristics. Taken in conjunction with the broad definition of "design" in section 11i, which includes drawings, blueprints, etc., and the development data behind the design, these restrictions ultimately may work to our own disadvantage. They hark back to the time when we had or thought we had a monopoly in this field.

While it is not suggested that there should be a free interchange of restricted data, we fear that any blanket refusal to exchange restricted data under any and all circumstances in the future might debar us from cooperation in particular projects where we might have much more to gain than to lose. Great Britain, for example might come up with some discovery comparable in this field to the jet engine in aviation and might be debarred from working with us on it because of our own shortsighted and nonreciprocal policies.

Having in mind that a 1951 amendment which comprises section 10 (a) (3) of the McMahon Act set forth similar restrictions on communicating design and fabrication data, nevertheless we believe that new legislation must consider the changing role of atomic armament in mutual defense. An understanding of this part of the bill is important and we offer this explanation of its meaning so that each Member may judge as to whether it goes too far or not far enough.

The exchange of information on weapons is limited to "external characteristics, including size, weight, and shape, yields and effects, and systems employed in the delivery or use thereof." These areas of disclosure in the main would permit our military personnel to show our allies an atomic or thermonuclear weapon and describe these external characteristics, also the explosive power in terms of equivalent tons of TNT, the blast effect in terms of square miles destroyed, and the degree of radioactive poisoning of land, water, and air in the vicinity. It would allow disclosure of methods of bomb delivery, whether by plane, artillery device, guided missile, etc.

Apparently American military personnel would be permitted to train allied personnel in attaching or installing such weapons in delivery vehicles or devices (sec. 144b (2)). But they would not be allowed to instruct our allies as to how the weapons are constructed internally, how they are assembled or disassembled, or how they are triggered for explosion.

It is obvious that we do not intend to deliver any of these weapons to any military ally for their own use, as complete knowledge of the internal working would be necessary for such use or adjustment in case the weapon failed to "work" just prior to release.

Therefore we must acknowledge that the bill does not implement the use of our atomic or hydrogen weapons by our allies on behalf of the defense of the free world. It does not make it possible to include such armament in the common arsenal of the North Atlantic Treaty Organization forces, except as they are retained in our sole custody.

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1.1b(2) JOINT COMMITTEE ON ATOMIC ENERGY
S. REP. No. 1699, 83rd Cong., 2d Sess. (1954)

AMENDING THE ATOMIC ENERGY ACT OF 1946, AS AMENDED, AND FOR OTHER PURPOSES

JUNE 30 (legislative day, JUNE 22), 1954

MR. HICKENLOOPER, from the U.S. Congress Joint Committee on Atomic Energy submitted the following

REPORT

[To accompany S. 3690]

The Joint Committee on Atomic Energy, to whom was referred the bill (S. 3690) to amend the Atomic Energy Act of 1946, as amended, and for other purposes, having considered the same, unanimously report favorably thereon and recommend that the bill do pass. Some individual members of the Joint Committee hold divergent views on certain sections of the bill which are attached hereto or will be presented appropriately in their respective Houses.

This report describes the background of S. 3690, which is the committee-approved revision of S. 3323 on which public and executive hearings have been held, sets forth the basic considerations which impelled the Joint Committee to report it favorably, and furnishes a section-by-section analysis of the bill.

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[p.1]

NOTE: The body of this report is exactly the same as the preceding House report.

1.1b(3) COMMITTEE OF CONFERENCE
H.R. REP. No. 2639, 83rd Cong., 2d Sess. (1954)

ATOMIC ENERGY ACT OF 1954

AUGUST 6, 1954.—Ordered to be printed

MR. COLE of New York, from the committee on conference, submitted the following

CONFERENCE REPORT

[To accompany H. R. 9757]

The committee of conference on the disagreeing votes of the two Houses on the amendment of the Senate to the bill (H. R. 9757) to amend the Atomic Energy Act of 1946, 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 amendment of the Senate and agree to the same with an amendment as follows:

In lieu of the matter proposed to be inserted by the Senate amendment insert the following: *That the Atomic Energy Act of 1946, as amended, is amended to read as follows:*

* * * * * * *

[p. 1]

NOTE: The Conference report consists solely of setting out the Statute.

1.1b(4) COMMITTEE OF CONFERENCE

H.R. REP. No. 2666, 83rd Cong., 2d Sess. (1954)

ATOMIC ENERGY ACT OF 1954

AUGUST 16, 1954.—Ordered to be printed

MR. COLE of New York, from the committee of conference, submitted the following

CONFERENCE REPORT

[To accompany H. R. 9757]

The committee of conference on the disagreeing votes of the two Houses on the amendment of the Senate to the bill (H. R. 9757) to amend the Atomic Energy Act of 1946, 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 amendment of the Senate and agree to the same with an amendment as follows:

In lieu of the matter proposed to be inserted by the Senate amendment insert the following: *That the Atomic Energy Act of 1946, as amended, is amended to read as follows:*

NOTE: This Conference report is the same as 1.1b(3).

1.1b(5) CONGRESSIONAL RECORD, VOL. 100 (1954)

1.1b(5)(a) July 23, 26: Debated, passed House, pp. 11655–11656, 11683 11688–11691, 11698–11699, 11713–11715, 11731, 12025

AMENDING ATOMIC ENERGY ACT OF 1946, AS AMENDED

Mr. COLE of New York. Mr. Speaker, I move that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (H. R. 9757) to amend the Atomic Energy Act of 1946, as amended, and for other purposes.

The motion was agreed to.

Accordingly, the House resolved itself into the Committee of the Whole House on the State of the Union for the

consideration of the bill H. R. 9757, with Mr. TABER in the chair.

The Clerk read the title of the bill.

By unanimous consent, the first reading of the bill was dispensed with.

Mr. COLE of New York. Mr. Chairman, I yield myself such time as I may consume.

Mr. Chairman, at the outset I feel an impulse to express my own very deep personal gratification at suddenly discovering the identity of the individual who is to preside over the deliberations in the consideration of this bill in the Committee of the Whole. I consider the selection of this distinguished colleague of mine as the Chairman of the Committee of the Whole a rather good omen for the eventual outcome of the measure. I am certain that his reputation for expediting legislative processes will result in a steady, full, and deliberate consideration of the bill without any excursions into realms having nothing to do with the measure.

Mr. Chairman, I think it may be of some interest to the members of the committee to know the history of this bill. It is the first bill to revise the Atomic Energy Act of 1946, which has been in existence now for 8 years. There have been perhaps half a dozen times when the Congress has amended the act in a very minor or specialized phase. This is the first bill to make any serious adjustments in that act. That fact alone speaks well, I think, for the framers of the original law. What we in the Congress did in 1946 through the McMahon Act, we did rather in desperation and in ignorance, not knowing the full implications of atomic energy, and having no full conception of what might develop from it. We therefore took the only course open to us—that was to wrap up all knowledge, all information, and all property relating in any respect to the use or development of atomic energy, and figuratively to put all of that into a steel black box. We pushed it into a safety deposit vault. We made it unlawful for anybody to own fissionable material, to produce it, or to own the earth from which the material comes. We made it unlawful to disclose any information about atomic energy, even to the point of condemning to death people who might seriously violate that law. We put all of that information and material into a little black box, we put this in a safety deposit vault, and then we gave it to the Atomic Energy Commission and said "Go ahead." In the Atomic Energy Act of 1946 we made it unlawful for persons who had any connection with the atomic program to obtain a patent in this new field. We made a complete, arbitrary, and unlimited Government monopoly of this matter.

As time has passed we have acquired more experience and knowledge. We have learned much more about this new force than we knew 8 years ago. I speak of what we did in 1946 in no sense of criticism. The original bill was enacted rather unanimously, with only one major area of disagreement. This was with respect to the extent that the military would have control of the program. Everybody agreed that there must be full governmental domination of this new field.

But now we find that the law can be adjusted. It has been proposed that it be adjusted in 3 major fields, 2 of these having to do with the international aspects of the atom, the third having to do with the domestic application of atomic energy.

About 2 years ago, soon after the joint committee persuaded the Congress to do so, the Congress voted the appropriations necessary to expand our production facilities to the point where we could be reasonably certain that our military requirements would be met. Two years ago, also, the joint committee, under the leadership of the acting chairman, the gentleman from North Carolina [Mr. DURHAM], being satisfied that our security requirements were well underway to being met, set about to inquire into what

might be done with this new force for nonmilitary objectives. The then acting chairman dispatched letters of inquiry to scientists and other persons throughout the country. Members of the staff made visits throughout the country, and came back indicating that there was a prospect that this force could be harnessed for the good of mankind.

At about this same time, the Atomic Energy Commission displayed the same attitude, and set about establishing study commissions, composed of various companies in the country—utility companies, chemical companies, machinery companies, and the like. Many distinguished companies were involved in this effort. These study groups were commissioned to look into this field of constructive uses of the atom. They came back with varying reports, some discouraging, some highly optimistic. Against this background, the joint committee last summer undertook an inquiry, through public hearings, into the field of nonmilitary, peacetime applications of atomic energy here in this country. We held hearings for about 6 weeks. That was about a year ago. These hearings gave us some further basis for encouragement.

The consensus at that time was that there was no doubt that atomic energy, from the technical standpoint, can be made usable in the production of electrical energy. The important question concerns the extent to which atomic energy can be made economically competitive with coal and oil and gas and water power in the production of energy. The energy can be made, but we are not sure how competitive it would be with conventional methods of producing energy. And, even under this bill, we will not know for several years to come how competitive it may be. But there are possible uses of atomic energy other than for power. I dare say the long future may show that atomic energy, nuclear energy, may have a far greater value in helping mankind through the use of this energy in preserving foods without refrigeration, having no consideration to climate or atmosphere; through using atomic energy for medical purposes, for the diagnosis of disease and for treatment of human beings, than in the production of power. It may be that the use of this force in the field of helping the human body alone, will outweigh its value in generating electricity.

In any case, we were so encouraged with the prospects for the peaceful atom that we set about considering revisions to the act. Early this year the President sent the Congress a message bearing on this problem. He asked Congress to revise the atomic energy law in two particulars. The President asked us to legalize private endeavors in the atomic energy field in the area having nothing to do with weapons—in the area of domestic peacetime nonmilitary uses of atomic energy. He also asked that we revise the act to make it possible for us to exchange information with our military allies regarding the military uses of atomic weapons and also to cooperate more closely with friendly nations in the peacetime field.

His message to Congress said nothing about the international atomic pool which he had proposed to the United Nations in December of last year and which was hailed throughout the world as one of the greatest offerings that has ever been made on the altar of peace by any country at any time in all civilized history. In his United Nations address, the President expressed our willingness to explore with other nations ways and means of establishing a peacetime international atomic pool, in which information and materials would be exchanged, toward the end of helping people help themselves in conquering hunger, poverty, and disease, which are the seed causes of war. However, his message to Congress did not ask for legislation to accomplish that purpose. [p. 11655]

A bill was sent to the Congress from the Atomic Energy Commission designed to carry out the objectives of the President's message. That bill was carefully considered by myself and others of the committee. Although the bill was not intended to cover the international atomic pool idea, it was drafted in such a way that it would have made the pool possible. It was drafted, however, so broadly, and it gave the President such rather complete, unlimited, and unrestricted authority, both in the domestic and in the international field, that I would not introduce it. I felt quite certain that it would not be acceptable to the committee and more probably that it would not be acceptable to the House. So the bill sent down to us was not introduced.

Thereupon the vice chairman and I and others of the committee staff sat down and drafted our own bill. It had been my personal purpose and thought to treat these 3 phases of the amendments to the Atomic Energy Act of 1946 in 3 separate bills. However, as we got into this subject, we discovered that the three problems were very interlocked and interwoven. We realized also that the act itself was in dire need of being overhauled and modernized and brought up-to-date. We therefore concluded that all 3 of our objectives, along with the overall revision, would be treated as 1 bill. So the bill was drafted by the chairman and vice chairman. It was not introduced. It was submitted to the joint committee. The joint committee then spent 5 weeks, I believe, going through that bill paragraph by paragraph, line by line, and item by item. We concluded with a bill which was reasonably acceptable to most members of the committee.

That bill was then introduced. The committee then had hearings on the measure—public hearings. Interested persons came in and expressed their criticisms or their approval. The committee reconvened and considered those criticisms. Many of the criticisms were adopted; some were not.

This bill reflects the culmination of those 2 years of effort. If ever there was a bill that was figuratively hammered out on the anvil of the legislative process, this bill represents such a piece of proposed legislation.

At no time have there been any instructions, given or accepted, by the administrative end of the Government, the Chief Executive or the executive department. Neither have we done other than to invite criticisms and recommendations of the Atomic Energy Commission.

I should like for the next few minutes to point out to you just what the bill does in those three major fields which I referred to earlier. If you all have copies of the bill, which I hope you do, I again direct your attention to those various fields, in order to explain much more clearly the policy of the bill.

The international phases are covered in two sections. Section 144 should first be considered by the Committee of the Whole, Mr. Chairman. Section 144 is divided into two subsections. The first subsection, (a), has to do with what might be called the international pool.

It authorizes the President to in turn authorize the Atomic Energy Commission to cooperate with another nation—I call your attention to the fact that it is only one nation—and to communicate to that nation restricted data in this list of six fields.

First. We may give that nation entering into an agreement for cooperation with us information with respect to the refining, purification, and subsequent treatment of source material. Source material is the material in the ground from which comes this special nuclear material.

But that authority is in existing law today. The authority on the part of the Commission to tell a foreign country information with respect to what is set forth here in item No. 1 is al-

ready in existing law.

Second. This says we can give our foreign ally, a foreign country, information with respect to reactor development. That is a rather broad subject, but that too is contained in and authorized by the McMahon Act today. So we are not adding anything new in that respect.

Third. It deals with the production of special nuclear material, this being defined in the act as material capable of releasing substantial quantities of atomic energy. That, too, is authorized in current, existing law.

One thing we have added in this act —in fourth—is to authorize the dissemination of restricted data with respect to health and safety of people. That is based, and justified, entirely upon humanitarian grounds. I doubt if anybody would dispute the justifiable basis for that. We have also authorized—in fifth—the dissemination of information on industrial and other applications of atomic energy for peaceful purposes. That is new. Sixth authorizes restricted data dissemination on research and development related to the foregoing, which is in existing law.

So when you hear talk that this bill proposes to give vital information away to the peoples of the world, to foreigners, to enemies as well as friends, just tell those people who talk that way to look at the record. The bill does no such thing. It scarcely enlarges the field of the exchange of information beyond what is presently authorized by law in one of the amendments to the McMahon Act which the Congress adopted 2 or 3 years ago.

Mr. JENKINS. Mr. Chairman, will the gentleman yield?

Mr. COLE of New York. I yield.

Mr. JENKINS. The gentleman has just mentioned the matter having to do with purification and so on on page 57. I think nearly everybody can understand that, but on this matter of reactor development, I wonder if the gentleman would take about a half minute to go into detail with respect to that.

Mr. COLE of New York. There is so much more involved here that I would like to have the Members understand that I hesitate to spend too much time on a discussion of reactor development. Perhaps I am using that as an excuse rather than as a justifiable reason. I am not sure that I can give a full and complete explanation of what constitutes reactor development. A reactor, of course, as you know, is a furnace where this special nuclear material is combined and compiled and assembled and where the fission process is set up or is generated, which results in the product of the special nuclear material. But there are many varieties or adaptations of that.

Mr. Chairman, to get back to the matter of dissemination of information. Even that cannot be done until certain steps are taken. There is a flat prohibition which provides that no such cooperation shall involve the communication of restricted data relating to the design or fabrication of atomic weapons. At no time is it contemplated that important information will be disclosed to anybody—friend or ally—as to the design or fabrication of the weapons. It is further provided that this cooperation will not take place until after the steps and procedures required by section 123 are followed.

Mr. RIVERS. Mr. Chairman, will the gentleman yield?

Mr. COLE of New York. I yield.

Mr. RIVERS. Is there any reason for not disclosing the name of the one nation or does that mean only one nation at a time may be involved?

Mr. COLE of New York. No, the particular nation has no identity. It may be any nation.

Mr. RIVERS. Only one at a time?

Mr. COLE of New York. Only one at a time unless he resorts to the authority carried in section 124, which permits the President to enter into an

agreement with a group of nations. Of course he has that authority anyway, without writing it into this bill. He can make any proposed international treaty that he may want to. But this is rather an invitation for the President, if he wants to embark on the international atomic pool plan by way of a large pool of nations, to do that same thing. It may become a treaty with a group of nations which would be submitted to the Congress for its approval, and then the President could take the steps set forth in section 123.

Mr. COLE of Missouri. Mr. Chairman, will the gentleman yield?

Mr. COLE of New York. I yield.

Mr. COLE of Missouri. What about the United Nations? Would it now be possible for him to make an agreement with the United Nations?

Mr. COLE of New York. This bill as written does not authorize the President to enter into an agreement of cooperation with the United Nations.

Mr. FULTON. Mr. Chairman, will the gentleman yield?

Mr. COLE of New York. I yield.

Mr. FULTON. But it would authorize the President to enter into an agreement with an organization, under section 51 of the United Nations Charter, for mutual defense.

Mr. COLE of New York. I am not at all familiar with section 51 of the Charter of the United Nations. But, anyhow, this bill does not give the President the authority to enter into any agreement with the United Nations, or with any agency of the United Nations except pursuant to the inherent and constitu-

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be willing to take all the criticisms, or political brickbats, so to speak, that angry editors can conjecture and conjure. We must be willing to do it if we have the conviction which is mine —and I think other Members of this body share my conviction—that this bill sells short the economic welfare and the maximum economic opportunity of generations of unborn American boys and girls. I do not propose to sell them short. I have never felt, in my service, that I count as an individual. I have never felt that this job could be translated into a human equation. I have always felt that I was but a vessel, a vehicle, a medium through which, or by which, the people's business was, in part, to be transacted.

Mr. COLE of New York. Mr. Chairman, I yield myself 1 minute in order to answer a question of the gentleman from Texas [Mr. DIES].

Mr. DIES. Mr. Chairman, I am sure there is an explanation of this, and I should like to ask the gentleman from New York [Mr. COLE] to give it, if he would, at this time.

On page 7 of the bill we find that "the term 'person' means any foreign government or nation or any political subdivision of any such government."

Then on page 17:

> The Commission is directed to exercise its powers in such manner as to assure the continued conduct of research and development activities in the field specified below, by private or public institutions or persons.

Thereafter I note the word "person" is used frequently throughout the bill. Was it the intention of the bill that these powers were to be exercised with reference to foreign governments?

Mr. COLE of New York. The gentleman has raised a very interesting point. It would be my personal interpretation that the use of the word "persons" in section 31, which directed the Commission to engage in research through persons, would not include foreign governments or foreign agencies of any kind. Further, in verification of that interpretation, let me call the gentleman's attention to section 104, which authorizes the Commission to grant licenses for research activities. In that section, which implements section 31, foreign governments are excluded.

Mr. DIES. In many places in the bill the same word is used, "person"

which creates at least a serious doubt as to what the intention of the committee is. I know that you seek by specific language to deal with international cooperation, but by defining clearly that a "person" shall include any foreign government it would seem to me that there is a conflict there.

Mr. COLE of New York. That definition of "persons" is intended to cover everybody whatsover, individual, corporation, association, government, agency, in any respect, with the exception of the Atomic Energy Commission. The Atomic Energy Commission is not a person under the definition of the term "person" as contained in the act.

The authority that is conferred upon the Atomic Energy Commission in section 31 to engage in research through public or private institutions or persons must be read in connection with section 104, which authorizes the Commission to grant licenses and to engage in this activity. Section 104 specifically eliminates the possibility of a license for research being given to a foreign corporation, person, or association.

Mr. DIES. I would think that that would create a very serious conflict there, an ambiguity, to say the least.

Mr. COLE of New York. I appreciate the gentleman's bringing this to our attention. We shall endeavor in the time available to remove any cloud that exists.

Mr. DURHAM. Mr. Chairman, I yield 10 minutes to the gentleman from Mississippi [Mr. WHITTEN].

Mr. WHITTEN. Mr. Chairman, in discussing this bill I daresay I am like most of the others here. It is much too lengthy and much too complex for anyone to say that he thoroughly understands it. But as we read the various sections and hear the explanations made by the very fine members of this joint committee and others who have studied this subject you cannot help but realize that the proponents feel it is all right. If those in charge of the Nation's affairs limit themselves to what our friends here contemplate they will, that might be all right. But they have not.

I will not attempt to discuss the dangers under the exchange of atomic-energy information under the terms of this bill. Others will discuss that. But if as a lawyer, or even as a layman, you read this bill, you can see the sky is almost the limit as to what can be done under this bill. I need only to direct your attention to page 79, section 162, which was commented on by the gentleman from Texas and myself earlier, which reads as follows:

> The President may, in advance, exempt any specific action of the Commission in a particular matter from the provisions of law relating to contracts whenever he determines that such action is essential in the interest of the common defense and security.

You will note the words "common defense and security." That is just about as broad as it can be. It says the President may determine. It does not say President Eisenhower—it could be the next President, whoever he may be. That section does not even say he must put his determination in writing. It does not say he shall submit any reasons. It does not say there shall be any review. Then go further to the next section in this bill, which says "that prior contracts—which are listed in the bill." And what has heretofore gone on is now confirmed—period.

Then when you read in the section on definitions—and I would not attempt to say I understand it; I think I do understand what the members of this committee understand, and that is what the fellow who wrote it understood—but when you vary the definitions of things which are fixed in your dictionary, the very fact that they differ from the fixed means that they are open to interpretation, and the fellow who wants to do something can interpret it in his own way, because it is not tied down as other things are tied down. So how can you

say he is wrong or restrained? Certainly the committee meant to have it to be somewhat different from the usual, or you would not have written it in here, or else the counsel who is responsible for language intended to change it. In our section of the country we have already seen just how far the authority in this law will be stretched, when the administration wants to stretch it. I refer to the Dixon-Yates contract, which I will discuss later.

Mr. Chairman, about one-half the district I represent is served by a private power company, the Mississippi Power & Light Co., and I live in that half of the district. My relations with that company have been friendly throughout the years. They are doing a good service. The other half of my district is served by the Tennessee Valley Authority. The Tennessee Valley Authority belongs to the Government, it is the Government. The Government has invested money which we had to raise in building up this power facility down there. But this Congress in passing that act, and in every other similar act that I know of, said that if public moneys are to be spent in producing power in developing our natural resources, to make sure the benefits do not get gobbled up in between the place where the power is generated and where the consumer buys it, the law provides that preference shall be given on that power to public bodies, municipalities, and to the REA cooperatives, and that such power shall be made available as economically as possible.

Now it is said that this bill does not contemplate generating any electricity by the Atomic Energy Administration, though it might be well if it did authorize that for bargaining reasons at least. This bill does contemplate and express the hope and show the anticipation that at some future date, we will be getting energy and power from atomic energy. But here we do not find that the results of the hoped for domestic use of $12 billion, which the American people have spent on this program, are being tied down for the benefit of the people. This bill sets it up so that by permit it is put into other hands without the protection that those who obtain a permit and produce power must pass such benefits on to the American people except on their own terms.

Let me say while I am in the well of the House, and I want to refer again to this wide open section in this contract, this matter of the Dixon-Yates contract, and this is independent of how you may feel about the TVA and independent of how you may feel about public power versus private power, because I have my views and I have found since I have been here that some of you have other views.

Many people feel the administration is giving undue advantages without proper protections of the public interest, to private utilities. My friends, real thought should be given to whether that is true.

Mr. HINSHAW. Mr. Chairman, will the gentleman yield?

Mr. WHITTEN. I yield.

Mr. HINSHAW. It has been an existing law since the bill was passed originally, and that provision will still be in existence.

Mr. WHITTEN. Since I have been here most of our time has been taken up

[p. 11683]

Mr. HOLIFIELD. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. HOLIFIELD: On page 3, at the bottom, add the following new subsection:

"1. In achieving the maximum contribution of atomic energy to the general welfare it is essential that the United States, through its own agencies and through other agencies, public and private, undertake a comprehensive program for the production and distribution of electrical power utilizing atomic energy."

Mr. HOLIFIELD. Mr. Chairman, this amendment just adds one more purpose to the bill and is in line with

the intent of the bill. It puts upon the Atomic Energy Commission the duty through its own agencies and through other agencies, public and private, to undertake a comprehensive program for the production and distribution of electrical power utilizing atomic energy. In other words, this leaves the field open as far as the purpose is concerned; however, several amendments will be offered to implement the purposes more clearly than now exist in the bill.

I hope that the Chairman will have no objection to accepting the amendment and may I ask if he could accept this amendment as supplementing the other purposes in section 3 on page 4?

Mr. COLE of New York. Not at this moment.

Mr. HOLIFIELD. Then I must proceed.

Mr. Chairman, I will read the amendment:

1. In achieving the maximum contribution of atomic energy to the general welfare it is essential that the United States, through its own agencies and through other agencies, public and private, undertake a comprehensive program for the production and distribution of electrical power utilizing atomic energy.

This is one of the purposes of the bill. Of course, it would have to be implemented in other sections of the bill and before it could be put into effect, any licensing would have to be done by the Atomic Energy Commission through private or public agencies. If it was to a private agency, of course, there would be no concern as to the fund. In case of licensing a public body, it would be of no concern to the Congress, because a public body, if it was on the municipal or State level, would have to furnish its own funds. If it were an action taken on a Federal agency, other provisions of the bill provide that those agencies would have to come to the Congress and obtain authorization and, of course, obtain the appropriation. It is the same as any other Federal agency obtains its appropriations, and therefore this would not indicate any final action along those lines. This would merely put as one of the purposes of the bill the maximum expansion of the atomic energy program to all public and private bodies in the United States.

Mr. MEADER. Mr. Chairman, will the gentleman yield?

Mr. HOLIFIELD. I yield to the gentleman from Michigan.

Mr. MEADER. Is not the essence of this amendment to put the Congress on record as saying that the Federal Government ought to be in the business of developing electrical energy from atomic energy?

Mr. HOLIFIELD. This would permit the Federal Government to do that. It would indicate that the purpose of this act is to not take away from the Government the right to do that if it wants to do it.

Mr. MEADER. In other words, it expresses the philosophy of Government-operated power companies if the power is derived from atomic energy.

Mr. HOLIFIELD. It does not express it any more than the Federal Power Act now expresses the same philosophy. It has been in existence for 50 years, this philosophy, that what the Government owns it has the right to do whatever it wants with it. And the Government owns atomic fission, every gram of it, every dollar of it. It owns it all, and one of the purposes of this act should be that it should be utilized on the widest base possible for the benefit of the people of the Nation and the welfare of the citizens of the United States.

Mr. EBERHARTER. Mr. Chairman, will the gentleman yield?

Mr. HOLIFIELD. I yield to the gentleman from Pennsylvania.

Mr. EBERHARTER. I think it merely expresses encouragement for the full development of atomic energy in every respect through every means.

Mr. HOLIFIELD. The gentleman is right. It leaves the field completely open, and the implementation of this

purpose will occur later by later legislative action.

The CHAIRMAN. The time of the gentleman from California has expired.

Mr. JONES. Mr. Speaker, I ask unanimous consent that the gentleman from California [Mr. HOLIFIELD] may proceed for 1 additional minute.

The SPEAKER. Is there objection to the request of the gentleman from Missouri?

There was no objection.

Mr. JONES of Missouri. Mr. Chairman, will the gentleman yield?

Mr. HOLIFIELD. I yield to the gentleman from Missouri.

Mr. JONES of Missouri. I think it should be pointed out that the amendments which the gentleman from California is offering are to be found on pages 10956 and 10957 of the RECORD of last Monday.

Mr. HOLIFIELD. That is correct. And following the recitation of the amendments there is an explanation of each amendment.

Mr. COLE of New York. Mr. Chairman, I rise in opposition to the amendment.

Mr. Chairman, I am sorry I cannot accommodate the gentleman by accepting his amendment, because his amendment is not nearly as innocent or innocuous as his statement has indicated it would be. We might as well understand that the amendment the gentleman from California has just offered is the opening salvo of several guns that are going to be fired here this afternoon, all of which are designed to put the Federal Government in the business of generating electricity through the use of atomic energy. This proposal the gentleman has offered declares as a matter of public policy that it is essential that the United States, through its own agencies, undertake a comprehensive program for the production and distribution of electric energy. I ask you if that is a policy that should be accepted without more sober, mature, and complete deliberation than is allowed to the House of Representatives today in consideration of this bill. I said earlier today that this bill is not a power bill. It is not a bill to permit the Atomic Energy Commission to generate electricity. Ever since the Commission has been created, and so far as I have been concerned, as long as the Atomic Energy Commission continues to live, its purpose has been and will be one and one only, and that will be to produce special nuclear material for the defense of the United States, for the security of the United States, for making weapons. And at no time should its primary purpose be diverted and distorted into a secondary purpose of generating electricity.

Apparently the conception has developed in the minds of some persons in the House that electric energy from atomic energy will be around the corner; that it will be in the transmission lines a year from now. Nothing could be further from the truth. It will be many, many, many years before electric energy is produced from atomic energy in sufficient quantity to be commercially feasible.

This bill is simply the opening of the door as an incentive to American ingenuity and enterprise to try to find ways and means for making that electric energy possible, as one of the many possible peacetime uses of atomic energy. The time has not yet arrived to consider whether or not we want to put the Federal Government in the power business. That day may well come in 8, 10, 15 years from now —nobody knows. But the day has not yet arrived, and so consideration of that phase of the atomic program should not require much discussion in connection with this bill.

Mr. PHILLIPS. Mr. Chairman, will the gentleman yield?

Mr. COLE of New York. I yield.

Mr. PHILLIPS. Is not the point adequately covered, Mr. Chairman, in the bill as now written? I refer to page 3, lines 17 to 20, where it says "use of atomic energy under conditions which

will provide for the common defense and security and promote the general welfare"; and also at the top of page 5, where it says "applications of atomic energy as widely as expanding technology and considerations of the common defense and security will permit"?

Does not the bill already have those things which properly should be in this bill?

Mr. COLE of New York. That is a statement of the purposes of the bill.

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It is to open up this new field to nonmilitary applications. That is the goal.

The amendment of the gentleman from California [Mr. HOLIFIELD] goes much further and says that the policy of this Government is that it must produce electrical energy from atomic energy. I am certain that such a step is not contemplated or authorized by the Constitution. The time is not appropriate even to consider whether or not it should be done.

Mr. HOLIFIELD. Mr. Chairman, will the gentleman yield?

Mr. COLE of New York. I yield.

Mr. HOLIFIELD. Is it not true that the other body has adopted an amendment——

Mr. COLE of New York. Mr. Chairman, I am not prepared to comment on that; and I make the point of order—I might as well do it now—that there is no place in the consideration of this bill by the House for references to be made with respect to what has been done by another body or what may be done, or what has been said or what has been considered by the other body. I do not like to make that point, but there is not any sense of beclouding our consideration of this measure by what some other group of people may have done.

The CHAIRMAN. Perhaps the Chair should read a quotation from Jefferson's Manual.

It is a breach of order in debate to notice what has been said on the same subject in the other House, or the particular votes or majorities on it there; because the opinion of each House should be left to its own independency, not to be influenced by the proceedings of the other; and the quoting them might beget reflections leading to a misunderstanding between the two Houses.

Mr. McCORMACK. Mr. Chairman, that would cover expressions concerning actions of the other body?

The CHAIRMAN. It covers anything that occurs in the other body.

The time of the gentleman has expired.

Mr. DURHAM. Mr. Chairman, I rise in opposition to the amendment.

Mr. Chairman, although I dislike to oppose an amendment offered by my colleague on this side, this is a question that this body might just as well decide at this time as any other, and I think that the time is proper, because if we are going to make out of the Atomic Energy Commission a power-producing agency then we had better consider this bill for a long, long time. I certainly think it will take more time, as far as I am concerned, for it is a matter that goes far and wide. It is one that should be considered seriously before this body takes such a step.

Mr. Chairman, I ask that this amendment be voted down.

Mr. YATES. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, I take this time to interrogate the chairman of the committee. He has stated that as far as he is concerned the purposes of this legislation and the scope of the activity of the Atomic Energy Commission should be devoted solely to the national defense of our Nation. May I ask him whether or not the Atomic Energy Commission, under the terms of this bill, is not placed in the position of passing upon the production of power for civilian purposes? As I understand later sections of this bill, the Commission is authorized to grant licenses to commercial companies for the production of power. That was

the reason I asked the gentleman from California [Mr. HINSHAW] earlier in the day whether it would not have been wiser to give the authority to the Federal Power Commission, which now has the duty under existing law to determine the impact of production facilities for power, to pass upon the question as to whether or not the construction of reactors of this type should be passed on by the Federal Power Commission. The fact still remains that in this bill the Atomic Energy Commission is called upon to pass upon the production of power for civilian purposes through the construction of reactors. Is that not so, may I ask the chairman of the committee?

Mr. COLE of New York. No, I cannot answer whether it is so or not, but I can say that the gentleman completely misinterpreted what I may have said about the Commission. I did not say the Commission's sole responsibility was producing weapons. What I did say is what is contained in line 3 on page 2 concerning the purposes of the bill, where it says that the primary purpose at all times is the paramount objective of making the maximum contribution to the common defense and security. That is the principal and primary purpose of this atomic energy program, although, of course, not the sole purpose. There are many secondary activities of the Commission.

Mr. YATES. Does the gentleman not agree that under the language of later provisions of this bill the duty is imposed upon the Commission to determine whether the public convenience and necessity require certain commercial institutions to be licensed to construct reactors for the production of power for civilian purposes?

Mr. COLE of New York. I do not think there is any imposition upon the Commission of a duty to grant licenses based upon public convenience and necessity. That is regulated by existing Federal and State authorities. We do not touch that in any respect.

Mr. YATES. Under what authority, then, does the Commission grant a license? Will the applicant for the construction of a reactor be required to go to the Federal Power Commission, or other appropriate regulatory commissions, before it can start construction of its reactor, if it proposes to use it for power purposes?

Mr. COLE of New York. I can only direct the attention of the gentleman to the provisions of section 271 on page 102, which states that—

> Nothing in this act shall be construed to affect the authority or regulations of any Federal, State, or local agency with respect to the generation, sale, or transmission of electric power.

If the applicant for a license intends to use that license in such a way that he would have to apply to the Federal Power Commission, then he will have to apply to the Federal Power Commission.

Mr. YATES. In other words, the authority that is contained in this act for any person within the language of the definition of the act who proposes to construct a reactor for the production of power for civilian purposes is only a preliminary grant and such a person must then go to the appropriate Federal or State agency in order to obtain a certificate of convenience and necessity in order to carry out the charter which is granted under the terms of this act; is that correct?

Mr. COLE of New York. With the exception of an industry which might want to obtain a license for using atomic energy to generate electricity for its own use. Then it would not have to go to any regulatory body.

Mr. YATES. That is a construction for the individual use of a single industry and one that would not be used for the general public; is that correct?

Mr. COLE of New York. That is right.

Mr. YATES. Then the answer to my question, as I propounded it prior to your answer, is "Yes; he would have

to go to the other regulatory agencies."

Mr. COLE of New York. The answer is in the affirmative.

Mr. YATES. Then the next question I have is this: Under present conditions, in view of the extremely high cost necessary in construction of reactors of this type, is it not likely that private companies may not want to undertake the construction of reactors for the generation of power for civilian purposes, and it may be necessary for the Government to construct a pilot plant to test the usefulness of such an enterprise? In the case of Duquesne, to which the gentleman from North Carolina [Mr. DURHAM] has referred, the Duquesne Co. reactor will generate only 60,000 kilowatts.

Mr. DURHAM. That is a very small amount.

Mr. YATES. I agree that that is a very small amount, but the fact still remains if they are going to construct a reactor for feasible, economic purposes, it would have to be a much larger generator than that encompassed in the Duquesne operation.

The CHAIRMAN. The question is on the amendment offered by the gentleman from California [Mr. HOLIFIELD].

The question was taken; and on a division (demanded by Mr. HOLIFIELD) there were—ayes 72, noes 146.

So the amendment was rejected.

Mr. HOLIFIELD. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. HOLIFIELD: Amendment No. 2: On page 4, after line 20, add the following new subsection e and renumber sections e and f as f and g, respectively.

"e. A program for Government and non-Government production and distribution of electrical power utilizing atomic energy so directed as to achieve the maximum public benefits of atomic energy development and make the maximum contribution to the national welfare."

Mr. HOLIFIELD. Mr. Chairman, I shall take no more time of the House than is necessary to say that this also is in the philosophy section of the bill; this language in the purposes section

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of the bill states that the program for Government and non-Government production and distribution of our electrical power utilizing atomic energy have been directed to achieve the maximum public benefits of atomic energy development and make the maximum contribution to the national welfare.

It is the same type of amendment as the one I offered before. This is in the philosophy section of the bill. It indicates that the intent of the House would be for the Government to operate in this field for the benefit of all the people rather than for just a favored few.

Mr. COLE of New York. Mr. Chairman, I want to indicate only the same objection that I raised to the earlier amendment offered by the gentleman from California applies to this amendment.

Mr. JONES of Missouri. Mr. Chairman, I move to strike out the last word and rise in support of the amendment.

Mr. Chairman, I have taken this time to call attention to the membership of the House and to ask the question if we are going to revert to the philosophy that was followed in this country for so long when the utilities enjoyed a monopoly and stole from the people of this Nation billions of dollars.

I was in a fight one time against the utility companies, when they were unwilling to listen to any reasonable demand. I do not know much about the Atomic Energy Commission but I do know a little bit about the philosophy of the private power utilities of this country. I led that fight in my hometown to put in a municipal light plant. We battled them through the courts for over 5 years before we got that plant into being. We offered to compromise if they would meet certain requests that our city had made, but they opposed and refused every one of

those requests. I said at that time: "If you do not give us these things we will vote bonds for a municipal light plant and I predict that after the town of Kennett, Mo., votes to install a municipal light plant, you will go to the other towns you are now serving and give them the same things we have demanded; but you are first going to have to be shown you are beat." That prediction materialized.

I also had a part in the fight for the REA in Missouri. There is not a man or woman in this House who does not know that if we had relied on the monopolistic power utilities of this Nation, our people in the rural districts would not have electric power today.

I was surprised, amazed, and greatly disappointed when I heard the chairman of the Joint Committee on Atomic Energy a minute ago indicate by his remarks that he wanted to give to the private power interests of this country the $12 billion investment that the taxpayers of this Nation have already made and not give the REA, TVA, and the people served by public power an equal opportunity to use this thing. I plead with you, if we are going off on these other amendments as we have started on the first one, every person who votes for a thing like that will be contributing to the giving away of the resources of this Nation. It pains me to think that we sit here without thinking and give away the resources and try to prevent the Government, our own people, from enjoying the resources we have.

Mr. HOLIFIELD. Mr. Chairman, will the gentleman yield?

Mr. JONES of Missouri. I yield to the gentleman from California.

Mr. HOLIFIELD. The issue is clear cut. The chairman of the committee says that this is not a power bill, but it is a power bill. It puts the private utilities in the power business with atomic fissionable material paid for by the taxpayers' money. It authorizes the Commission to give them licenses to do this very thing. So, regardless of how many times he gets up on the floor and says that this is not a power bill, it is a power bill. The issue is clear cut.

Mr. JONES of Missouri. Mr. Chairman, in opposing the amendment a moment ago he indicated he was not willing that this be utilized by other agencies, including public and private power. All we want is a fair break to give the people who are supplying the public power an opportunity, an equal opportunity. But if you are going to give this monopolistic control to the private utilities, I say it is typical of the administration that has always been opposed to the people's interests.

Mr. HINSHAW. Mr. Chairman, I rise in opposition to the pro forma amendment.

Mr. Chairman, in the first place, this bill has nothing whatsoever to do with the production of electric power. Power can of course be produced by an REA or any other unit sponsored by the Government under the law as it now stands.

Mr. JONES of Missouri. Mr. Chairman, will the gentleman yield?

Mr. HINSHAW. I yield to the gentleman from Missouri.

Mr. JONES of Missouri. Can the gentleman tell me why he opposed the first amendment where it would give them an equal opportunity?

Mr. HINSHAW. Because the first amendment provided for putting the Atomic Energy Commission in the business of producing electric power.

Mr. JONES of Missouri. Also that amendment prevented the public power interests from using this resource.

Mr. HINSHAW. It did no such thing. It has nothing to do with that. This bill in nowise prevents any other public agency from going into the production of electric power with the use of atomic energy as a heat source. As far as generation is concerned they use the same generating equipment as in any steam plant. The heat source

is atomic energy. I disagree with the gentleman and say that so far as his remarks may have carried any acrimony they were totally unjustified.

Mr. VAN ZANDT. Mr. Chairman, will the gentleman yield?

Mr. HINSHAW. I yield to the gentleman from Pennsylvania.

Mr. VAN ZANDT. Is it not true that the reactors awarded by the AEC are purely experimental?

Mr. HINSHAW. Certainly.

Mr. VAN ZANDT. In connection with the power these reactors will develop, is it not true the taxpayers' interest is protected when it comes to the disposition of such power?

Mr. HINSHAW. Why, certainly. He is protected by other agencies also.

Mr. SIEMINSKI. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, I rise to ask the distinguished chairman of this committee a few questions, if I may. It is my understanding that the difference in power available to the average man in Asia as against that available to the average person in the West is a ratio of 30 to 1. In Asia there is less than one horsepower available per man; in the West it is around 30. Now, my question is this: Does this bill, the way it is phrased now, enable the Government to step in, in the event we discover that the Soviets and their satellites are closing the power gap with atomic plants throughout their land? What action is the Government enabled to take to encourage private industry under this bill to step on the gas to keep ahead of the increased power that might be developed in the Orient? Does this bill foreclose action?

Mr. COLE of New York. Mr. Chairman, if the gentleman will yield, very definitely the bill does not foreclose action. I confess I share the gentleman's concern in that respect. I think it is highly important that this Government proceed as expeditiously and as rapidly as possible toward proving the feasibility of atomic energy for generating electricity to the end that it may be used not only here at home, but made available to people throughout the world who may want to use it as well.

Mr. SIEMINSKI. It is my observation that the Soviets are not interested in free enterprise. It is likely they will try to close that power gap before they start war. If they can, they will most certainly try to capture the markets of the world through atomic power and slave labor. I want to be sure that we have the wherewithal to stay ahead of them; that we can advise industry, and, if need be, shell out the dough to stay ahead.

Mr. COLE of New York. But we do not give them the dough.

Mr. SIEMINSKI. Well, we do in the Export-Import Bank, and no one says that is bad. There we encourage foreign trade; we want to be sure that we are not interpreting this bill as a socialist or restrictive bill, but one that encourages business and enables industry to stay abreast of the field.

Mr. COLE of New York. We want to make it lawful for them to carry out this mission which now is unlawful.

Mr. SIEMINSKI. I thank the gentleman, and, at the proper point, in the House, I shall ask unanimous consent to cite now further remarks on the 30:1 ratio as they appeared on page A5261 in the Appendix of the RECORD, believing they will assist the progress of the Congress on this pioneer measure:

WHAT THEN OF HORSEPOWER AND THE 30:1 RATIO?

(Speech of Hon. ALFRED D. SIEMINSKI, of New Jersey, in the House of Representatives, Wednesday, July 21, 1954)

Mr. SIEMINSKI. Mr. Speaker, in Korea, the Reds learned that firepower overwhelmed manpower.

[p. 11690]

What now of horsepower? It outpulls manpower.

What steps are the Reds taking to close the power gap between their world and ours?

At the moment, for each person in Asia, there is available, on the average less than one horse-

power. In America, for each person, the average is around 30 horsepower. Thus, the gap in horsepower between East and West could be expressed as 30:1 in favor of the West.

To dominate the world in peace as well as in war, it would appear that the Reds must first close the power gap, then pass the West, with a ratio in their favor.

In what way will the Reds power the East, before attempting to blanket the West?

A clear answer to that question might well guide the Congress in its vote on the use of atomic power. One or two observations might be helpful.

I am told that there is little waterpower in the East, that Russia has only four great rivers and China fewer than that.

Thus, factors of strategy, tactics, and economics lead one to conclude that the Reds will power their lands with atomic plants.

It took the blood of Korea to reaffirm the superiority of firepower to manpower.

What treasure will the future require, before the superiority of atomic power for peacetime pursuits is established, if ever?

What then of horsepower and the 30:1 ratio?

The CHAIRMAN. The question is on the amendment offered by the gentleman from California [Mr. HOLIFIELD].

* * * * *

[p. 11691]

The Clerk read as follows:

"CHAPTER 4. RESEARCH

"SEC. 31. Research assistance:

"a. The Commission is directed to exercise its powers in such manner as to insure the continued conduct of research and development activities in the fields specified below, by private or public institutions or persons, and to assist in the acquisition of an ever-expanding fund of theoretical and practical knowledge in such fields. To this end the Commission is authorized and directed to make arrangements (including contracts, arrangements, and loans) for the conduct of research and development activities relating to—

"(1) nuclear processes;

"(2) the theory and production of atomic energy, including processes, materials, and devices related to such production;

"(3) utilization of special nuclear material and radioactive material for medical, biological, agricultural, health, or military purposes;

"(4) utilization of special nuclear material and radioactive material and processes entailed in the production of such material for all other purposes, including industrial uses; and

"(5) the protection of health and the promotion of safety during research and production activities.

"b. The Commission may (1) make arrangements pursuant to this section, without regard to the provisions of section 3709 of the Revised Statutes, as amended, upon certification by the Commission that such action is necessary in the interest of the common defense and security, or upon a showing by the Commission that advertising is not reasonably practicable; (2) make partial and advance payments under such arrangements; and (3) make available for use in connection therewith such of its equipment and facilities as it may deem desirable.

"c. The arrangements made pursuant to this section shall contain such provisions (1) to protect health, (2) to minimize danger to life or property, and (3) to require the reporting and to permit the inspection of work performed thereunder, as the Commission may determine. No such arrangement shall contain any provisions or conditions which prevent the dissemination of scientific or technical information, except to the extent such dissemination is prohibited by law.

"SEC. 32. Research by the Commission: The Commission is authorized to conduct, through its own facilities, activities and studies of the types specified in section 31.

"SEC. 33. Research for others: Where the Commission finds private facilities or laboratories are inadequate to the purpose, it is authorized to conduct for other persons, through its own facilities, such of those activities and studies of the types specified in section 31 as it deems appropriate to the development of atomic energy. The Commission is authorized to determine and make such charges as in its discretion may be desirable for the conduct of such activities and studies.

Mr. PRICE. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. PRICE: On page 19, line 14, after the word "authorized", insert the following: "and directed."

Mr. PRICE. Mr. Chairman, section 31 of the legislation under consideration provides that the commission is directed to exercise its powers in such manner as to insure the continued conduct of research and development activities in the fields specified in that section.

I feel it is absolutely essential to let contracts under section 31 with groups outside of the commission and with the various agencies and organizations. I feel it is essential for the commission to do the same thing within its own facilities. By means of this amendment we direct instead of merely authorizing the commission to continue basic re-

search and development activities in its own facilities and in its own laboratories.

We have millions of dollars invested in atomic research facilities. They exceed several hundred million dollars, as a matter of fact. Those are the only such facilities available in which the basic scientific and engineering efforts can be carried on during the next few years ahead. In view of the large public investment in atomic energy thus far, it is vital to protect that investment. Almost all important atomic energy ideas today are public property. One of the best ways to insure that the critical ideas in the future continue to be public property is to make certain that the Atomic Energy Commission carries on experimental activities farthest out on the horizon of scientific and engineering exploration.

Unlike some of the other amendments already considered and not adopted, I sincerely hope that we can agree to this constructive contribution and safeguard. I sincerely hope that the committee itself might be inclined to accept the amendment. The provision was contained in the original act.

Mr. HINSHAW. Mr. Chairman, will the gentleman yield?

Mr. PRICE. I yield to the gentleman from California.

Mr. HINSHAW. After discussing this matter, with our Chairman, if it is understood that research is not to be limited to Commission facilities but they may also contract for research, then the committee could accept the amendment.

Mr. PRICE. That is correct.

Mr. HINSHAW. We are very much afraid, unless some word to that effect is placed in the RECORD, that the commission would be limited to research in their own facilities. Otherwise, there is no objection.

Mr. PRICE. It is not intended that it be limited to research in their own organization.

Mr. HINSHAW. Very well. Then we will accept the amendment if it is agreeable to the gentleman from North Carolina.

Mr. DURHAM. Mr. Chairman, if you recall, in discussing this amendment, at the present time the Commission has contracts in practically every college in the country. I think the program has been very fine and one that has been accepted by the colleges and one that has been very beneficial to us in supplying us with young scientists. If this in no way affects our college program, I would be willing to go along with the amendment.

Mr. PRICE. I am sure that it does not affect the colleges or any program outside of the commission facilities and I certainly do not intend that it should.

Mr. HINSHAW. With that understanding, it is perfectly agreeable to this side of the aisle.

Mr. MURRAY. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, this is the most far-reaching and most important and most serious bill that has been considered by the House at this session. It certainly should have the full, fair, and adequate debate. There are many more amendments yet to be offered to this bill. We are now on page 20, and there are 85 more pages left. I want to say that if the majority demands that debate be limited, that a gag rule be enforced, or that this bill be railroaded through without fair and adequate consideration, then I intend to ask for an engrossed copy of the bill. It is stupid to try to finish this bill tonight. We ought to quit in an hour or so and then come in tomorrow and give this bill full and fair consideration. It ought to be considered by the House for at least 3 or 4 days. If a gag rule is proposed, I deeply resent it.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Illinois [Mr. PRICE].

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The question was taken; and on a division (demanded by Mr. PRICE) there were—ayes 112, noes 4.

So the amendment was agreed to.

* * * * *

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Mr. HOLIFIELD. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. HOLIFIELD: On page 42, beginning line 16, strike section 102 and insert in lieu thereof the following:

"SEC. 102. Finding of practical value: Whenever in its opinion any industrial, commercial, or other nonmilitary use of special nuclear material or atomic energy has been sufficiently developed to be of practical value, the Commission shall prepare a report to the President stating all the facts with respect to such use, the Commission's estimate of the social, political, economic, and international effects of such use, and the Commission's recommendations for necessary or desirable supplemental legislation. The President shall then transmit this report to the Congress together with his recommendations. No license for any utilization or production facility shall be issued by the Commission pursuant to section 103 until after (1) the Commission has made a finding in writing that the facility is of a type sufficiently developed to be of practical value for industrial or commercial purposes; (2) a report of the finding has been filed with the Congress; and (3) a period of 90 days in which the Congress was in session has elapsed after the report has been so filed. In computing such period of 90 days, there shall be excluded the days on which either House is not in session because of an adjournment of more than 3 days."

On page 42, in line 23, after the word "Commission", insert the following; "and report to the Congress."

Mr. HOLIFIELD. Mr. Chairman, as the chairman of our committee has told the Committee of the Whole House, at the present time there is no practical-value element in any of the reactors which are being built by the Government. We look forward to the time, as he has said today, when there will be economical power produced in these reactors. This is an amendment which is drawn from a similar amendment in the McMahon Act which gives to the Congress the right to know when a finding of practical value has been made of a type of reactor which will be of practical value in the production of electrical energy that that fact shall be certified to by the Commission and laid before the Congress in 90 days. The President shall be informed and shall transmit a report to the Congress for a period of 90 days, and the Commission will also at that time indicate the type of legislation which it thinks should be passed to regulate a reactor which has been certified to be of practical value. This is a safeguard so that the Congress will know when that time arrives that there is a problem and that the Congress shall have the right to look at the problem before we go full-fledged into what might be a development which will have a tremendous impact upon investments now in existence, upon coal mining areas and oil producing areas and gas producing areas and other economic factors which will be affected when that time does arrive. I hope the committee will accept this amendment.

Mr. COLE of New York. Mr. Chairman, I feel compelled to resist the amendment offered by the gentleman from California largely because this amendment was proposed by him to the joint committee, and was considered by the joint committee but was not accepted. It should be understood that the substance of the gentleman's proposal is in the existing McMahon Act, and has caused considerable difficulty. That was proposed back in the dark ages of the atomic age in 1945 and 1946 when nobody had any conception about the possible peacetime applications of atomic energy. It was felt at that time before anything was to be done in the peacetime uses of atomic energy, a study should be made by the Commission and a report filed to the Congress to determine what dislocations this peacetime application might cause to our economic system and so forth. Now we have had an experience of 8 or 10 years in this field and we can see it is going to be a gradual progressive development, and that it is not going to be an overnight occurrence that atomic energy is available on a proven basis for commercial application. So the joint committee rejected this proposal. My particular objection to it is

that the gentleman's amendment would prohibit the issuance of any commercial license even though a type of reactor has been established as having a practical effect until after a study and report has been made and the President has made his recommendations to the Congress. As an alternative to that, the joint committee wrote into the section of the bill relating to the obligation and responsibility of the joint committee, a duty to have open and public hearings so far as practical and possible at the beginning of each session of the Congress for the first 60 days at which there could be public discussion of progress in this field. That was designed to take the place of this study and report which is recommended by the gentleman from California. So I urge that the amendment be rejected.

The CHAIRMAN. The question is on the amendment offered by the gentleman from California [Mr. HOLIFIELD].

The amendment was rejected.

Mr. MARSHALL. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. MARSHALL: On page 43, line 16, renumber condition "(3)" as "(4)" and insert a new "(3)" to read:

"(3) who agree, if the license is for facilities for the utilization of special nuclear material for the generation of electric energy for sale to claim no value for such facilities for ratemaking purposes in excess of the net invest-ment in such facilities as defined in the Federal Power Act."

Mr. MARSHALL. Mr. Chairman, this is a comparatively simple amendment. All I am trying to do by this amendment is to provide that in the setting of rates credit shall be given only to the investment. There has been a tendency on the part of some to pad some of the rates. They have been putting in what we might term "extra curricular things" like travel, entertaining, some advertising, and other excess items in the establishment of rates. I am attempting to tie this down in the rate establishment that only those charges can be made in establishing those rates that are related to the direct investment itself.

I hope that the committee in reviewing the amendment that I have offered will see fit to accept it.

Mr. HOLIFIELD. Mr. Chairman, will the gentleman yield?

Mr. MARSHALL. I yield to the gentleman from California.

Mr. HOLIFIELD. Is it not true that this substantive language is in the Federal Power Act now and relates to any private power company that builds on a Federal dam site? It protects the purchasers of that energy from padded costs in the capital plan investment and, therefore, makes them put their actual costs in when it comes to setting the rates which they can charge for their energy?

Mr. MARSHALL. The gentleman is absolutely correct.

Mr. HOLIFIELD. This would do the same thing for people who build reactors. If it goes in intrastate commerce, due to the fact they are using Federal material in their reactors, this would give the same protection; it would allow the rate which is allowed by the local State commission, but it would only allow it on the actual capital-plan investment and not allow padded costs to enter into the ratemaking structure?

Mr. MARSHALL. The gentleman has spoken so fluently on behalf of my amendment that he has convinced me of its worth.

One of the things that has been of considerable trouble to me in talking to people in my district has been certain charges that have come about because of the cost-plus contracts and 5 percent's. That is what prompted me to introduce this type of amendment to protect the interests of the people of the country in the establishment of rates, tie it down so that some of the incentives that might be open will be

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removed, in order that we could have a

more equitable rate established, something that would be fair and, certainly, something that I think would be of value to all the people of the United States.

Mr. HOLIFIELD. Is it also true that six States have no public power commission; therefore, if a reactor using Federally owned fissionable material were built in those particular States, the builders of that reactor could charge the limit without any restriction at all by a State commission on the rates they could charge. This would indicate a Federal interest in seeing that the property of the Federal Government was not used to obtain extortionate profits.

Mr. MARSHALL. The gentleman again is correct. I urge the adoption of the amendment.

Mr. DURHAM. Mr. Chairman, I rise in opposition to the amendment offered by the gentleman from Minnesota [Mr. MARSHALL].

Mr. Chairman, I call the attention of the Members to the fact that this amendment would, in my opinion, go far in regulating your State utility bodies. If you want to accept it on that basis and have the Government interfere in your own State's business, all right, good and well. That is exactly what the amendment does. I do not see where we have much to do with the rates in the States. Let them fix their own rates where they have public-utility bodies. Those States that have not public-utility bodies should have them. In my State we write into the law certain things that the utility bodies can take into consideration in making rates. That is what this amendment does.

Mr. RAYBURN. Mr. Chairman, will the gentleman yield?

Mr. DURHAM. I yield to the gentleman from Texas.

Mr. RAYBURN. One of the biggest States in the Union, my own State of Texas, has no utilities commission. It has a railroad commission that regulates the railroads and oil companies only and that is all we have in our State.

Mr. DURHAM. I am not particularly objecting to it. I am just calling the attention of the Members to it.

Mr. HALLECK. Mr. Chairman, will the gentleman yield?

Mr. DURHAM. I yield to the gentleman from Indiana.

Mr. HALLECK. We have had a controversy raging here in the last few years about regulations in respect to the gathering and production of natural gas. Now, I have taken the position that is a matter that needed to be controlled within the State. I am wondering if this amendment is in the direction of that thing which many of us have fought through the years?

Mr. DURHAM. I think we had one about oil offshore, too, as I recall it, did we not?

Mr. YATES. Mr. Chairman, will the gentleman yield?

Mr. DURHAM. I yield to the gentleman from Illinois.

Mr. YATES. Is it not true that the sale of this energy in interstate commerce will be under the ratemaking jurisdiction of the Federal Power Commission, and to that extent certainly the amendment should be acceptable because it eliminates any possibility of speculation in fixing a rate base for the computation of costs? The rate base will be calculated exclusively upon the investment in the reactor and in the power facilities. There will be no question about reproduction costs, about the speculation that comes in connection with it, and I think it is a worth-while amendment and should be accepted.

Mr. DURHAM. I am just one of those people that does not want the Federal Government messing with State agencies.

Mr. YATES. Yes. But the Federal Power Commission does not mess in the gentleman's State, does it?

Mr. DURHAM. No. We have a utilities commission.

Mr. HINSHAW. Mr. Chairman,

will the gentleman yield?

Mr. DURHAM. I yield to the gentleman from California.

Mr. HINSHAW. Is this not sort of an odd way to amend the Federal Power Act?

Mr. DURHAM. Yes.

Mr. HINSHAW. Of course it is.

Mr. YATES. In what way is this an amendment to the Federal Power Act? The gentleman from California a few hours ago told me that the regulatory fees of these reactors would be under the jurisdiction of the Federal Power Commission. Therefore, in what sense is this an additional amendment to the Federal Power Act?

Mr. HINSHAW. I did not say that. I said the jurisdiction rested in the State, unless it is interstate transmission of electric power, and the interstate transmission provides for the Federal Power Commission to set the rate, the value of the property, and all that sort of thing. If it is purely intrastate transmission of power and sale of power, then it is entirely within the regulation of the State.

Mr. YATES. What would the gentleman propose with respect to the interstate transmission of electric power? Would not this amendment be good for that purpose?

Mr. HINSHAW. No.

Mr. YATES. Why not?

Mr. HINSHAW. I do not think it is necessary.

Mr. YATES. Well, the gentleman himself knows that the original cost of a reactor will mount with the passage of time and that the rates will go up correspondingly.

The CHAIRMAN. The time of the gentleman from North Carolina has expired.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Minnesota [Mr. MARSHALL].

The question was taken; and on a division (demanded by Mr. MARSHALL) there were—ayes 54, nays 141.

So the amendment was rejected.

Mr. METCALF. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. METCALF: On page 44, line 3, add the proviso as follows:

"*Provided*, That not less than 2 years' notice in writing from the Commission the United States shall have the right upon and after the expiration of any license to take over and thereafter to maintain and operate any facility or facilities for the utilization of special nuclear material for the generation of electric energy on payment of the net investment of the license in such facilities, with severance damages, if any, in general accordance with the terms of section 14 of the Federal Power Act: *And provided further*, That, if the United States does not exercise its right to take over the facility or facilities on the expiration of any license, States, municipalities, and cooperatives shall have a prior right of acquisition on the same terms in connection with the issuance of a new license for such facility or facilities."

Mr. METCALF. Mr. Chairman, section 103 is the licensing section of the act. It provides for the various licenses to private enterprise to develop the atomic reactor for generation of electric energy and other purposes.

We have heard a good deal today about the fact that there is no need at this time for power regulation. We have heard a good deal about the fact that it may be 5 or 10 years before we need any legislation for power regulation.

The amendment I have submitted is the recapture clause of the Federal Power Act which provides that when a private utility is licensed to build a dam in a navigable stream, at the end of the licensing period the United States may recapture that dam; or, if the United States does not want the dam, then a State or municipality or public-utility district may take over the license and operate it. It is as simple as that. It is the same provision that we have in the Federal Power Act.

The whole proposition here, as has been outlined by the gentlemen on my left is this. They say that we are today at the point where we were in the development of hydroelectric power in 1906. We are faced with this business

of starting to give it away little by little. All right—we are giving it away little by little, maybe we are giving all of it away. But let us not throw away the key. Let us have one little string attached to it so that 40 years from now or 30 years from now or whenever the licensing period expires, if the United States wants that facility, or if some public agency or cooperative or municipality wants that facility, upon the payment of just compensation, including severance damages to the utility or the agency that is being licensed, the United States Government or one of these public agencies may take it over.

We are not making the decision today. We would not be making it even 10 years from now. We would be making it at the end of the licensing period which would be up to 40 years. We are reserving the right to make it by including a recapture clause in our contracts and licenses.

Forty years from now, if the Government wants these facilities, let us give the Government the chance to get them back. That is all I am asking by this amendment. It is already the law in the licensing section of the Federal Power Act and should be adopted as the law for licensing domestic commercial development of the atomic program.

Mr. COLE of New York. Mr. Chairman, I rise in opposition to the amendment, but before expressing my

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opposition, I feel I should compliment the proponents of public power for their persistence and their determination. This is one of the score of amendments which I mentioned 3 hours ago. It is proposed and designed to put the Atomic Energy Commission in the power business, or to make application of certain phases of the Federal power law applicable to atomic energy. It is an amendment that should not be approved.

The CHAIRMAN. The question is upon the amendment offered by the gentleman from Montana [Mr. METCALF].

The amendment was rejected.

The Clerk read as follows:

"CHAPTER 11, INTERNATIONAL ACTIVITIES

"SEC. 121. Effect of international arrangements: Any provision of this act or any action of the Commission to the extent and during the time that it conflicts with the provisions of any international arrangement made after the date of enactment of this act shall be deemed to be of no force or effect.

"SEC. 122. Policies contained in international arrangements: In the performance of its functions under this act, the Commission shall give maximum effect to the policies contained in any international arrangement made after the date of enactment of this act.

"SEC. 123. Cooperation with other nations: No cooperation with any nation or regional defense organization pursuant to sections 54, 57, 64, 82, 103, 104, or 144 shall be undertaken until—

"a. the Commission or, in the case of those agreements for cooperation arranged pursuant to subsection 144 b., the Department of Defense has approved the proposed agreement for cooperation, which proposed agreement shall include (1) the terms, conditions, duration, nature, and scope of the cooperation; (2) a guaranty by the cooperating party that security safeguards and standards as set forth in agreement for cooperation will be maintained; (3) a guaranty by the cooperating party that any material to be transferred pursuant to such agreement will not be used for atomic weapons, or for research on or development of atomic weapons, or for any other military purpose; and (4) a guaranty by the cooperating party that any material or any restricted data to be transferred pursuant to the agreement for cooperation will not be transferred to unauthorized persons or beyond the jurisdiction of the cooperating party, except as specified in the agreement for cooperation;

"b. the President has approved and authorized the execution of the proposed agreement for cooperation, and has made a determination in writing that the performance of the proposed agreement will promote and will not constitute an unreasonable risk to the common defense and security; and

"c. the proposed agreement for cooperation, together with the approval and the determination of the President, has been submitted to the Joint Committee and a period of 30 days has elapsed while Congress is in session (in computing such 30 days, there shall be excluded the days on which either House is not in session because of an adjournment of more than 3 days).

"SEC. 124. International atomic pool: The President is authorized to enter into an international arrangement with a group of nations

providing for international cooperation in the nonmilitary applications of atomic energy and he may thereafter cooperate with that group of nations pursuant to sections 54, 57, 64, 82, 103, 104, or 144 a.: *Provided, however,* That the cooperation is undertaken pursuant to an agreement for cooperation entered into in accordance with section 123.

Mr. HOLIFIELD. Mr. Chairman, I have three amendments to offer, and in order to facilitate the action of the House, because these amendments all have to do with the same subject, I ask unanimous consent that these three amendments be considered en bloc.

The CHAIRMAN. Is there objection to the request of the gentleman from California?

There was no objection.

The Clerk read as follows:

Amendments offered by Mr. HOLIFIELD:

On page 52, in line 12, strike the word "approved" and insert in lieu thereof the following: "submitted to the President."

On page 52, in line 22, after the word "purpose" and before the semicolon insert the following: "except where the President determines that such uses will bring reciprocal benefits and be otherwise advantageous to the United States."

On page 53, in line 16, before the period, insert the following: "after which period of time the agreement shall take effect."

Mr. HOLIFIELD. Mr. Chairman, these three amendments, I think, correct this section and remove a very strange situation.

In the first case, I call the attention of the House to the fact that in line 10 the Commission can veto an agreement by the President. This amendment, in place of having the Commission and the Department of Defense approve a cooperation agreement by the President, would have them submit to the President their recommendations. I think that is the constitutional way it would be, anyway. I doubt very much if they could disapprove a cooperation agreement by the President. Anyway, I do not think this body wants to put the Atomic Energy Commission in the position where it can veto a cooperation agreement with other nations which has been entered into by the President.

That is what the first amendment will do.

The second amendment, on page 52, line 22, after the language "a guaranty by the cooperating party that any material to be transferred pursuant to such agreement will not be used for atomic weapons, or for research on or development of atomic weapons, or for any other military purpose," insert the words "except where the President determines that such uses will bring reciprocal benefits and be otherwise advantageous to the United States."

This provides that if we would give England, for instance, some material to use in their research and development reactors, and they had already progressed in the development of a certain type of weapon, the President could make an arrangement whereby we would have access to that weapon provided the President thought it was all right for them to use this in research and development of the weapon. In other words, it allows the President to have a hand in making a trade with a nation like England, which has, incidentally, some very fine scientists, some very fine reactors, and some very fine scientific laboratories. It would leave it to the President in his discretion if he could make a trade which would be advantageous to the United States.

Then on page 53 it provides that after an agreement has been before the joint committee of the Congress for 30 days that the agreement shall take effect. It just completes that section of the bill and does what, I think, the committee wants it to do. I will ask the chairman of the committee at this time if he understands the import of my amendments, and if he has any objections to them.

Mr. COLE of New York. I confess to the gentleman that I did not see the gentleman's amendments until this very moment.

Mr. HOLIFIELD. I left those amendments with the staff at least a week ago—all of these amendments.

Mr. COLE of New York. So I suspect these are amendments suggested by the gentleman at the last meeting of the joint committee, which the committee did not consider. I can see no objection to 1 or 2 of the gentleman's proposals, but I do see serious objection to one of the proposals.

Mr. HOLIFIELD. Which one is that, please?

Mr. COLE of New York. That is the one which would place an exception upon a condition which is required to be contained in these agreements. That condition is carried on page 52, line 18, under item (3) a guaranty by the cooperating party that any material to be transferred pursuant to such agreement will not be used for atomic weapons or for research on or development of atomic weapons or for any other military purpose.

The gentleman would make an exception of that in case the President determines that such use will bring reciprocal benefits or might be otherwise advantageous to the United States.

Mr. HOLIFIELD. That is right. This would frankly put our reliance on the President that if he can make a trade or if he saw a trade which could be made with scientists of Great Britain to get some advantageous knowledge, and the gentleman knows as well as I do that they have knowledge which we do not have, he could make a deal with them on that basis.

Mr. COLE of New York. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, I would call the attention of the gentleman to the fact that in this particular clause to be required in the contracts, we are not dealing with information—we are talking about special nuclear material.

Mr. HOLIFIELD. That is right.

Mr. COLE of New York. It has been the concept of the committee all along that in this effort to cooperate with other nations in the military field, it should be only with respect to knowledge pertaining to the application or utilization of military weapons, and that the material itself should never be used by a foreign country for a weapon or for use in a research reactor to learn lessons pertaining to military weapons. I fear the gentleman's amendment might be an invitation and an encouragement to some future administration or Government or responsible person to make an exception.

Mr. HOLIFIELD. And possibly the present President.

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Mr. COOPER. Mr. Chairman, the purpose of this amendment is to enable the Atomic Energy Commission to continue to function as it was originally intended, and not to have to engage in an activity entirely outside of the field for which it was created.

The Atomic Energy Commission is not in the electric-power-producing business. It is in the power-consuming business, and should not be required by order of the President to be a power broker for the Tennessee Valley Authority or anybody else.

The Atomic Energy Commission has no more business providing electric power for Memphis than for New York, Chicago, or any other city. It has no business buying any electric power that it does not need in its own facilities.

The distance is about one-half as far from Oak Ridge, Tenn., to Charlotte, N.C., as it is to Memphis.

This amendment will stop execution of the proposed contract between the Atomic Energy Commission, Southern Corp. and MidSouth Utilities for power for the Tennessee Valley Authority. It will protect the Atomic Energy Commission from any further similar involvements without interfering with the authority of that agency to meet its own bona fide power needs.

The amendment does this by requiring that the AEC limit its long-term power contracts to contracts for power to be delivered directly to the AEC plants at Paducah, Oak Ridge, or

Portsmouth. The Dixon-Yates power would not be so delivered, but would be fed into the Tennessee Valley Authority system as replacement power about 200 miles from Paducah.

Three of the five members of the Atomic Energy Commission opposed the proposed Dixon-Yates contract. The embarrassing deal was imposed upon them by the Budget Bureau. The majority of the members who voted on the matter have testified before the Joint Committee on Atomic Energy that they considered the deal unbusinesslike and improper. They will be taken out of the unfortunate position that this improper executive department order to two independent agencies has placed them. There is no more authority for the President to give orders to the AEC and the Tennessee Valley Authority than for him to order the Interstate Commerce Commission to grant a freight-rate increase, or the Federal Power Commission or any other independent agency to take action contrary to the best judgment of the Commission.

The President has been badly advised by some of his associates who are intent, as many have charged, on replacing the valuable yardstick provided by TVA for the cost of power to the consumers.

The adoption of this simple amendment will end the affair without denying the AEC any proper authority it needs or interfering with its ability to maintain its operations.

I have followed and contributed to the many hours of debate on this matter in the House and the Senate. Despite a great maze of conflicting statistics to prove and disprove the financial soundness of the proposed deal, its real nature is quite clear.

This Dixon-Yates deal was originated in the Budget Bureau Office last December. Officials of the AEC have testified that they were called over there and asked to start looking for replacement power for TVA.

Admiral Strauss told the joint committee that the AEC then called in the Mid-South and Southern Co. which he described as the two companies that "surround" the TVA on the west.

Admiral Strauss' use of the word "surround" was a very significant thing. The power companies have been talking about surrounding and quarantining the TVA yardstick for years. Admiral Strauss must have been familiar with their strategy. He did not say that the companies "adjoin" TVA, or "border" TVA. He used a military term which connotes battle strategy and had been used on the power company side.

The Dixon-Yates deal was planned in the Budget Bureau Office, placed in the President's budget message and has developed from there. It is an unfortunate effort to use the Atomic Energy Commission, with its enormous responsibilities for the security of this Nation and the free world, to do a chore for the private power companies.

It is a tragedy that the attention of this great agency had to be diverted from its constructive work to this unfortunate deal. It is unfortunate that the morale of employees who believed they were developing the greatest source of energy in the history of mankind, had to be disrupted by this effort to pervert the agency to carrying water for the private power companies.

I very deeply and sincerely regret that this matter developed to the point that the Presidential instructions were given to two independent agencies. True friends of the President would have advised him of the real extent of his authorities. But the unfortunate incident occurred. We can put an end to it. We can stop it before it becomes an historic celebrated cause that goes down in history as characterizing an era, or an administration.

I therefore urge that we adopt the amendment and close this whole unfortunate matter.

Mr. HALLECK. Mr. Chairman, I rise in opposition to the amendment.

Mr. Chairman, the hour is late, but I

would like to say that in all my experience in the House of Representatives, I have never attended a debate and discussion on an important matter where such a large attendance has been maintained as we have gone along, and where the debate has been on such a high plane. Amendments have been offered and discussed, and they have been understood. Some have been approved and some have been voted down. I think what we are doing here in the way of action on this bill should commend the House of Representatives to the favorable consideration of the people of America who sent us here. Of course, there have been some evidences of sharpness, but I trust that this will not continue to be manifested and that tomorrow we will continue to be good friends.

Mr. Chairman, I have supported the TVA in my time here. The TVA got under way before I came to the Congress. But during the nearly 20 years I have been here I have voted for hundreds of millions of dollars of appropriations for the TVA. I must say that sometimes I had serious misgivings as to just exactly what I might be doing to other sections of the country that are required to compete in this great market that is America with the area of the TVA where undoubtedly the boast of the people in that section of the country about their cheap rates has much to be said for it.

Mr. Chairman, I am fond of my friends in Tennessee who are here in the House as well as my friends in Tennessee who are not here, but I do want to say this to you. I think the rest of us have been mighty generous with you. We have given you a lot of money and you have developed down there a great project. It is true, it started out as a water resource development. But after that, on occasion, without my support, we have seen it go from a water resource development to a steam plant construction project. I have sometimes thought that perhaps you might be coming up on the Wabash River, if you extended the periphery of that project a little further. Of course, we could set up a little TVA on the Wabash. We would not need very much power up there, but then we could start firming up the power with steam plants. And then we would vote for a lot of power. We could say we wanted a lot more. Let me tell you folks in Tennessee not to ride a good horse too hard because we want to go along with the TVA. I have heard some harsh things said about the President in some statements that have been made.

I am afraid that your real concern is not that the AEC is going into the electricity business. I am afraid that your real concern is that possibly if this arrangement can be worked out, and it is a highly satisfactory arrangement, that it may jeopardize in some measure your demands for more and more steam plants. The AEC buys power from other private operations and uses that power.

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The result of the vote was announced as above recorded.

The SPEAKER. The question is on the passage of the bill.

Mr. COLE of New York. On that, Mr. Speaker, I demand the yeas and nays.

The yeas and nays were ordered.

The question was taken; and there were—yeas 231 nays 154, answered "present" 2, not voting 45, as follows:

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[p. 12025]

1.1b(5)(b) July 13–27: Debated, amended, passed Senate, pp. 10368–10370, 10484–10485, 10563–10565, 10800–10801, 10804–10806, 10837–10842, 11527, 11553–11554, 11568, 11826, 12132–12133, 12174, 12242

REVISION OF THE ATOMIC ENERGY ACT OF 1946

The Senate resumed the consideration of the bill (S. 3690) to amend the Atomic Energy Act of 1946, as amended, and for other purposes.

Mr. HICKENLOOPER. Mr. President, S. 3690, and its companion bill, H. R. 9757, represents the first major revision of the Atomic Energy Act of 1946. Heretofore amendments in the nature of corrections or improvements in the original legislation have been adopted, but as time has gone on the development of the atomic-energy program has been such that, in the opinion of the joint committee and of the Atomic Energy Commission and of public and private groups generally, revision of the act of 1946 is desirable and in fact essential in the national interest. Indeed, the original act, as passed in 1946, contemplated that such changes from time to time would be indicated as we learned more about the program and as the practical uses for atomic energy became increasingly apparent.

The Atomic Energy Act of 1946 was passed after months of study of the problem by a special Senate committee established under Senate Resolution 179 of the 79th Congress, second session. At that time it was impossible to evaluate the possibilities of the utilization of atomic energy because of the novelty of the development and the lack of any experience in peacetime uses.

Due to the fact that in 1946 the proven practical use was almost entirely in the field of weapons, although the envisioned peacetime uses seemed limitless, it was considered necessary to establish, for the time being, a strict Government monopoly and control over the use and application of atomic knowledge. At that time the United States had exclusive possession of all of the data that had been developed. Other nations, notably Great Britain and Canada, had through their scientists made substantial contribution to the development of this program, but they did not possess all of the information. Also at that time we were the exclusive possessors of atomic weapons, and we undertook not only a stewardship of the weapons, but also of the information on their production and development as a force which could maintain peace and prevent, for as long a time as possible, any other nation with predatory intentions from securing the know-how and threatening the security of the world.

In the original act, as pointed out above, it was contemplated our objectives would eventually be to open up as rapidly as possible the opportunities for private initiative to develop peacetime phases of this science, and that as rapidly as possible the Government monopoly, except in the weapon field, would be abandoned and free enterprise in this country and abroad would be given the opportunity to attack the problems of peacetime development.

We did not retain our exclusive knowledge in atomic energy for very long. At no time did we assume that no other nation would ever succeed in making atomic weapons or in developing atomic knowledge independently, but we learned all too soon that traitors and spies had disclosed much of our fundamental information to the Kremlin which enabled Russian scientists, with the essential cooperation of German scientists who had been taken to Russia after World War II, to make atomic weapons several years earlier than under their own independent efforts.

In addition, British scientists and

science, having contributed substantially to our own development program, were able to go forward with their own program and make atomic weapons. This, of course, is no surprise because of the recognized high degree of competence and development of British scientists and British science. Canada, while apparently electing not to accentuate the weapon phase of atomic energy, nevertheless has done important work in research and development pointed toward peacetime applications.

So that I may not be misunderstood, I want to emphasize that while the United States devoted vast amounts of money and effort toward the development of weapons, we have devoted a very substantial portion of our effort toward research and the development of peacetime uses in the fields of biology and medicine and industrial applications; in fact, many times the effort in these fields of all other countries of the world put together. So, again, I want to make it clear that our military research and development has not excluded the research and development in the humanitarian and economic fields.

We still possess vast superiority in weapon power, in spite of the fact that other nations can make atomic weapons. By the same token there is no doubt in my mind when I say that we also are more advanced than any other nation in the exploration and knowledge of the peacetime possibilities of atomic use.

So far as weapons are concerned, 8 years ago, they were considered to be only strategic weapons, to be used at long range and against limited strategic targets. Today, the concept has altered substantially and while the strategic use is still one of the most important, the practical tactical use of atomic weapons in support of the operation of ground forces is an important part of our military plan. Indeed, today we have atomic weapons of varying degrees of power and effect in our arsenal, which are available for use both tactically and strategically, and we have developed the means for their delivery.

Also 8 years ago the prospects of useful atomic power for the production of electricity in all of its varied uses seemed to be very remote indeed. The problems of military security and the vast expense involved in experimentation then were practical deterrents for private investment. Today, however, the use of atomic power in the economy of this country and in other countries is much more clearly envisioned. While competitive power probably will not be a reality for a number of years, even with the advanced knowledge which we now possess, nevertheless, we believe that the time has come when the way to reduced costs has probably been pointed out sufficiently to justify private investment and experimentation with reasonable chances—in fact, I think I may be safe in saying with practical certainty—that the genius of private enterprise and free competition can develop economically sound competitive power plants much sooner than was earlier considered possible.

The Joint Committee on Atomic Energy has, as directed in the original act, maintained constant studies of the entire program. This committee has unique powers and authority for access to information and has assumed a great responsibility to the other Members of the Congress and to the American people. This responsibility has been accentuated because of the essential secrecy involved in the program. It has been my privilege, along with the junior Senator from Colorado [Mr. MILLIKIN], the senior Senator from Colorado [Mr. JOHNSON], and the Senator from Georgia [Mr. RUSSELL], to serve on this committee, and on the special committee which reported the original act, at all times since late 1945. Representatives COLE of New York, DURHAM, HINSHAW, HOLIFIELD, VAN ZANDT, and PRICE have likewise served continuously on the joint committee since its creation.

The other members of the joint committee have served for substantial periods. I would be remiss in my statement to the Congress if I did not say that this committee has been free from partisan political motivation in the discharge of its responsibilities, and while the partisan membership has altered slightly from time to time, nevertheless, I can envision no situation where unpartisanship and nonpartisanship have been more in evidence than in the 8 years' history of the joint committee's operations.

In this bill, S. 3690, and its companion bill, H. R. 9757, there are at the present time certain areas of disagreement which are set forth in the dissenting views of various members of the committee. It no doubt is a practical impossibility to get complete agreement on every sentence, paragraph, and section of a bill of such complexity as the Atomic Energy Act, but I assure my colleagues that any views of individual members are presented with the utmost impartiality so far as any partisan influences may be concerned, and they express their own views as they see them in the broad public interest.

With respect to the names of Members of Congress who have served continuously on the Joint Committee on Atomic Energy, to which I made reference a moment ago, I wish to say that while the distinguished senior Senator from California [Mr. KNOWLAND] did not enter the Senate until 2 or 3 months after the committee began to function, he has, nevertheless, served continuously on the committee since he entered the Senate, and so, for all practical purposes, should be included in the list of Members who have continuously served on the joint committee.

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Under all the circumstances and as a result of the years of experience and developing of information which has come to the joint committee, the committee concluded last year that the time had come when a comprehensive revision of the basic Atomic Energy Act should be undertaken. Accordingly hearings were held throughout the latter part of last year and for over 3 months of this year. For many weeks past the committee has taken the results of these hearings and its accumulated information, and has worked long and diligently in attempting to perfect S. 3690 and H. R. 9757, the bill which is before us today.

The basic aim of S. 3690 endeavors to bring the Atomic Energy Act of 1946 into harmony with the realities of 1954. It endeavors to keep our legislative controls over atomic energy in step with the changing problems our Nation faces in this field—problems not only in the realm of science and technology but in the realm of economics and international political relations as well. It protects our vital military secrets but it proposes to open the opportunities for peacetime uses to our own people as well as to others.

The members of the joint committee have not been alone in believing that a revision of the organic law is now desirable. On February 17, President Eisenhower submitted to the Congress a series of recommendations for amending the Atomic Energy Act of 1946. His message said that the changes proposed by the executive branch had the "purpose of strengthening the defense and economy of the United States and of the free world." Toward this end, the President sought to accomplish the following:

> First, widened cooperation with our allies in certain atomic energy matters;
>
> Second, improved procedures for the control and dissemination of atomic energy information; and
>
> Third, encouragement of broadened participation in the development of peacetime uses of atomic energy in the United States.

The bill now before the Senate will achieve these three objectives set forth in the President's message. In addition, the bill is designed to effect an overall modernization of the organic

law, changing it wherever the members of the joint committee—who have been in daily touch with our atomic program since 1947—have concluded that revisions would advantage our Nation.

In response to the first recommendation in the President's message—increased cooperation with our allies in certain atomic matters—the bill permits such cooperation in both the peacetime and military fields, under carefully stipulated safeguards. On the peacetime side, it authorizes the negotiation of bilateral agreements for cooperation. Under such agreements, the Commission may transfer and exchange restricted data dealing with nonmilitary uses of atomic energy with other nations. The Commission may likewise transfer atomic materials in quantities needed for peacetime uses to another nation which is party to such an agreement for cooperation.

Furthermore, this legislation authorizes the President to enter into international arrangements with a group of nations toward the end of atomic cooperation in the peacetime field, and subsequently to cooperate with such a group of nations pursuant to agreements for cooperation. In this manner, the bill would permit our Government to join in a peacetime international atomic pool plan, such as the President described in his United Nations speech last December 8.

In the area of military applications, the legislation permits the Department of Defense to give another nation, or a regional defense organization to which we are a party, sharply circumscribed restricted data concerning the tactical employment of atomic weapons. The legislation would thereby permit more realistic defense planning among the NATO forces. This bill does not authorize any exchange of information which would reveal important data on the design or fabrication of the nuclear part of atomic weapons, nor does it permit the disclosure of detailed engineering information on other sensitive parts of our weapons.

I believe it is accurate to say that no portion of S. 3690 has received—and rightly so—closer committee attention than those sections dealing with international cooperation. Experience teaches that whenever some particular safeguard against the disclosure of classified information to another nation proves unnecessary, it can always be relaxed. Contrariwise, the act of surrendering exclusive control of some item of information is final, and we cannot call back these data, even if we would subsequently wish to. As a result the joint committee has been cautious in the extreme in its approach to this portion of the bill, and it has recommended carefully delineated changes only in those instances where the need and desirability for increased international cooperation have appeared clear and demonstrable.

In response to the second recommendation of the President—improved procedures for the control and dissemination of atomic information—S. 3690 incorporates a series of revisions which, I believe, will increase the total effectiveness of our program for safeguarding sensitive atomic data.

Presently, all personnel of the Atomic Energy Commission or its contractors who have access to restricted data are given the same background check as to their character, associations, and loyalty—whether such employees have access to large quantities of extremely sensitive information, or whether they require access to only a small quantity of relatively insensitive data. S. 3690 would permit the Atomic Energy Commission to relate the scope of background investigations to the amount and sensitivity of the data which an employee would receive while on the job—thus allowing our investigative agencies to concentrate their efforts on the areas where extremely painstaking checks are most vital. Presently also, much restricted data relates to the military utilization of atomic weapons. Notwithstanding this, the Atomic Energy Commission is

responsible for the control of all restricted data. S. 3690 gives the Department of Defense a larger share of responsibility in both safeguarding and declassifying data which relates primarily to the military utilization of atomic weapons.

It is my conviction that the information-control procedures recommended in S. 3690 do not represent an actual weakening of our security system. I believe, in fact, that the very opposite is true. By revising these procedures in the light of 8 years of experience, S. 3690 should afford our Nation more effective guaranties against the disclosure of sensitive data than it now possesses.

In response to the third recommendation of the President—encouraging broadened participation in the domestic development of peacetime atomic energy—the pending bill authorizes private persons to possess and use special nuclear materials, and to own and operate atomic reactors capable of producing or utilizing such materials. Title to such materials, however, would be retained by the United States Government.

Overall, the Atomic Energy Commission and its contractors have already done a good job in pressing toward economical atomic power. Indeed, it is only because of their impressive achievements that we can now look forward to such power in the relatively near future. But as the Atomic Energy Commission has itself maintained, research and development carried on purely under governmental auspices will no longer suffice to enable us to achieve practical peacetime power at the earliest possible date. Optimum progress now requires that governmental research and development, using the public's money, be supplemented by private research and development, using private money. S. 3690 would encourage such increased private participation in the atomic power field.

Realizing that relatively few companies may participate in this effort during the next few years, the joint committee has exhaustively explored the question of how to guard against the dangers of restrictive patent practices. The majority of the committee has recommended that, in the case of all such patents which are applied for during the next 5 years, the holders of patents or inventions primarily related to peacetime uses of atomic energy be required to license such patents to others in return for just compensation.

In making its recommendations on the subject of peacetime power development, the joint committee has been keenly aware of its responsibility to write legislation which will benefit all the American people, and which will not permit one group of Americans to benefit unduly at the expense of the rest of our national community. I sincerely believe that the proposed legislation will accomplish that purpose.

Taken in its entirety, S. 3690 is a complicated and highly technical bill. It is complex because the problems we face in atomic energy are complex. Notwithstanding that fact, the basic philosophy which motivated the joint

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committee in its consideration of the proposed legislation is straightforward and easy to describe. Our guiding principle has been this: Which type of legislation will best promote the security and the well-being of our Republic? We do not expect every Member of the Senate to agree with every single provision of the pending bill. During the course of our deliberations on the bill, I believe that every member of the joint committee at one time yielded on some specific point or another. Yet none of us has compromised on fundamentals, and I think the fact that the committee has come into substantial accord on the essentials of the proposed legislation speaks well for it.

S. 3690 does not pretend to represent

the final answer to the unfolding problems of atomic energy. Just as I believe the original Atomic Energy Act is now in need of revision, so also would the proposed legislation now before the Senate require subsequent revision from time to time.

I cannot close my remarks without repeating the warning contained in the report accompanying S. 3690. No legislation, no matter how carefully drafted, can itself guarantee our Nation a flourishing atomic-energy program. There is no legislative substitute for wise administration of our atomic enterprise, for continuing support of the objectives of our program in the Congress, and for an enlightened public opinion in atomic matters.

Up to now, the elementary requirements of survival have forced our Nation to concentrate on military applications of the atom. We must still give top priority to strengthening our atomic arsenal. Yet the time is now at hand when we can prudently afford to increase our work on beneficent applications of the atom, thereby bringing closer the day when our countrymen and like-minded peoples throughout the world can realize the true promise of atomic energy.

I know it is the deepest hope of every Member of this body that the time will come—even though perhaps only our children, or their children, will live to see it—in which the awesome force of the split atom can and will be used solely to elevate the dignity of man.

Mr. President, I further call the attention of the Senate to the fact that on last Friday the two volumes of the hearings of the Joint Committee on this subject were delivered to the Senate, and copies were made available to each Member of the Senate, together with the report of the joint committee on the bill and the dissenting views of about, I think, four Members on various portions of the bill. That report is on the desks of the Members of the Senate. Both the hearings and the report contain a great deal of information, which may answer many questions which may be in the minds of Senators. As the debate proceeds, I hope that either I or other Members of the Joint Committee who may be present may be able to give the answers to any questions which may occur to Senators concerning the various provisions of the bill.

Mr. GOLDWATER. Mr. President ——

The PRESIDING OFFICER (Mr. UPTON in the chair). The Senator from Arizona is recognized.

Mr. GOLDWATER. Mr. President, for the past several days I have listened to a great deal of debate on the floor of the Senate, and have had called to my attention several news articles and editorials in connection with the President's recent action in instructing the Atomic Energy Commission to contract with a group of privately financed electric companies for some 630,000 kilowatts of capacity.

I do not pose as an expert on electric power system operations, nor have I been a close student of the Tennessee Valley Authority. I shall not take up the time of the Senate by arguing the relative merits of a contract with either the privately financed utilities or TVA for atomic energy power requirements, and I shall not attempt to analyze TVA's future power requirements. At the same time, however, I am not at all sure that those criticizing the President's action are power experts, either, or that they have any first-hand knowledge of TVA's future requirements.

There is one thing of which I am certain, though: The critics have made many statements which I cannot accept either as a businessman or as a Member of the United States Senate interested in a sound administration program.

At the outset, my mind goes back to the election campaign of 1952, at which time I told the people of my State of Arizona that the question of States' rights and private enterprise versus Federal supremacy was one which was

ultimately going to have to be resolved by the citizens of this country in order that we might ascertain the future pattern of our National Government. I do not believe that this issue is going to be the all-important one in the campaign of 1954, and I do not think that it will necessarily be the overriding question in the campaign of 1956. Yet, sooner or later, Mr. President, this issue is going to rise to its singular significance, and the choice that is made by the American people will determine the future course of the great republican form of government which is ours.

At this point my mind goes back also to several months ago, when this body was considering proposed changes in the National-Labor-Management Relations Act. At that time, in speaking here on the floor for a States rights amendment to that law, I pointed out, in effect, that the question of these rights was of infinitely greater significance than—and far transcendent to—any considerations of the Taft-Hartley law, as such.

I think, Mr. President, that, in this present connection, the question of the rights of free enterprise can also be measured in a far broader sense than as it is applied to the matter of public versus private power alone. This administration was elected on a pledge to return to the States the rights which, over 20 years of the New Deal and Fair Deal administrations, were taken from them by the grasping tentacles of an all-powerful Federal Government. This present administration's policy relative to Federal power is to work with the local interests and to assist them in every way to meet their needs. It is a policy of partnership and cooperation.

Here, Mr. President, I am tempted to digress once more, and to suggest that the whole problem of power is one which is literally "as big as all outdoors," for it goes quite beyond the material, man-made aspects of our civilization, and concerns the qualities of the universe which are God-given, and which, therefore, must be treated with the reverence which is always accorded the Almighty.

Yet, there are those who argue that because electric power is God-given, it should be as free, as water and air are free. Those who say that, do so just because we cannot see electric power and handle it and go down to the store and buy it in a package; but they fail to realize that, despite its essentially celestial origin, it becomes, when it reaches the practical life of a nation, a manufactured product, just as much as a can of beans on a shelf in a grocery store. Electric power is manufactured in a plant designed for that purpose, and with equipment which is constructed and created by private enterprise; and the power is delivered to the consumer over copper wire, instead of in a delivery van.

In the handling of any Divine quality, however, even the hand of man is stayed by the recognition of the fact that we cannot treat lightly or with subversive intent the bountiful blessings which God has bestowed upon us. We cannot act toward them with motives and by means which are antagonistic to the methods and purposes of God.

In accordance with this interpretation, therefore, it is unquestionably the responsibility of the local people, the individual citizens, the separate human beings whom God has created, to provide this adequate power, and not the manmade monstrosity of an all-supreme Federal Government. The Federal Government is at the very best a necessary evil designed to stabilize the goodness in man, and this explains Thomas Jefferson's remark that "the best government is the least government." Indeed, all through the course of our history the American people have been guided by this principle, as enunciated by Abraham Lincoln—namely, that the Federal Government should not attempt to do anything for the individual citizens or for the States which the individual citizens and the

States can best do for themselves.

This is the principle which has been set forth by this Republican administration. This is the principle which was spelled out time and time again by President Eisenhower and other Republican candidates. It is the principle by which this administration must stand, if it is to remain true to its own convictions and if it is to keep faith with the American people.

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

Mr. GOLDWATER. I am glad to yield.

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Mr. ANDERSON. I again thank the Senator, but I point out to him that the production of special nuclear material has very little relation to the manufacture of an atomic bomb. I think the Senator and I know where atomic bombs are manufactured. He and I know that in the place where they are manufactured no special nuclear material is produced.

Mr. President, if I may pass on to section 102, it reads:

> Whenever the Commission has made a finding in writing that any type of utilization or production facility has been sufficiently developed to be of practical value for industrial or commercial purposes, the Commission may thereafter issue licenses for such type of facility pursuant to section 103.

The language of the provision sounded all right, and probably is all right, but it does suggest that, once the Commission makes its findings, it can issue licenses to produce nuclear power. What is to stop the granting of dozens of licenses thereafter? The minimum requirement should be that the Commission should hold hearings and let the public know what the Commission plans to do.

I do not say this should not have been considered earlier, but it was called to my attention when I received in the mail for release in the morning newspapers for Tuesday, July 13, an announcement by the Atomic Energy Commission that "AEC and North American Aviation will share the cost of sodium graphite reactor experiment." It says:

> The first sodium-graphite reactor in the United States will be developed and constructed in a project sponsored jointly by the Atomic Energy Commission. * * * The project, a new step toward the development of atomic nuclear power, will cost about $10 million.

I do not see how the public knew this contract was going to be awarded, because I do not think any member of the Joint Committee on Atomic Energy knew it was going to be awarded. If there is no chance that the members of the joint committee will hear about such contracts, I do not see how the public will hear about them.

This is an important field. It seems to me the reactor is a little small. It may be that it is exactly the right size, but it appears to me we ought to have the fullest possible publicity in connection with the granting of the licenses.

While I am not trying to quarrel with the provision of the section, I be-

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lieve it would be wise, so far as it could be done, to make provision so that the greatest possible amount of public good may result from the granting of the licenses. If enough provisions to safeguard that objective have been written into the bill, I am satisfied. If not, I think we ought to try our best to write sufficient provisions into the bill.

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

Mr. ANDERSON. I yield.

Mr. HICKENLOOPER. I call the Senator's attention to the fact that section 102 refers to the granting of licenses, whereas the illustration of the contract with North American to which the Senator has just referred is a matter of contract.

Mr. ANDERSON. I concede that.

Mr. HICKENLOOPER. In the matter of licenses, I call the Senator's

attention to chapter 16 of the bill, which sets forth the provisions for consideration of the licenses according to standards of equity and fairness. Under the Administrative Procedures Act, notice is provided for. I believe that if all the provisions are considered together, very ample protection is provided against any secret or precipitate deals.

Mr. ANDERSON. I appreciate the suggestion of the able Senator from Iowa; but now he has mentioned chapter 16, which provides for judicial review and administrative procedure. Section 181 reads in part as follows:

SEC. 181. General: The provisions of the Administrative Procedure Act shall apply to "agency action" of the Commission, as that term is defined in the Administrative Procedure Act.

And so forth. I read that, and I thought it meant that the provisions of the Administrative Procedure Act in relation to hearings automatically become effective in connection with the granting of licenses by the Commission. But, unfortunately, the Administrative Procedure Act, when we read it—and again I say I read it as a layman, not as a lawyer—does not require a hearing unless the basic legislation requires a hearing. If the basic legislation does require a hearing, a hearing is required by the Administrative Procedure Act. But in this case the basic legislation does not require a hearing, so the reference to the Administrative Procedure Act seems to me to be an idle one.

I merely am trying to say that I believe these things should be carefully considered.

Mr. GORE. Mr. President, will the Senator from New Mexico yield?

The PRESIDING OFFICER. (Mr. BARRETT in the chair). Does the Senator from New Mexico yield to the Senator from Tennessee?

Mr. ANDERSON. I yield.

Mr. GORE. In whom is the discretionary authority vested?

Mr. ANDERSON. In the Commission, I believe. As I have said, it may be that I have misread the bill; it may be that the bill requires a hearing. But because I feel so strongly that nuclear energy is probably the most important thing we are dealing with in our industrial life today, I wish to be sure that the Commission has to do its business out of doors, so to speak, where everyone can see it.

Although I have no doubt about the ability or integrity of the members of the Commission, I simply wish to be sure they have to move where everyone can see every step they take; and if they are to grant a license in this very important field, where monopoly could so easily be possible, I think a hearing should be required and a formal record should be made regarding all aspects, including the public aspects.

Mr. GORE. Mr. President, will the Senator from New Mexico yield further to me?

Mr. ANDERSON. I yield.

Mr. GORE. What protection does the bill provide, to preserve the integrity and independence of the Commission? If the Commission reaches a formal decision which it considers to be in the public interest, is the committee satisfied that the Commission could not be overruled by means of a telephone call from a member of the White House staff or from some other source; or does the Senator from New Mexico think that under certain precedents recently established, the Commission might be in danger of being overruled on the matters upon which it reached a decision in public, as the Senator from New Mexico has suggested?

Mr. ANDERSON. Of course, the Senator from Tennessee is now referring to the Dixon-Yates contract and the related matter.

Mr. GORE. I do not wish to hurry the distinguished Senator from New Mexico into a discussion of that subject; I know he will reach it in due time. But inasmuch as so much power is vested in the Commission, and inasmuch as the able Senator from New

Mexico has placed such great store upon the decisions of the Commission and upon the manner in which the Commission will reach its decisions, I believe it pertinent to inquire what protection the bill throws around the Commission, in which so much discretionary authority is vested.

Mr. ANDERSON. I should like to say to the Senator from Tennessee that I thought the Commission was a completely independent body. The members are nominated by the President and are confirmed by the Senate, after a hearing regarding their qualifications and ability to perform their responsibilities; and the members have complete authority to transact the business of the Commission.

I am somewhat disturbed by the Dixon-Yates contract, but I hope it will not constitute a precedent in regard to what may happen in the future.

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

Mr. ANDERSON. I yield.

Mr. HICKENLOOPER. I wonder whether the Senator from New Mexico does not feel that sufficient protection is afforded in section 181 and in section 182–b. In that connection, I should like to have the Senator from New Mexico refer to section 182–a, on page 85, beginning in line 9, from which I now read, as follows:

Upon application, the Commission shall grant a hearing to any party materially interested in any "agency action."

So any party who was materially interested would automatically be afforded a hearing, upon application for one.

Then, in section 182–b this provision is found:

b. The Commission shall not issue any license for a utilization or production facility for the generation of commercial power under section 103, until it has given notice in writing to such regulatory agency as may have jurisdiction over the rates and services of the proposed activity, and until it has published notice of such application once each week for 4 consecutive weeks in the Federal Register, and until 4 weeks after the last notice.

Mr. ANDERSON. Mr. President, I may say to the Senator from Iowa that when in committee we discussed this language, I thought it was sufficient. I still think it ought to be sufficient. But I do not find myself able to tie the Administrative Procedure Act to this requirement of the bill.

To return to section 181 and the portion on page 85 reading—

Upon application, the Commission shall grant a hearing to any party materially interested in any "agency action"—

Let me say I think it is important to tell who may be interested, and therefore the widest publicity is necessary. For example, if the Commission were going to grant a franchise to enable someone to establish a new plant inside the Chicago area, there might be many persons who would be interested, but they would not know that the matter was under consideration. I am trying to say that the people who are interested will not be reached unless they are given notice. I say again to the Senator from Iowa that nothing in the section may need changing. I am merely stating that, upon a second reading, some doubts arise, and I wonder what the section actually provides.

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Mr. PASTORE. I hope we shall not pursue the Dixon-Yates colloquy any further. In conclusion in that connection, lest I be misunderstood, I answer the question only in hypothetical fashion. In my own personal experience I have never found five more patriotic, devoted, able, conscientious individuals than the present 5 members of the Atomic Energy Commission. I do not know enough about the facts to justify my standing here today and indicating any person. I have found the members of the Atomic Energy Commission to be very honorable men. Possibly they have disagreed with others. They have a right to their viewpoint, as I have a

right to mine. When we disagree we stand up as honorable men and say so. We state our position and are counted.

I wish to leave the RECORD on this subject with the final statement that, so far as I am concerned, we are indebted to the five men who presently serve on the Atomic Energy Commission. I think they are patriotic, devoted Americans.

Mr. GORE. I concur in that statement.

Mr. PASTORE. I now return to my manuscript.

We, therefore, face this choice: Shall we ask the American taxpayer to assume the entire burden of financing power research and development during the pioneering years ahead, or shall we attempt to create a legislative environment in which private industry will be willing to take up a share of these development costs?

Speaking for myself, I find no difficulty in answering these questions. To me, the equitable solution lies in inviting private industry into atomic-power development today in return for the possibility of fair rewards tomorrow.

Whether or not this bill becomes the law of the land at the present time, I would, myself, regard it as highly unlikely that the task of developing atomic power will remain a governmental monopoly for an indefinite period to come. This being the case, I want free enterprise, under properly controlled conditions, to assume its fair share of atomic developmental costs today. I respectfully suggest that now is the time. I do not wish to deny private participation in this field until such time as profits are assured. In fact, it is precisely because of my solicitude for the taxpayers' dollars, it is precisely because of my determination that there should be no atomic giveaway, that I now urge the Senate to permit private participation in atomic power under the terms outlined in the bill.

It is probably the case that, during the immediate future, relatively few companies would accept the invitation offered by this legislation. Accordingly we face the danger of restrictive patent practices. However, the legislation addresses itself to this possibility, as I shall discuss fully during the course of my remarks.

Having described the broad purpose of the proposed legislation, I should now like to direct attention to certain provisions of the bill which I feel need to be particularized. The bill, in its declaration, states that "the development, use, and control of atomic energy shall be directed so as to promote world peace, improve the general welfare, increase the standard of living, and strengthen free competition in private enterprise."

This declaration, in and of itself, is not enough. Affirmative controls must appear within the purview of the bill. Therefore, section 105 provides that nothing contained in the act, including the provisions which vest title to all special nuclear material in the United States, shall relieve anyone from the operation of the antitrust laws. The Sherman Act, the Clayton Act, and the Federal Trade Commission Act are specifically enumerated. Under this provision any future industry created under the terms of the bill would be subject to these laws on an equal basis with the other industries of the United States.

Indeed this section goes a step further. Since it would be inconsistent and dangerous for the Atomic Energy Commission to grant a license permitting certain atomic industrial activity only to have the Justice Department bring a subsequent action against that industry under the antitrust statutes, it is provided under section 105–b that precedent to the issuance of any industrial license the Atomic Energy Commission must notify the Attorney General of the proposed license and supply the pertinent surrounding facts of the license application and issuance. Before the expiration of 90 days, the

Attorney General is required to advise the Atomic Energy Commission if the proposed issuance would create a situation inconsistent with the antitrust laws. Obviously, the mere giving of such advice would not estop or bar a later action by the Attorney General if monopolistic practice or restraint of trade were later to arise.

But in fact, what this provision does do is to lock the barn door before the horse is stolen, and I might add that these procedures are identical with those contained in the Federal Property and Administration Services Act. And for the assurance of the members of this body, I can say that the Justice Department has testified before the Joint Committee on Atomic Energy that arrangements such as these are adequate and workable.

Turning now to the subject of compulsory licensing of patents, as provided in section 152 of the bill: Originally the bill made no exception as to our usual concept of patent rights. But after considerable debate it was deemed advisable by a vast majority of the members of the Committee that a system of compulsory licensing of patents should be inserted in the law in order to avoid the possibility that the purposes of the program might be defeated if any patent holder was determined to exclude others from using his idea. For that reason, we have written into the law a procedure by which we prevent the few from achieving a restrictive patent position in this new field.

There are two compulsory licensing mechanisms relating to patents under the provisions of this section:

First. The Atomic Energy Commission can cause any atomic patent to be declared affected with the public interest and made subject thereafter to compulsory licensing by legitimate users.

Second. Even if the Atomic Energy Commission fails to make such a declaration, any lawful applicant can, on his own initiative, petition the Atomic Energy Commission for a compulsory license to the patent right of another patentee.

This compulsory provision is not designed solely to circumvent the preference of the prior contractor. It was conceived out of the knowledge that this proposed atomic industry is new and the national interest demands its rapid growth. Such growth requires the participation of as many individuals and corporations as possible, and the opportunity for a patent license is

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added incentive to cause a multiplicity of endeavor.

This compulsory licensing provision affects every patent applied for or issued before September 1, 1959, and lasts for the life of that patent.

Now turning to the subject of licensing of private activities in the atomic industry, here again such activities are regulated through two mechanisms:

First. All title to special nuclear material—the industrial fuel—will be vested in the United States Government, and the industrial participant will be licensed to use it.

Second. Through a system of licensing, production and utilization facilities will be permitted to operate.

Sections 53, 63, 103, and 104 provide the adequate safeguards. These sections recite the statutory conditions which must be met before licenses will issue and which must be maintained during the life of the license. Some of these conditions are:

First. Facilities may be used only in the interest of common defense and security;

Second. Facilities must be used so as to protect the health and safety of the public and not damage personal property;

Third. Special nuclear material is available only on such terms that no user or possessor can construct an atomic weapon;

Fourth. No license is alienable ex-

cept with the express consent of the Commission.

In order to insure compliance with all of the provisions in the act, and for protecting the public and the national interest, the Commission is authorized to require licensees to keep records and to make reports to the Commission. AEC is authorized to make inspection of a licensee's activities. As a matter of fact, a very important statutory program instituted by this bill is the establishment of an Inspection Division within the Commission as an aid in seeing that all obligations of a licensee under this act are fulfilled.

I should now like to turn to the sections of the bill which are of vital importance to our very existence and, indeed, to the continuation of civilization as we know it.

I refer to those portions of the bill that have to do with atomic cooperation with other nations, both in the peacetime and in the military fields.

On February 17 of this year, President Eisenhower sent a message to the Congress outlining cooperation with other nations in the field of atomic energy. The President states, in order of importance, the following: "First, increasing cooperation with our allies in certain atomic energy matters."

I commend the President for his recognition of the fact that this is the day of jets, rapid communication, atomic bombs, and now the devastatingly destructive hydrogen bomb. I commend him also for his recognition of the priority which we must give the matter of cooperation with our friends across the seas.

I shall attempt to outline the problems of the bill, as it concerns international cooperation, in three phases:

First. Does this bill enable our Government to deal cooperatively and bilaterally with other nations in peacetime atomic energy fields?

Second. Does this bill enable our military to exchange with NATO, and regional defense organizations, the information concerning atomic weapons that is needed in our defense plans?

Third. Does this bill implement the President's proposal of December 8, for establishing an international atomic pool?

On the first question, I should like to point out that we are not alone in this world in possessing atomic energy. Neither are we alone in developing peacetime atomic power. Twenty other countries now have aggressive atomic programs in being.

Let us examine what is perhaps the most dramatic appeal of atomic energy to the people of the world. I refer to the possibility of producing power from the nonfossil fuel, uranium. We all know that electrical power is essential to modern industry, both here and abroad. Indeed, I might point out that the Atomic Energy Commission, in testifying before the Joint Committee, stated that the expansion of power-generating capacity to meet the demands for electric power is mounting rapidly—in fact, even more rapidly in other countries than in the United States.

The Atomic Energy Commission also testified that Italy, Portugal, Greece, Norway, Sweden, Finland, Algeria, and Pakistan, can meet less than one-half their present demand for power from the fuel sources within their own boundaries. Hydroelectric power is also limited in many areas, and so these power-poor nations of the world, faced with the demands of industrialization, can look now only to the field of atomic energy for the power vital to their well-being.

These nations know that our country has spent vast sums on the atom, and that this investment has served to protect all the free nations in their struggle against atheistic communism. But they also recognize that, concurrent with this atomic military strength, the United States has developed technological and scientific information which form the basis for the generation of nuclear power. They, therefore, look to us, the most powerful nation in

western civilization, to extend a helping hand.

These considerations entered into the committee's decision to create means whereby the United States could assist its friends in the development of peacetime power, but they were not the only considerations. The United States has for the last 10 years received major portions of its uranium from overseas sources. This country owes a deep and abiding debt of gratitude to these nations, all of whom recognize that uranium was vital to the protection of freedom in the world. We have an obligation to these nations—and particularly, to Belgium—that we should begin now sending back information and techniques which we have developed and which will help them develop nuclear power in their countries.

In the main, the international provisions of the bill, permitting bilateral cooperation with other nations in the peacetime development of atomic energy, are adequate and do permit us to meet our legal and moral obligations. Both the Atomic Energy Commission and the Department of State have testified to this fact, and I endorse these provisions of the bill. In writing the provision that enable this needed cooperation—that is, section 144a—the committee approached the problem with judicious caution but with recognition at the same time that flexibility of action must be afforded those who will implement the cooperation. The section dealing with cooperation on peacetime uses of atomic energy specifically limits the kinds of information that may be communicated to another nation. The section is limited to information concerning—

First. Refining, purification, and subsequent treatment of source material;

Second. Reactor development;

Third. Production of special nuclear material;

Fourth. Health and safety;

Fifth. Industrial and other applications of atomic energy for peaceful purposes; and

Sixth. Research and development relating to the foregoing. But the section adds this provision:

> No such cooperation shall involve communication of restricted data relating to the design or fabrication of atomic weapons.

Further, any information communicated to another nation must be transmitted pursuant to an agreement for cooperation entered into in accordance with section 123 of the bill. The conditions surrounding any agreement for cooperation include:

First. The terms, conditions, duration, nature, and scope of the cooperation;

Second. A guaranty by the cooperating party that security safeguards and standards as set forth in the agreement for cooperation will be maintained;

Third. A guaranty by the cooperating party that any material to be transferred pursuant to any such agreement will not be used for atomic weapons, or for research on or development of atomic weapons, or for any other military purpose; and

Fourth. A guaranty by the cooperating party that any material or any restricted data to be transferred pursuant to the agreement for cooperation will not be transferred to unauthorized persons or beyond the jurisdiction of the cooperating party, except as specified in the agreement.

The procedure that any such agreement for cooperation must take is:

First. It must be approved by the Commission, or, in the case of the transfer of restricted data for the development of military plans pursuant to section 144b., the Department of Defense.

Second. The President must approve the agreement for cooperation. He must also make a determination in

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writing that the performance of the agreement for cooperation will promote and will not constitute an unrea-

sonable risk to the common defense and security.

Third. The proposed agreement for cooperation, together with the Presidential approval and determination must lie before the Joint Committee for 30 days while Congress is in session.

Insofar as bilateral agreements with another nation are concerned—and I am limiting this observation to bilateral agreements—the provisions of this section provide adequate safeguards to the security and cooperation in the peacetime fields for the benefit of our allies. Later I shall discuss the subject of dealing with a group of nations.

On the question of the second problem with which this bill deals in the international area. Does it enable our military to exchange with NATO and regional defense organizations to which we are a party information concerning atomic weapons that is needed in our defense plans? My answer is in the affirmative.

The bill before us will permit the Department of Defense, under comprehensive and rigorous security safeguards, to transfer to a regional defense organization of which we are a member, such as NATO, or to another nation, restricted data involved in the tactical use of atomic weapons. The information which is permitted to be exchanged must be necessary to the development of defense plans, the training of personnel in the employment of and defense against atomic weapons, and the evaluation of the capabilities of potential enemies in the employment of atomic weapons against us. I should like briefly to point out why this exchange of information on weapons is necessary. Let me direct attention to the report of the joint committee, on page 2, where it declared:

> When the organic law was enacted, atomic bombs were regarded by most as strategic weapons. Tactical applications of the military atom were but dimly perceived. Still less was it recognized that the time would soon come when tactical atomic weapons could profoundly, perhaps even decisively, affect the operations of the ground forces defending Western Europe. With our Nation the sole possessor of atomic weapons, and with these weapons husbanded for a strategic counterblow against an aggressor, there was no need for acquainting friendly nations with information concerning the effects and military employment of tactical atomic weapons. Today, however, we are engaged with our allies in a common endeavor, involving common planning and combined forces, to dam the tide of Red military power and prevent it from engulfing free Europe.
>
> America's preponderance in atomic weapons can offset the numerical superiority of the Communist forces, and serve emphatic notice on the Soviet dictators that any attempt to occupy free Europe or to push further anywhere into the free world, would be foredoomed to failure. Yet, so long as our law prohibits us from giving our partners in these joint efforts for common defense such atomic information as is required for realistic military planning, our own national security suffers.

There, in a nutshell, is the reason why we must cooperate in the field of military application with our allies. The joint committee did not approach this subject with casualness. Much time, both in public and executive hearings, was devoted to the defense of the necessity for such exchange. After hearing the testimony of the Undersecretary of Defense, of the Chairman of the Joint Chiefs of Staff, Admiral Radford, and of other high military officials, the Committee decided that it would be vital to hear firsthand the remarks of General Gruenther. Through his able and distinguished representative and deputy, General Schuyler, the committee was informed fully of the defense planning for Europe which General Gruenther is so ably conducting. Let me quote briefly from the remarks of General Schuyler, and if I ever commended anything of importance to the attention of the Members of the Senate, I recommend and commend the statement made by General Schuyler, from which I now quote:

> We consider that, in any future major conflict, nuclear weapons will be used both in the strategic and in the tactical role. The advent of these weapons provides both sides with tremendous destructive power on D-day. Hence, no

longer, as has been the case in most wars of the past, can we expect a short breathing space after the initial aggression, while both sides complete their full war mobilization. In fact, the aggressor's opening atomic campaign conceivably might, if not adequately countered, itself prove to be decisive in a matter of days.

The very existence of a large atomic threat against us obliges us to plan, ourselves, on utilizing atomic weapons and requires that we adapt our military machine to these conditions.

During the first 2 years of NATO, our plans for the defense of Western Europe were based largely upon the use of conventional weapons. We made every effort to obtain from the various NATO nations the level of forces which we felt would be requisite to an adequate conventional defense. As you know, existing circumstances have made it impossible for those countries, including the United States, to meet the large force requirements which this approach called for.

General Schuyler clearly pointed out the role of atomic weapons in the defense of the free world.

It must be clear to all of us that nuclear weapons will, and should, be used in the defense of Western Europe in a future major war. The alternatives would be: Either not to defend Western Europe at all, or to accept the great risk of sacrificing a large portion of our admittedly insufficient conventional forces in what might well be a futile attempt to prevent the overrunning of our NATO allies and the destruction of Western European civilization.

Since we expect nuclear weapons to be used by both sides in Europe in any future war we need to make additional progress in the matter of closely integrating the strategy, tactics, and techniques of utilizing atomic weapons in close support of conventional air-ground operations.

General Schuyler also pointed out to the committee:

We at SHAPE are giving this matter our earnest attention. As you know, we have had organized for some time under United States auspices, courses of instruction for selected allied personnel who hold key command and staff jobs in the NATO complex. We have also prepared, in draft form, ready for issue within the next few days, a directive covering in some detail the planning and operational responsibilities of all commanders, both ground and air, for the employment of nuclear weapons. But thus far, in our school instruction, in our field training and in our war planning, we are seriously impeded by United States policy restrictions concerning release of atomic information.

I add this rejoinder: How foolish can we get?

These compelling reasons presented by General Schuyler and which represented the views of the Defense Department, National Security Council, Joint Chiefs of Staff, and the President were, to members of the committee, compelling, and we therefore were moved to amend the act, so that the information needed to meet these purposes will be made available to our allies.

Let me turn now to section 144b of the bill, which concerns itself with this matter. This section permits cooperation with a nation or regional defense organization with respect to restricted data that is necessary to, first, the development of defense plants. Who could quarrel with that? Second, the training of personnel in the employment of and defense against atomic weapons. Again, who could quarrel with that? Third, the evaluation of the capabilities of potential enemies in the employment of atomic weapons. Who, in the name of heaven, could quarrel with that? The section, however, provides that no important information concerning the design or fabrication of important parts of atomic weapons can be so communicated. There is the safeguard. It limits such cooperation to the communication of restricted data in the above three categories and states that it shall not include communication of restricted data relating to the design or fabrication of atomic weapons except with regard to the external characteristics, including size, weight, and shape, yields and effects, and systems employed in the delivery or use thereof, but not including—I emphasize this—any data in these categories unless, in the joint judgment of the Atomic Energy Commission and the Department of Defense, such data will not

reveal important information concerning the design or fabrication of the nuclear components of an atomic weapon.

Fundamentally, what are we doing? We are merely imparting or communicating the data, which we must do, in order properly to formulate our plans, to train personnel, and to train our allies in the means of protection against aggression against us through the use of atomic weapons by an enemy.

Thus, the bill makes permissive the kind of cooperation which would include the transfer of that information which will permit our allies to participate in planning the defense of the free world in any atomic attack from Russia, and to know the effects of any weapons that will be available for use by the United States in helping those other nations join in defending the free world against any such attack.

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Mr. HICKENLOOPER. Mr. President, I shall have the two drafts in perhaps 5 minutes. I am happy to place them in the RECORD verbatim.

There has been no concealment or attempt to conceal. The drafts were sent to the committee as tentative recommendations for approaches to these two phases of the problem by the Atomic Energy Commission.

One draft, in the nature of a separate bill, had to do with the international exchange of information. The other draft had to do with the development of power and the opening of the present law to experimentation, research, and development by industry, private and public.

Some substantial revisions of the Atomic Energy Act have been indicated for some time. The Joint Committee considered that it was the part of wisdom to approach a comprehensive review and correction of the

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Atomic Energy Act, and approached its work from that standpoint.

The general provisions and the general policy and theory contained in the two drafts sent to the Joint Committee by the Atomic Energy Commission have effectively been placed into the bill which we are considering now. As I have said, I shall, for the benefit of the Senator, as quickly as the one I sent there can get back from the office of the Joint Committee on Atomic Energy, make available a copy of each draft, which can be placed in the RECORD at this point, following the Senator's remarks, or at any other point desired.

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Mr. MORSE. The Senator from Iowa has demonstrated again the same spirit of cooperation which he has extended to the Senator from Oregon in the 9 years I have been a Member of the Senate. I should like to say that, so far as I am concerned, I know the spirit has been mutual, because I have sought to cooperate on the same basis with the Senator from Iowa.

I do not know anything about the two drafts. I simply wanted to have them in the RECORD, if they existed, so that they could speak for themselves, and we could draw our own inferences and conclusions in regard to them. I thank the Senator from Iowa very much for his cooperation.

BUILT-IN SUBSIDY FOR BIG BUSINESS

Discovering the subsidy offered private industry in S. 3690 involves only a basic understanding of the atomic energy utilization process and a study of the provisions of the bill with regard to the use of special nuclear material by private commercial operators.

Generation of electric power from nuclear material follows the basic process used in manufacturing atomic weapons, and both operations utilize the same nuclear fuel. In the manufacture of weapons, piles of nuclear material are burned in an atomic reactor to get plutonium ash. Great heat

is generated in the reaction process. Electric power is to be generated by using that heat in steam plants. In the military use of atomic energy, the end product is plutonium ash, and by the byproduct is electric energy created by utilization of heat. Commercial use of atomic energy looks to power as the end product and plutonium ash as the byproduct. Both operations create the precious plutonium ash which is so valuable for use in our national defense program.

Section 2 (h) of the atomic energy bill makes the finding that "it is essential to the common defense and security of the United States that title to all special nuclear material be in the United States while such material is in the United States."

The bill proposes that the Federal Government shall relinquish its exclusive ownership rights in facilities for production or use of special nuclear material, but retain ownership of the material itself.

It necessarily follows that the Federal Government, which owns any nuclear material produced in privately owned plants, cannot refuse to take and pay for what is produced. I now

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quote from the minority report of the joint committee on S. 3690:

> As a consequence, the incidents of private and public ownership are intermingled in such a way that not only may vexatious problems of administration and accounting control arise, but the private companies licensed for a maximum period of 40 years to own and operate production facilities (atomic reactors) legally can depend on the Government to compensate them adequately for whatever they produce during the lifetime of the license. This constitutes a built-in subsidy for licensed atomic enterprise until about the year A. D. 2000.

NO LOSS OF MATERIAL IN POWER PROCESS

Admiral Lewis Strauss, AEC Chairman, has stated that fissionable material is not perishable. An AEC report to the joint committee on June 2, 1954, describes an atomic reactor now being operated by the Commission which "will also breed new fissionable material, that is, produce as much as it consumes or more."

The administration atomic energy bill provides that the Government shall purchase at a fair price any special nuclear material that is produced, and that it shall make a reasonable charge for any special material which it distributes to licensees—Sections 52 and 53.

In determining a fair price to be paid by the Government, the Commission is directed, in section 56 of the bill, to "take into consideration the value of the special material for its intended use by the United States." The section also provides that the Commission "may give such weight to the actual cost of producing that material as the Commission finds to be equitable."

Section 53 of the bill lists the factors to be taken into consideration by the Commission in determining a reasonable charge to be collected by the Government for nuclear material. With respect to commercial licensees, the Commission is directed to make uniform, nondiscriminatory charges for the use of the material.

FEDERAL POWER COMMISSION CRITICIZES BILL

A Federal Power Commission analysis of the proposed legislation at the request of the joint committee pointed out the lack of legislative standards in the bill and the bill's subsidy implications. Commenting upon the fair price provision, the analysis stated:

> There is not and probably never will be a free market to provide a standard of what a fair price would be * * * there is little, if anything, in the legally established concepts of utility regulation that can be deemed to provide meaning for the term "fair price." (Hearings, pt. II, p. 1131.)

As a lawyer, I would say that a fair price, in my judgment, would be much less, if there were no restrictions contained in the bill to prevent the Government as such from developing a Government atomic-energy power

plant program; in other words, if there were not given to the private utilities a monopoly which, in my judgment, the bill gives to them. Then, of course, the uranium product, or fissionable product, which would go to the private utilities under some lease arrangement, would not bring, in my judgment, nearly as much in value as it would if there were provided a public competitive yardstick under a program in which the Government would also develop electric power from this process.

When we consider what the Government would pay in return for the plutonium ash, we realize we are dealing with a piece of property which is bound to be of tremendous value because of its importance to the defense program. And again, if there is given to the private utilities the monopoly of the manufacturing of that process, we would have a hard time, in my judgment, even if the decision were left to the court, on the basis of judicial standards of determining value. It is worse in this case because it is being left to the Atomic Energy Commission. We cannot disregard the fact that we would pay an extremely high price for the plutonium ash in comparison with the lease price which would be charged the utilities for the leasing of the uranium, in the first instance, out of which, in the long run, would be developed the plutonium ash.

I think that is a sleeper in the bill, a catch we must watch out for, and we must attack from two angles: first, from the angle of seeing to it that the bill is amended in such a way that the Government will be able to do its own power generating, particularly for Government use and the use of public bodies; and, second, in my judgment we must write into the bill what the Federal Power Commission says are some very much needed standards of valuation, rather than the very general terms in the bill which are not even identical when they come to deal with fixing the value of the uranium, as compared with fixing the value of the plutonium ash.

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

Mr. MORSE. I yield.

Mr. HICKENLOOPER. Lest a misconception arise, I wish to call the attention of the Senator from Oregon to the fact that the bill does not give a monopoly to private industry. Any public or quasi-public body, utility district, municipality, REA, the TVA, and of such organizations, will have just as much right to participate in this program and to apply for, and receive, licenses as will any private utility. The bill so provides.

Mr. MORSE. Let me say that my good friend, the Senator from Iowa, was not here earlier this afternoon when I discussed this phase of the bill. I shall stand on the record I have made. I think the language of the bill to which the Senator from Iowa refers is very empty, because of certain physical facts which will confront us for the next 10 years. No REA's or cooperatives or municipalities will, in the present stage of the development of atomic power, build a reactor.

What we must take pains to remember, Mr. President, is that in the building of the reactors, only so many of them can be built in the country, and the number is relatively small, because if they are built large enough, and if they are not large enough to begin with, they will not be economically feasible, either for the benefit of the Government or for a private utility, and if only a certain number of them are built across the country, there will automatically be a monopoly. Furthermore, the electric cooperatives and municipalities do not now have the funds that will be needed to build reactors; and if licenses are given to a private utility combine spotted throughout the country by building reactors in certain critical areas, we might just as well forget about the cooperatives or the municipalities ever

building a reactor 15 or 20 years from now.

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

Mr. MORSE. I yield.

Mr. HICKENLOOPER. I do not follow the Senator's line of reasoning, because certainly the public or semipublic groups and cooperatives are as capable of going into this field in the same way private capital is willing to go into it and invest in it. The opportunity is provided in the bill.

Mr. MORSE. There are scores of reasons why they will not do it now, at the present stage of development of atomic energy. Let us not forget that a select group of private utilities have been working on the development of atomic energy from the beginning. They have been engaged in the development and acquiring the know-how, and they are aware what the hidden potentialities of atomic energy are; and in view of the hidden subsidies provided by this bill, they will be in a fine position to grab off, right now, the desirable locations for the construction of reactors, and in that way they will obtain the subsidies. They will have the advantages of a virtual monopoly of patents.

Furthermore, the bill does not contain provision for having any Federal Government units develop power on a commercial basis. In the bill Government units are limited to the development of power as a byproduct; and when we come to the byproduct-power section, we see some very interesting restrictions on what they shall be able to do with the byproduct power.

A part of the objection I am presenting this afternoon to the bill is that the bill, as drafted, does not give effective preference to public bodies. That is why I believe it so essential to write into the bill a provision giving the Atomic Energy Commission and Federal power agencies the authority and the right to build some plants, so as to generate some power for the people, and so as to sell some power under preference provisions in line with general power policy. That should be done in order to have cheap power generated for the benefit of the people.

It is important to have included in the bill a provision setting forth clearly a public-power yardstick which will have some meaning to it, by way of a public-power program, through the construction of atomic-energy reactors owned by the people, as represented by their Federal Government.

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

Mr. MORSE. I yield.

Mr. HICKENLOOPER. No doubt the Senator from Oregon is aware of what I am about to say, but I should like to call it to his attention again, at

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this point, namely, that so far as public and semipublic bodies and cooperative bodies are concerned, in respect to the power field, the TVA has an extensive study and experimental program in connection with this matter; and the REA's are studying the matter, and have a program in regard to the possibilities of atomic-power development, through their connection with Fairbanks-Morse. So the cooperative groups and the REA's are interested in it and are exploring it, just as the privately owned utilities are; and the TVA has its segment investigating and looking into and canvassing the possibilities of atomic-power development.

So I believe it is not exclusively—even at the present time—in the hands of the private utilities, insofar as examination and exploration of this field are concerned.

Again I assure the Senate that I have no fear that the bill will exclude the other bodies and groups in the field of atomic energy, from proper exploitation of it.

Mr. MORSE. Mr. President, I offer a very simple test to settle the disagreement between the Senator from Iowa

and myself. The very simple language we shall vote upon, possibly next week, contained in the Johnson and Gillette amendments to the bill, will, if incorporated in the bill, remove any doubt as to whether the power will be developed, in part, for the benefit of all the people, through guaranteeing a public-power yardstick. Let us write into the bill provisions which will authorize the Atomic Energy Commission and Federal power agencies to develop some Government-owned plants for the generation of power, as such, to be made available to the people, as such. That will constitute a check on monopoly, and will make it possible for the Atomic Energy Commission and other Federal agencies, through that kind of a Government plant, really to breathe life and meaning into any public preference.

If we really wish to check private monopoly and if we really wish to have a public-power yardstick of control against them, then, first, the Senate should adopt our amendments, providing that the Atomic Energy Commission and Federal power agencies shall have authority and jurisdiction to build some of these plants, too, and market their power under the preference clause.

Mr. President, at this time I wish to say a few words about the Federal Power Commission's criticisms of the bill. A Federal Power Commission analysis of the proposed legislation at the request of the Joint Committee pointed out the lack of legislative standards in the bill and the bill's subsidy implications. Commenting upon the "fair price" provision, the analysis stated:

> There is not and probably never will be a free market to provide a standard of what a "fair price" would be * * * there is little, if anything, in the legally established concepts of utility regulation that can be deemed to provide meaning for the term "fair price." (Hearings, pt. II, p. 1131.)

The FPC also asked this question:

> If persons are to be permitted to use the energy resource resulting from the Government's expenditure of billions of dollars on atomic research and production, are they to pay anything for that privilege?

Although licensees for development of hydroelectric resources under the Federal Power Act are required to pay an annual license fee, S. 3690 makes no provision requiring that private persons making use of the atomic energy resource pay for such use.

The FPC concluded:

> For all the bill now provides, the AEC may pay more for the ashes than it charges for the fuel. If the Government is thus to subsidize the electric utilities and other persons developing atomic energy by paying operating costs in addition to giving them the license privilege without charge, it would seem that Congress should fix that policy—not attempt to pass the responsibility to the AEC, the Review Board, the courts, or anyone else.

I completely agree with that point of view of the Federal Power Commission. If there are those who say, "It is not a sound position for the Federal Power Commission to take. It is misinterpreting the act and misjudging its implication," I say it raises at least a doubt. It raises at least a charge of ambiguity in the bill, and it calls for clarification.

TOO MUCH DISCRETION IN AEC

In my judgment the Atomic Energy Commission is allowed an amazing amount of discretion in the administration bill with regard to receipts and disbursements of the taxpayers' money. The provisions of the bill leave wide open the possibility that the Government may buy back nuclear material for a higher price than it charges when it distributes it, especially in view of the provision which allows the private producer's operating costs to be considered in making up the fair price to be paid. The Commission may very well set a low price to the licensees for unprocessed material and pay a high price for plutonium ash. This would be a windfall for the utility companies operating the plants who would already be making huge profits from the sale of power. Even if the fair price and the reasonable charge were the

same, the private operator would be making his profits on the nuclear material if he had a breeder reactor which produced more material than it burned.

The built-in subsidy feature in S. 3690 would give to the private operator who had already been given the right to exploit a $12-billion investment of the people without even the payment of a license fee, the assurance that his operation would be without expense and that he could probably make a profit from the operation even if he never sold a kilowatt of power. It is no wonder that the giants of industry are eager to get in on the atomic energy program.

The social implications of adoption of this kind of legislative proposal were discussed by Edward R. Murrow in his broadcast of June 7, 1954. I quote from the text of the Murrow broadcast:

But more interesting—and surely more significant—is another issue raised by the Commission in its report to Congress. This has to do with the development of atomic energy for peaceful purposes. The Commission recommends that private industry take this over from the Government. This is what the report says: "Obtaining full participation of the Nation's electrical energy producers and equipment manufacturers in the development and production of nuclear power is, in our judgment, the best way of securing the maximum return on the public investment in this phase of our atomic energy program."

Previously in the report the Commission had said, in effect, that we are a society of private enterprise and should remain so. Nuclear power, it said "should be produced and distributed by the private and public power systems and not by the Commission." And that, it argued, would let nuclear power "confirm and strengthen," rather than change, our way of life." But what the Commission proposes may itself be a change in our way of life. It is not easy to find a name for the kind of society it would produce. Obviously it would not be socialism, for though the people put up the money for atomic development and now own the process and the plant, the profits under socialism, (if there are profits) would go directly or indirectly to the people. But just because something isn't socialism it isn't automatically free or private enterprise. In free enterprise the capital is put up by private persons—at a risk—and that is what entitles them to the profits they make. Obviously it wouldn't be free or private enterprise to collect the equivalent of $75 from every person in the United States for nuclear development, which is what the Government has done. This is public money and the discovery and the industry now belong to the public. Of course, if private industry "buys its way in," and the public is reimbursed for its capital outlay, that could end up as private enterprise. But the AEC doesn't suggest this should happen. And nothing is being said about it so far in Congress. It just isn't explained how the public property is to become private property. I should mention that giving public property to private persons, or selling it at nominal cost, is not necessarily reprehensible. It was worthily done by Abraham Lincoln in the Homestead Act, for example. But it is not the same to give away a whole range of new knowledge and a vast equipment that have cost the public an outlay of $12 billion. This is not said to object to atomic energy for peaceful purposes becoming a function of private enterprise. Most Americans will agree that this is a valid objective. But one is entitled to know just how this public property is to become private property. And we may need a new name for the kind of society we might become.

Murrow went on to say, in this excellent broadcast:

As I said, it isn't socialism, but it also isn't pure private enterprise. If one assumes that neither the administration nor Congress wants to arrange simply a gigantic handout of the public property, what do they have in mind? It is not a mixed economy, even though the proposal is that the Government stop making nuclear energy for peaceful purposes and go on making it for defense. For it is not charateristic of a mixed economy to turn over publicly financed and operated functions to private persons. Another name for the proposal may be subsidy. Letting private industry benefit from the nearly four billions it cost simply to develop nuclear energy and use part of the public's plant and equipment, would be one of the most sensational subsidies of all time. Must we learn to call our form of society in the atomic era "subsidized free enterprise?" One should hope not. It sounds like doubletalk. To quote again from the AEC report, the aim is "securing the maximum return on the public investment." But the maximum return to whom? Is it to the public which put up the capital? Or is it to private corporations? These questions are worth thinking about.

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Mr. HICKENLOOPER. Let me call attention to section 31 of the pending bill, in chapter 4, the research chapter. Section 31 is entitled "Research Assist-

ance," and in it the Senator will find that—

a. The Commission is directed to exercise its powers in such manner as to insure the continued conduct of research and development activities in the fields specified below, by private or public institutions or persons, and to assist in the acquisition of an ever-expanding fund of theoretical and practical knowledge in such fields. To this end the Commission is authorized and directed to make arrangements (including contracts, agreements, and loans) for the conduct of research and development activities relating to—

(1) nuclear processes;

(2) the theory and production of atomic energy, including processes, materials, and devices related to such production;

(3) utilization of special nuclear material and radioactive material for medical, biological, agricultural, health, or military purposes:

(4)—

And this is the important item—

utilization of special nuclear material and radioactive material and processes entailed in the production of such material for all other purposes, including industrial uses.

Mr. ANDERSON. That is, again, with reference to the byproduct use.

Mr. HICKENLOOPER. I do not so interpret it.

Mr. ANDERSON. The language of paragraph (4) is, in part, "entailed in the production of such material"—that is, nuclear-energy material—"for all other purposes."

Mr. HICKENLOOPER. Yes; "for all other purposes, including industrial uses."

Mr. ANDERSON. But it has to be tied to the production of this material. It has to be a byproduct use, or at least the language might be so read.

Mr. HICKENLOOPER. I would refer the Senator from New Mexico to the word "utilization," the first word of paragraph (4) of section 31. The reference is to the utilization of these materials, including industrial uses—that is to say, as I view the matter, the Commission is authorized to join in and cooperate for industrial uses.

Mr. AIKEN. Does the Senator interpret the provision for "the production of such materials for all other purposes, including industrial uses" to mean that it might be necessary to produce on a large scale? Otherwise, it would hardly be possible to ascertain the real value of atomic energy for industrial uses."

Mr. HICKENLOOPER. Will the Senator from Vermont repeat the question, please?

Mr. AIKEN. Would the Senator from Iowa interpret paragraph (4), which relates to the "utilization of special nuclear material and radioactive material and processes entailed in the production of such material for all other purposes, including industrial uses" to mean that it might be necessary to produce on a large scale, in order to determine the possibilities for industrial uses?

Mr. HICKENLOOPER. It might well be interpreted that way.

Mr. AIKEN. With the explanation given by the Senator from Iowa, who is in charge of the bill on the floor, I should think that we might be building up a record which would, partly at least, meet the objections which have been raised by the Senator from Mexico.

Mr. HICKENLOOPER. I wish to call attention to section 32, which I believe we should discuss in connection with this matter, because it is a part of it.

Mr. ANDERSON. First, Madam President, let me interrupt for a second, if I may, to say to the Senator from Vermont that is the reason why I have not submitted an amendment to section 44. I had hoped the discussion which the able Senator from Iowa and I had the first time I spoke on the bill would be a starting point, and that we might subsequently develop it sufficiently far to constitute a legislative history and to make it possible for the Commission to do what I think it should do.

Again I say to the Senator from Iowa that the suggestion of the Senator from Connecticut [Mr. BUSH] is along the line of my thinking. I would not wish to see the Commission rush

blindly into spending $300 million or $400 million on a large plant without coming to Congress again. But I should like to have it looking in that direction.

Mr. HICKENLOOPER. I think the discussion is helpful and will bring out some desirable ideas. The Senator from New Mexico is as familiar with this phase of the subject as I am. But it is the general theory—expressed in section 31, as well as in section 32 and other experimental and development sections of the bill—which lays the basis for the 5-year reactor development program. At this point in the RECORD I should like to read the five different types of activity which are encompassed in the 5-year program.

The first was the pressurized water reactor which I mentioned a moment ago, and which eventually will cost approximately $85 million, and is estimated to be completed in 1957. That is the one into which the Duquesne Light and Power Co. is putting about $35 million of its own money.

The Government will be putting up about $50 million eventually. Manifestly, that will produce very high-cost power. We know that it will not necessarily be in the competitive field.

I assume that a part of the justification for it is that it will produce a comparatively small amount—about 60,000 kilowatts, and that for experimental purposes it can be fed into a larger system, and that the high cost of that small amount of power can be leveled out or diluted in a much lower cost system.

The second type of reactor is the boiling-water reactor. That is estimated to cost somewhere around $17 million. It is an experimental reactor, not designed to produce power to be fed into powerlines, necessarily, but to show what can be done with this type of reactor. It is estimated that this will be completed in 1956.

Then there is the sodium-graphite reactor, upon which approximately $10 million is to be spent.

Mr. ANDERSON. Madam President, will the Senator yield?

Mr. HICKENLOOPER. I yield.

Mr. ANDERSON. The Commission has a contract with North American Aviation for the sodium-graphite type of reactor, and that program is underway.

Mr. HICKENLOOPER. Yes.

Mr. ANDERSON. Again, the production of power will be extremely small. We know in advance that the cost of that electricity will be so high that it will have no practical value whatever, except to prove or disprove the theory behind it.

Mr. HICKENLOOPER. The Senator is correct. These reactors, with the exception of the pressurized water reactor, on which the Duquesne Power Co. is cooperating, are really in the nature of experimental tools in the reactor field, using various types and kinds of moderators. The sodium-graphite reactor, it is estimated, will be finished in 1955.

Then there is the homogeneous reactor, which, it is estimated, will be finished sometime between 1956 and 1958, at a cost of approximately $47 million. There is also the fast-breeder reactor, which, it is estimated, will cost approximately $40 million, and will be finished in 1958.

That is the general 5-year program, but these are in the nature of experimental reactors. I take the position—and I think the Congress contemplates—that if the Atomic Energy Commission elects eventually to construct a large-scale producing reactor which would cost $250 million, the Commission ought to lay the program before the joint committee and ought to be

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authorized by the Congress to enter upon such a very substantial program of commercial production. If the Congress authorizes that kind of policy, that is all right.

However, the main job of the Atomic Energy Commission is still to look

after the security of the United States and the production of weapons. That is no more important, perhaps, than humanitarian or industrial activities, but still the national security is very important, and at this moment the mission of the Atomic Energy Commission is to take care of the national security. But almost of equal importance, so far as the urgency of the situation is concerned, is the industrial and humanitarian aspect. Nevertheless, I do not think there is any more reason for the Atomic Energy Commission to go into the commercial production of power at this time than there is for the Department of Agriculture to go into the commercial production of fertilizer.

Mr. ANDERSON. Madam President, will the Senator yield?

Mr. HICKENLOOPER. I yield.

Mr. ANDERSON. I wish to say here, in order that it may be in the RECORD, that in my judgment perhaps the best way to promote the security of the United States may be by the rapid development of peacetime uses of atomic energy, so that we can offer something to the people of the world other than the ability to blow them to pieces. The British seem to be pushing ahead of us in this field. Very likely the Russians are ahead of us in this field. Does our country want to go into southeast Asat, where we are now having trouble, and say, "We Americans would like to bring you a bomb that will shatter you tomorrow, whereas some other Nation may bring you a new source of power, the peaceful utilization of atomic energy, which will bring you peace and happiness." I believe we can accomplish more good by bringing them an instrument of peace and happiness rather than an instrument of destruction.

Mr. AIKEN. Madam President, will the Senator yield?

Mr. HICKENLOOPER. I yield.

Mr. AIKEN. I assume from the remarks of the Senator from Iowa that the wording of this bill would not permit the Atomic Energy Commission to construct a plant at a cost, we will say, of a quarter of a billion dollars in order to determine what the benefit to our heavy industries might be from the wholesale generation of electric energy from atomic energy, even though the Commission might justify the proposal before the Appropriations Committee, which it certainly would have to do. If such a proposal were brought up, it might involve weeks of debate in both Houses of Congress. The other day we passed the so-called lease-purchase bill, which contains a provision that no appropriation may be made for the particular purpose involved in that bill without authorization from the Public Works Committee, I believe. Then the proposal for a particular project could go to the Appropriations Committee for an appropriation.

If the Senator from Iowa feels that the Joint Committee on Atomic Energy should still keep its fingers tightly on this program—and I presume it should—could we not write into the pending bill a provision which would permit the appropriation to be made after clearance had been received from the Joint Committee on Atomic Energy, so as to avoid becoming involved in 2 or 3 months' debate upon the subject, if it were decided that such a program were desirable?

Mr. HICKENLOOPER. There is no question in my mind that the bill would permit the Atomic Energy Commission to build a half-billion-dollar plant if it could get the money from the Appropriations Committee. The authorization is in section 261.

Mr. AIKEN. That is the subject on which I wish the Senator's opinion.

Mr. HICKENLOOPER. I read section 261:

SEC. 261. There are hereby authorized to be appropriated such sums as may be necessary and appropriate to carry out the provisions and purposes of this act except such as may be necessary for acquisition or condemnation of real property or for plant construction or expansion. The acts appropriating such sums may appropriate specified portions thereof to be

accounted for upon the certification of the Commission only. Funds appropriated to the Commission shall, if obligated by contract during the fiscal year for which appropriated, remain available for expenditure for 4 years following the expiration of the fiscal year for which appropriated.

Mr. ANDERSON. Madam President, will the Senator yield?

Mr. HICKENLOOPER. I yield.

Mr. ANDERSON. I think the Senator from Iowa has served the purpose which the Senator from Vermont had in mind, and he certainly has served the purpose I had in mind when he stated that he believed it would be possible, under the language of the bill, to do what was suggested. I have been afraid that a point of order could be raised in connection with an appropriation item of that kind, on the ground that it was not authorized by law, and that Congress had never authorized the Atomic Energy Commission to go into the business of generating power.

Mr. HICKENLOOPER. I should like to clarify my statement.

Mr. ANDERSON. That is what I want.

Mr. HICKENLOOPER. If the Atomic Energy Commission were to say, "We are going into the commercial production of power for sale for profit," that would be quite a different thing from saying, "It is necessary, in the expansion of this program, for us to determine certain things. Theoretically a plant producing 200,000 kilowatts would be very efficient, and would fit into our industrial system. Therefore, we believe it is the duty of the Atomic Energy Commission to construct a 200,000-kilowatt plant for experimental purposes and for the determination of certain questions by a process which private capital and private groups simply cannot finance under our system."

I believe the bill would authorize such an activity, and that the Commission could proceed with such a program if it could obtain an appropriation.

Perhaps I am trying to draw a fine line. I do not believe it is the connotation of the bill as a whole that the Atomic Energy Commission shall go into the commercial competitive power field. It could go into the experimental field, the development field, as a public service, if it could obtain the money from the Congress by an appropriation. I do not know what the limit would be. I suppose there is no practical limit, except the good sense and judgment of the Appropriations Committees, plus that of the Joint Committee on Atomic Energy.

Mr. ANDERSON. I do not disagree with the Senator in his last interpretation. I do not desire to have the Atomic Energy Commission authorized to engage in the production of commercial power in order that it may sell it in the competitive field for a profit. That is not in my heart or mind at all, because I think that might be bad. However, I do want the Commission to have enough money to build whatever plants may be necessary to demonstrate practicability and cost.

Mr. HICKENLOOPER. That would be up to the Appropriations Committees.

Mr. ANDERSON. Yes. Let me say that throughout the entire atomic energy program we have been playing by ear. We have been improvising as we have been going along. The recent tests illustrated that as fully as anything could. The fact is that we authorized $2 billion for atomic research before we even knew whether the atom bomb would explode. The Congress that did it was extremely wise. Of course, if the bomb had failed to explode, every Member who had been concerned with it would have been criticized for throwing money away on a foolish venture.

We are building a plant in Ohio which will cost considerably more than a billion dollars, probably more than a billion and a half dollars. I am not so sure that we will need everything which will be in the plant when we get

through building it, because it may well be that by the time it is completed a new process will have been developed, which will make it more or less unimportant. However, it was wise to start to build it, even if it should develop that a subsequent process may prove it to have been unneeded. We were in such a situation that we had to have it.

We are building a plant on the Savannah River, which was intended for one purpose, although perhaps it will be used for another purpose eventually because of changing techniques. In other words, its purpose may change after we shall have spent the money for it.

We threw away millions by rushing the work. However, the public would not have been satisfied if the work had not been rushed. Therefore I believe the Commission went ahead with it very properly.

All I want to be able to be sure of is that the Commission, if it decides to do so, can take a little bigger chance than the chances it is now taking.

The Duquesne Power & Light contract has helped so far as it goes. However, the very able Senator from Iowa, who is very familiar with the subject, has stated that it will be a high-priced operation, because of its

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limited size. He and I know that the answer we will get will not be the final answer. The question will be tentatively answered for us if through the experimental processes there will be subsequently developed power at a lower price. As was brought out in the recent hearings, the Atomic Energy Commission had to reactivate an old plant which it had to throw into operation, although its production cost was 20 mills, whereas another plant was producing current at 2 mills.

When we get to the point where we are pressed for power, even if the AEC has to build a reactor which will produce power at a cost of 20 mills, it would not be a great violation to put it into operation, if the erection of a substantially larger plant will make possible very cheap current all over the country.

Mr. HICKENLOOPER. I think it is essential that I read into the RECORD section 32 of the bill, which I started to read a short time ago. It clarifies the matter. It should be borne in mind that section 31 under paragraph (4) refers to industrial uses. I did not read section 31 into the RECORD. Section 32, the subsequent section, says:

> The Commission is authorized to conduct, through its own facilities, activities and studies of the types specified in section 31.

Section 31 refers to the industrial uses and activities.

Mr. ANDERSON. Section 31 authorizes the Commission to deal with private institutions and foundations, but section 32, dealing with research, says that if the Commission does not make that kind of deal, it can do the work itself. I am afraid that paragraph (4) may be a little limited in permitting the Commission to go ahead in building the type of plant I am talking about. What I am trying to say is that if the bill does carry language to let the Commission do it, why not, as the Senator from Michigan [Mr. FERGUSON] suggested, write into it language which clearly provides that the Atomic Energy Commission can build a plant to develop electric energy for that purpose and for no other purpose.

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

Mr. HICKENLOOPER. The Senator from Vermont has the floor.

Mr. AIKEN. I shall be glad to yield if I can still hold the floor. I want to say to the Senator from Iowa that I do not want the United States Government to go into the wholesale production of power from atomic energy, to be sold in the competitive field. I believe that we ought to give the Atomic Energy Commission authority to construct a plant on such a scale that the benefit of power derived from atomic energy

to heavy industry can be definitely determined.

Mr. ANDERSON. That is all I want.

Mr. AIKEN. As I understand, the Senator from Iowa believes that after the Atomic Energy Commission has made justification before the Appropriations Committees, it could get the funds for that purpose. I believe the colloquy between the Senator from Iowa and the Senator from New Mexico has gone very far in clarifying the situation in one mind at least, and that is my mind, and of course, that is quite important to me.

Mr. HICKENLOOPER. I wish to make further clarification, because I think it is probably very important that the legislative history of the matter should be as complete as possible.

Section 261 of the bill reads as follows:

> There are hereby authorized to be appropriated such funds as may be necessary and appropriate to carry out the provisions and purposes of this act, except such as may be necessary for acquisition and condemnation of real property or for plant construction or expansion.

That is not necessarily directed at anything except the general attitude of the Appropriations Committees and the other committees, that the agencies of Government should not be given authority to go and condemn property and buy real estate without coming to Congress with their programs.

The language is not directed necessarily at the Atomic Energy Commission. It indicates the general policy Congress has adopted and which is applicable to all Government agencies—I should not say "all," because there may be some exceptions—that departments and agencies cannot condemn land and undertake massive major construction without submitting the matter to Congress.

Mr. AIKEN. Section 261 would not prohibit the Atomic Energy Commission from acquiring or condemning real property to an extent adequate for the construction of one experimental plant of sufficient size to determine the value of atomic-energy power to industry, would it?

Mr. HICKENLOOPER. The proposal for the acquisition of additional real estate probably would have to come before the joint committee for authorization. This section was not inserted for any special reason of singling out the Atomic Energy Commission. It is an attempt to follow the general purposes expressed repeatedly by Congress so far as agencies of the Government are concerned; namely, that such matters as the substantial condemnation of land or a building program should, from time to time, be considered by Congress.

Mr. AIKEN. If the Atomic Energy Commission could not acquire or condemn any real property, how could it do anything on its own except through contract with industry?

Mr. HICKENLOOPER. As a matter of fact, at the present time the Atomic Energy Commission, I believe, owns ample property so that it could build one of those plants on its own property without any difficulty. If they want to go into some other area of the United States and construct property of this kind there——

Mr. ANDERSON. Madam President, will the Senator from Iowa yield?

Mr. HICKENLOOPER. I yield.

Mr. ANDERSON. The Senator from Iowa said he thought the Atomic Energy Commission had plenty of property. I think I would agree with him that probably the first plant ought to be built in connection with some other plant, so that the energy might be utilized by the other plant, and then, thereafter the Commission might acquire other property, because, obviously, they might desire to operate at some other place.

Mr. HICKENLOOPER. I think the Senator will agree with me that we are very much interested in the 5-year program. I do not think the Commission will program a $250-million plant until it can get some answers from the pro-

gram under which they are proceeding and until the Appropriations Committee gives them the necessary money. Of course, the answers will be those resulting from the experimental development.

Mr. CASE. Madam President, will the Senator from Iowa yield?

Mr. HICKENLOOPER. I yield.

CONSTRUCTIVE USES OF ATOMIC ENERGY

Mr. CASE. I had not wanted to interrupt the continuity of the debate, which I consider to be very important in connection with the legislative history of the bill. But I am a little disturbed by the implications which I think might follow this discussion as the record now stands. I do not want this bill to forbid actual production of atomic power or to limit its production to pure research. I want it to embrace and authorize a practical demonstration production. I recall there was considerable debate on that point in connection with the authority given the Tennessee Valley Authority to engage in the production of phosphate fertilizers.

So, I wish to second what the Senator from New Mexico [Mr. ANDERSON] has said about the importance of our doing something clearly, definitely, and purposefully in developing atomic power for constructive purposes rather than for destructive purposes.

Mr. HICKENLOOPER. We are doing a vast amount of that, more than is all the rest of the world.

Mr. CASE. The Senator has proved by his eagerness to interrupt, the point I wished to make. I dare say that the Senator from Iowa does not make a speech in the State of Iowa on the subject of atomic energy without stressing that point and without saying that what the development of radioactive isotopes means for medicine or for human happiness surpasses in importance what the development of atomic energy has meant in a destructive way. The President himself, recently, in making some comment upon our atomic program, stressed the beneficial results. It is extremely important that before the bar of world public opinion it be clearly shown that what we seek is a constructive application in this field. It is a rather paradoxical thing that we want to prove the very antithesis of what we seem to have been doing. We are at a disadvantage in the cold war in the Far East today as a result of some of the unfortunate experiences in experiments with the H-bomb. We must correct that and make clear our constructive and beneficial aims.

Mr. HICKENLOOPER. The Senator is speaking now about what is probably the most overwhelming purpose of the bill. The great burden of this bill is to open atomic energy for peacetime and humanitarian purposes. That is probably the major segment of the bill.

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That is the purpose for which the revision is written.

Mr. CASE. That is fine, but I do not want that purpose negatived or nullified by any provisions in the bill.

Mr. HICKENLOOPER. I do not think it is, at any place in the bill.

Mr. CASE. So, Mr. President, I raise the specific question as to whether by the language of section 261, section 32, and section 44, we have limited the development of atomic energy for constructive purposes or not.

Section 261, to which the Senator has referred, authorizes such appropriations as may be necessary appropriately to carry out the provisions and purposes of the act.

Then when we go back to section 44 we find that what is permitted by the act is the sale of by-product energy, not its production as an original or primary purpose.

Mr. HICKENLOOPER. That section refers only to energy which is produced, possibly, as an incident to certain research and development activities of the Commission. It is not intended to go to the question of mass

production of energy at all. It simply provides that if in the course of the Commission's activities some energy is produced which could be used, there is no use in wasting it. In the construction of a building frequently material is left which may be sold for whatever amount of money can be obtained.

DEMONSTRATION AS WELL AS RESEARCH

Mr. CASE. That strengthens my fear that in the development of electric energy, the Commission is limited to research. Section 32 says that the Commission is authorized to conduct, through its own facilities, activities of the type provided by section 31. Section 31 in paragraph (4), provides for research and development. The question is what is covered or included by those words.

During the hearings of the joint committee on phosphate resources, held in the summer of 1938, I recall that at Knoxville, Tenn., the committee found itself in the midst of a considerable debate as to whether the phosphate fertilizer sold by the TVA was that which was produced in the course of research or whether its production was a commercial operation. There was some contention that the TVA was getting into commercial business. It was the contention of Senator Norris and the TVA authorities at the time, however that the TVA Act authorized the production of fertilizer for demonstration purposes. As a part of that demonstration program, fertilizer was distributed to a number of counties in Tennessee and other States where it could be appropriately distributed, with reasonable freight rates, to show that it could be produced and delivered at a price which farmers could afford to pay. What I fear here—and I hope I am wrong—is that the language which the Senator has been citing limits the Atomic Energy Commission to a research program or a development program in the nature of a laboratory proposition, with not even a pilot plant, much less commercial development.

Mr. HICKENLOOPER. I should like to read the language of section 11, subparagraph (2). The Senator will find it on page 8 of the act, beginning with line 18:

q. The term "research and development" means (1) theoretical analysis, exploration, or experimentation; or (2) the extension of investigative findings and theories of a scientific or technical nature into practical application for experimental and demonstration purposes, including the experimental production and testing of models, devices, equipment, materials, and processes.

That is the technical definition of "research and development."

Mr. CASE. Would the Senator from Iowa interpret that definition to mean that the Atomic Energy Commission could build a plant of sufficient size to determine whether or not the electrical energy could be developed through the application of atomic energy or fissionable materials, in such a way as to be commercially practicable?

Mr. HICKENLOOPER. A moment ago I answered the same question, when propounded by the Senator from New Mexico [Mr. ANDERSON] and the Senator from Vermont [Mr. AIKEN]. The answer is: Yes, if the Atomic Energy Commission could obtain the money.

Mr. ANDERSON. Will the Senator from Iowa permit me to ask if the part of the report at the top of page 15 bothers him in any way. It refers to section 44, and reads:

This section will permit the Commission to dispose of that utilizable energy it produces in the course of its own operations, but does not permit the Commission to enter the power-producing business without further congressional authorization to construct or operate such commercial facilities.

I wonder if that language means that the energy must be sold to someone else, or does it prevent the Commission from constructing a powerplant, as such, for the development of power?

Mr. HICKENLOOPER. I think certainly there was no intent, so far as I

know, to have section 44 apply to any commercial activities at all. It does not refer to that subject. The report merely points out that section 44 is not intended to authorize or permit such action. The construction of large scale plants for experimentation and determination purposes, even though they might cost hundreds of millions of dollars, is authorized in other sections of the bill.

The Commission must obtain the money for such construction; it must prove its case in order to get the money. It cannot go out, willy-nilly, and build the plants.

Mr. President, I wish to say to the Senator from South Dakota that the term "research and development" does not go to the question of the size of the plant; it goes to the question of the purpose. Size is immaterial. Other things being equal, a billion kilowatt plant could be built if the Commission could get the money and if the plant were for the establishment of a certain purpose within the authority of the Atomic Energy Commission. The question of size is not involved; the question involved is that of purpose.

Mr. CASE. I thank the distinguished Senator from Iowa. Referring again to the definitions contained on page 8 of the bill, I note that clause (2) of subparagraph q. reads:

The term "research and development" means (1) theoretical analysis, exploration, or experimentation—

That would not cover the point in which I am interested; but clause (2) might. The definition of "research and development" continues:

or (2) the extension of investigative findings and theories of a scientific or technical nature into practical application for experimental and demonstration purposes—

I have emphasized "and demonstration purposes"—

including the experimental production and testing of models, devices, equipment, materials, and processes.

I pose this question: Does the Senator from Iowa, who is in charge of the bill, feel that the use of the words "and demonstration purposes," taken in connection with what he has previously said, means that, whatever be the size required to provide the practical application for demonstration purposes, the Commission can engage in whatever experiments are necessary in order to demonstrate the practical application?

Mr. HICKENLOOPER. I think the answer is "Yes," if the Commission could get the money from Congress with which to do it.

POSSIBLE UTILIZATION OF PICKSTOWN

Mr. CASE. Then, I should like to ask a more specific question. In my State there is a great deal of interest in the possible development of atomic energy and in the development of standby electricity from fissionable materials to firm up the so-called secondary or dump power which will be generated on the Missouri River. I call the Senator's attention to the fact that a large part of the hydroelectric power available in that area represents so-called secondary power. The Oahe Dam, which is the largest of the dams and manifestly the largest of the reservoirs, has been estimated by the Hoover Commission to produce 52 percent of its energy in the form of secondary rather than firm power.

There has been considerable interest in the State as to how that secondary power might be firmed up. The suggestion has been repeatedly made that the firming up might well be provided by an atomic energy plant. Does the bill authorize the Commission to consider that as a possibility and to provide a plant which would firm up the secondary power of this hydroelectric project?

Mr. HICKENLOOPER. I would say no, that there is no authority to build a plant for the sole purpose of firming up power. I do not think that is a purpose of the act. If the Congress authorized the Commission to acquire property in that area, that would be a

different question. As I pointed out before, the Commission can not condemn property without authorization of Congress.

Mr. CASE. Could the Commission receive property transferred by another agency of the Government?

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Mr. HICKENLOOPER. Probably it could, if the Commission did not have to pay anything for it. I would not want to be too positive or dogmatic about that statement.

I am informed by the Senator from Vermont [Mr. AIKEN], who is very well versed in such questions, that it would take an act of Congress to enable one agency to acquire the property of another.

Mr. CASE. Under the provisions of the general act for the disposal of surplus property, I suggest that another agency might acquire such property. I think that before the General Services Administration sells property which is considered to be in excess of the needs of a particular agency, it can dispose of it to another agency.

Mr. HICKENLOOPER. Perhaps such property could be disposed of in that manner; I am not sure. The point I wish to make is that if the production of atomic energy is demonstrated to be within reasonable economic soundness on the basis of cost—and that is what is being attempted to be demonstrated by the 5-year program—and if the Congress is convinced that the building of a substantial atomic energy plant in a certain area to firm up the power is desirable, and if Congress authorizes the Commission to go ahead with such a project, the Commission could do so. However, the Atomic Energy Commission is not primarily an operating agency; it is a research and development agency. It is not a commercially operating agency any more than is the Department of Agriculture.

Mr. CASE. The final question which the junior Senator from South Dakota is seeking to determine is whether or not the Atomic Energy Commission would have the authority, under the provisions of the proposed act, to receive from the Corps of Army Engineers and to utilize a certain installation known as Pickstown, a body of real estate on which there are buildings ranging all the way from houses to hospitals and administrative office facilities, which were built by the Army engineers to house the engineers and the workers engaged in the construction of the Randall Dam. It happens that their work is practically completed. I have been told by the Chief of Army Engineers, General Sturgis, that he has discussed with representatives of the Atomic Energy Commission the matter of transferring such buildings and facilities to the Atomic Energy Commission when such property is declared excess to the needs of the Army engineers. It has been my thought that if those facilities were transferred, without cost, to the Atomic Energy Commission, under the general law for the disposition of surplus real estate or real property, the Atomic Energy Commission might receive them and then, possessing them, could there establish a practical demonstration project, utilizing the abundant water and hydroelectric energy which the Government itself owns.

The Government has built the Randall Dam. That has created a reservoir which is now storing water and which is now producing hydroelectric power. The Government is in the process of building a large backbone transmission system which will link together the hydroelectric power produced by the dams at Gavin's Point, Randall Dam and Oahe Dam in South Dakota, and at Garrison Dam, in North Dakota. On that line there will be in excess of 1 billion kilowatts of generative capacity, but a large part of the production will be secondary power.

The question I seek to have answered is, Can the Atomic Energy Commission, under the provisions of

this measure, receive that property at Pickstown, land and buildings, when it is excess to the needs of the Army engineers, and use it as a basis of operations for a practical demonstration plant?

Mr. HICKENLOOPER. In answer to the Senator's question I may say that I do not know. So far as this measure is concerned, I know nothing in it that will either prohibit or permit it. I do not know—because I have not looked into the question—what the rights of the interrelated agencies, including the Atomic Energy Commission, may be. I shall undertake to have that matter looked into immediately, so that I can get the answer for the Senator from South Dakota, if possible. But I would hesitate to answer his question now.

Mr. CASE. Would it be fair to assume—on the basis of the Senator's answer to the earlier question—that if other law permits a transfer to the Atomic Energy Commission of the real property I have mentioned when it is excess to the needs of the Army engineers, once it is in the possession of the Atomic Energy Commission, it would be possible for the Commission to engage in a demonstration project there, under the conditions heretofore recited?

Mr. HICKENLOOPER. The Senator from South Dakota has asked a hypothetical question, based upon certain premises. I do not have the answer to the question; but if the Atomic Energy Commission is authorized to accept that land or other convenient land in that area and if the Commission determines that it is essential or proper, in the research and development field of the Commission, to erect such a plant, and if the Atomic Energy Commission determines that that is a proper place at which to conduct research and development, and that a plant of X kilowatts—several hundred thousand kilowatts, or any figure the Senator from South Dakota might wish to use—would be required for that purpose, then I would say that if the Commission could obtain the funds from the Appropriations Committees, the Commission could build the plant.

Mr. CASE. Mr. President, I wish to express appreciation to the Senator from Iowa for the answer he has given and for his offer to obtain a further answer to the hypothetical part of the question.

I wish to say for the RECORD that here is a situation in which the Government has a tremendous amount of electrical energy which it owns and a tremendous volume of water which it owns, both of which, as I understand, are essential elements in the development of a practical plant.

Mr. HICKENLOOPER. The Senator from South Dakota understands, does he not, that the Atomic Energy Commission does practically nothing on its own, except supervision and the conducting of certain research and development activities of a minor nature?

Mr. CASE. Yes, I understand that.

Mr. HICKENLOOPER. The Commission does almost all its activity through contractors.

Mr. CASE. Yes; by contract.

Mr. HICKENLOOPER. Yes; the Commission does most of its work through contractors, and most of the operation is through contractors.

Again, I wish to say that I do not believe either the original act or this bill contemplates that the Atomic Energy Commission will go into the commercial production of atomic energy, as such. It will go into the production of large amounts of electricity only if it is essential, in the demonstration in connection with research and development, to prove certain points or to demonstrate the practicality of certain things.

Mr. CASE. In review, may I make clear that in addition to the water and the power, the Government owns about a $7 million plant there, in the form of a town, with all kinds of administrative facilities—housing, shops, schools, chapel, and hospital. The Government

owns both the land and the buildings.

Mr. HICKENLOOPER. I understand that.

Mr. CASE. I wanted to add that for emphasis as I suspect that this colloquy will be studied in connection with answering that question.

Mr. THYE. Mr. President, if the Senator from Vermont will yield to me, I should like to comment on the colloquy which has taken place between the Senator from South Dakota and the Senator from Iowa.

I would say that, in the first instance, property referred to by the Senator from South Dakota would go to General Services Administration. I think the Senator from South Dakota has raised a question which needs to be explored, because here is physical property which possibly could lend itself to research in the atomic energy field. Therefore, inasmuch as I represent in part an adjoining State which would be one of the beneficiaries if such a pilot plant or research plant were developed in connection with atomic energy, to firm up the hydroelectric energy that is going into that area, I would say that a bill should be introduced in order to begin the necessary study and discussion of the matter. By means of the introduction of such a bill, we would have the necessary discussion and study of the question, so that the properties would not either be disposed of as surplus property to be sold to the highest bidder, or razed, for the purpose of clearing the land and returning it to the State in which it was located when it was acquired, before the buildings were installed.

So I am going to instruct the staff of the Small Business Committee—which already is making a study of a

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possible research activity on the part of the Atomic Energy Commission in that field—to look into that matter. I would be very happy to join the Senator from South Dakota in the introduction of such a bill, in order to get the question before the appropriate congressional committees.

Mr. CASE. I certainly appreciate the statement the Senator from Minnesota [Mr. THYE] has made. As usual, he has a constructive suggestion to make in connection with the discussion.

I may say I think possibly I should obtain the answer the Senator from Iowa suggested he would get, because it is my understanding that if property is declared to be excess to the needs of any Federal agency it goes to the General Services Administration and then it can be transferred to other Federal agencies; and that the ones with a national-defense interest have first priority in claiming excess property.

So it might be that real property in this case—meaning both the land and the building—could be so transferred. It so transferred, I seek to determine whether this bill permits the Atomic Energy Commission to go ahead with a plant there.

The PRESIDING OFFICER. The question is on agreement to the amendment offered by the Senator from Michigan [Mr. FERGUSON].

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

The PRESIDING OFFICER. The clerk will call the roll.

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

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[p. 10842]

REVISION OF THE ATOMIC ENERGY ACT OF 1946

The Senate resumed the consideration of the bill (S. 3690) to amend the Atomic Energy Act of 1946, as amended, and for other purposes.

Mr. MAGNUSON. Mr. President, may I expound a parliamentary inquiry?

The PRESIDING OFFICER. The Senator will state the inquiry.

Mr. MAGNUSON. What is the pending question before the Senate? Is it the so-called Hickenlooper amendment?

The PRESIDING OFFICER. The Chair advises the Senator that that is correct.

Mr. MAGNUSON. May I ask that it be read?

The PRESIDING OFFICER. The clerk will state the amendment.

The CHIEF CLERK. It is proposed by Mr. HICKENLOOPER, on page 2, line 17, after "employed", to insert "(1)."

On page 82, line 19, before the period, to insert a comma and the following: "or (2) for the construction or operation of facilities for the commercial production of electric power, or other useful forms of energy, derived from the utilization or production of special nuclear material other than that power or useful energy produced or derived incidental to research and development activities authorized under section 32."

Mr. MAGNUSON. Mr. President, numerous amendments have been suggested to the bill now before the Senate, including the one just read, offered by the distinguished Senator from Iowa. I desire to address myself for a brief time to amendments suggested by a distinguished member of the Joint Atomic Committee, Mr. HOLIFIELD, which he proposed to the House, and which were printed in the CONGRESSIONAL RECORD of July 19, 1954, at page 10956. Mr. HOLIFIELD expressed great concern about the provisions of the pending measure, and as many Members of the Senate know, Mr. HOLIFIELD and Mr. PRICE, another Member of Congress, have expressed themselves in no uncertain terms in minority views submitted by them, and appearing in Senate Report No. 1699 on the pending bill. Although we have had small opportunity to read the whole report, I know that most of us have read the separate views of these two members of the committee in suggesting certain amendments to the pending legislation.

In their minority views Representatives HOLIFIELD and MELVIN PRICE, dwell on a matter which has not been discussed as much in this debate as have power matters, patent matters, and contract matters. In their separate views they refer to what is termed "international activities" in this new field we call, colloquially, "atomic energy."

I wish to quote, so that the RECORD may be clear; because I do not think these matters have been placed in the RECORD, at any point in the whole debate. In fact, I am sure of it, for I have checked all the RECORDS since the debate began about 3 days ago. The two Representatives to whom I have referred, who are members of this joint committee, and who sat through all the deliberations, all of the hearings, and heard all the witnesses, submitted very succinct and cogent views which I think have not been considered by the Senate during this debate.

Their views relate to the "International Activities," in regard to this very important matter. Mr. President, I wish to quote from their views, because I think what they state, after listening for weeks and months and evaluating all the testimony, is important. It seems to me it is definitely important for us to consider their views on this important subject.

So, Mr. President, in Report No. 1699 on Calendar No. 1710, Senate bill 3690, we find the following on page 100, under the heading, "Separate Views on International Activities." I point out that these are the separate views of the Senator from Rhode Island [Mr. PASTORE], and subscribed to by Representative HOLIFIELD and Representative PRICE, two Members of the House of Representatives:

SEPARATE VIEWS ON INTERNATIONAL ACTIVITIES

I have been impressed by the spirit of patriotic unselfishness and the display of bipartisanship demonstrated by the committee and its

staff through the long days spent in preparation of this bill.

The atomic-energy program is both highly technical and complex. The framers of this law had to examine and understand the past and present complexities of nuclear energy activities and try somehow to predict the future. Issues arose which went to the very roots of individual, political, and economical philosophies, and yet these were resolved by the members of the committee in a spirit of compromise and good will which is the very essence of our democratic legislative process. The difficult questions of compulsory licensing of patents, of antitrust provisions, and of licensing and regulatory provisions were settled in this fashion.

I am frank to state that several portions of this bill do not have my unqualified endorsement, but I am compelled to join the majority in its favorable report on S. 3690 because, on balance, the compromises reached have been for the greater good, and I can accept—as should any reasonable man in a position of responsibility—something less than what I think is perfect in each of its parts if the whole structure is worth while.

Mr. MANSFIELD. Mr. President, will the Senator from Washington yield to me for a question?

The PRESIDING OFFICER. (Mr. KUCHEL in the chair). Does the Senator from Washington yield to the Senator from Montana for a question?

Mr. MAGNUSON. I yield.

Mr. MANSFIELD. The Senator from Washington is discussing some of the proposed amendments to the act, suggested by two Members of the House of Representatives who have indicated a great interest in this measure. Is not that correct?

Mr. MAGNUSON. Yes. I say to my friend, the Senator from Montana, that I am discussing what are distinctly labeled Separate Views on International Activities, as those separate views relate to the international aspects of the pending bill.

Mr. MANSFIELD. I see.

Mr. President, will the Senator from Washington yield for a further question?

Mr. MAGNUSON. I yield.

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Mr. ANDERSON. If it were provided that funds of the Commission should not be employed in the construction or operation of facilities licensed under section 103 or 104 except under contract or other arrangement entered into pursuant to section 31, and if there were added to that provision an amendment which read "or (2) for the construction or operation of facilities for the commercial production of electric power, or other useful forms of energy, derived from the utilization or production of special nuclear material other than that power or useful energy produced or derived incidental to research and development activities authorized under section 32," would the Senator not agree that that would be a complete nullification of the Johnson amendment?

Mr. JACKSON. Offhand, it certainly sounds as though it would have that exact effect. I think we made real progress yesterday by obtaining approval of the amendment offered by the distinguished senior Senator from Col-

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orado [Mr. JOHNSON], and the subsequent approval of the preference amendment offered and approved by the Senate, which was offered, I believe, by the distinguished junior Senator from Iowa [Mr. GILLETTE].

Mr. ANDERSON. Was not the able Senator from Washington a member of the Joint Committee on Atomic Energy when he was a Member of the House of Representatives?

Mr. JACKSON. The Senator is correct. I was a member for 4 years.

Mr. ANDERSON. Did he not have the opportunity then to become well acquainted with the senior Senator from Iowa? Would he not agree that the Senator from Iowa is a forthright person and probably would be the first person to admit that the purpose of the Hickenlooper amendment is to nullify the Johnson amendment?

Mr. JACKSON. I know that the distinguished senior Senator from Iowa [Mr. HICKENLOOPER] is a very honest,

forthright, and able legislator who would be most candid on any question relating to the interpretation of his amendment.

Mr. ANDERSON. I can say I have discussed it with the Senator from Iowa. I think he would agree it is intended for that purpose. I appreciate the fact that he is that forthright about it.

Mr. JACKSON. Mr. President, I should like to quote again the statement of President Theodore Roosevelt in his message which has been referred to:

> I esteem it my duty to use every endeavor to prevent the growing (power) monopoly, the most threatening which has ever appeared, from being fastened upon the people of this Nation.

Need I remind the Senate that this statement, though it is so appropriate in connection with the events transpiring today, was in reality made some 50 years ago by President Theodore Roosevelt, a Republican?

In 1910 the second general dam bill limited the life of power permits to 50 years, provided for a charge, and for the recovery of the privilege by the United States.

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

Mr. JACKSON. I shall be happy to yield for a question.

Mr. ANDERSON. Would not the Senator think it better to say, "The second bill for the construction of the dam," rather than the "second general dam bill"?

Mr. JACKSON. If we are on dams, we had a little colloquy on that subject on the tidelands bill. As I recall, I asked the question as to what we were going to call one of the dams in the West which the administration had been tinkering with, and the Senator from Minnesota [Mr. HUMPHREY] said:

> I think we ought to call it "the let-the-public-be-damned bill."

That is why I happened to get into this "dam business."

Mr. GORE. Does the Senator mean, "into the business regarding dams"?

Mr. JACKSON. I think the Senator may be right, but I do not want to be held down to that. I think we need great latitude in the interpretation of these questions when we give full ventilation to problems so comprehensive and far reaching as those growing out of the splitting of the atom.

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

Mr. JACKSON. I shall be happy to yield for a question.

Mr. GORE. Could the administration and the Republicans in the Senate raise serious question about taking some latitude with the meaning of a word when they so stretch the words "in connection with" as to give legal authority to a plant in southeastern Arkansas which had no direct relation to the Atomic Energy plant at Paducah, Ky.?

Mr. JACKSON. I will say to the distinguished junior Senator from Tennessee that after they entered into the contract with the Dixon-Yates group under the cloak of the Atomic Energy Act I think we might be prepared for almost anything. I think we can expect anything as a result of that contract.

Mr. ANDERSON. Mr. President, will the Senator from Washington yield for a question?

Mr. JACKSON. I shall be happy to yield for a question.

Mr. ANDERSON. Does he not think that the Atomic Energy Commission itself would be better engaged in splitting atoms than in splitting hairs in this situation?

Mr. JACKSON. The distinguished junior Senator from New Mexico is so right.

I stated a little earlier in response to a question from the distinguished majority leader that the big problem we have had in the Atomic Energy Commission is that in the past they have been bogged down with a lot of collateral administrative duties such as

the administration of the towns of Oak Ridge, Los Alamos, Richmond, Washington, and so on.

The assignment of the Atomic Energy Commission, in order to be effective and carry out the directive of the Congress of the United States, should be in the field of splitting atoms. When I say "splitting atoms," I do not mean merely the military atom, but I mean the peaceful atom as well.

As we know, and as the distinguished junior Senator from New Mexico knows, it is difficult at times to distinguish and isolate and tag and separate the peaceful atom from the military atom.

Is it not correct that the atomic engine which is going into the *Nautilus* paved the way and is paving the way for the first atomic-electric powerplant which is being constructed at Pittsburgh, Pa., in conjunction with the work of the Westinghouse Electric Co. and the Duquesne Power & Light Co.? Is that not correct?

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

Mr. JACKSON. I shall be happy to yield for a question.

Mr. ANDERSON. I have difficulty answering and staying within the question, but I am sure that it is correct.

What I wanted to ask the Senator was this: When he referred to duties such as the administration of towns, I wonder if he noticed when the very able Chairman of the Atomic Energy Commission went to Los Alamos a few days ago, where I hoped he might have a chance to visit with the distinguished scientists who have done so much in the development of nuclear weapons, that he was immediately confronted with the question of whether Los Alamos should be an open city or a closed city?

I mean by that whether the gates should be opened so that the public could come in and interview people and try to sell them magazines and vacuum cleaners and devices of that nature.

Does he know that the persons who objected to it becoming an open city did so because they were afraid that all sorts of people would be rushing in questioning them about their views on various matters, and they would have had a difficult situation?

He was the Chairman of the Commission, with important duties, going forth to struggle with that very important question. Does that not illustrate the very thing the Senator is talking about, when he says the Commission is spending time on matters which are administrative details, and the country would be favored if they did not have to do it?

Mr. JACKSON. The Senator is so correct.

I know when I served on the Joint Committee on Atomic Energy that was one of the biggest headaches we had, and we spent a lot of time on the subject of the administration of towns.

The Senator knows that if the Government—in this case the Atomic Energy Commission—is going to take over the administration of a city, it is going to have to deal with everything from dogs barking at night to paving streets and providing homes and all the complications and ramifications of everyday living.

Those who are engaged in the work of splitting atoms, both peaceful atoms and military atoms, should be spending all their time in that area and not be bogged down with a lot of collateral subjects.

Now, we find the Commission being told that they must get into another collateral area—going into the power business and acting as a broker for a power company in the distribution of electric power in the Memphis area.

I should think that this administration would do its best to try to make the functions of the Atomic Energy Commission more businesslike insofar as the atom is concerned.

Mr. ANDERSON. Mr. President, will the Senator yield for a further

question?

Mr. JACKSON. I yield for a question.

Mr. ANDERSON. Would not the Senator think it would have been fortunate, indeed, if the Atomic Energy Commission could have been spared the hurt of this debate over the Dixon-Yates contract into which the Commission has been dragged? Would he not have thought it desirable to leave that Commission out of this whole controversy, and does he not think this bill might have made better progress if the whole Dixon-Yates controversy had been completely left out of it by the decision of those who have the responsibility on this floor?

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Mr. KNOWLAND. Does the distinguished Senator from Oregon now take the position that unless the Senate of the United States bows its head to this new Morse formula and unless the President of the United States bows his head to this new Morse formula, the Senate of the United States is not going to be able to function as a legislative body?

Mr. MORSE. Mr. President, I am perfectly aware of the fact that the majority leader is very tired. I do not intend to engage in any personal recriminations with the majority leader.

I only reply to him by saying that the Senator from Oregon is going to stand firm on the parliamentary rights in the Senate of the United States accruing to each Senator who is opposed to this bill. It is a legislative monstrosity.

We have made our decision, Mr. President, that we have a tremendously important patriotic duty from the standpoint of the obligation we owe to our constituents to fight for our independence of judgment in the Senate on the merits of the issues as we find them. We think this bill is so important to the future welfare of the country, Mr. President, that we are going to fight to prevent its passage unless it is amended in ways that will protect the public interest. I have a feeling that if the President at the White House understood the sincerity of our point of view and the reasons for our differences he would react as Woodrow Wilson reacted in 1913.

That is my answer to the Senator from California. Unless someone wants me to withhold my objection a moment for comment——

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

Mr. MORSE. I yield to the Senator from Minnesota for a question.

Mr. HUMPHREY. Is the Senator aware of the fact that at a very early hour this morning the junior Senator from Minnesota made the unanimous-consent request that we extract from this bill all portions other than those which dealt with the international cooperation aspect of the measure?

Mr. MORSE. I have understood that.

Mr. HUMPHREY. And that we proceed forthwith on those particular sections?

Mr. MORSE. I was not here at the time. I was home getting some sleep, because I intend, if necessary, to hold the floor tonight during the night. But I understood when I reached the floor that the Senator made that proposal, and I want to say I think it was a statesmanlike proposal.

Mr. HUMPHREY. Will the Senator yield for a further question?

Mr. MORSE. I yield.

Mr. HUMPHREY. Was the Senator aware that as of yesterday we were proceeding in an orderly manner with the consideration of amendments; first the Johnson amendment, second the Gillette amendment, third the Humphrey amendment, fourth another amendment suggested by the junior Senator from Minnesota, fifth another amendment which was within the stages of being finally acted upon; when the unusual tactic of moving to

lay it on the table was employed?

Mr. MORSE. I understand that. I would call that a phase of a parliamentary war.

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

Mr. MORSE. I yield.

Mr. HUMPHREY. Is the Senator aware of the fact that Section 7 (b) of the Atomic Energy Act, known as the McMahon Act, reads as follows:

> The Commission shall prepare a report to the President stating all the facts with respect to such use, the Commissioner's estimate of the social, political, economic, and international effects of such use and the Commission's recommendations for necessary or desirable supplemental legislation.

Mr. MORSE. No such report was filed.

Mr. HUMPHREY. The Senator is aware of the fact that no such report has been filed?

Mr. MORSE. No such report has been filed. I pointed that out in a radio broadcast to the American people this morning.

Mr. HUMPHREY. The Senator is very astute and an able attorney. In the mind of an able attorney does the word "shall" not indicate a directive or a mandate?

Mr. MORSE. I think it placed a mandatory obligation upon the President.

Mr. HUMPHREY. Is the Senator aware of any such report that preceded the consideration of this legislation?

Mr. MORSE. No. No such report was filed.

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

Mr. MORSE. If there are no objections I yield to the Senator from New Mexico.

Mr. ANDERSON. There has been a great deal said about speeding up action on this bill. We spent about 18 hours disposing of the Johnson amendment. Because that was not satisfactory to the majority, even though a majority voted for it, now we have the Hickenlooper amendment, which completely negates the Johnson amendment. Of course, from the parliamentary standpoint it is an ideal situation for us, because the Hickenlooper amendment cannot be disposed of now unless the majority leader moves to lay it on the table. Of course that is an ideal situation for us, but it does involve more than 18 hours of the same sort of debate we had when we were making headway, and adopting an amendment every hour and a half.

I suggest that the Hickenlooper amendment increases the time required for this debate.

I should like to ask the Senator from Oregon, who says he is going to occupy the floor tonight, to make sure he has a priority. There are other Senators who have the same feeling.

Mr. MORSE. As I said, I am merely a private in the rear ranks and I am willing to serve.

Mr. President, I object.

The PRESIDING OFFICER (Mr. FERGUSON in the chair). The objection is heard.

Mr. HICKENLOOPER. Mr. President.

The PRESIDING OFFICER. The Senator from Iowa.

Mr. HICKENLOOPER. I withdraw my amendment.

The PRESIDING OFFICER. Are there any further amendments to be offered?

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Mr. MORSE.

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At this time I propose to discuss the subject of Government subsidies and other Government handouts to business under our free-enterprise system. In my judgment this is a matter very pertinent to the debate on the administration's atomic energy bill, because my study of the bill convinces me that it contains one of the most potentially

outrageous subsidies to big business ever to be found in a legislative proposal.

Government subsidies to business exist in a variety of forms. They may take the form of direct grants of Government money to certain industries, but more often they arise as windfalls to business resulting from loopholes in the law. I shall discuss one type of indirect subsidy a little later in this speech, but first I want to talk about the built-in subsidy in the atomic energy bill.

The bill proposes that the Federal Government shall relinquish its exclusive ownership rights in facilities for production or use of special nuclear material but retain ownership of the material itself.

When nuclear material is used in an atomic reactor to produce energy for power, it is not destroyed. In fact, according to an AEC report to the Joint Committee on Atomic Energy, the new breeder reactors may produce more material than they consume. "As a consequence," says the minority report of the joint committee, "the incidents of private and public ownership are intermingled in such a way that not only may vexatious problems of administration arise, but the private companies licensed for a maximum period of 40 years to own and operate production facilities—atomic reactors—legally can depend on the Government to compensate them adequately for whatever they produce during the lifetime of the license. This constitutes a built-in subsidy for licensed atomic enterprise until about the year A.D. 2000."

The atomic energy bill provides for no fee to be paid for the use of nuclear materials. Instead, it proposes that the Government shall distribute the materials to licensees for a "reasonable charge" and buy the materials produced by a licensee for a "fair price."

It proposes that the Government shall distribute special nuclear materials for licensees for a reasonable charge, and to buy the material produced at a fair price. Watch out for that one, Mr. President. If I ever saw a sleeper clause, there it is. We sell at what price? Well, we license for a reasonable charge. That is magnanimous of us. But we buy the material back at a fair price. If we mean the same thing, why do we not use the same language? Of course, we do not mean the same thing. We mean that in the license situation we are dealing with a lease. Let me tell the Senate where the sleeper danger is. We lease it out for a very nominal charge, which is called reasonable. That is the uranium; that is the nondestructible material. We buy back the plutonium ash, which is material that is used in bombs and other atomic weapons. What is the pattern? When we come to buy defense materials, when we come to buy bomb material and start dealing with war equipment, believe me, we pay plenty. We have to have it. When we get through with this monopolistic giveaway, the source is going to be the monopoly to which we in effect have given away uranium. Believe me, the monopolies will charge plenty for the plutonium ash. They have plenty of legal doctrine behind them if we want to take any legal action. They will get a big price under the standard of "fair price" for the plutonium ash. That is why there are men in the minority on the joint committee, men like CHET HOLIFIELD, warning us of the danger of this section of the bill as being a hidden sudsidy.

I am not going to get sucked in by that one. That has got to be changed. We have got to get it tied down so the American people cannot be held up that way.

The bill provides in section 56 that in determining a "fair price" to be paid by the Government for nuclear material, the Atomic Energy Commission shall take into consideration the value of the special material for its intended use by the United States.

See what a joker that is—intended use. A bomb is the intended use. If we take that intended use into account when we fix the price, the price will be higher than the Washington Monument, figuratively speaking. That is the joker in the bill. They know the average fellow on the street is not going to catch the legal implications of that. We have a duty to protect him. It is our job in the Senate to see to it that that kind of language is rewritten, and its effects restricted.

Listen to it again: In determining a fair price to be paid by the Government for nuclear material the Atomic Energy Commission shall "take into consideration the value of the special material for its intended use by the United States," and it "may give such weight to the actual cost of producing that material as the Commission finds to be equitable."

What discretion; what wide open, arbitrary discretion that is. We have not got a legal standard there binding upon the Commission. Just imagine. It is proposed to give to the Commission discretion authorizing it to give such weight to the actual cost of producing material as the Commission finds to be equitable. Can we not hear them? "We have got to have those bombs; we have got to have this artillery weapon; we have got to have this newly invented atomic device for airplanes; we have got to have this material." One would think the whole security of the Nation were at stake.

I served on the Armed Services Committee for 8 years, and I felt many times that when the military come up asking for something the country was about to collapse if they did not get the money the next day.

One would think we are in the throes of complete destruction. The price they present and the testimony they present require immediate action; right now; no time to waste; they must have it right now. We discover 9 or 10 months later that they have not done a thing after they got the authorization.

So I learned early on the Armed Services Committee that it is almost a military pattern as they appear before congressional committees to try to scare us to death in order to get approval for tremendous financial outlays involving, too frequently, great waste of the taxpayers' money.

But here, Mr. President, look how far we are going. We are going to give almost unlimited discretion to the Commission in fixing the price. That has got to be changed if we are going to protect the taxpayer. I should like to see the President of the United States have an opportunity in conference to help to change it.

As to the reasonable charge for the material, the Commission is directed in section 53 of the bill to "make uniform, nondiscriminatory charges" for the use of the material.

See how clever that is. They do not say anything there, as they did in regard to fixing the price of the material that the Government buys back, about any uniform, nondiscriminatory price. Oh, no. They talk there about fixing the price on a basis which the Commission thinks is reasonable, which means a lot of variations. But when it comes to the Government collecting, there has to be a uniform, nondiscriminatory charge. To be sure, it is going to be the least charge. It is not going to be much. In fact, one of the lessons I have learned in the Senate, as I have "watchdogged" now since 1946, the disposal of Federal property, if the task of getting rid of Federal property was left up to the commissions and departments—and one would think that they were permanent employees of the Santa Claus union, wearing the costume every day of the year—they would give away the people's property almost every time.

Someday I would like to sit in a Senate committee and have one single property disposal bill brought before us for approval in which the Federal Government really struck a hard bar-

gain in the interest of the taxpayers of the United States.

When it comes to the Government's selling its property, I do not know why there is such a great spirit of charity which seems to overcome our Government officials, particularly in the disposing of property to great, powerful financial interests in the country.

I will try to stop that, too, and I have been doing my best here since 1946 to stop it in a small way. I get a lot of beating and battering around for trying to uphold what is known as the Morse formula, which just requires 50 percent of the appraised market value for surplus property going for a public use, and 100 percent for property going to private use.

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TUESDAY, JULY 27, 1954

(*Legislative day of Friday, July 2, 1954*)

(Continuation of Senate proceedings of Monday, July 26, 1954, from 12 o'clock midnight on Tuesday, July 27, 1954.)

REVISION OF THE ATOMIC ENERGY ACT OF 1946

The Senate resumed the consideration of the bill (S. 3690) to amend the Atomic Energy Act of 1946, as amended, and for other purposes.

The PRESIDING OFFICER. The bill is open to further amendment.

Mr. HUMPHREY. Mr. President—

The PRESIDING OFFICER. The Chair recognizes the Senator from Minnesota.

Mr. HUMPHREY. Mr. President, I yield the floor; as I yield to the Senator from Oregon.

Mr. MORSE. Mr. President———

The PRESIDING OFFICER. The Chair recognizes the Senator from Oregon.

Mr. MORSE. Mr. President, do I have the floor in my own right, and not on the basis of having the Senator from Minnesota yield to me?

The PRESIDING OFFICER. If the Senator from Minnesota yielded to the Senator from Oregon, the Senator from Oregon has the floor.

Mr. MORSE. I am trying to find out whether the Senator from Minnesota yielded the floor, or whether he yielded to me.

The PRESIDING OFFICER. The Chair's understanding is that the Senator from Minnesota yielded the floor.

Mr. HUMPHREY. Yes, Mr. President.

The PRESIDING OFFICER. Then the Chair recognizes the Senator from Oregon.

Mr. MORSE. Mr. President, I believe I shall have the appreciation of all tired Senators because they will be assured of a good night's rest. I am sorry I cannot likewise accommodate the staff of the Senate. I would like them to have a good night's rest, too. But at least my colleagues in the Senate can now go to bed, because I am going to talk to the country for a few hours.

Mr. HUMPHREY. Will the Senator from Oregon yield?

Mr. MORSE. Only for a question.

Mr. KNOWLAND. Mr. President, may we have order, please?

The PRESIDING OFFICER. The Senate will be in order.

Mr. MORSE. Mr. President, I yield only for a question.

Mr. HUMPHREY. If the Senator from Oregon will yield, I wish to submit an amendment, but without causing him to lose his right to the floor. In submitting the amendment, I shall speak only a very short sentence.

Mr. MORSE. I want to stop the Senator from Minnesota right there. I have been having a whispered conversation with the Democratic Whip, and I did not hear how the Senator from Minnesota started his question. I hope it was a question. Did he start with a question?

Mr. HUMPHREY. I did. I asked whether the Senator from Oregon would yield to me, for the purpose of

permitting me to submit an amendment which I should like to submit as a corrective amendment pertaining to the one I recently submitted—but without causing the Senator from Oregon to lose his right to the floor.

Mr. MORSE. I do not yield for that purpose. I do not yield any further. I mean no discourtesy to my good friend from Minnesota, but I am not going to yield. I am not going to yield to anyone.

Mr. SPARKMAN. Mr. President, will the Senator from Oregon yield to me, for the purpose of permitting me to correct the RECORD, provided the Senator from Oregon will not lose his right to the floor?

Mr. MORSE. No. I think this will just cause some embarrassment.

Mr. President, the tension is pretty high at this point. We have been through this kind of a high spot before in the Senate. Perhaps we had better wait for a little period of relaxation to set in. I can provide that period, Mr. President. I am going to do it. I have the floor, and I am going to speak for a while.

Mr. DIRKSEN. Will the Senator from Oregon yield for a question?

Mr. MORSE. I do not yield for a question.

Mr. DIRKSEN. Mr. President, will the Senator from Oregon yield for one very short question?

Mr. MORSE. I do not yield, Mr. President. Ordinarily I would love to yield to my friend, the Senator from Illinois; but I am not going to yield to any Senator for any purpose, for the time being.

Mr. President, I wish to comment briefly on the amendment I offered which was laid on the table. I wish to point out, by using quotation marks, Mr. President, what a "dangerous" amendment it was. It was so "dangerous," Mr. President, that it happened to be the language——

The PRESIDING OFFICER. The Senator from Oregon will suspend. Let there be order in the Chamber. Those in the rear of the Chamber will please take their seats or leave the Chamber, so that we can have order.

The Senator from Oregon may resume.

Mr. MORSE. Mr. President, as I was saying, I want to explain to the Senate how "dangerous" the amendment I offered really was. I refer to the amendment which was laid on the table, without extending to the Senator from Oregon an opportunity to discuss the amendment unless he yielded to a parliamentary bludgeon which was to be wielded against him.

The language of the amendment, Mr. President, was taken out of President Eisenhower's bill, which he sent to the Senate of the United States and to the joint committee. The amendment was taken verbatim out of the Eisenhower bill. It was taken out of the Eisenhower bill because the Federal Power Commission had warned that the language which was being proposed by some, and which finally got into the bill, did not provide for adequate legal standards in regard to the whole price problem which is involved in this whole contractual transaction.

Mr. President, section 52 of Senate bill 3690 provides that any person who lawfully produces any special nuclear material shall be paid a fair price by the Commission for producing such material.

Section 56 states, in part:

> In determining the fair price to be paid by the Commission pursuant to section 52 for the production of any special nuclear material, the Commission shall take into consideration the value of the special nuclear material for its intended use by the United States, and may give such weight to the actual cost of producing that material as the Commission finds equitable.

Section 53 of the bill lists the factors to be taken into consideration by the Commission in determining a reasonable charge to be collected by the Government for its nuclear materials.

With respect to commercial licenses, the Commission is directed to make uniform nondiscriminatory charges for

the use of the material.

Mr. President, what did the Federal Power Commission have to say about the legal standards for the pricing policies provided for in the bill? I would have the Senate reflect very seriously upon the warning of the Federal Power Commission.

Let me say that the junior Senator from Oregon, Mr. President, is fighting

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for an amendment, or was fighting for an amendment, before it was laid on the table, and now makes this speech in support of the amendment, even though it lies on the table, because the language I have used in my amendment is the language of President Eisenhower's proposed bill; and his language conforms to the criticism of the Federal Power Commission, because of a lack of standard provided for in the bill as reported by the joint committee.

Mr. President, when the Senator from Oregon is fighting for the standard recommended by Dwight Eisenhower's own Atomic Energy Commission, when the Senator from Oregon is fighting for an amendment which seeks to meet the criticism of the Federal Power Commission, he is also fighting for the best interests of the taxpayers of America, and I want to talk to them tonight for a while.

I want the taxpayers of America to know what is happening to them in this bill. I want the taxpayers of America to know of the hidden subsidies still in this bill; and here is one of them. Here is one of the joker clauses still left in this bill, Mr. President. Here is one of the sleeper provisions still in this bill. Here is one of the catch-alls in this bill, Mr. President, seeking to give another windfall to a selected few big American businesses—a private-utility monopoly combine.

All the Senator from Oregon has sought to do is incorporate in the bill language which will protect the taxpayers of the country. Oh, I do not have any illusions, Mr. President, concerning the nature of the fight I am making. I do not have any illusions, Mr. President, about the misrepresentations which are going to be made about the fight I am making. I do not have any illusions, Mr. President, about the criticism and abuse I am going to take for the fight I am making. I am used to it. Let me say, Mr. President, I have a very thick skin when it comes to abuse; but I also have a very forgiving heart.

Mr. President, I think it is sad, I think it is too bad, I think it is an unfortunate incident in the history of the Senate of the United States—after we have made the progress we have made today in trying to compose our differences, in trying to work out here a bill which will meet some of the objections of those of us in opposition to the bill, that when a Senator submits an amendment as well thought out as this one, an amendment of such vital importance to the taxpayers of America, an amendment which I am willing to submit as a lawyer, Mr. President, would be approved by most of the courts in America, and most of the judges sitting on the courts of America, because of its unquestionably sound provision providing the courts with a definite legal standard they can apply in regard to the pricing features of this bill—that the Senator who submits the amendment is denied an opportunity even to explain it, is denied an opportunity to discuss it, unless he will knuckle down, unless he will bend his knee, unless he will put his head in a parliamentary noose, and will say that he is going to talk for only "X" minutes or for an hour.

Mr. President, that has not been the record of the Senator from Oregon in the Senate of the United States, and it is never going to be his record in the Senate of the United States. The people of Oregon did not send me here to be intimidated by anybody. The people of Oregon did not send me here, Mr. President, to sacrifice my inde-

pendence of judgment on any occasion, at any time, for any purpose, and I shall not do it.

I think I have demonstrated here, today, time and time again, that I know how to do teamwork. I have been doing teamwork here all day with a group of men over on the other side of the aisle, a group of us who started out in opposition to the bill, Mr. President. There is no question about the fact that certain maneuvering, certain representations, diminished our number, but there is still a considerable number of us left.

Mr. President, I think we were entitled to the parliamentary courtesy—and I speak most respectfully when I say this, but I am entitled, I think, to present my point of view, and I do it very respectfully—of being allowed the time we needed for further conference.

The conference this morning was certainly productive of much cooperation, but one cannot confer very well here on the floor of the Senate, Mr. President, when debate is going on. One cannot confer, cannot leave the floor of the Senate for half an hour, three-quarters of an hour, or an hour for a group conference, when he does not know whether, when he is away, all his parliamentary rights may be sacrificed by some kind of unanimous-consent agreement entered in his absence.

There is no doubt about the fact, Mr. President, that there is a great deal of fatigue here in the Senate. A few minutes ago I was out in the office of the Official Reporters of Debates. There is a beloved public servant out in that office, a man who has been here, I just do not know how many years, but many, many years—Mr. James W. Murphy, in charge of the Official Reporters of Debates of the Senate. He is exhausted. I urged him to go home. He would not hear of it. He is just one of the soldiers who work on until they drop. But, Mr. President, there are many other fine members of the professional staff of the Senate who are equally tired. I wish to say that in paying tribute to the services of Mr. Murphy, I do not mean to show a lack of appreciation of the services of any other member of the professional staff. The Senate ought to have taken a recess until 10 o'clock tomorrow morning. I wish to say, Mr. President, that in my judgment we would have saved time by so doing. In my judgment this debate would have been over sooner, had we recessed until 10 o'clock tomorrow morning.

Mr. President, I do not know what we are thinking of. We get to the point where we feel we have to keep the Senate in continuous session, the way we have been keeping it in continuous session, in order to push through this bill. I am convinced that the bill would have been disposed of by now if we had not had the first continuous session. After all, Senators, like everyone else, are human. When that kind of battle challenge is laid down, those who have any red blood in their veins usually accept the challenge. A number of us who have that kind of blood in our veins have accepted the challenge, just as I am accepting it tonight.

Mr. President, when I think of what I witnessed when, some time ago, I went into the office of the Official Reporters of Debates, I realize there sat a man who for day after day, night after night, except for yesterday's recess, has had to sit there under the duties of his office, and go through, with pencil in hand, every line of that transcript—and a man at his age. I do not know how old Mr. Murphy is, but he is in his seventies. That is no way to treat employees. I want to say that I regret this matter, and I regret this incident. I regret that I feel by conviction and principle that I have to take the floor tonight and use up one of my speeches on the bill in order to explain what I think are some of the bad features still remaining in the bill. The pricing provision is one of them. I think the Senate should heed the criticism of the Federal Power Commission

of the pricing section of the bill. I think Senators should heed what President Eisenhower himself recommended in his draft of the bill which came to the joint committee, through the Atomic Energy Commission itself. That is the identical language, and in just a moment I am going to read it out of the Eisenhower bill.

But first I want to tell you, Mr. President, what the Federal Power Commission said.

The Federal Power Commission said:

> There is not, and probably never will be a free market to provide a standard for what a fair price will be. There is little, if anything, in the legally established concepts of utility regulation that can be deemed to provide meaning for the term "fair price."

We find that statement by the Federal Power Commission in part II of the hearings, on page 1131.

Mr. President, not even the Federal Power Commission believes we have written into the bill acceptable legal standards for pricing. I think, therefore, we ought to change it. That is all I sought to do. But, Mr. President, my amendment was laid on the table, and I was not given a hearing because I refused to handcuff myself and refused to tie myself down to a limitation of time for a discussion of that principle.

In my judgment, the provisions of the bill do not provide a standard for the determination of what a fair price is. I believe there is danger that a great subsidy will be paid by the Government to private operators of atomic reactors, when the Government distributes special nuclear material to licensees at a reasonable charge, which section 53 of the bill provides shall be uniform and nondiscriminatory, and subsequently pays the licensee a fair price for the special nuclear material he produces. I say that provision is lacking in standard, as the present provisions of section 56 make perfectly clear.

I therefore have offered this amendment, which adopts a limitation with respect to the fair price, by providing

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

Mr. MORSE. I yield for a question.

Mr. HILL. Is it not through the debate and discussion that Senators are able to arrive at intelligent decisions on amendments?

Mr. MORSE. That is the only way I know of. When amendments are offered here on the floor of the Senate and a Senator has not had time to do library research on them in advance of their being offered, that is the way the Senator has to work.

Mr. HILL. Will the Senator yield for another question?

Mr. MORSE. For a question only.

Mr. HILL. Is it not true that no Senator knows what amendments may be offered?

Mr. MORSE. Senators do not have the slightest idea.

Mr. HILL. Will the Senator yield for another question, Mr. President?

Mr. MORSE. I yield for another question.

Mr. HILL. Is it not true that the only way Senators can know what the amendment would do, can know the purpose of the amendment and the need for the amendment, is by hearing not only the author of the amendment, but in many instances other Senators discuss the amendment and bring out the facts with relation to the amendment?

Mr. MORSE. That is correct. I certainly appreciate the Senator from Alabama making that so clear in the RECORD by the very excellent questions he has asked me. That is the way we ought to work on amendments in the Senate.

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

Mr. MORSE. I yield for a question.

Mr. HILL. Is it not true that on yesterday we had a perfect example of just how this free debate operates, and

yet we had no extended debate on the different amendments?

Mr. MORSE. We did up until I offered my amendment.

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

Mr. MORSE. I yield for a question.

Mr. HILL. Is it not true that the Senate acted on a number of amendments—perhaps as many as some 8 or 9 amendments—without any extended debate, and yet with such debate as brought out the facts with relation to the amendments and gave to the Sennate the opportunity to act intelligently on the amendments?

Mr. MORSE. That is right. We were perfectly free at any time to debate at whatever length our discretion directed us to debate.

Now, Mr. President, continuing with this analysis:

The subsidy to private monopoly might be reduced by inclusion of the limitations contained in the AEC draft; namely, first, the provision that the price paid for fissionable materials by the Government should not exceed the estimated cost to the Government of producing similar material in its own plants; and second, the taking into account of not only the cost to the licensee of producing the material, but also the estimated revenues to be derived by the licensee in the conduct of his licensed activities.

An energetic program of power production by the Commission would hold down the cost to the Government of producing plutonium ash, because revenues to be credited against cost would be realized from the sale of power.

I am unable to find in S. 3690 a standard to be followed by the Commission if, under the provisions of the bill, it were to purchase byproduct materials from private producers. There appears to be left wide open tne possibility that if the Commission did not make full use of its power-producing potential and it became necessary for the Commission to buy byproduct electrical energy from a private producer, it might pay much more for the electric power than the power would cost if produced in a Government plant.

The McMahon Act bans patents for inventions or discoveries which concern the production of fissionable material for utilization in atomic weapons. Patents can be granted in the nonmilitary field, but they are now subject to a "public interest" declaration under stated conditions, in which case the Atomic Energy Commission and its licenses automatically were entitled to their use, with reasonable compensation to the owner.

Under the McMahon Act the declaration of a patent to be "affected with the public interest" is mandatory, provided that (a) the invention or discovery covered by the patent utilizes or is essential to the utilization of fissionable material or atomic energy, and (b) the licensing of such invention or discovery is necessary to effectuate the policies and purposes of the act.

The AEC draft proposal carried over the provisions from the McMahon Act imposing a duty upon the AEC to declare certain patents affected with a public interest. The appropriate section in the AEC draft stated:

"Any person may apply to the Commission for a license to use the invention or discovery covered by such patent, and the Commission shall grant such license to the extent that it finds that the use of the invention or discovery is necessary to the conduct of an activity authorized under this act."

Under the Cole-Hickenlooper bill—S. 3690—an applicant for a patent license must prove to the satisfaction of the Commission that the use of the invention or discovery is of primary importance to the use of fissionable material or atomic energy; of primary importance to the effectuation of the policies and purposes of the act; and of primary importance to the carrying out of the activity in which he proposes to engage. Granting of patent licenses under S. 3690 is discretionary with the Commission.

The stringently limited test of primary importance in contrast with broader considerations under which patents are now deemed to be affected with the public interest under the McMahon Act, and the complicated application procedure provided for in S. 3690 prompted the minority of the Joint Committee to say in their report:

> The application that can survive this procedure will be an impressive one, indeed. The patent attorneys may derive more satisfaction from section 152 than the would-be user of the invention.

The possibility of a patent monopoly, by firstcomers in the atomic research and development program is one of the greatest dangers to free enterprise and competition in the atomic power program. The testimony of Mr. Alfred Iddles, president of Babcock & Wilcox Co., which I quoted in my July 17 speech, indicated that firstcomers in the atomic energy program may plan to keep to themselves their discoveries and inventions with the intention of patenting them after September 1, 1959, the date set in Senate bill 3690 for expiration of the so-called compulsory licensing provisions in the bill. It is inevitable that the concerns now participating in the program will enjoy certain patent advantages over persons who later enter the field. The intent of proposed legislation at this time should be to ward off patent monopoly. Senate bill 3690, in my judgment, would make it easier for patent monopolies to be established. It is an engraved invitation.

The AEC draft proposal called for a report by the Commission whenever, in its opinion, the utilization of atomic material for industrial or other nonmilitary purposes were sufficiently developed to be of practical value. This report which was to be submitted to the President was to contain the same material that is now required under section 7 (b) of the McMahon Act. The proposal provided for transmission of the report by the President to the Congress, together with the President's recommendations.

Section 102 of Senate bill 3690 provides:

> Whenever the Commission has made a finding in writing that any type of utilization of productive facility has been sufficiently developed to be of practical value for industrial or commercial purposes, the Commission may thereafter issue licenses for such type of facility pursuant to section 103.

In my judgment it would be wise to provide in legislation at this time that the President and the Congress be informed before licenses for industrial use of atomic material are issued. In view of the great speed with which the atomic development program has progressed, it may be necessary for the Congress to further legislate before licenses are issued. S. 3690 would allow licensing to begin without notice to either the President or the Congress.

As I have indicated, the Cole-Hickenlooper bill differs from the proposed bill prepared by the Atomic Energy Commission and submitted to the Congress in at least six very important respects.

Mr. President, I think this part of my analysis is of great importance because these important differences in which the Cole-Hickenlooper bill differs from the President's bill as prepared and submitted by the Atomic Energy Commission, with White House approval as I understand, represent, I think, a list of differences that we ought to consider very carefully and be certain whether we should not incorporate the President's version in the bill—not rubber stamp it, not automatically. Reject his recommendations if we think some of them are

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> us consider amendments on their merit rather than be bound by procedural tricks, action on the bill was brought to a showdown.
>
> "Despite the safeguards we obtained, I still voted against the bill because I am convinced it is not in the best interest of the American people. The McMahon Act provides that the Atomic Energy Commission shall publish a report on potential civilian uses of atomic energy when they feel we have reached the

stage of such possibilities, together with recommendations for whatever necessary legislation is required. The Commission not yet has done so. Without that guidance, it appears foolhardy to me to be setting a pattern of legislative guidance in such a field of yet unknown future potentialities.

"One of the most disturbing portions of this bill was the Ferguson amendment, legalizing the so-called Dixon-Yates contract, wherein the Atomic Energy Commission was used as a broker or middleman to provide power to the Tennessee Valley Authority by a private utility. This contract was opposed by a majority of the AEC, was not requested by the TVA. The Dixon-Yates contract violated all standards of public contracts and flaunted the public interest.

"When it appeared obvious the administration was going to ram the bill through, however, our wisest course appeared to be to seek to rewrite much of the measure on the Senate floor through amendments at least partially safeguarding the public."

Senator HUMPHREY issued the following summary of accomplishments of the prolonged debate, pointing out that such changes "can hardly be called a victory for Eisenhower":

Public safeguards written into the bill as an outgrowth of the Democratic fight include:

1. Humphrey amendment providing preference for municipalities, cooperatives, and high-cost-power areas in obtaining licenses for use of atomic energy to create electrical power.

2. Humphrey amendment requiring the AEC to give notice to municipalities, cooperatives, public bodies, and private utilities within the transmission area when about to accept applications for such licenses for use of atomic energy to create electrical power.

3. Humphrey amendment strengthening the antimonopoly section of the bill, and prohibiting the granting of licenses that would result in conflict with antitrust laws.

4. Humphrey amendment requiring all licensees using atomic energy to create electrical power for interstate commerce to come within regulatory provisions of the Federal Power Act.

5. Humphrey amendment requiring AEC to undertake a research program into civilian uses, without preventing use of universities for the conduct of such research.

6. Humphrey amendment strengthening civilian control over international use of atomic energy through requiring approval of the President for any international agreement on atomic energy rather than just approval of the Defense Department.

7. Humphrey amendment providing for creation of a special division on civilian uses of atomic power within the administrative offices of AEC.

8. Johnson amendment empowering the Atomic Energy Commission to supply its own electrical energy with its own atomic plants, instead of obtaining it from private sources, and authorizing the Commission to allow REA coops and public bodies to build and operate their own atomic energy power plants.

9. Gillette-Humphrey amendment providing preference to REA cooperatives, municipalities, and other public bodies in distribution of surplus or byproduct electrical power created from atomic energy by the Commission for its own use.

10. Kerr amendment postponing private patent rights on atomic energy for a period of 10 years, and requiring equal treatment of all concerned in obtaining such patents.

11. Gore amendment which prohibits Atomic Energy Commission from making contracts to refund to corporations their payments of income taxes.

Two more amendments offered by Senator HUMPHREY were withdrawn after building legislative history placing into the record the assurances of the administration spokesmen it was the intent to cover both points in existing legislative language.

They included requiring equal access to information for all members of the Atomic Energy Commission, and applying same preference standards to construction permits as provided by previous amendment for licenses to use atomic energy.

The VICE PRESIDENT laid before the Senate House bill 9757, to amend the Atomic Energy Act of 1946, as amended, and for other purposes, which was read twice by its title.

Mr. KNOWLAND. Mr. President, I move that the Senate proceed to the consideration of House bill 9757, to amend the Atomic Energy Act of 1946.

The motion was agreed to; and the Senate proceeded to consider the bill (H. R. 9757), to amend the Atomic Energy Act of 1946.

Mr. KNOWLAND. Mr. President, I move to strike out all after the enacting clause of the House bill and that the language of the Senate bill, as amended, be substituted in lieu thereof.

The motion was agreed to.

The VICE PRESIDENT. The question now is on the final passage of the bill. The yeas and nays have been ordered, and the clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. ERVIN (when his name was called). I have a pair with the Senator from Mississippi [Mr. EASTLAND]. If he were present he would vote "nay."

If I were permitted to vote, I would vote "yea." I withhold my vote.

Mr. LONG (when his name was called). On this vote I have a pair with the senior Senator from Tennessee [Mr. KEFAUVER]. If he were present and voting, he would vote "nay." If I were permitted to vote, I would vote "yea." I withhold my vote.

The rollcall was concluded.

Mr. YOUNG (after having voted in the negative). On this vote I have a pair with the senior Senator from Ohio [Mr. BRICKER]. If he were present and voting, he would vote "yea." If I were permitted to vote, I would vote "nay." Therefore I withdraw my vote.

Mr. SALTONSTALL. I announce that the Senator from Ohio [Mr. BRICKER] is necessarily absent.

Mr. CLEMENTS. I announce that the Senator from Mississippi [Mr. EASTLAND], the Senator from Louisiana [Mr. ELLENDER], the Senator from Delaware [Mr. FREAR], the Senator from Georgia [Mr. GEORGE], the Senator from Tennessee [Mr. KEFAUVER], and the Senator from Arkansas [Mr. MCCLELLAN] are necessarily absent.

The Senator from Iowa [Mr. GILLETTE] is absent by leave of the Senate.

I announce that on this vote the Senator from Louisiana [Mr. ELLENDER] is paired with the Senator from Iowa [Mr. GILLETTE]. If present and voting, the Senator from Louisiana would vote "yea," and the Senator from Iowa would vote "nay."

The result was announced—yeas 57, nays 28, as follows:

* * * * *

So the bill (H. R. 9757) was passed.

The VICE PRESIDENT. Without objection, Senate bill 3690 is indefinitely postponed.

Mr. HICKENLOOPER. Mr. President, I move that the vote by which the bill was passed be reconsidered.

Mr. KNOWLAND. I move that the motion of the Senator from Iowa be laid on the table.

The motion to lay on the table was agreed to.

Mr. HICKENLOOPER. Mr. President, I ask unanimous consent that House bill 9757 be printed with the Senate amendment.

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

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[p. 12242]

1.1b(5)(c) Aug. 9: House agrees to conference report, pp. 13780–13787

Mr. COLE of New York. Mr. Speaker, I yield myself 10 minutes.

Mr. Speaker, I thought a verbal explanation of the conference report might be more readily understood than if the Members had to listen to the reading of the statement by the reading clerk. After continuous deliberations and negotiations, which lasted the better part of the week, the conferees have finally come into agreement, reached on Friday last in which the differences between the positions of the two Houses have been reconciled to the satisfaction, at least, of a majority of the conferees representing the two Houses. It will be recalled that there were two major differences of position between the bill, as adopted by the Senate, and the one adopted here in the House.

The first area of difference was with respect to public versus private power issue. The other body had put in a provision authorizing, if not directing, but at least authorizing the Atomic Energy Commission to build atomic energy plants for the purpose of generating

commercial electricity. On the other hand, a provision was considered in the House which directed that the Commission should not participate in that very thing. It was argued that there was some uncertainty as to whether the Commission, under the bill originally reported to the two Houses, would have had the authority to build an atomic reactor of sufficient size to prove its feasibility and practicability as a commercial atomic plant. There were some of us who took the position that that was implicit in the authority of the Commission. However, in order to resolve that uncertainty, a provision has been adopted by the conferees which makes it very certain that the Commission may, if it obtains funds from the Congress, embark upon an atomic power reactor of whatever size it may feel is desirable, but it must be on the basis of a research and development project and not for the pure and sole purpose of generating commercial electricity.

There was a provision adopted by the House prohibiting the Commission from engaging in the generation of commercial electricity which has been retained. The provision was adopted in both bodies, which is characterized as a preference clause with respect to the distribution of Federal power. The substance of that amendment was retained by the conferees so that now, if this conference report is adopted, in the event that the Commission has any surplus byproduct electrical energy, it may use it itself, or it may sell it to another public body, or to private institutions. But, insofar as it is practicable the Commission must give preference to public bodies and to cooperatives in the sale of that surplus or byproduct power.

Furthermore, there was question as to whether other public bodies could apply and receive a license to generate electricity from an atomic reactor. In order to clarify that, a provision has been inserted making clear and unequivocal what was implicit in the original bill to the effect that any Federal agency or any public agency which may be otherwise empowered by law to do so, and which may have the funds, may apply to the Atomic Energy Commission for a license the same as any individual may. So that now we can assure our rural electrification people and those interested in what is called public power, that any public body, and REA organization may apply for a license to use atomic energy to generate electricity. Furthermore, we can assure them that if there is for some unforeseen reason a circumstance which requires the Commission to limit licenses, then the Commission must give preference to the public bodies and the cooperatives.

The other area of dispute was with respect to the action taken by the House which included a provision in connection with the authority to enter into international agreements. The House adopted a provision which would make it possible for any international agreement arrived at under the procedures set forth in the proposed law, to be canceled at any time by concurrent resolution or under certain circumstances by the President. That was not in the measure passed by the Senate. The conferees were in complete agreement with the purposes and objectives of that amendment. However, there are certain phases of this program which are of great importance, in which it is highly desirable that this limitation should not apply. There are certain types of contracts—and I may indicate what they are—it has to do with the importation of the source material from which atomic weapons are made—that it is very important that these agreements be made as permanent and settled and dependable as possible. So the conferees have eliminated that provision. I have discussed the matter with the 2 Members of The House who were

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most active in presenting that matter

and have indicated to them the full implication of this position, and they appear to be satisfied.

* * * * *

Mr. RABAUT. Mr. Speaker, I ask unanimous consent to extend my remarks at this point in the RECORD and include therein an exchange of letters between the chairman of the Commission and myself.

The SPEAKER. Is there objection to the request of the gentleman from Michigan?

There was no objection.

Mr. RABAUT. The letters follow:

CONGRESS OF THE UNITED STATES
HOUSE OF REPRESENTATIVES,
Washington, D. C., August 7, 1954.

Hon. W. STERLING COLE,
Chairman, Joint Committee on Atomic Energy, House of Representatives, Washington, D. C.

DEAR COLLEAGUE: As one of the conferees on the Army civil functions aspect of the bill, H. R. 9936, making supplemental appropriations for 1955, it has been my concern that I might not be present in the House at the time the conference report on the atomic energy bill is brought to the floor. Consequently, I desire to make known at this time my interest in the matter.

As I see it, it is important that the meaning of the term "interstate commerce" as used in section 183e be perfectly clear. I know that there is no intention in this act to broaden the interpretation and application of this term to include public utility companies now held to be intrastate by reason of their operation within a single State. There was considerable discussion in the Senate debate on this amendment offered by the junior Senator from Minnesota, and while this debate helped to clarify the sense in which "interstate commerce" was used in section 183e, I believe we should discuss it further to avoid any remote possibility of ambiguity or misunderstanding with respect to the application of the term "interstate commerce" in this act.

I therefore would appreciate having you, as chairman of the joint committee and a lawyer, who fully understands the importance of avoiding any possible misunderstanding or misinterpretation of this term as it is used in this bill, please advise me as to the answers to these questions:

1. Would an electric utility company acting as a licensee under the Atomic Energy Act, as amended, and not now subject to the regulatory provisions of the Federal Power Act and having no license to transmit electrical energy across that State's borders to a sister State, but serving customers within its own State, such as manufacturers of steel, automobiles, drugs, stoves, furniture, and other products, who are themselves engaged in interstate commerce, would such electric utility company become engaged in interstate commerce by reason of its supplying electrical energy to such customers within its own State and thus become subject to the regulatory provisions of the Federal Power Act?

2. Is there any intention whatsoever in this act to broaden the application of the term "interstate commerce" to include public utility companies not now in interstate commerce so as to bring them under the provisions of the Federal Power Act simply by reason of their becoming licensees under section 103 of the Atomic Energy Act?

Your generous attention to this inquiry is most appreciated and I earnestly await an early reply.

Very sincerely yours,

LOUIS C. RABAUT,
Member of Congress.

(Copy to Hon. CARL T. DURHAM, House of Representatives, Washington, D. C.)

CONGRESS OF THE UNITED STATES,
JOINT COMMITTEE ON ATOMIC ENERGY,
August 9, 1954.

Hon. LOUIS C. RABAUT,
House of Representatives,
Washington, D. C.

DEAR MR. RABAUT: This is in reply to your letter of August 7 regarding the intent of the phrase "interstate commerce" in the Senate version of H. R. 9757, section 183e.

The committee of conference has modified this language and placed it in a separate, new section 272. The modified provision is as follows:

"SEC. 272. Every licensee under this act who holds a license from the Commission for a utilization or production facility for the generation of commercial electric energy under section 103 and who transmits such energy in interstate commerce or sells it at wholesale in interstate commerce shall be subject to the regulatory provisions of the Federal Power Act.

This language in no way requires licensees generating or selling electric energy solely in intrastate commerce to be construed as being subject to the regulatory provisions of the Federal Power Act. It was the intention of the committee of conference to insure that the authority of the existing regulatory bodies—State, local, or Federal—continue to have exactly the same authority with regard to electric energy generated from atomic energy as from any other fuel. In other words, electric utility companies generating and selling electric energy and using atomic energy will be subject to exactly the same regulatory authorities as they would be if they used any other fuel.

Your first question relates to the regulation of purely intrastate electric utility companies which may become licensees of the Commission for the operation of atomic energy utilization or production facilities. If such companies do not

actually expand their services to neighboring States or take any other action which would otherwise bring them under interstate commerce regulations, there is nothing in the conference bill which could possibly bring such companies under any regulatory authority to which they are not now subject.

Your second question inquires as to whether or not the conference bill in any way broadens the present definition of "interstate commerce" in the electric utility field. It does not.

I shall be pleased to assist you in clarifying any other questions on the revision of the Atomic Energy Act.

Sincerely yours,

STERLING COLE,
Chairman.

Mr. DURHAM. Mr. Speaker, I probably should not be here in the well of the House today. At this time in the session tempers are short, the temperature is hot, and politics is in the air.

It grieves me somewhat to find myself in a position today which requires that I oppose some of my good friends on the committee. But there are times when one necessarily has to take a position in matters pertaining to the security and the national defense of our country. I place this measure in the forefront of that category today.

I do not like everything that is in this measure. I said so previously here on the floor of this house. I do not

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agree with every word in the measure. But I can assure you, Mr. Speaker, that all the members of this committee, both Democrats and Republicans, have worked long and hard to bring to this body a measure which would lead to a sound domestic program, one that would produce the necessary weapons material for the Defense Department and at the same time carry out the request of the President on international cooperation and carry out the commitments we have in NATO.

I believe the committee has worked out and brought to the House a measure which is sound.

The charge which has recently been made on the radio and in the press that this bill constitutes a giveaway program simply is not true; this legislation does no such thing. It authorizes a program which, if properly executed and carried out by the executive branch of the Government, in time could give to this country just what the existing act has given to us before. There will be some who will argue that it is a giveaway; but as long as this Government owns and controls every gram of fissionable material, the DuPonts, or any other concern in this country can build a reactor to the sky, and it is not worth 2 cents without that material. Do not forget that the Government controls all of it, even that which is produced by a licensed reactor under this bill. We own it continuously. I do not think the time has yet arrived when we can turn that ownership loose. So it is a continuing Government monopoly. We have provided under this measure for more control of this operation than has ever been done before. We have required authorization under this measure for everything that the Commission builds from now on. I do not think you will ever again experience the difficulty that we faced here in the last measure due to some contracts.

We have prevented the AEC from going into the power business. I do not believe any Member of the House wants the Atomic Energy Commission in the power business. We have made it possible for any REA or for any agency of the Government other than the AEC to come in and qualify and secure a license to operate a reactor just the same as anybody else. Any cooperative and any duly authorized Government agency can produce and sell atomic power if it gets the license to do so. But the AEC can only build a full-scale reactor in connection with its basic research programs. Of course they can sell what comes from that, if necessary, or use it themselves. That is about as far as the bill allows the AEC to go into the power field. You have heard otherwise, but the problem is rather simple, and this is just what the bill does.

Some people have said that this patent provision in here will give to the people who have had the inside on contracts for the past few years a monopoly in the patent field. Personally, I do not like the present patent law. The Government today, as we all know, requires of every individual who takes a little job with the Federal Government, and there are thousands of them, Mr. Speaker—scientists working for the Government—that everything that comes from his brain must belong to the Government. On top of that, the industry of this country has followed suit. So where do we find ourselves with that kind of a policy?

For many, many thousands of years science in Europe was free to operate as it saw fit. But men came along, men like Hitler, Mussolini, and Stalin, who said the state must own your minds. What happened? I recommend and I urge that the House and the executive branch of the Government look at patent practices today. For thousands of years we did not have the kind of scientific personnel that we have today. We are now in a different era; we are in a different atmosphere; we have to depend on these men; and we have to take the leadership. It is important that these young men have a free rein. Why should the individual Members here invest forty or fifty thousand dollars in order that their sons may get a doctor of philosophy degree, then have him go into industry or into his own Government and have them say: "You will not get the benefits." That is not right. That is what I do not like; but that is what the present patent practices result in. This same patent practice prevails to a certain extent in this act. To the extent it does, I do not like it.

The bill gives preference to public bodies, cooperatives, and high-cost power areas in the sale of all power distributed by the AEC if and when there is any. That is written into the act.

Let us look into the international aspects a minute. I would support this measure if it were only for one thing. That is the problem we face today in the international field. We all know what the relations are between ourselves and England pretty well. We know that Churchill did not come over here and advocate coexistence except for the fact that he had some problem at home. What was it? It is a political problem, as we all know. Probably Attlee and Bevan are likely to get more votes than he did. An election will be coming along shortly, probably within the next 2 years. What can we expect of Bevan? Although he is not a Communist, we know whose camp he would be in. It has been said, and I think rightly so, that seven atomic weapons would destroy the British Isles. That is probably true, so you can see why those people worry.

What do we do under this act to give them some assurance that we are back of them? It is peculiarly natural that America and England should stand together, regardless whether they ever develop the security of a European pact which they are talking about but have not yet signed. NATO is in existence today, and it is one body we can cooperate with and assure the people of England that they have some protection, some back up from this tremendous power that we have. We have the delivery capacity, and we all know that we have enough atomic weapons to destroy any country in the world. That is well kown. That is a fact. I think under this provision for cooperation with NATO, we say to England and we say to our allies here that we stand back of them with this tremendous power. And this even though some people say they have not cooperated. I would like to give you an idea of the valuable assistance that came to us through source material from Belgium and England. We would not have had much, if they had not cooperated with us. Therefore, it is nothing but commonsense and decency to cooperate with them in this respect.

That is what we are trying to do here in this bill, and we do exactly that under this measure. If there was not one other thing in the bill other than that, I would vote for it.

Now, as to the other aspects of the international field, I think the President can do what needs to be done under this bill. It does not go as far as I would like to have it go, but I think he can at least make a beginning in the field of international peacetime cooperation. We do not give them any dangerous secrets; it is simply cooperation. We hand some information to them, much of which is probably pretty well known at the present time. There is nothing of a secret nature, nothing in the nature of weapons, or anything of that sort.

Now, this House has always been dignified in its position when it comes to national defense measures and when cooperation regarding the security of the country is involved; politics are forgotten. That is the reason I am particularly proud to be a Member of the House. I have seen on many occasions the great leader we have today walk down into the well of this House at crucial times and say to us "This thing must be done." Personally I would like to see that today on my side of the aisle. Politics has entered into this, unfortunately, and I plead with this body to dignify its position and not put politics into the atom. We have no control over the other body, but, may I ask you one time again, do not put politics into this. This program has been carried out efficiently. It has been a laborious task. We Members on the joint committee have tried to serve you as well as we could. We have given you all the information that we possibly could give you without divulging any secrets. We know what we have done, and we know what we can do under this measure. I do not hesitate to urge this House to adopt this conference report today.

Mr. COLE of New York. Mr. Speaker, I yield myself 2 minutes.

Mr. Speaker, I hesitate to single out any one member of the joint committee for particular mention, because all of the members of that committee have devoted a great amount of time and energy and sleepless nights in working on this problem. As I indicated when this matter was under discussion, this bill is the culmination of 2 years of effort by the joint committee, and that effort was initiated originally by the gentleman from North Carolina [Mr. DURHAM] who has just spoken. My only reason for singling him out at this time is to verify the fact that he, with us, has labored long and hard, but he had the added impediment of having to endure the pain and suffering of ill health. I want just to mention a word of respect and compliment to him for his faithfulness in this work. He first

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became acquainted with atomic energy in 1946 as a member of the Committee on Military Affairs. That experience, that knowledge has been of great benefit to us on the joint committee in considering the bill known as the Atomic Energy Act of 1954. Mr. DURHAM has been a pillar of strength, wisdom, and vision in the consideration of the vital legislation and he deserves the plaudit and gratitude of the House of Representatives.

Now I turn to the bill under consideration. There is a section of this conference report which I feel should be clarified, section 152, that provision imposing public ownership upon any patent derived in the course of any association with the commission whatever. The question has been raised as to whether that association might cover a licensing arrangement between the commission and an individual. It is not intended that section 152 should cover licensees unless in some other respects they do have an association with the commission by reason of being a contractor or subcontractor or having money given to them by the Commission. But the mere fact of a person

having a license does not mean necessarily that the product of his operation, if a patent should flow, would become publicly owned.

While section 152 clearly prohibits the granting of patents on any invention or discovery in the atomic field "made or conceived under any contract, subcontract, arrangement, or other relationship with the Commission," it would be necessary to strain this language to blanket within the prohibitions those persons whose sole relationship with the Commission is a license granted by the Commission or the use under license of some special nuclear material owned by the Commission. It is the intent of section 152 to make sure that ideas and inventions which flow from Commission-financed activity do not give rise to any private patents which might be used contrary to the best interest of the public. In order to make sure that this very broad definition does not work to the detriment of both free enterprise and the public, the Commission is specifically granted the authority to "waive its claim to any such invention or discovery," if that invention or discovery has been privately financed in either licensed facilities, or in Commission facilities, as provided in section 22, or under any other circumstance which "the Commission may deem appropriate." It would be a serious misinterpretation of the intent of section 152 to turn the strength of its protective language against the stimulus which patents provide for private initiative.

Mr. Speaker, I now yield 10 minutes to the gentleman from California [Mr. HOLIFIELD].

Mr. HOLIFIELD. Mr. Speaker, I ask unanimous consent to revise and extend my remarks and include additional material.

The SPEAKER. Is there objection to the request of the gentleman from California?

There was no objection.

Mr. HOLIFIELD. Mr. Speaker, I am sorry to find myself in disagreement with my chairman [Mr. COLE] and my esteemed friend [Mr. DURHAM]. But I believe that it is the duty of a member of the committee to present his views upon the bill as he sees them. As I see it, the atomic energy bill, as reported by the conferees, is a worse bill in many instances than it was when it left the House. The conferees have largely sterilized the constructive amendments adopted in the House and Senate, but have retained three adverse amendments adopted by either the House or the Senate.

The three amendments retained by the conferees which render the bill far more of a threat to the public interest than the original bill are:

First. The amendment to section 164, introduced by Senator FERGUSON and adopted by the Senate, which would authorize the Atomic Energy Commission to enter into a series of contracts of the Dixon-Yates variety, opening the TVA to private power supply to an extent limited only by the total power supply which TVA is under contract to deliver to the atomic program. The AEC might conceivably replace the entire 2.9 million kilowatts it gets from TVA on the Dixon-Yates basis if granted the authority in this bill, or in the Ferguson amendment. The Dixon-Yates contract only replaces 600,000 kilowatts and leaves 2,300,000 to be replaced by similar arrangements.

Second. The amendment to section 44 introduced by Representative COLE and adopted by the House, which would preclude the AEC from selling or distributing any power not produced incident to the operation of its research, development, and production of nuclear material facilities. This effectively eliminates the Commission as an important participant in supplying atomic power to municipal and rural cooperative electric systems.

Third. The amendment to section 153 introduced by Representative COLE and adopted by the House, giving the

AEC discretion to allow private patents on inventions and discoveries made or conceived under Commission contracts, subcontracts, or other arrangements; making possible reinstatement of patent applications denied under the present act; and eliminating altogether the provision for compulsory or even discretionary licensing of others to use private patents during an adjustment period, following the new act.

You will remember that the President in his February 17 speech said that it was necessary to have a 5-year compulsory patenting period in order to protect the rest of private industry from those people who have participated in the program.

The conferees left just enough of the language of constructive amendments, adopted during the debate, to mislead the people into believing that some protection would be afforded. But the substance has been effectively removed. This is particularly true of two amendments that were originally designed to incorporate the preference for public bodies and cooperatives; the new section 45 which would have established the basis for a sound Federal atomic power program; and the amendment which would have brought all licenses for atomic power development under the same regulation as applies to licensees for waterpower development.

What was done to emasculate these constructive amendments may be briefly summarized as follows:

The amendment to section 44, introduced by Representative JONES and Senator GILLETTE, providing a preference to public bodies and cooperatives in connection with the marketing of electrical energy produced in AEC facilities, was qualified by insertion of the words "insofar as practicable." Lawyers will recognize this as rendering the preference virtually unenforceable, particularly where a private company is the only electric system adjacent to the Commission's facilities.

The amendment to section 182 (c), introduced by Senator HUMPHREY, providing a preference for public bodies and cooperatives in securing licenses where conflicting applications are involved, received the same treatment. Here again, insertion of the words "insofar as practicable" left it within the discretion of the Commission to refuse to implement the preference. So the preference clause that are in the conference report are meaningless.

The amendment adding a subsection 183 (e), designed to subject atomic power licensees to the same Federal Power Commission regulation as waterpower licensees, got trimmed in the Senate before it was adopted.: It was modified to apply only to those licensees which would come under the Federal Power Act anyway as interstate utilities, and so lost its effect.

The conference damage to the two preference amendments and to the Federal atomic power program amendment is very serious in terms of Federal power policy. The insertion of "insofar as practicable" in the preference provisions would establish a dangerous precedent which could aid the administration drive to undermine this principle. In the case of the Federal atomic power program amendment, it materially reduces the chance for municipal and cooperative rural electric systems to get their share of atomic power supply without paying high rates to the neighboring private monopoly.

Fundamentally, the bill represents a complete reversal of the Federal power policy which has been evolving since the administration of President Theodore Roosevelt. In spite of some empty language taken from that power policy, it leaves atomic power development, so far as the public interest is concerned, about where water power was before enactment of the Federal Water Power Act at the end of the Wilson administration.

The Conferees also struck the heart out of the two important Senate amendments, designed to strengthen

the anti-monopoly provisions of the bill, including (a) Senator HUMPHREY'S amendment to section 105 (c), prohibiting the Commission from issuing a license, except on a presidentially-approved finding that it is essential to defense, if the Attorney General advises that it would result in a situation

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inconsistent with the antitrust laws; and (b) Senator LANGER'S amendment inserting a new subsection 105 (d), providing for the possible forfeiture, in the discretion of the court, of any atomic patent found by any court of competent jurisdiction to have been intentionally used by the owner for violation of the antitrust law.

The bill as returned by the conferees is thus a thoroughly bad bill from the standpoint of farm, labor, rural electric co-op, public power and consumer organizations. It reflects the objectives of the drive of powerful private interests to oust the Federal Government from future development of the new atomic industry and take over. Provision is made for the Atomic Energy Commission to continue the real pioneering work while private capital, without assuming the risk, gets the fruits.

The conferee's product provides for an AEC setup which overweight military, as against civilian, activities. Its provisions covering patents, atomic power development, other atomic industrial development, and private exploitation of atomic source materials in public lands, play into the hands of unrestrained monopoly at every point. Its antitrust provisions are wholly inadequate. It provides for possible hidden subsidy to private power monopoly, while foreclosing AEC participation in atomic power development. It strikes out retroactively the reservation to the United States of uranium and other source materials in public lands, patented, conveyed, or leased to private interests.

The provisions which purport to implement the President's plan for international cooperation, in the peaceful use of atomic energy, actually have the opposite effect of imposing obstacles to the exercise of powers he now has to undertake the negotiation of treaties or executive agreements. The Bricker amendment distrust of the President's treaty-making powers is written into this phase of the bill. For those reasons, I am going to vote against the conference report. I have worked long and hard for several months on this bill. I want to pay tribute to the members of the committee on both sides of the aisle for the work they have done. We have worked without heat and acrimony and we have worked hard to produce a good bill. I wish I could vote for the bill, but these things weigh so heavily on my conscience, I must take the opposite position to that taken by my friend, the gentleman from North Carolina [Mr. DURHAM] and the gentleman from New York [Mr. COLE] on this matter. I realize that unless this bill is very, very carefully administered, there are giveaway provisions in it which far outweigh anything that I have known of in the past in the patent field. It is my opinion that within the next few months after the President signs this bill, private corporations and individuals who have worked for private corporations can file private patents by merely saying that they did not think of those patents while they were working on a Government contract. The Ferguson amendment provision provides for a series of 95 percent funding operations for private utilities, which is in controvention of regulations under the Private Utility Holding Company Act of 1937, which provides that private utilities shall put up at least 35 percent to 40 percent equity investment and fund the balance of it to the public on a 60 to 65 percent basis. This Dixon-Yates formula cuts that down and provides that the speculators can put up 5 percent of the total capital investment and that they can sell the bonds to the com-

pany on the basis of 95 percent. We remember what happened under the old Insull utility empire through the use of the blue-sky financing operations. In my opinion, the provisions of this act under the Dixon-Yates contract type, which is authorized and legalized by the Ferguson amendment provides a way of breaking down one of the most important prohibitions against speculative funding in private utility financing. Because of these reasons I shall vote against the bill.

CONFERENCE REPORT ON ATOMIC ENERGY LEGISLATION—STATEMENT OF CONGRESSMEN CHET HOLIFIELD AND MELVIN PRICE

AUGUST 9, 1954.

The atomic energy bill, H. R. 9757, as worked out in conference, still contains many serious defects and is disappointing to us in its final formulation. Mr. HOLIFIELD, as a conferee, withheld his vote from the conference report, and we shall not vote for the conference bill.

From the very beginning we objected strongly to tying together in a single package legislation on the domestic and international aspects of atomic energy. Not only may such single-package legislation cause our objectives in the international and domestic fields to work at cross purposes, but there is far less urgency to grant private ownership and patent rights in atomic energy than to seek ways and means of promoting peace and protecting the free world.

However, the majority did not allow Congress the opportunity to consider and vote separately the international and domestic provisions relating to atomic energy.

Attempts were made to "sell" this bill as implementing legislation for President Eisenhower's international atomic pool proposal. The President never has advised the Joint Committee on Atomic Energy or the Congress what implementing legislation is needed. Furthermore, the pending atomic energy bill, instead of preparing the way for an international atomic agency, actually ties the President's hands in negotiating agreements with other countries.

We believe the restrictive provisions of the bill relating to international atomic activities are shortsighted, they are based on the narrow, selfish, and false premise that the reservoir of atomic information lies wholly within the United States. The bill will not encourage a two-way flow of information and may deprive our Nation of the benefits of technological advances in other countries. The philosophy of this legislation is to keep the atomic pool empty

We serve notice here and now that we will watch very carefully how the provisions of this bill are interpreted and administered by the Atomic Energy Commission. It contains no effective measures for preventing monopoly control of atomic industry. There are many legislative loopholes which can work to the advantage of the large corporations already possessing inside information in the atomic energy field.

If the Atomic Energy Commission is not zealous in protecting the public investment in atomic energy and in promoting a wide distribution of the benefits of that investment, drastic legislative action will have to be taken in the near future.

We are hopeful that a change in the congressional majority next year will cause the Congress to re-examine the atomic energy legislation, plug the loopholes against monopoly, and make it plain that the Federal Government as well as private industry should undertake to produce electrical power from atomic energy.

In failing to assert clearcut Federal responsibilities in the atomic power field, the majority have shown a timidity which will defeat their professed objective to insure American leadership in the peacetime development of atomic energy. The profit-making opportunities in atomic enterprise are years distant. Unless the United States Government strikes out boldly in a comprehensive program of reactor development and undertakes to produce and distribute electrical power derived from nuclear fission, we will soon find other countries forging rapidly ahead in this field.

We believe that the United States has arrived at a point in atomic-weapons development and production where greatly increased attention can be given to the peacetime uses of atomic energy without impairing our national security. Indeed, an effective demonstration of American leadership in developing such peacetime uses will do more to gain the friendship of other people throughout the world than any demonstration of superiority in atomic weapons.

Accordingly we propose that the United States undertake a billion dollar "crash" program for peacetime atomic-energy development to let the whole world know that we are serious about putting the atom to work for peace.

This billion-dollar program, spread over the next 5 years, would represent about five times the expenditures now planned for atomic reactor development. Compared with the $40 billion or $50 billion that we are spending yearly for military purposes, $200 million a year for the next 5 years would be a modest investment for peace and well within our budgetary capabilities. The Nation would soon receive dividends on this investment in the form of advancing technology, new industrial and employment opportunities, and substantial additions to the Nation's energy resources.

We have warned repeatedly against the danger of creating a twilight zone of inaction, where the Federal Government fails to take responsibility and private industry is not prepared to assume it. That philosophy of inertia

has shown itself in the budget policies of the Eisenhower administration and in the administrative policies of the Atomic Energy Commission. The advice of the private utility lobby, which prevails in the present administration and is reflected in the atomic energy bill, is not adequate to lay the foundations of American leadership in the peacetime development of atomic energy.

The majority have been unwilling to accept an amendment which was offered to the atomic energy bill proposing to establish a division in the Atomic Energy Commission specifically devoted to civilian power application, coordinate in status with the Division of Military Application.

The majority have been unwilling to accept an amendment establishing an Electric Power Liaison Committee which would serve to integrate atomic power policies with other power policies of the Federal Government.

The majority have been unwilling to accept amendments establishing clearly and unequivocally the historic preference clause for public agencies and cooperatives in acquiring electric power from atomic sources. By the insertion of the clause "so far as practicable" the preference clause has become a legal nullity.

The majority have been unwilling to accept amendments which would provide safeguards in

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the licensing of atomic facilities similar to those now contained in the Federal Power Act.

The majority have been unwilling to prevent the abuse of the independence of the Atomic Energy Commission involved in the so-called Dixon-Yates utility contract ordered by the President. By adopting the Ferguson amendment, the majority have not only given the stamp of approval to the Dixon-Yates contract, but have invited further assaults on the TVA.

The majority have been unwilling to accept an amendment maintaining the affirmative responsibility of the Atomic Energy Commission to exercise its licensing power so as to prevent monopoly and other restraints of trade.

The majority have been unwilling to accept an amendment which would provide a seat for labor and management in the advisory councils of the Atomic Energy Commission.

The majority have been unwilling to accept amendments which would firmly insure against patent monopoly bottlenecks in the development of atomic industry. They have not followed the President's requirement of a 5-year compulsory patent licensing clause until a wider industrial participation occurs.

The majority have been unwilling to accept an amendment preserving the organizational integrity of the Atomic Energy Commission by guaranteeing that all Commissioners will have equal access to information relating to atomic affairs.

The majority have been unwilling to require the Atomic Energy Commission to make the comprehensive report to Congress contemplated in section 7 (b) of the existing act.

The majority have been unwilling to accept amendments facilitating the establishment of an international atomic agency.

Amendments along these and other lines to improve the atomic-energy bill and to protect the public interest were voted down.

Our efforts, however, have not been altogether in vain. The bill is improved over the original version.

We have prevented an effort to weaken the research responsibilities of the Atomic Energy Commission.

We have compelled some recognition of the threat of monopoly combinations.

We have obtained a few procedural safeguards for municipalities, cooperatives, and other agencies in the licensing of atomic reactors.

We have obtained some recognition of the preference rights of such agencies in the event atomic power is produced as a byproduct in Atomic Energy Commission facilities.

We have managed to keep the door open for other agencies of the Federal Government to obtain licenses for the production and distribution of electric power from atomic sources even though the Atomic Energy Commission has been barred by the majority from commercial power production.

We have prevented the Atomic Energy Commission from directly reimbursing private utilities for Federal income-tax payments, which payments were contemplated in the so-called Dixon-Yates contract.

Various other improvements were written into the bill by our efforts even before it reached the stage of amendment.

As we said at the outset, we are hopeful that a new Congress with a new mandate from the people will finish the job of legislative improvement that some of us have begun in the face of such overwhelming opposition.

The process of reexamination must be undertaken not only by the Congress but by those agencies of the executive branch that are alert to the electrical power possibilities of the atom. We must say that the Federal Power Commission has shown a great deal more concern for the public interest in this regard than the Atomic Energy Commission.

Since the Federal Power Commission already has jurisdiction in the electric power field, including responsibility for making surveys and investigations as a basis for legislative recommendations to the Congress, we will introduce a House concurrent resolution expressing the sense of Congress that the Federal Power Commission undertake such a survey project under existing authority. This report would serve to compensate for the failure of the Atomic Energy Commission to provide the Congress with the comprehensive report required under section 7 (b) of the Atomic Energy Act.

Of course we do not expect that the Congress will have time to vote upon this resolution

in the closing days of the session. However, we intend to reintroduce the resolution promptly at the opening of the new session in January. In the meantime we take this means of serving notice that we do not intend to let the matter of atomic power policy fall by the wayside.

Mr. COLE of New York. Mr. Speaker, I yield 5 minutes to the gentleman from Illinois [Mr. PRICE].

Mr. PRICE. Mr. Speaker, I am in much the same position as my colleague, the gentleman from California [Mr. HOLIFIELD] on this matter. I dislike the necessity of registering opposition to this bill. It was difficult for me to vote against the bill when it was originally considered here in the House for I recognize there were avenues which needed revision to permit the implementation of the President's program for international cooperation, and particularly in the weapons field. Personally, I am not one of those who feels that this bill is at all adequate to permit the cooperation which the President may be compelled to seek in this particular field. But I could have supported the bill originally, and I would now support the conference report, were I not in such violent disagreement with the patent provisions. In that regard, I find myself pretty much in the same position as the President himself, who advocated and urged protection in this law against any possible monopolistic practices.

I want at this point to compliment the Members who served on the conference committee. I concede that they had a difficult job. I am in agreement with my colleagues Mr. DURHAM, Mr. COLE, and Mr. HOLIFIELD in expressing the opinion that the committee on both sides of the aisle did a monumental job in working on this bill over the past several months, but I have the feeling that the committee discarded a very crucial protective feature of the bill and that was the provision for compulsory licensing of patents.

STATEMENT OF CONGRESSMAN MELVIN PRICE ON PATENT PROVISIONS OF CONFERENCE BILL

In taking this unwise action, the majority of the conference committee ignored the recommendations of President Eisenhower, ignored the recommendations of the Joint Committee on Atomic Energy, ignored the recommendations of some very able patent attorneys, and rejected the decision of the other body.

When President Eisenhower submitted a message to the Congress on February 17 of this year, proposing certain amendments to the Atomic Energy Act, he said that it was necessary to continue "for a limited period the authority to require a patent owner to license others to use an invention essential to the peacetime applications of atomic energy."

The President was proposing, in other words, that a system of compulsory licensing of patents be established to prevent any patent holder from imposing a monopoly bottleneck on the development of atomic energy. In elaborating his proposal, the President said:

"Until industrial participation in the utilization of atomic energy acquires a broader base, considerations of fairness require some mechanism to assure that the limited number of companies, which as Government contractors now have access to the program, cannot build a patent monopoly which would exclude others desiring to enter the field. I hope that participation in the development of atomic power will have broadened sufficiently in the next 5 years to remove the need for such provisions."

The Joint Committee on Atomic Energy, in working out the detailed provisions of the atomic energy bill, took heed of the President's recommendation. Provisions for compulsory licensing of patents for a 5-year period were written into the bill. The Committee report said in this context:

"We are mindful of the fact that in the immediate future, relatively few firms may be involved in this effort. We acknowledge that dangers of restrictive patent practices are present, though not inherent, in such a situation. Accordingly, we recommend to the Congress that holders of patents on inventions of primary importance to the peacetime uses of atomic energy be required to license such patents to others in return for fair royalties. This requirement of compulsory licensing will apply to all patents in the field which are sought in the next 5 years. (83d Cong., 2d sess., H. Rept. No. 2181, p. 9.)"

Although Congressman HOLIFIELD and I, in a separate statement of our views on the committee bill, criticized the restrictions that were written around the compulsory-licensing provisions, nevertheless we felt that the principle of accessibility to patents at least had been recognized and we commended the committee majority for accepting it. Unfortunately the House majority threw out those compulsory patent licensing provisions and adopted the Cole amendment instead. The other body, in contrast, accepted the compulsory patent licensing provisions and went a step further by adopting the Kerr amendment extending the period of such licensing to 10 years.

The conference committee version contains

the Cole amendment with a modification to the effect that the Atomic Energy Commission would give preferred consideration for commercial licenses in the next 5 years to those applicants who agree to make their licenses available to other Commission licensees upon demonstration of need and payment of reasonable royalties.

The conference language on patents is a makeshift. It would not guarantee access to patents. There is no reason to suppose that any industrial applicant would make such agreement, in which case the preference provision would be meaningless. Furthermore, the Commission is not compelled to give preferred consideration to license applicants in the research and development field under section 104 (b). The mandatory preference applies only to applicants under section 103, and it is doubtful that any licenses would be granted under this section within the 5-year period of the preference conditions. Finally, it is too much to expect that license applicants would agree as a general proposition to make licensing concessions regarding patents long in advance of specific requests by those seeking access to the patent.

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I regret to say that the conferees, in adopting this makeshift and meaningless patent language, placed an insurmountable obstacle in the way of my voting for the conference bill.

Mr. COLE of New York. Mr. Speaker, I yield 3 minutes to the gentleman from Texas [Mr. KILDAY].

Mr. KILDAY. Mr. Speaker, while I am a member of the Joint Committee on Atomic Energy, I was not a member of the conference committee on this bill.

I do feel that the conference report should be adopted. It happens that when we first began to legislate on the subject of atomic energy, the legislation was referred to the former Committee on Military Affairs, of which I was a member. I therefore know thoroughly that the existing Atomic Energy Act was written in an atmosphere of hysteria; that we were not able to get the type of consideration which a bill of that nature should have had. That is easily understandable, because it was so soon after the explosion of the first atomic bomb. As a matter of fact, the atmosphere was such that the normal committee processes of the other body could not function; and a special committee had to be appointed in the other body, which finally wrote the legislation.

This bill has been under consideration by the joint committee for a little more than a year, and has come here after having gone through the processes of legislation and through a conference committee. I am positive that at no time in the reasonably near future, certainly not for a period of years and perhaps never, will it be possible to get a unanimous report on a bill affecting atomic energy, and particularly the participation of private industry in the atomic program.

I do not think there is anything in this bill that should cause concern on the part of any Member of the House. I think it has been prepared with due care. While I appreciate the fact that there are circumstances involved in this legislation which will prevent some from voting for it, I think a vast majority of the Members of the House are thoroughly justified in voting for this conference report.

Mr. COLE of New York. Mr. Speaker, I yield 3 minutes to the gentleman from California [Mr. HINSHAW].

Mr. HINSHAW. Mr. Speaker, in order to set at rest the thoughts on the part of some Members of the House and various members of the press that there is anything in this bill or that there was anything in this bill before, that precluded Government agencies other than the Atomic Energy Commission, from going into the business of the production of electric power through the use of atomic energy, that simply is not so.

There is nothing to preclude an agency of Government from going into this business if it is otherwise qualified.

I want to say for the benefit of the Members of the House that this business of producing power from atomic energy is something of tremendous size. It means a plant of tremendous size. The people who deal in reactor techniques think that a reactor producing 250,000 to 300,000 kilowatts is prob-

ably in the future an economic size of reactor.

Those who talk about putting an REA into the business do not quite realize the nature of reactors. An REA, if it used atomic energy at all, would probably use what they call a package reactor which would produce at very high cost per kilowatt, and therefore probably would not be used at all. REA's, as I understand them, usually operate on from 10,000 to 15,000 or 20,000 kilowatts and not 250,000 to 300,000 kilowatts.

So, Mr. Speaker, this bill is designed to promote eventually such things as the production of electric power from atomic heat, and other peaceful uses and peaceful arts in connection with atomic energy.

I am glad that we have come to the end of the consideration of the bill. I trust it will receive unanimous support of all present or, I might say, as nearly unanimous support as possible to show that we have dealt with this subject for the time being in a way that is thoroughly satisfactory to everyone concerned. In the meantime we, and in turn the public, should realize that this act can be amended at any time if it is found that it is in anywise wrong or fails to accomplish its purpose.

Mr. COLE of New York. Mr. Speaker, I yield myself 3 minutes.

Mr. Speaker, in concluding the discussion of this bill, which to my mind is of transcendant importance, I feel impelled to express very briefly and entirely inadequately a thought or two on the general subject involved.

We all know, of course, that atoms have been with us from the time of creation. It was only recently, however, that man has learned to split the atom and how to wed the atom, and in that act bring about terrific force and terrific energy. It was about 9 years ago —exactly 9 years ago this month, that this new force was used in warfare when the two bombs were dropped in Japan causing casualties amounting to approximately 150,000 human beings. Since that time the efforts of this Government have been directed toward improving the use of this great force for weapon purposes, but that effort was required, not because of any desire on the part of this Government to maim and kill and to destroy, but because of the conditions in the world. It was announced at the very beginning and has been reiterated continuously since that our effort in this direction has been toward creating a stockpile of atomic weapons that could be used against Communist aggression, against the threat of invasion of free people wherever it might become advisable or necessary.

Weapons have been improved. The expression is now used that the weapon of Nagasaki and Hiroshima used 9 years ago is now outmoded and called a "model T." They have become bigger, bigger, and ever bigger. All this has been done to the point where the world now lives in mortal constant and continuous fear of atomic energy. The hearts of the people in this country and people throughout the world are distraught and discouraged and filled with despair as they contemplate the future with nothing involving the use of the atom except death and destruction.

The appeal of this bill, as I view it, is that the door to a different use of the atom is about to be opened. When that door is opened, it will prove the fact that there is nothing essentially or inherently sinister, baneful, or evil in atomic energy; there is nothing wrong or sinful in the energy itself; as a matter of fact lightning is more baneful and sinister than atomic energy because we cannot predetermine where or when it will strike nor what the consequences will be. Not so with atomic energy.

The effects of this new energy, whether it is directed to the destruction of man or for the creation of good, depends upon the hearts of the people who control that energy. We have learned that this energy can be con-

trolled. The experts have indicated that through the control of this energy a field of unlimited possibilities is laid before us. This bill, Mr. Speaker, is the key to that door, opening into an Elysian era of unknown proportion.

I am confident that those Members of this body who vote for this bill today, if they could remain Members of this House 25 years from now, possibly 50 years from now, will, in looking back over their record, point to this one vote as being the outstanding one of their entire career. At long last the bright hope of the future is being lighted by making available for the use of man this new force, not only for generating electricity but for improving the bodies of people, for making the things that people want and need, the absence of which are the causes of war itself.

For my own part, and I am sure this feeling is shared by all members of the joint committee whether they vote for or against this conference report, our goal has been the same; we are proud of the part we have played in this effort to make the use of this energy available to mankind, not only for this country but for people throughout the world, for good, for creation, rather than for devastation. We can now begin to turn from fear to hope, from despair to delight, from destruction to creation, from being animals of the jungle to creatures of God. Only the future and the hearts of men will determine the eventual outcome.

The detailed arguments and discussions, the debates which have gone on about patents, public power, and other important matters of national policy have tended to conceal the really major contribution which this bill will make. As important as atomic weapons and thermonuclear weapons are to the defense of our country, they can do no more than preserve the uneasy peace of the cold war. The NATO and international exchange provisions of the bill will go a long way toward insuring the absence of an all-out holocaust. But the real contribution of this bill lies in the promise it offers for a way to bring the cold war itself to an end. Most of the evils of the world have their roots in misery, hunger, and want. The peacetime applications of

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atomic energy can do much to destroy these roots of war. Cheap atomic power for the underdeveloped nations of the world can make men more resistant to the evil ideas contained in any form of totalitarian government Radioactive isotopes offer the world its first real hope for raising world food production to a level adequate to bring hunger to a halt. The fields, the forests, and even the oceans themselves can be made to supply a good life for all people. The great strides which have already been made in the war against cancer and many, many other scourges of mankind do no more than show the way toward the elimination of the physical and mental ills from which mankind has suffered too long.

No legislative act of any Congress can bring utopia to our people or to any part of the world. But if there was ever a bill passed by any Congress which brought utopia nearer, which freed men's minds to work for human betterment, which promised not to win war but to eliminate war, this is such a bill. We should all be proud of the fact that despite our constant vigilance in military matters, we have found time and have had the vision to take these steps toward a better future. The absence of war itself is certainly to be worked for, but we cannot rest until the cold war itself has been replaced by a prosperous and healthy free world in which the roots of war no longer exist.

The SPEAKER. The time of the gentleman from New York has expired.

Mr. COLE of New York. Mr. Speaker, I move the previous question.

The previous question was ordered.

The SPEAKER. The question is on the conference report.

The conference report was agreed to,

and a motion to reconsider was laid on the table.

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1.1b(5)(d) Aug. 13: Senate rejects conference report, pp. 14338–14339, 14341, 14343–14347, 14349–14350, 14353, 14355–14356

REVISION OF ATOMIC ENERGY ACT OF 1954—CONFERENCE REPORT

Mr. HICKENLOOPER. Mr. President, I submit a report of the committee of conference on the disagreeing votes of the two Houses on the amendment of the Senate to the bill (H. R. 9757) to amend the Atomic Energy Act of 1946, as amended, and for other purposes.

The ACTING PRESIDENT pro tempore. The report will be read for the information of the Senate.

(The legislative clerk read the report.)

(For conference report, see House proceedings of August 9, 1954, pp. 13765–13779, CONGRESSIONAL RECORD.)

Mr. KNOWLAND. Mr. President, pursuant to the order of the Senate of August 11, 1954, I now request that the Senate proceed to the consideration of the conference report.

The ACTING PRESIDENT pro tempore. Under the unanimous-consent agreement of August 11, the question is on agreeing to the conference report.

Mr. HICKENLOOPER. Mr. President——

The ACTING PRESIDENT pro tempore. The Senator from Iowa [Mr. HICKENLOOPER] has 90 minutes. The Senator from Texas [Mr. JOHNSON] has 90 minutes.

Mr. HICKENLOOPER. I yield myself sufficient time to make the statement I wish to make.

Mr. President, this is the conference report on H. R. 9757, which is the proposed Atomic Energy Act of 1954. I should like at this time to read the statement of the managers on the part of the House in submitting the conference report to the House, because it is substantially the same as the report the Managers on the part of the Senate would make.

In the first place, I may say that the committee of conference met for several days, and the Managers on the part of the House agreed to this report by a vote of 4 to 1, one not voting. There were five managers on the part of the House on the conference committee.

On the part of the Senate there were five conferees. The report submitted to the Senate is signed by 3 of those conferees, 2 not signing the report.

The report has been in the Senate for several days, and is available to any Senators who may not presently have it on their desks.

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STATES AND MUNICIPALITIES PREFERENCE TO FEDERALLY FINANCED POWER

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

Mr. HICKENLOOPER. I yield to the Senator from Nevada.

Mr. MALONE. I should like to ask a vital question of the distinguished Senator from Iowa, who, I think, has done a first-class job in a difficult situation in bringing to the floor a bill which seems to be a very practicable measure in a new and importantly vital field—a principle observed more than half a century in reclamation law with re-

gard to power financed by Federal funds—and that is a State and municipal preference for use of the power.

Senator Newlands, from Nevada, introduced the bill to set up what is now known as the Bureau of Reclamation in 1902.

The law has been amended many times since, but the principle has been carried through when public money is used to finance a power project, or where power is developed as a byproduct, such as, for example, the Boulder Dam, now Hoover Dam, and many other projects throughout the West. Public bodies—the States or municipalities—were given a flat preference under like conditions. The public bodies, States and municipalities, are given preference under the law; there is no discretion exercised by the Secretary of the Interior.

Do I understand correctly that there is a preference clause in this bill which would guarantee that the same policy is carried forward?

Mr. HICKENLOOPER. There is a preference clause in this bill for cooperative and public bodies, for all power produced by public bodies or the Atomic Energy Commission.

Mr. MALONE. Is the provision a flat preference under like conditions, or is such preference dependent upon the judgment of a commission or an individual?

Mr. HICKENLOOPER. It is indefinite to a certain extent.

The Senator from Nevada will find this provision on page 12 of the report, in the middle of section 44:

> In contracting for the disposal of such energy, the Commission shall, insofar as practicable, give preference and priority to public bodies and cooperatives—

Public bodies would include municipalities; and cooperatives are really private bodies, but we put in the word "cooperatives" to emphasize it for understanding of Senators on the floor, "or to privately owned utilities providing electric utility services to high-cost areas not being served by public bodies or cooperatives."

I should like to proceed with my statement, but I wish to say that the reason why the term "insofar as practicable" was used in this bill is that the Atomic Energy Commission is not a commercial power-producing agency.

The Commission has authority to produce power if it gets the money from the Congress enabling it to do so. It has the authority to build any sized reactor for research and development, and to produce power on a commercial basis, if it feels the reactor is feasible and if it desires to build it. If the Commission builds such a reactor and has excess power resulting therefrom, and if there is a cooperative or a municipal body accessible to receive that power, there is no question in the world that this preference governs and controls. But the phrase is used because the Atomic Energy Commission is a research and development body, and in connection with its other installations and with its research and development, it might be not only desirable but almost necessary that it locate such experimental power-producing reactor in an area adjacent to certain facilities where there would be no cooperatives or no public bodies with accessibility to the power.

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

Mr. HICKENLOOPER. I yield to the Senator from Rhode Island.

Mr. MALONE. If the Senator will permit, I should like to follow through and complete my questions.

Mr. HICKENLOOPER. I have only 90 minutes.

Mr. MALONE. Perhaps we could get consent to devote more time to this important bill.

Mr. President, I should like to ask the distinguished Senator from Iowa why he believes that under this bill, which sets up a special body to develop power, the Commission would always give preference to a State or municipality in allocating the power.

Mr. HICKENLOOPER. On the

basis of the language, which states that they shall give preference insofar as practicable.

Mr. MALONE. Who makes the decision who is to be the judge?

Mr. HICKENLOOPER. I suppose the Commission will make the decision. If there are a competitive cooperative or public body and private users, the Commission would have no recourse other than to give preference to the cooperative.

Mr. MALONE. Mr. President, I should like to say to the distinguished Senator from Iowa that we in the West have been dealing with this problem for more than a half century. The junior Senator from Nevada has personally dealt with the problem in his engineering practice for 30 years and as State engineer of his State from 1927 to 1935. The matter of preference is always the problem. The power from Boulder Dam, now Hoover Dam, when it was sold, was sold with the preference clause favoring the State of Nevada, the State of Arizona, the city of Los Angeles, and other southern California cities in their turns. There was no latitude given any official at all. The private companies and other agencies cooperated in such allocations.

Mr. HICKENLOOPER. I should like to correct the Senator's impression.

Mr. MALONE. Very well.

Mr. HICKENLOOPER. Those were plants built specifically for the purpose of producing commercial power as a commercial operation. The AEC is not in that business. It is not authorized to go into the business of producing public power or commercial power. It will produce usable power only in connection with whatever research and development activities it undertakes.

If we want to put Government money into any public bodies such as TVA, such as the Bonneville power district, such as any other public body, for the purpose of producing commercial power, which they do today, then a

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different type of preference clause should be written in the bill.

Mr. MALONE. The Bureau of Reclamation is not in the business of producing commercial power, as such. It is in the business of building dams and projects to store water for irrigation, for flood control, and for other purposes, and incidentally producing power to contribute in amortizing the cost of such projects. The Bureau is not in the commercial power business, as such, at all.

Many of us have always been against the idea of the Bureau entering the business of commercial power as such. It is incidental to the objective of the projects and is for the purpose of repaying the cost.

They set a commercial price on their power to assist in repaying the cost, and the flat preference applies.

I have some knowledge of the commercial application of atomic energy. The production of nuclear power according to the learned professors and theorists was that it would be feasible within 25 or 30 years, but they ignored or did not know about the high-cost power areas in the intermountain and desert areas.

I discussed with the Commission when I first came to the Senate in 1947 the subject of feasibility. I maintained that feasibility was a relative term. Power is costing us 2 to 3 cents per kilowatt-hour in many of the desert and mountain areas in Nevada. We wanted the first commercial reactor built in Eureka, Nev.

We could have utilized from 20,000 to 30,000 kilowatts of power in that area.

The Commission decided to build a 60,000-kilowatt reactor, which is too big for the Eureka area. Our work in the promotion of the commercial reactor idea for the high-cost areas resulted in a rather extensive survey of such areas and the Eureka area was chosen at the highest cost and a favorable location.

Research was the original purpose of

the Commission, but now it is going into 60,000-kilowatt reactors as a sort of pilot plant—and can go into any size reactor which they may later decide is necessary to prove same effective.

Does the Senator from Iowa see the distinction—that the Commission is the judge?

Mr. HICKENLOOPER. I see the distinction, except that I believe the Senator is making some assumptions with which I do not agree.

Mr. MALONE. I understand that the Senator does not see the lengths to which they can go.

Mr. HICKENLOOPER. The assumption, as I understand the Senator, is that the Atomic Energy Commission is going into the power business.

Mr. MALONE. It is in the power business.

Mr. HICKENLOOPER. It is not in the commercial power business. It is in the research and development business.

Mr. MALONE. We hope it will be commercial, and I think it will be.

Mr. HICKENLOOPER. But not as a business of the Commission. Once the Commission establishes the economic factors relating to power from reactors, then it is out of the power business from that time on. It may be turned over to any public power bodies or to any private people who can get a license to go into that business.

Mr. MALONE. If the Senator will further yield, this will be the last question I shall ask. There is nothing in the bill which puts the Commission out of the power business when it comes under the head of research or pilot plant experimentation—and the need for research never ends.

Mr. HICKENLOOPER. Yes, indeed, there is.

Mr. MALONE. They can continue to build experimental reactors, just as we continue to build dams for reclamation and flood control.

Mr. HICKENLOOPER. That is correct.

Mr. MALONE. If the distinguished Senator from Iowa will study the situation, he will see that if they are in the business only for research, it should not matter to them who gets the power. If the power is not attractive to a municipality or a State, then there will be no bids or requests for it; but if it is attractive to them, it should not make any difference to the Commission to whom the power goes; on the same basis, since what they will want to do is to dispose of it on a reasonable basis—if they need it for use of the Commission then it will not be offered for sale.

Mr. HICKENLOOPER. I suggest to the Senator that the Commission is today building 5 different types of reactors, using 5 different types of elements within the reactor, to see if they can get some answers on the question of economy, feasibility, practicability, and all that. Those are experimental and developmental reactors. The Commission may decide that 1 or 2 or 3 of those can be certified as practical reactors. After that, they get out of that reactor business.

Mr. MALONE. We hope it proves commercial and that they then get out of the business—but under the bill they can continue in business for further research.

Mr. HICKENLOOPER. According to this bill, that is what will happen. Of course, I do not know what future Congresses will do.

Mr. MALONE. Who is the judge when the decision is made that the reactors are practical? Practical where? Practical in the high-cost desert and mountain areas, or in the power centers where low-cost petroleum or coal is available? Who is the judge?

Mr. HICKENLOOPER. The Commission certifies to that.

Mr. MALONE. And it is the judge beyond any question under this bill—so it is particularly important.

Mr. HICKENLOOPER. It is the judge.

Mr. MALONE. It may continue to build reactors.

Mr. HICKENLOOPER. They may certify that a particular project is not a practical one, and they may go on to another type. They have five of them under consideration right now.

Mr. MALONE. I point out to the distinguished Senator that the setting of such a policy—allowing a public officer to use his discretion in allotting the power—would be a precedent in the Congress of the United States. We would then have the precedent of public money—taxpayers' money used to finance a product without a flat preference clause.

Now, if they are only in the business to develop power for research, then it does not make any difference to them as to the principle involved in the disposal of it, and I suggest to the Senator that the best thing to do would be by unanimous consent or by returning it to committee and to delete those words, "insofar as practicable," and I so suggest at this moment.

The more than half century principle would then be carried on, that when taxpayers' money is utilized to develop a commercial product then public bodies would have preference in its utilization.

Mr. HICKENLOOPER. I do not know what the parliamentary situation is on this particular matter. I yield to the Senator from Rhode Island.

Mr. PASTORE. Mr. President, it was my intention to make the same observation. I am frank to admit that all the phrase "insofar as practicable" does is to confuse the minds of many who are interested in giving effect to the additional preference by furnishing the power developed to public projects and cooperatives. Personally, I feel there is no legal meaning that would disturb that traditional purpose of the Congress, but I think it is regrettable that the language was inserted, because, in explaining this feature of the law, whether much power or little power is produced, the fact of the matter is that we intended that that power, if and when distributed, would be distributed according to the Federal Power Act.

By adding the words "insofar as practicable," I think all we have done is to confuse the matter.

Mr. HICKENLOOPER. I have no objection to having a mandatory preference without the phrase "insofar as practicable," but I do not feel that I have the responsibility, as an individual, at this moment to accept any suggestion about eliminating those words, by unanimous consent or otherwise. I may consult a little with some of those assisting me, if the Senator will be patient with me. Based on the fact that I believe this gives a preference to public bodies and cooperatives whenever they are accessible to receive the excess power, I do not disagree with the Senator's theory. I can say that.

Mr. PASTORE. I wish to say to the Senator that under parliamentary procedure I do not see how the Senator can agree to such a suggestion. I think the Senator must take the bill back to conference and have the words eliminated there.

Mr. HICKENLOOPER. I do not know whether unanimous consent on the floor of the Senate could take care of the matter. It is my opinion that we could not delete those words without submitting the matter to the other body, but I am out of my element in passing on this parliamentary situation.

The Senator from Tennessee has been desirous of asking a question, and I yield to him.

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Mr. HICKENLOOPER. My view and the view of the committee is—and it is my intention and the intention of the committee—that the "insofar as practicable" phrase goes to the question of the location in keeping with the Atomic Energy Commission's responsibility as a research and development agency. If the Atomic Energy Com-

mission should decide it should build a research and development plant directed toward experimentation, to receive data and information on commercial power, in the eastern part of the Senator's State, there are REA cooperatives and public bodies which have an absolute preference under this bill. There is no possible question about it, if they are accessible to the power generated in connection with that development.

Mr. MUNDT. It is that particular phase of this situation in which I am interested, because, obviously, if a plant is built in some area which the REA does not serve, that is another question.

Mr. HICKENLOOPER. The question was discussed in our committee meeting. Suppose that at some time in the future the Atomic Energy Commission should say, "We believe it is desirable and proper to construct a plant in one of the New England States, in a high-cost area." The Senator from Nevada may have a high-cost area in his State. A place is found where it is desirable, for various scientific reasons, to construct the plant. There is no municipal body within 120 miles of that place; there is no cooperative within 120 miles of it. Suppose the Atomic Energy Commission says, "If we maintain absolute preference under this situation we shall have to operate an uneconomical line or use discretion as to whether it should be disposed of at whatever price is practicable."

Mr. MUNDT. It is important that the legislative history in connection with this conference report be very clear, because it can be a guide to future administrators. It is important that the statement of the chairman of the conference committee be very clear, and I think it is important that there be something in the RECORD from the REA itself, because we wish to make sure that in areas where there are municipalities, where there are State or public bodies, the preference clause will in no sense be weakened or vitiated by anything we may do here today.

Mr. HICKENLOOPER. Let me say that as quickly as I can read this prepared statement into the RECORD, I shall bare my breast to any questions that Senators may have to ask me.

I have been in touch with the Director of the REA. He is at the present time in Alaska on some REA business. I received a telegram from him which I shall ask to have placed in the RECORD in a little while.

Mr. MALONE rose.

Mr. HICKENLOOPER. I now yield to the Senator from Nevada.

Mr. MALONE. I wish to draw the attention of the distinguished Senator from Iowa to one fact with reference to what he has referred to as a high-cost area. He said the Atomic Energy Commission might have to build an uneconomical transmission line presumably to deliver the power. If he had given it due consideration I am sure he would realize that the public body must receive the power and deliver it to the place of use. If the operation is uneconomical, it will not apply for it. It is a matter of preference to utilize it. If a public body does not apply for it within the reasonable time set by the Commission, then general bids may be received.

Mr. HICKENLOOPER. So far as I am concerned, I have stated my own position. The provision was maintained because it was sought to protect the opportunities of certain high-cost areas. We went along with the idea. I am stating my assumption that if the power is accessible to REA or any other public body on a reasonable basis, they should have a preference.

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

Mr. HICKENLOOPER. I yield.

Mr. ANDERSON. As one of the conferees, I believe, with the Senator from South Dakota and the Senator from Nevada, that those words should not have been inserted if they do not mean something.

Mr. MALONE. They do mean some-

thing.

Mr. HICKENLOOPER. Mr. President, I again ask that I be not interrupted until I finish my prepared remarks.

PRODUCTION OF POWER BY THE COMMISSION

The committee of conference has worked out many points of difference between the House and Senate versions of the bill.

One of the more controversial items in the bill related to the ability of the Federal Government to enter the business of commercially producing electricity from atomic energy. This was encouraged by the Senate—Johnson—amendment which added section 45. The bill as introduced did not preclude Federal agencies from getting licenses from the Commission, and in fact permitted them to obtain licenses on an equal footing with other applicants for licenses. The amendments made by the committee of conference to sections 103 and 104 reinforce this fact. Specifically, they make it clear that the Commission must issue licenses to persons who might apply therefor if they are otherwise qualified. In the definition chapter of the bill, the term "person" is defined to include "any public or private institution, group, Government agency other than the Commission, any State or any political subdivision of, or any political entity within a State or other entity." Thus, "persons" clearly include all Federal agencies other than the Commission.

In addition, the committee of conference added a new section to the bill, section 273, which reincorporates as a separate section the sentence in the Senate amendment dealing with the right of other Federal agencies to obtain licenses. There are public agencies, State and Federal, which are well versed in the problems of distribution of energy for commercial purposes. If these agencies desire to generate electricity from atomic energy they may obtain licenses to do so. If the number of licenses which can be granted is limited at the time when these public agencies are applying for licenses, they will be preferred according to the terms of section 182c.

With respect to the ability of the Commission to build large scale reactors, the committee of conference clarified what had been the intent of the legislation as it was introduced, namely, that the Commission would be —and is presently—empowered to build full-scale reactors if they are being built as part of the research and development program of the Commission in order to prove out as practical a particular type of reactor.

Mr. President, under existing law the Commission is assisting in the building of five different types of reactors. It already has the authority to do so. The five types are: a pressurized water reactor, a boiling water reactor, a sodium-graphite reactor, a homogeneous reactor, and a fast breeder reactor. As I recall, they range from approximately 10,000 kilowatts capacity to 60,000 kilowatts capacity.

The Commission now has the authority to do this, and is doing it. The bill amplifies and clarifies the fact that the Commission can do it. Under the bill, if Congress gives the Commission power, the Commission can build a 1 million kilowatt reactor as a part of its experimental and developmental activities. The Commission could do it under the old law, also, if it could get the money from Congress.

In order to accomplish this, clarifying language was added to the section dealing with the research and development program of the Commission, section 31 a (4). Among the research and development activities specifically authorized there are now included those relating to building and testing full-scale atomic-powerplants.

The House adopted an amendment specifically prohibiting the Commission from engaging in the commercial sale of electric power except for the power

generated in connection with research and development facilities or that generated at production facilities of the Commission. This was retained by the conferees as part of section 44.

I reiterate what I have said several times, that that provision was included so as to state clearly and make certain beyond question that the Atomic Energy Commission's research and development group in government is not in the business of building commercial powerplants for the purpose of the commercial sale of power. If it is desired to have the Government sell power commercially, other governmental agencies could do that, or could equip themselves to do it; or a special Government agency could be created to go into that business. But the Atomic Energy Commission's research and development group should not be

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in the business of the production and sale of commercial power. I wish to make that perfectly clear.

The Atomic Energy Commission, if it builds a 1 million kilowatt reactor as an experiment, can sell as much power as it does not need; but to go into the business of building reactors throughout the country, for the purpose of producing commercial power, no. That should rest with other agencies, public or private.

That portion of the Senate amendment relating to Commission operation of powerplants which would have exempted the construction or expansion of such plants from specific congressional authorization was removed from section 261 as being contrary to the intent of the sponsors of the amendment. The Commission must, under the conference bill, obtain specific congressional authorization as well as appropriations for each new plant, construction, or expansion regardless of the type of plant involved.

That is nothing unique. This principle is followed throughout most of the departments of the Government. If the Commission seeks to build new plants, it will have to come to Congress for the money. This provision does not apply uniquely to the Atomic Energy Commission; it is in keeping with policies which have been established for a long time.

FEDERAL POWER COMMISSION AUTHORITY (SEC. 183 E)

Another Senate amendment, the Humphrey amendment, added section 183 e, required licensees operating utilization or production facilities under section 103 to be subject to the regulatory provisions of the Federal Power Act. This was moved to a new section, section 272. It provides a specific statement in the bill that the jurisdiction of the Federal Power Act is applicable to commercial electrical energy transmitted in interstate commerce or marketed at wholesale in interstate commerce without regard to the fact that such electricity is generated from atomic energy. While it was the contention of the sponsors of the bill that this effect was obtained by the provisions of section 271, this amendment was accepted and retained in substance by the conferees on the theory that it was a specific restatement of the applicability of the Federal Power Act.

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Mr. HICKENLOOPER. For a license under section 103, which is the commercial production licensing section, and that the Commission may—the word "shall" refers to section 103—give such consideration to applicants under section 104, which is the experimental licensing provision, who include in their application for their licensing agreement that they will cross-license any patent which they may develop within a 5-year period with other licensees who hold licenses from the Commission, at a reasonable royalty fee, to be fixed by the Commission under the procedure set up under the bill.

Mr. KERR. If the Senator from

Oklahoma understood the Senator from Iowa, section 182 d applies only to those seeking a license under section 103?

Mr. HICKENLOOPER. Let me get the exact language for the Senator. I am about to read from page 36 of the conference report.

Mr. KERR. Is the Senator about to read from section 182 d?

Mr. HICKENLOOPER. I am about to read from section 182 d of the proposed bill.

Mr. KERR. Of the conference report?

Mr. HICKENLOOPER. Yes, of the conference report which is before us.

Mr. KERR. The only place in which the word "shall" occurs there is with reference to a license under section 103.

Mr. HICKENLOOPER. I so stated to the Senator from Oklahoma a moment ago.

Mr. KERR. I am not arguing with the Senator; I am merely trying to make something clear.

Mr. HICKENLOOPER. With reference to section 104, which is the research and experimental licensing section of the bill, it says that the Commission "may."

Mr. KERR. But the commercial licensing to which the Senator has referred is contained in section 103, is it not?

Mr. HICKENLOOPER. That is correct.

Mr. KERR. The only place where the word "shall" appears under section 182 d is with reference to patent licenses under section 103. Is that not correct?

Mr. HICKENLOOPER. The Senator is correct.

Mr. KERR. What licenses are contemplated under section 103?

Mr. HICKENLOOPER. I will have to say to the Senator from Oklahoma I do not know, and I do not think anybody else knows what the future holds in that regard.

Mr. KERR. I will ask the Senator if it is not very clearly set forth in section 102?

Mr. HICKENLOOPER. It says licenses in connection with processes and any other matters which may be found to be usable.

Mr. KERR. I think the answer to the question will be found in section 102. If it goes beyond that, I would like to have the Senator tell me what it is.

Mr. HICKENLOOPER. I again say I do not know. I do know what the licenses will be. I shall read into the RECORD section 102, but I say nobody has a crystal ball to look into and see what may eventuate in the future.

Mr. KERR. Will the Senator read section 102 and see if that does not define what is available under section 103?

Mr. HICKENLOOPER. Section 102 reads:

> Whenever the Commission has made a finding in writing that any type of utilization or production facility has been sufficiently developed to be of practical value for industrial or commercial purposes, the Commission may thereafter issue licenses for such type of facility pursuant to section 103.

That has nothing specifically to do, except in production generally, with licenses. Here is the procedure: Any person or organization, public or private, who wants to go into the business of trying to make heat, or use uranium to turn generators to make electric energy, will have to come in under section 104 d and get a license to build an experimental reactor. After he has built the reactor, and the Commission has looked it over and made a finding that that particular type of reactor—and there are a number of types, at least in theory, and probably they are feasible—has been sufficiently developed to be of practical value for industrial or commercial purposes, then he must apply to the Commission, under section 103, under the commercial clauses, for a license to use that type of reactor for commercial purposes.

Mr. KERR. Will the Senator yield further for a question at that point?

Mr. HICKENLOOPER. I yield.

Mr. KERR. The word "shall" in section 182 d does not apply, subsequently to what the Senator has just referred to, as being necessary to take place.

Mr. HICKENLOOPER. That is correct. The word "shall" applies to section 103, which refers to the commercial operation in this field.

Mr. KERR. Is it not a fact that section 182 d in the conference report expires 5 years from the date of the agreement to the conference report?

Mr. HICKENLOOPER. That is correct.

Mr. KERR. Does the Senator think any of that 5-year period will be subsequent to what he has described as having to take place with reference to a license for a research development under section 104, and then with reference to the granting or securing of a license under section 103? Does the Senator think any of that 5-year period will still apply subsequent to that time?

Mr. HICKENLOOPER. I think it may well be, although I cannot look into the future. I will say to the Senator that I had a call yesterday from an organization in the eastern part of the United States that has been doing some work on this matter. The person to whom I talked said, "We have a reactor. We are ready to go to work on building a prototype reactor. We are convinced it will be a commercial reactor, and we think it is all right. We think we will have it operating in a year. We would like to get into production. What do your licensing provisions require?"

I said, "You will have to read it and get your attorney to look into it."

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

Mr. HICKENLOOPER. That is one group which said, "We think we can have a commercial reactor in operation." I do not know that I agree with them.

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

The PRESIDING OFFICER (Mrs. BOWRING in the chair). Does the Senator from Iowa yield to the Senator from Oklahoma?

Mr. HICKENLOOPER. I yield.

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Mr. KERR. Sections 102 and 103 of the conference report are practically identical with the sections which appeared in H. R. 9757, when the committee reported it to the Senate several weeks ago, are they not?

Mr. HICKENLOOPER. I think that is substantially correct.

Mr. KERR. At that time the committee was of the opinion that section 152 was a necessary addition to H. R. 9757.

Mr. HICKENLOOPER. Will the Senator state the question again? I have section 152 before me now.

Mr. KERR. The Senator from Iowa has advised me that sections 102 and 103 in the conference report are practically identical with the sections as they appeared in H. R. 9757, when the bill came to the Senate several weeks ago.

Mr. HICKENLOOPER. The Senator is substantially correct. There may be some slight variations, but the intent and purposes are the same.

Mr. KERR. To all intents and purposes they are the same?

Mr. HICKENLOOPER. Yes.

Mr. KERR. At that time the Senate and the committee felt that section 152 was a necessary addition to the bill?

Mr. HICKENLOOPER. At that time, yes. That is the compulsory licensing section. I think the Senate felt it was a necessary addition.

Mr. KERR. Did the committee not feel it was a necessary addition?

Mr. HICKENLOOPER. I forget what the vote was, but I think the committee inserted it.

Mr. KERR. It was in the bill when it was brought to the Senate; was it not?

Mr. HICKENLOOPER. The committee inserted it. I am sure it was felt to be necessary.

Mr. KERR. Will the Senator tell

the Senate——

Mr. HICKENLOOPER. I am not so certain that all the provisions are necessary.

Mr. KERR. Will the Senator tell the Senate where any part of section 152 can be found in the conference report?

Mr. HICKENLOOPER. It has been entirely removed, in the conference report, with the exception of section 182 d.

Mr. KERR. But the only place in section 182 d where the word "shall" appears is with reference to licenses to be issued in connection with section 103.

Mr. HICKENLOOPER. The Senator is correct.

Mr. KERR. Those licenses were made available under the bill when it passed the Senate.

Mr. HICKENLOOPER. That is correct.

Mr. KERR. Licensing under section 103 was in the bill when we passed it.

Mr. HICKENLOOPER. The Senator is correct.

Mr. KERR. At that time the Atomic Energy Commission, the Senator from Iowa, and the Senate felt that section 152 was a necessary part of the bill, in addition to section 103.

Mr. HICKENLOOPER. Yes. I think the committee felt it was a proper provision. But I assure the Senator that the majority of the committee thinks that section 182 (d) is wholly adequate to meet certain objections which might have been heard before, and accomplishes the desired purpose.

Mr. KERR. Madam President, will the Senator yield for one more question?

Mr. HICKENLOOPER. I am delighted to yield. I have occupied the floor for almost 1 hour of my total allotment of one and a half hours. Other Senators supporting the conference report are entitled to some opportunity to be heard. I do not wish to monopolize all the time. Also, I wish to give Senators opposing the conference report an opportunity to discuss it.

Mr. KERR. First, I thank the Senator for his very gracious courtesy to me in this colloquy, as well as when the bill was before the Senate.

The Senator from Iowa has said he could not look into the future and foresee what might be the situation.

Mr. HICKENLOOPER. What type of patent is referred to? The fundamental patents in this field already belong to the Atomic Energy Commission and are in the public domain. As a matter of fact, they are available without charge.

Mr. KERR. I shall discuss that subject in a little while.

I ask the Senator if, at the same time he tells us he cannot foresee the future, he is not asking the Senate and the Congress if we accept section 182 (d) in lieu of section 152, to take a leap in the dark?

Mr. HICKENLOOPER. I do not wish to take the time to discuss that question fully. In the Atomic Energy Act of 1946 covering the whole field of atomic energy, we took the biggest leap in the dark that we have ever taken. We had only the least idea of what would happen. We knew that the bomb would explode, but we did not know anything further. We wrote the bill and took a leap in the dark. We provided safeguards. We gave discretion in many cases. The Atomic Energy Act of 1946 has worked quite well, but the situation has changed.

It is time for the American economy to take part in this industry. We shall have to take some reasonable chances, with reasonable safeguards, in order to permit this great art to expand in a great free economy.

Mr. KERR. Previously, however, every patent developed under the Atomic Energy Act of 1946 either belongs to the Government or was available to the Government.

Mr. HICKENLOOPER. The fact that the Government was preempting patents and rights theretofore considsidered sacred property rights of individuals was a theory which was revolt-

ing to every member of the committee who participated in writing that particular bill, but we knew of no other way to accomplish the desired end at that particular moment.

Now we think it is time that the American economy, at a reasonable time in the future, should be permitted to have access to this information and use its genius in that field.

Mr. KERR. Again I thank the Senator for his courtesy to me.

Mr. PASTORE. Madam President, will the Senator yield to me for one question?

Mr. HICKENLOOPER. I yield.

Mr. PASTORE. As a preface to my question, let me recapitulate my understanding of what has been presented by the Senator from Iowa.

Under the procedure provided by this proposed law, as the Senator has explained in the first instance an applicant comes in under section 104 (b), which provides for research in this particular field.

Mr. HICKENLOOPER. That is substantially correct. Let me clarify that point. It is conceivable that someone may "cook up" in a basement somewhere a reactor which the Commission might look at and say, "This is a practical reactor. We will permit you to apply under section 103, because you have already built the reactor. You did not apply under section 104 (b)." However, I doubt that such a thing will occur.

Mr. PASTORE. In any event, that applicant or individual comes in under the provisions of section 104 (b).

Mr. HICKENLOOPER. That is correct.

Mr. PASTORE. Until the point is reached, under section 102, where the particular utilization reaches the level of practicability; is that correct?

Mr. HICKENLOOPER. That is correct.

Mr. PASTORE. The procedure is then covered under section 103(b)?

Mr. HICKENLOOPER. But the individual must apply and be rescreened.

Mr. PASTORE. I shall come to that point in a moment.

When the individual applies under section 104 (b), it is discretionary with the Commission as to whether or not it will enforce the preference, insofar as obligating the applicant to agree that he will cross-license for a period of 5 years is concerned?

Mr. HICKENLOOPER. The Senator is correct.

Mr. PASTORE. At that point it is discretionary. We are dealing with one applicant. When that one applicant comes under section 103, when he applies for the commercial utilization of this development, it is mandatory upon the Commission, under section 182, to require the licensee, if he wants to obtain the preference, to agree to cross-license for a period of 5 years.

Mr. HICKENLOOPER. If he wants it. It says "The Commission shall give preference."

Mr. PASTORE. That is correct.

Mr. HICKENLOOPER. I do not wish to be misunderstood. It is not obligatory.

Mr. PASTORE. The question I desire to ask the distinguished Senator from Iowa is this: How are we to invoke the preference if only one person is being dealt with?

Mr. HICKENLOOPER. In the case of only one individual the preference is not involved.

Mr. PASTORE. In other words, if we are dealing with one individual, the entire preference feature of section 182 is not worth the paper on which it is written.

Mr. HICKENLOOPER. If we are dealing exclusively with one individual, that is correct. I do not believe there is much likelihood of such a situation.

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Mr. PASTORE. Very well. Let me begin by referring to section 104 (b). When the work has reached the point where the application is practicable, section 103 applies. We are always dealing with one individual. Where is

the rivalry or contest?

Mr. HICKENLOOPER. Under section 104 (b) undoubtedly a number of individuals will be pursuing the same theory.

Mr. PASTORE. Perhaps at intervals of 1 or 2 or 3 years?

Mr. HICKENLOOPER. I am assuming that they will start to work as quickly as possible. Several individuals will be pursuing the same theory. When the theory becomes practicable, and has been certified, several applicants will be found working on the same theory, and the preference will apply.

Mr. PASTORE. Will the Senator permit me to ask one more question?

Mr. HICKENLOOPER. Yes.

Mr. PASTORE. I am perfectly willing to have this discussion charged to my own time, if the Senator feels that would be fair.

Mr. HICKENLOOPER. That is quite all right. I wish to yield further time to this side, however.

Mr. PASTORE. The Senator has said the reason why the conferees eliminated the compulsory licensing feature was that they were afraid the entire act might be vitiated on the ground that it was unconstitutional. Is that correct?

Mr. HICKENLOOPER. That question was raised in the House. It was raised in the committee. Arguments which are quite persuasive to many persons indicate that there is a constitutional question.

Mr. PASTORE. Could not that constitutional question be taken care of by obligating and requiring every applicant for a license to agree, before he received the license, that for a period of 5 years he would, at a reasonable royalty, grant to anyone who wanted it the use of that license, which was affected with the public interest?

Mr. HICKENLOOPER. That could be done. It was not done in the conference report.

Mr. PASTORE. In other words, all these arguments of unconstitutionality are nothing more than "eyewash."

Mr. HICKENLOOPER. I do not agree to that statement. I said that that language could have been adopted by the conference committee. It could have been put into the conference bill, but it was not.

Mr. PASTORE. That would not have raised the question of unconstitutionality, would it?

Mr. HICKENLOOPER. I have not undertaken any research on that matter. I could not answer the Senator's question.

Madam President, I should like to terminate this portion of my remarks and yield to the Senator from Texas [Mr. JOHNSON].

Mr. JOHNSON of Texas. I yield to the distinguished Senator from New Mexico [Mr. ANDERSON].

Mr. ANDERSON. I shall vote against the adoption of the conference report.

First, I wish to say to the able Senator from Iowa [Mr. HICKENLOOPER] that I have appreciated listening to his discussion today. The Senator from Iowa, in my opinion, tried hard to make possible a conference report to which there would be agreement. Throughout the entire conference, his attitude was one of trying to develop a good bill which would be acceptable to both the House and the Senate. I should certainly feel ashamed of myself if I did not say that, while I disagree with his final conclusion, I can only commend the conduct he maintained throughout the entire conference.

I am opposed to this conference report for many reasons. Strangely, the reasons are not those that might have impelled me in the early discussion of the bill itself. I was not completely satisfied with the bill as it was reported by the committee.

At that time the bill contained a provision legalizing the Dixon-Yates contract. I fought that provision as hard as I could. I lost that fight, and recognized the validity of the majority sentiment of the Senate of the United

States. Subsequently in the conference I did not raise one question about that provision, because it represented the sentiment of the Senate of the United States. If this bill goes back to conference, I do not intend to raise the issue of the Dixon-Yates contract, because that matter has been closed as far as this bill is concerned.

I am interested only in trying to make sure that we get a better bill than we now have. If the bill goes back to conference, it shall not be my purpose to try to prevent its enactment into law. I am desirous of seeing a conference report quickly emerge and be adopted by both the House and the Senate. I think that can be done.

I am interested in the amendments, however, which represented the sentiment of the Senate and which were adopted by the Senate. I think the atomic-energy bill was greatly improved in its course through the Senate. It was improved first by the Johnson amendment, which would have permitted the Atomic Energy Commission to build atomic-energy plants for the generation of electric energy.

It was improved by the Gillette amendment, providing preference and priority to public bodies and cooperatives.

It was improved by the Gore amendment, providing that there should be no direct reimbursement to contractors for their Federal taxes.

Finally, it was improved by the Kerr amendment, extending the period of compulsory licensing of atomic patents from 5 to 10 years, requiring the patent licenses to be nonexclusive, and that the terms for similar licenses be the same for comparable uses.

As I indicated a moment ago, I think the junior Senator from Nevada [Mr. MALONE] put his finger on the very touchy point in this whole thing when he pointed out the references that were made to this particular section relating to the Johnson amendment. I commend the Senator from Nevada for what he did in that regard.

There were other good amendments, several by the junior Senator from Minnesota [Mr. HUMPHREY], at least 2 by the able Senator from Rhode Island [Mr. PASTORE], 1 by the able senior Senator from North Dakota [Mr. LANGER]. These were all good amendments, but in the main, my feeling that the bill had been greatly improved in the Senate rested on the broad base of the Johnson, Gillette, Gore, and Kerr amendments.

Madam President, I supported the bill on final passage, and urged other Senators to support it. It was not everything I wanted. It contained one amendment which I had bitterly resisted. But, in my judgment, it was an improvement over the act of 1946, because the art of using nuclear energy has greatly advanced since 1946, and we needed to bring our legislative program more nearly in line with our scientific progress.

Then the bill went to conference, and to some degree, at least, these gains were whittled away. The Gore amendment, I am happy to say, was retained. The Gillette amendment was greatly reduced in its effect. Instead of requiring that in disposing of such energy, the Commission would at all times give preference and priority to public bodies and cooperatives, it was made to read that the Commission would "insofar as practicable" give preference and priority to public bodies and cooperatives; and, in respect to a part of the Pastore amendment, there was added to the preference section these words: "or to privately owned utilities providing electric services to high-cost areas not being served by public bodies or cooperatives."

Mr. Newlands, the great Senator from Nevada, who originally had the preference clause adopted in 1901, did a very wise thing. I believe that that preference clause should remain in this bill and should be more clearly expressed.

It ought to be said in behalf of the conferees that I do not think they

intended to strike quite so deeply as they did strike by the words "insofar as practicable." I think it would be agreed that those words were inserted because of a situation the Senator from Iowa [Mr. HICKENLOOPER] suggested, that there might be a utility 150 miles away which it might not be practicable to serve. Since then I have found that the preference clause, as the Senator from Nevada [Mr. MALONE] pointed out a while ago, can be applied in instances of that kind. Therefore, the words "insofar as practicable" should be stricken from the conference report.

The Senator from Nevada suggested we might do that by unanimous consent. I know of no way of doing it in the Senate. I think the bill must go back to conference in order that those words may be stricken from the report.

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Mr. JOHNSON of Colorado. Madam President, I submitted the conference report to the legislative counsel of the Senate and asked him to make a report to me on the effects of the changes that were made by the conference in the bill as it passed the Senate, especially as it relates to Section 45, which was placed in the bill by the Senate. I have received a memorandum from legislative counsel. The legislative counsel's office has no interest one way or another in the bill, I presume; all that it did was to make an analysis of the language in the conference report.

I ask unanimous consent to insert this memorandum at this point in the RECORD. It comes from the legislative counsel, signed by Mr. John Reynolds, who is the assistant counsel.

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

MEMORANDUM FOR SENATOR JOHNSON OF COLORADO

This memorandum responds to your request for an analysis of certain action taken by the committee of conference on H. R. 9757 in connection with the deletion of section 45 of the bill, as it passed the Senate. The changes made in the bill by this conference action (other than the deletion of sec. 45) are in several parts. The effect of these changes would appear to be as follows:

(1) Section 31a (4) is amended to read as follows:

"(4) utilization of special nuclear material, atomic energy, and radioactive material and processes entailed in the utilization or production of atomic energy or such material for all other purposes, including industrial uses, the generation of usable energy, and the demonstration of the practical value of utilization or production facilities for industrial or commercial purposes; and."

The conference substitute for section 31a (4) broadens or clarifies the authority of the Commission with respect to the conduct of research and development activities. Under the conference substitute, read in conjunction with section 32, the Commission has the express authority, among other things, to engage in research and development activities for the purpose of demonstrating the practical value of utilization or production facilities for industrial or commercial purposes. Under this authority the Commission could clearly build plants to demonstrate the practical value of atomic-energy facilities for commercial purposes, including the generation of power. If the Commission had this authority under section 31a (4), prior to the conference action, it had it only inferentially, not explicitly.

(2) The conference action included four amendments to sections 103b, 104a, 104b, and 104c. The effect of these amendments is to make it clear that any person may apply for a commercial license under section 103, or a license for medical therapy and research and development under section 104. "Person" is defined in section 11n, as follows:

"n. The term 'person' means (1) any individual, corporation, partnership, firm, association, trust, estate, public or private institution, group, Government agency other than the Commission, any State or any political subdivision of, or any political entity within a State, any foreign government or nation or any political subdivision of any such government or nation, or other entity; and (2) any legal successor, representative, agent, or agency of the foregoing."

(3) The conference action amended section 44 to read as follows:

"SEC. 44. Disposition of energy: If energy is produced at production facilities of the Commission or is produced in experimental utilization facilities of the Commission, such energy may be used by the Commission, or transferred to other Government agencies, or sold to publicly, cooperatively, or privately owned utilities or users at reasonable and nondiscriminatory prices. If the energy produced is electric energy, the price shall be subject to regulation

by the appropriate agency having jurisdiction. In contracting for the disposal of such energy, the Commission shall insofar as practicable give preference and priority to public bodies and cooperatives or to privately owned utilities providing electric utility services to high-cost areas not being served by public bodies or cooperatives. Nothing in this act shall be construed to authorize the Commission to engage in the sale or distribution of energy for commercial use except such energy as may be produced by the Commission incident to the operation of research and development facilities of the Commission, *or facilities for the production of special nuclear* material of the Commission."

As revised in conference, section 44, as it appeared in the Senate bill, is retained with the following changes:

(a) The section heading is broadened to read "Disposition of Energy" instead of "Byproduct Energy."

(b) The energy referred to in the section is that energy which is produced at production facilities of the Commission or which is produced in experimental utilization facilities of the Commission. Under the Senate bill the energy was that produced in the production of special nuclear material at production or experimental utilization facilities owned by the United States. Under the Senate bill the energy had to be a "by-product" occurring in the production of special nuclear material. Under the conference substitute, read in conjunction with the revised section 31 a. (4), the energy may be produced directly in a facility designed by the Commission to demonstrate how special nuclear material may be utilized for commercial purposes. It would seem that this change enlarges the possibilities of the Commission for producing disposable energy.

(c) The section specifically provides that where the energy produced is electric energy, the price will be subject to regulation by the appropriate agency having jurisdiction.

(d) Language is added which has the effect of prohibiting the Commission from engaging in the sale or distribution of energy for commercial use, unless it is produced by the Commission incident (1) to the operation of research and development facilities of the Commission, or (2) to the operation of facilities of the Commission for the production of special nuclear material.

(4) The conference action deletes in section 261 (authorization for appropriations) the parenthetical phrase "(other than for such acquisition, condemnation, construction, or expansion as may be undertaken under the authority of section 45a. of this act)." Since the conference action deletes section 45, as it appeared in the Senate bill, this amendment is comformable to that deletion.

(5) The conference action adds a new section 273 to the bill which is largely a restatement of the last sentence in section 45b.

The effect of this amendment is to further clarify (without retaining sec. 45) the changes discussed in (2) above; namely, to indicate beyond any doubt that Government agencies which are authorized by law to engage in the production, marketing, or distribution of electric energy are eligible for commercial licenses to construct and operate facilities for the purpose of producing electric energy for public consumption.

CONCLUSION

The conference action in deleting section 45 makes it very clear that the Commission has no *authority to construct facilities for the sole* purpose of producing electric power for sale.

The other action taken by the conference committee, along the lines previously indicated, *clarify the following matters:*

(1) The Commission has the authority to build plants to demonstrate the practical value of atomic energy for industrial or commercial purposes.

(2) Government agencies are not barred from obtaining Commission licenses under sections 103 and 104. In this connection, they may obtain a license to engage in the production, marketing, or distribution of electric energy un-

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der section 103, if they are authorized by law to engage in such activity and they can comply generally with the requirements for such licenses.

(3) The Commission has the authority to utilize and dispose of energy produced in a production or experimental utilization facility owned by the Commission. Such energy may be produced in a facility designed by the Commission to demonstrate how special nuclear material may be utilized for commercial purposes. In the disposition of electric energy so produced the price will be subject to regulation by the appropriate regulatory agency. All energy to be sold or distributed by the Commission for commercial use, must be produced as an incident to the operation of research and development facilities of the Commission, or to the operation of facilities of the Commission for the production of special nuclear material.

Respectfully,

JOHN M. REYNOLDS,
Assistant Counsel.

AUGUST 7, 1954.

Mr. JOHNSON of Colorado. Madam President, I shall read the conclusion, which is not long, although the other parts of the analysis are somewhat extended.

In dropping from the conference report section 45, which was inserted by the Senate, the conferees made five separate amendments in different parts of the bill. He has listed those five

changes which were made in the conference report.

This is the conclusion Mr. Reynolds reached:

The conference action in deleting section 45 makes it very clear that the Commission has no authority to construct facilities for the sole purpose of producing electric power for sale.

There Mr. Reynolds is talking about the conference report, and I know the Senators have been disturbed, thinking that perhaps under section 45, which was placed in the bill by the Senate, the Atomic Energy Commission was authorized to build powerplants at every crossroads in the country. It is clear from this language that the conference report does not permit any such thing as that to happen.

The analysis goes on:

The other actions taken by the conference committee, along the lines previously indicated, clarify the following matters:

(1) The Commission has the authority to build plants to demonstrate the practical value of atomic energy for industrial or commercial purposes.

That is the principle in which the Senator from Colorado was interested. He wanted to be sure that, in this great new effort and in this unknown potential of power development, at some place in this bill provision would be made to assure that yardsticks would be possible, so that if the Atomic Energy Commission itself felt that the private power companies were not doing full justice to this new source of power, this new kind of power, the Commission itself might build yardsticks and demonstrate what could be done in the field. That is the first point Mr. Reynolds found that the conference report now provides.

(2) Government agencies are not barred from obtaining Commission licenses under sections 103 and 104. In this connection they may obtain a license to engage in the production, marketing, or distribution of electric energy under section 103, if they are authorized by law to engage in such activity and they can comply generally with the requirements for such licenses.

Mr. BYRD. Would that apply to REA?

Mr. JOHNSON of Colorado. That would apply to REA.

Mr. BYRD. And the REA could get a license if authorized by law?

Mr. JOHNSON of Colorado. Yes, if they were authorized by law, and had the money. They are building steam plants now, and the conference report includes that part of section 45 which was adopted by the Senate to make certain that the REA, if it has the money, and if it has the authority, can build an atomic powerplant just as now they can build a steam plant. When the bill came before the Senate, they could not do that. However, they can now do it.

Mr. GORE. Madam President, I wish to congratulate the able senior Senator from Colorado upon this accomplishment. It is to be regretted that his amendment has been modified, but to this specific effect the accomplishment is very real.

Mr. JOHNSON of Colorado. I thank the Senator. The third conclusion of the memorandum is as follows:

(3) The Commission has the authority to utilize and dispose of energy produced in a production or experimental utilization facility owned by the Commission Such energy may be produced in a facility designed by the Commission to demonstrate how special nuclear material may be utilized for commercial purposes. In the disposition of electric energy so produced the price will be subject to regulation by the appropriate regulatory agency.

That provision includes the public utilities commissions of the States and the Federal Power Commission, or other regulatory agencies.

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

Mr. JOHNSON of Texas. I yield to the distinguished Senator from Colorado 2 additional minutes.

Mr. JOHNSON of Colorado. The third conclusion continues:

All energy to be sold or distributed by the Commission for commercial use, must be produced as an incident to the operation of research and development facilities of the Commission, or to the operation of facilities of the Commission for the production of special nuclear material.

That should prove conclusively that the conference bill does not make it pos-

sible for the Atomic Energy Commission to build an atomic powerplant at every crossroads in the country.

In working out these different amendments, Section 44 was completely rewritten. Section 44, as Senators will recall, had for its title and had for its purpose and objective the by-product of powerplants.

The purpose of section 44 is changed and the title is now changed to "Disposition of Energy."

I should like to read the last sentence of section 44, because it emphasizes what I have already said.

> Nothing in this act shall be construed to authorize the Commission to engage in the sale or distribution of energy for commercial use except such energy as may be produced by the Commission incident to the operation of research and development facilities of the Commission, or of production facilities of the Commission.

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

Mr. JOHNSON of Texas. Madam President, I desire to be as generous as my allotment will permit, but I do not have the time to yield further to the Senator from Colorado. I could take time from some other Senator and I know most of them would agree. Could the Senator complete his statement in an additional 2 minutes?

Mr. JOHNSON of Colorado. I think so.

Mr. JOHNSON of Texas. I yield 2 minutes to the Senator from Colorado.

Mr. JOHNSON of Colorado. Madam President, a long time ago I had a very wonderful milk cow, one of the best I have ever seen anywhere. That milk cow had the bad habit of giving milk to fill a gallon and a half milk bucket, and just as the person doing the milking was about through, the cow would kick the bucket over.

That is what the conference did with section 44. We worked this whole matter out on an agreeable basis, and everything seemed to be all right, and then they wrote in the words "insofar as practicable," relating to contracting for the disposal of such energy. That is where the conferees kicked the bucket of milk over so far as giving preference and priority to public bodies and cooperatives is concerned.

As the junior Senator from Nevada [Mr. MALONE] has pointed out, those words should not be in the bill. I pleaded with the committee of conference not to include them in the conference report; I urged them to leave out that language. There are plenty of safeguards without such language.

The REA's throughout the country do not want Congress to establish that kind of principle with respect to the preference clause, where the REA's are entitled to receive electric energy produced with the finances of the United States Government.

The bill should be returned to conference. The three words "insofar as practicable" should be deleted. Then section 44 would be fairly satisfactory.

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Mr. HUMPHREY. I have prepared a statement on the conference report, and I ask unanimous consent that the statement be printed 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 HUMPHREY

I want to vote in favor of an atomic energy bill that will permit the private companies, the REA's, and the public bodies to enjoy the peacetime benefits of atomic energy and electrical power generated from atomic energy. The conference report is unsatisfactory in at least three respects. First, it emasculates the preference clause. Second, it is inadequate in the patent provisions and the antitrust regulations. If this conference report is rejected and then goes back to conference where the Senate amendments can be agreed to, we can and will vote for the bill. I shall cast my vote for the atomic-energy bill designed along the lines of the bill as approved by the Senate.

I now want to address myself to those parts of the conference report which deal with preference for public bodies and cooperatives—and if I were to give a title to what I have to say, I think I would call it A Lesson in Duplicity, or What Is Practicable?

Section 44 of the act provides for the sale of byproduct energy and in its original form the section was entitled "Byproduct Energy." As it comes to us from conference, however, the section is entitled "Disposition of Energy." Now, titles are not always of great importance. But this change in title is very significant—because it highlights and symbolizes the true character of the conference report. It is a perfect example of the sleight of hand that characterizes the entire report.

After all, just what does section 44 deal with? It deals only with byproduct energy. It was correctly labeled when it was last before us. But now—now it is called Disposition of Energy. And the reason is clear. The sponsors of this change in the title of section 44 know that only a few will read the act carefully and completely. Many will read it, but they will read quickly—and they will fall into the trap. For in a quick reading of a section with such a title, and

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with the misleading language in the body of the section that I will discuss more in detail, they *may be fooled into thinking that the section* carries out the traditional electric power policies of the Government—namely, to develop the natural power resources of the Nation for the benefit of the people.

And for the great majority of the people—who will not read the act at all—just imagine how easy it will be to fool them with this false new title and with the misleading language in the body of the section. All the proponents of this fake provision need do is to read the title slowly, and the preference language slowly, and they can fool any audience

That change in title is the tipoff. Now let us see where it leads to. As passed by the Senate, section 44 provides that the Atomic Energy Commission "shall at all times in disposing of *such energy, give preference and priority* to public bodies and cooperatives" Now this provision is absolutely clear. It requires no special interpretation. It is not subject to the whims of the particular persons who may be charged with the duty of disposing of byproduct energy at any particular time It follows the pattern that has been consistently used by the Congress in all power legislation containing preference language.

But what has the conference report done with this? It has inserted the magic words "insofar as practicable." The conference report substitutes for the Senate language the following: "In contracting for the disposal of such energy, the Commission shall insofar as practicable give preference and priority to public bodies and cooperatives * * *"

Insofar as practicable. Can anyone tell me what that means? Can you find any two people anywhere who, under a given set of facts, will give you the same interpretation? Is it practicable to spend $1 for lunch or $2 for lunch? Is it practicable to buy one kind of an automobile rather than another kind, or perhaps none at all? Is it practicable to eat 2 meals a day instead of 3? I could go on and on this way. Almost anything we do in life could be subjected to the same question, and you would get the same result—every person would give you a different answer.

Let us just take the dictionary meaning of the word. One dictionary defines practicable in the following ways: (1) Capable of being done or used, (2) useful; (3) feasible; (4) usable; (5) possible. I should like the proponents of the conference language to tell me which one of these meanings they think applies. Certainly, something can be possible and yet not be useful. It can be capable of being done or used and yet not be feasible. It can be usable, but not necessarily useful. What does this language mean as set forth in section 44 of the conference report? What is the test to be? Is it to be feasibility? Is it to usefulness? Is it to be capability of *being done? I don't know what it means here,* and I defy anyone to show me clearly and simply what it does mean.

What the conference report does to the language that we adopted in the Senate is to destroy it This is not legislation, this is emasculation. This is not clarification, this is befuddlement. The conference report has taken perfectly clear, simple language—language that has had a long history of legislative use and administrative application—and has surrounded it with a fog that no human understanding can penetrate. It would have been far more honest *to have deleted the entire preference provision.*

Personally, I have never been able to understand why the power lobby has fought so long and so bitterly—and has spent so much of its customers' money—fighting the so-called preference provisions of the power marketing statutes. Despite the fact that the Congress has consistently included preference provisions in the power marketing statutes, the rural electric systems of the country still get less than 6 percent of the power sold by the Federal Government. The public bodies get more. They get 26 percent, but the bulk of it still goes to the private power companies And during the years that these preference provisions have been in effect, the private power companies have prospered and prospered I am afraid there is only one *explanation for this bitter and expensive fight* which the power companies have been waging against the preference provisions, and that explanation is that it is in the nature of a monopoly to try to swallow up everything.

We must always remember that the power utilities are monopolies, protected monopolies. They have their territories and no one else can serve in those territories. If you want electricity, you must buy it from the power company serving your area. And the power companies are guaranteed rates which return them a handsome profit—after all taxes have been paid. Thus, they are not only monopolies, but they are protected in their monopolistic

activities.

To emphasize just what this means, compare these power company monopolies with any ordinary business type of monopoly. Before our antitrust laws were enacted, it was possible for a business organization or a syndicate of some kind to get a monopoly on some product. But despite that, they were always subject to the danger that some other group would develop a substitute product and crack their monopoly by use of the substitute. But the power companies are protected even from that. There is no substitute for electricity in the modern day world. And it doesn't matter how the science of producing electricity changes, the protected monopoly called a power company cannot be disturbed. They, and they alone, can serve in their respective areas.

In this connection, it is interesting to note that the big battles which the Power Trust has carried on against the rural electric systems has been in connection with cooperative generation and transmission. It is there that they fight most bitterly. They don't want these systems to be too independent. They don't want them to have their own sources of power. They want the rural electric systems to be totally dependent upon the private utilities for their power sources, because they realize that as long as they control the power sources, they really control the rural electric systems—and perhaps at some propitious time they will be able to swallow up the distribution systems as well. So they fight bitterly whenever the issue is a source of power for the rural electrics and the public bodies which is not under the control of the Power Trust.

That is why the words "insofar as practicable" have been inserted in section 44 of the Atomic Energy Act. It is power trust language. They know that they cannot, yet, win their fight against the rural electric systems and the public bodies by meeting the issue directly. They know that Congress is not, at this time, knowingly going to throw out the window the 50 years of successful operation of the preference provisions. So they try to accomplish their end through the back door. They leave the preference language in, but they insert 3 little words—3 destructive words, 3 words, the meaning of which no one can be sure, 3 little words that can receive any interpretation that anyone wants to give them, 3 little words that strike the death knell for the preference provision.

Let us just try to visualize a few of the obvious situations that normally arise in connection with the sale of electric power by the Government. Suppose a few miles away from a rural electric system, the Atomic Energy Commission should have a plant from which it has electric power to dispose of. Would it be practicable for the Commission to construct those few miles of line in order to serve that rural electric system?

Suppose a power company already had a line connected with the Atomic Energy Commission plant. Would it be practicable for the Commission to work out an arrangement for the power company to take the Commission's power and deliver it to a rural electric cooperative?

Suppose a rural electric cooperative was willing to build a line to the Atomic Energy Commission plant in order to purchase power there, but it needed time to obtain a loan and construct the line. Would it be practicable for the Commission to wait? I could go on and on like this.

There would be no normal situation in which you could say definitely that service to a rural electric cooperative by the Atomic Energy Commission would or would not be practicable. In every case, it would be a matter of personal opinion. It would be no different from the varying taste which all of us have for different flavors. It would be like saying that vanilla ice cream should be eaten by certain people insofar as practicable. But with the other flavors available and with a group of people who prefer those other flavors, would it be practicable for them to eat the vanilla ice cream?

So here, we can be sure that there will almost always be a number of possible ways for the Atomic Energy Commission to sell or dispose of the electric energy. Faced with all these possible alternatives, how can we say the Commission will ever find it practicable to sell to a rural electric cooperative or to a public body?

Let us have some honesty in dealing with this subject. Let us have legislation that has some meaning. Let us not pretend to give preference rights—as they have always been given and as they should always continue to be given—to the rural electric cooperatives and to the public bodies, when, in fact, we are doing nothing of the kind. Let us not talk about preference and priority to public bodies and cooperatives when what we are really saying is that the Commission should do with electric power as it will. You either give preference or you don't—and the Senate amendment to section 44, as emasculated in the conference report, does not give it.

I feel very strongly about this subject. I feel strongly about it, in the first place, because I feel that we should not make fools of ourselves by enacting provisions which have no meaning. Or, rather, by enacting provisions which have so many different meanings that they might as well have no meaning. I have already pointed out to you how many different meanings the word "practicable" has, and I will welcome being informed just which one of the many meanings of "practicable" is intended to be applied to section 44. We should not ever pass acts containing provisions capable of so many different interpretations. Just as legislators with pride in their work, just as any conscientious craftsman, we should never turn out shoddy merchandise; and this provision as now contained in the conference report is the shoddiest kind of legislative merchandise.

And I am strongly opposed to this part of

the conference report because it is just not honest treatment. It is the worst kind of hypocrisy and duplicity. In its present form, it gives the outward appearance of dealing properly with the preference issue, but actually it does nothing of the kind. It attempts to fool the people into believing that there is a preference provision, while all the time, through the device of those three weasel words, it destroys preference. I don't mind arguing any issue that I believe in with any man, but for heaven's sake when we discuss this issue, let us discuss just that and not try to fool one another by the use of duplicity.

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Mr. KERR.

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I thank the Senator from Iowa and the Senate for accepting an amendment suggested by many Senators but, in the final analysis, it was put into words by the staff of the Joint Committee on Atomic Energy.

The Senator from Iowa brought back to the floor of the Senate the language which was accepted by the Senate under the Kerr amendment, and it was language calculated to implement section 152 of the bill. It was language calculated to make a reality of the recommendations of the President. It was language calculated to protect this country from the development of monopoly, which was in the minds of the President of the United States, Atomic Energy Commission, the Joint Committee on Atomic Energy, and the Members of the Senate when we approved that language and made it part of the bill. The bill went to conference, and I want to say to the Senate that section 152 disappeared. We talk about a performance of magic. The hand was quicker than the eye, and that language and that principle are no longer contained in the conference report.

My good friend from Iowa says, "No, that is not in it, but section 182 (d) is." I hope Senators will read section 182 (d). I have read it. I have combed it with a fine-toothed comb, and I say to the Senate that I do not know what it is; but, as the farmer said, "I know what it ain't."

I am much like the farmer who went to the zoo and saw a hippopotamus for the first time in his life. He was amazed and astounded, and was seeking information from the keeper of the zoo as to what that amazing phenomenon was. After some 30 minutes of explanation he shook his head, walked away, and said, "I don't know what it is, but I know it ain't a horse."

I do not know what section 182 (d) is, Madam President, but I know it is not protection from monopoly. It says "any license issued under section 103."

Let Senators read section 103. I challenge the chairman of the committee or any other Senator to find the word "patent" in that section.

Let Senators read section 104 (a) or section 104 (b), and, in connection with those sections, section 182 (d). The bill does not say that he who receives the license "shall agree." It says that the "Commission may require."

It is stated that a license received under section 103 shall have certain limitations. But section 103 does not relate to patents. It is not meant to include patents.

Sections 103 and 104 (b) were both in the bill when it came to the Senate, but the cross-licensing of patents was also there in section 152.

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

Mr. KERR. I am glad to yield to my good friend from Iowa.

Mr. HICKENLOOPER. I invite the Senator's attention to the fact that anything which is contained in an application for a license under this bill, or any statements or agreements or commitments contained in such application for a license, inhere in and become a part of the license when it is issued.

Mr. KERR. But that is only with reference to a license under section 103 or section 104 (b), which do not refer to a patent.

Mr. HICKENLOOPER. Madam President, I do not wish to trespass on the time of the Senator from Okla-

homa, but if there is an agreement in the license with regard to cross-licensing patents, that inheres in the license and becomes an integral part of the license.

Mr. KERR. Madam President I love the Senator from Iowa. He is a great man. He is a good man. He is an honorable man. But he is mistaken, because section 182 (d) refers only to licenses under section 103; and the word "patent" cannot be found in section 103.

Madam President, no Senator has a higher respect for private enterprise than has the senior Senator from Oklahoma. No Senator would do more, within the limitations and opportunities of his responsibility, than I would to protect private enterprise. But we do not protect private enterprise by creating monopoly. We do not foster an environment in which private enterprise can develop and expand by creating not only the opportunity for a monopoly, but also a condition from which only monopoly can emerge.

Madam President, more than 100 years ago this Government began to enact antitrust laws for the prevention of monopoly in limited fields. We could only contemplate fields which we could visualize. But who visualized the field of atomic energy?

When steam came along, suppose somebody had sought the opportunity to obtain a monopoly on its use. Suppose, when electricity came along, somebody had sought the opportunity to secure a patent and a monopoly on its use. Madam President, people would have risen up in every section of our great country to demand the prevention of such an occurrence. Yet such an opportunity is in this conference report with reference to atomic energy. There is no comparison between atomic energy and steam or electricity.

Under the proposed legislation, if someone should receive a patent for the cure of cancer, it would be his property, although it might have been formulated from knowledge gained as the result of a $12-billion expenditure by the Government.

I have watched the northern lights, or the aurora borealis, the most amazing natural phenomenon I have ever seen, compared to which all other things the Senator from Oklahoma has ever witnessed pale into insignificance. The same is true as we contemplate the future of atomic energy. We cannot see into the future. No man has yet discovered the source of the aurora borealis. No man has ever explained that mystery.

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

Mr. JOHNSON of Texas. Madam President, I yield the Senator 2 additional minutes.

Mr. KERR. The aurora borealis is the most amazing phenomenon of nature man has yet witnessed. Yet as all other sights are pale as compared to it, so is it a minor event compared to the power and glory and future possibilities of atomic power. Behold what God hath permitted and what man has wrought in unlocking the magic door and solving of the mystery of atomic energy. Yet this has been done by the expenditure of $12 billion of Government money. This was the people's money and their interest in the results must be our primary interest. Shall we now take action which will permit a limited few, in opposition to the warning of the President and in opposition to everything we know, to gain a monopoly in this great field?

Mr. KEFAUVER. Madam President, will the Senator yield for a question.

Mr. KERR. I yield.

Mr. KEFAUVER. Does not the amendment of the Senator, which was stricken out in conference, follow almost exactly the recommendation of the President in his message to the Congress, which is printed on page 12 of part 1 of the hearings?

Mr. KERR. Indeed it does and the Senator from Oklahoma has made ref-

erence to that Presidential action.

The action of the Senate followed the language of the President. It followed the recommendation of the Atomic Energy Commission. It followed the recommendation of the joint committee. It followed the will of a majority of the Senate.

Senators should not now be intimidated by someone who says, "If the Senate does not accept the conference report it will deny the President the legislation which he wants."

I say to him, "Will the Senate deny the President the legislation he wants and the provision he wants for the prevention of monopoly merely as a tribute to the stubbornness of one man?"

I do not believe that the Senate will participate in any such unconditional surrender to the stubbornness of one man or the will of those whose purpose must be to permit the opportunity for the development of complete monopoly in the peacetime use of atomic energy.

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

Mr. JOHNSON of Texas. Madam President, I yield 10 minutes to the distinguished Senator from Rhode Island [Mr. PASTORE], a member of the Joint Committee on Atomic Energy.

Mr. PASTORE. Madam President, merely for the purposes of emphasizing the amount of work devoted to this proposed legislation, I remind Members of the Senate that the Joint Committee on Atomic Energy devoted 14 months to a study of this measure. In that period we held 91 meetings, both executive and public. We listened to more than 200 witnesses.

I am amazed at this juncture to hear a rumor, which is now quite prevalent on the floor of the Senate, and which has been prevalent for several days throughout the corridors of the Capitol, that unless we agree to the conference report we stand a chance of losing for all time, and particularly for this session, all the work, all the study, and all the consideration which went into the preparation of this proposed legislation.

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Madam President, I am one of those who do not believe that rumor. But if there is any substance to the rumor, the responsibility for such a result will fall upon the shoulders of the 6 Republicans who constitute the majority of the conference committee.

Madam President, we are not very far apart when we speak in terms of compromise and when we speak in terms of time that will have to be devoted to this problem in order to arrive at a reasonable and equitable bill.

It has been said many times on the Senate floor—and I think it worthy of repetition—that the taxpayers of the United States have spent more than $12 billion for fundamental research in the field of atomic energy. There are many—and I am included within that group—who feel that the time has come for private industry to play its part in this program. I am one of those who feel that the door should now be opened for all to come in, with a high degree of liberality, and make their contribution to the goal that we are trying to achieve through this act.

What are we saying, Madam President? We are saying to everyone in the United States of America who is engaged in free enterprise, "You can now take advantage of the $12 billion expenditure. There will be no restraints upon you. True enough, you will invest your own money, but all we are asking you to do is to adopt the same philosophy that brought this act into being." The United States is opening the door to all to come in, but by this very act we propose to allow the first few who come in to close the door to everyone else.

If that does not shock every sense of reason, if that does not destroy the philosophy of the act, if it does not emasculate the very motives which brought this act into being, someone will have to answer the question for me.

It has been argued that section 182 does not constitute a monopoly. All we have to do is to read it. It has been brought out very clearly today that before anyone can participate in this program he must apply under section 104b, which means that he will have to apply for a license in order to benefit from the research element of the program. Section 104 provides that once the practicability of the research has been established, an applicant may apply for a commercial license under section 103.

When the applicant comes in under section 104b, in the first instance, it is discretionary with the Commission as to whether or not it will require the licensee or the applicant for a license to agree to cross-licensing. I suppose the reason for the discretion in that part of the section is that now we are engaged in a research program, and everyone feels that those who come in must invest large sums of money for a very small return.

After this license has been obtained, and after we have reached the level prescribed by section 102, where the practicability is established, then an applicant may apply for a commercial license under section 103.

What does the bill provide in that respect? Section 182 provides that preference shall be given to licensees who agree to allow others to use the patents which they acquire within a period of 5 years.

The one hiatus in section 182 lies in the fact that there will be only one applicant, and there will be no opportunity to exercise any preference. Therefore, I maintain that it is an innocuous provision. It results in no preference because there will be no rivalry. The Commission will not be in position to say, "A shall have it because he agrees and B shall not have it because he will not agree," for the simple reason that it will be dealing with only one individual at a time. If that one individual refuses to agree, of course there will be no agreement for a cross-license.

The question has been raised as to the possible violation of the Constitution because article I, section 8, of the Constitution provides that the Congress can limit only the time of a patent, but not the exclusiveness of such patent.

There is a legal question as to whether the Congress has the right to deal with the question of the exclusiveness of the patent, or whether the patentee who applies has, under basic fundamental law, the exclusive right to the patent and Congress has the right to limit the time only.

If that confuses anyone, then I say, Madam President, let us rewrite section 182 so as to provide that no license shall be granted to any applicant unless he agrees to allow someone else to use any patent which he applies for or acquires within a period of 5 years, if such a patent is affected with the public interest and if it is designed to carry out the purposes of this law. I submit that if we rewrite section 182 in that manner, we will not violate any constitutional provision.

But that is not the reason the preference was written into the bill. The preference was included because there was a very clear intent, from the beginning, to leave the patent ownership question wide open and unrestricted.

The argument has been made repeatedly that cross-licensing of patents would stifle creativeness and initiative on the part of private industry. Under my suggestion we would be allowing private industry to obtain a patent. We would be allowing private industry to be paid for the use of the patent, which is the important thing. All we are saying to private industry is, "We do not want you, through the provisions of this law, to do to others what you do not want done to yourselves." To use positive language, "All we want you to do is to grant the same opportunities to those who follow you as we are giving you when we unlock the door to the benefits of a $12 billion investment." That is how simple my argu-

ment is.

What did the President of the United States say in that connection? He recognized the problem when he said:

Until industrial participation in the utilization of atomic energy acquires a broader base—

The broadness of the base is what I am talking about—

considerations of fairness—

Now we are talking about justice and equity—

requires some mechanism to assure that the limited number of companies—

Everyone recognizes that there will not be a stampede for these licenses. Not many have the money to enter this business. There will be only a handful of companies in the beginning—

to assure that the limited number of companies, which as Government contractors now have access to the program, cannot build a patent monopoly which would exclude others desiring to enter the field. I hope that participation in the development of atomic power will have broadened sufficiently in the next 5 years to remove the need for such provisions.

Madam President, every single member of the Commission who appeared before our hearings took the position that there should be compulsory licensing. That was unanimously agreed upon. They all took the position that it should be for a period of 5 years.

The PRESIDING OFFICER. The time of the Senator from Rhode Island has expired.

Mr. PASTORE. May I have 5 more minutes?

Mr. JOHNSON of Texas. The Senator does not have any more time. He has used every single minute he has, plus an additional minute.

Mr. PASTORE. One more minute to wind up my remarks.

Mr. JOHNSON of Texas. I yield the Senator 1 minute.

Mr. PASTORE. Madam President, all I am asking is that we carry out the recommendation of the President, and the unanimous recommendation of the 5 Commissioners; that we rewrite into the bill what we originally wrote into it when it came to the floor of the Senate, and that we repudiate the views of 1 member of the committee and reestablish the judgment of the remainder of the joint committee.

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

Mr. PASTORE. I have only 1 minute. Will the Senator give me another minute?

Mr. JOHNSON of Texas. Yes.

Mr. PASTORE. I yield.

Mr. JOHNSON of Texas. Does not the Senator believe, if we refuse to approve the conference report, that the bill can go back to conference, and the conferees can adjust the differences in a very few days, so that a bill may be enacted at this session?

Mr. PASTORE. In my opinion, such amendments have already been drafted. The joint committee knows what is going on. It knows what our problem is. I imagine the staff has already drafted suitable language. It would not require more than 24 hours to rewrite the bill the way it should be rewritten. It was written properly when it came to the floor of the Senate. Let us not be carried off by false rumors that there is a possibility of losing the entire law unless we knuckle down to the will of 1 or 2.

We do not take that kind of chance. If anyone dare do it, let him assume the responsibility of repudiating his own President.

[p. 14356]

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The result was announced—yeas, 41, nays 48, as follows:

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So the conference report was rejected.

* * * * *

[p. 14364]

1.1b(5)(e) Aug. 16, 17: Senate and House agree to conference report, respectively, pp. 14603–14606, 14867–14873

REVISION OF ATOMIC ENERGY ACT OF 1946—CONFERENCE REPORT

Mr. JOHNSON of Texas. Mr. President, I had understood that as soon as we completed action on House bill 9580 we were to proceed to the consideration of the conference report on the atomic energy bill, since it is a privileged matter.

Mr. FERGUSON. I shall be glad to have the unfinished business laid aside temporarily.

Mr. HICKENLOOPER. The report of the conference committee is now on the way from the conference room to the Senate Chamber.

Mr. HUMPHREY. Is is not here now?

Mr. HICKENLOOPER. No. This is for the information of Senators. I had hoped it would arrive in 1 more minute.

If I may, I should like to explain the report for a moment. I believe the official report will be here for submission very shortly.

Mr. FERGUSON. I am glad to yield to the Senator. In fact, I shall relinquish the floor.

Mr. HICKENLOOPER. Let me say in brief that the conference committee has met again, in accordance with the instructions of the Senate and the House, and I shall state what we have done in capsule form.

We have stricken out the words "insofar as practicable" in the places those words appear in the bill, so far as preference is concerned with relation to REA's and public bodies, as to the purchase of power from the Atomic Energy Commission, if it ever produces any power which can be sold. That leaves the preference for REA's and public bodies unqualified by the words "insofar as practicable."

We have also stricken section 182 (d).

Mr. President, I ask unanimous consent that the unfinished business be temporarily laid aside for the submission and consideration of the conference report on House bill 9757, the atomic-energy bill, together with the papers of the conference.

The PRESIDING OFFICER. The Chair advises the Senate that this is a privileged matter.

Mr. FERGUSON. I shall be glad to have it taken up.

Mr. HICKENLOOPER. I submit a report of the committee of conference on the disagreeing votes of the two Houses on the amendment of the Senate to the bill (H. R. 9757) to amend the Atomic Energy Act of 1946, as amended, and for other purposes. I ask unanimous consent for the present consideration of the report.

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

The legislative clerk read the report.

(For conference report, see pp. 14852–14867 of House proceedings of today.)

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

There being no objection, the Senate proceeded to consider the report.

Mr. HICKENLOOPER. Mr. President, this report has been signed by all the conferees of both Houses. As I said a moment ago, the conferees have deleted the objectionable words "insofar as practicable" which referred to the preference clause. We have stricken the words "insofar as practicable" from the preference clauses affecting REA's and public bodies, as to which words there was some objection raised.

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

Mr. HICKENLOOPER. I yield.

Mr. HOLLAND. The striking of the

three words referred to relates to the provision which was inserted in the Senate, known as the Gillette amendment, does it not?

Mr. HICKENLOOPER. That is correct.

Mr. HOLLAND. It relates to the sale of excess electrical power produced by the Atomic Energy Commission, if it ever produces any for its own use and has an excess amount beyond what it may need for its own use.

Mr. HICKENLOOPER. That is correct. For example, on page 12 of the first conference report, in section 44, the words "insofar as practicable" are eliminated, and the section reads:

> The Commission shall give preference and priority to public bodies and cooperatives or to privately owned utilities providing electric utility services to high cost areas—

Mr. HOLLAND. Mr. President, will the Senator yield once more?

Mr. HICKENLOOPER. I yield.

Mr. HOLLAND. Does the omission of these three words in effect mean that the provisions of the so-called Gillette amendment as to the disposition of excess power at Atomic Energy Commission plants will remain in the conference bill?

Mr. HICKENLOOPER. That is correct.

I shall have to add parenthetically that it does not change the preference clause one bit, in my own personal opinion. It merely eliminates the words which many people thought might have qualified the preference clause.

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

Mr. HICKENLOOPER. I yield.

Mr. HILL. Whatever may be the opinion of the distinguished deputy chairman of the joint committee, the words "insofar as practicable" are entirely out of the bill now?

Mr. HICKENLOOPER. That is correct.

Mr. HILL. So far as the preference clause is concerned.

Mr. HICKENLOOPER. The Senator is correct. They are stricken from the two places where they appeared.

Mr. HILL. In other words, in the two places where those words appeared they are now stricken.

Mr. HICKENLOOPER. The Senator is correct.

Mr. HILL. The preference clause now in the bill is as it was inserted by the Senate at the time the bill was under consideration by the Senate.

Mr. HICKENLOOPER. Section 44 is as it was placed in the bill by the Senate. The other change removes the words "insofar as practicable" as the bill came from the committee.

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

Mr. HICKENLOOPER. I yield.

Mr. ANDERSON. As a matter of fact, the language which is now in the bill fully meets the situation which was mentioned by the able Senator from Nevada [Mr. MALONE] the other day, and completely preserves the preference clause originally suggested by him?

Mr. HICKENLOOPER. Without doubt it does. In my opinion it was preserved the other day. In my opinion the effect was not changed at all, but this wording gives aid and comfort to those who thought those words might have qualified the clause.

Mr. ANDERSON. The Senator from Iowa will recall that I stated that I was quite sure that the conferees had not intended to do violence to the preference clause, but the language was questionable.

Mr. HICKENLOOPER. That is correct.

Mr. ANDERSON. The point is that the bill as now agreed to by the conference committee meets every point in which the Senator from Nevada [Mr. MALONE] was interested in?

Mr. HICKENLOOPER. That is right.

Mr. ANDERSON. The two Senators from South Dakota were also interested in this matter.

Mr. HICKENLOOPER. We have

eliminated the words "insofar as practicable."

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

Mr. HICKENLOOPER. I yield.

PREFERENCE MODIFICATION PHRASE "INSOFAR AS PRACTICABLE" ELIMINATED

Mr. MALONE. I did not understand the Senator's entire explanation of the elimination of the objectionable modification phrase for which it was returned to the House on Friday, August 13. At the risk of repeating, on page 12, of the report section 44, following the elimination of the words "insofar as practicable", now reads:

In contracting for the disposal of such energy, the Commission shall give preference and priority to public bodies and cooperatives or to privately owned utilities providing electric utility services to high-cost areas not being served by public bodies or cooperatives.

Mr. HICKENLOOPER. That is the way the language reads, according to this conference report.

Mr. MALONE. Would the distinguished Senator from Iowa outline the second change which was made on page 36, subsection (c) section 182?

Mr. HICKENLOOPER. The second change is on page 36 of the original conference report. I use that only because it is convenient for reference.

In subsection (c) of what was section 182, the words "insofar as practicable" appearing in the last sentence have been removed from this conference report.

Mr. MALONE. It now reads: "where such conflicting applications resulting from limited opportunity for such license include those submitted by public or cooperative bodies such applications shall be given preferred consideration"?

[p. 14603]

Mr. HICKENLOOPER. That is correct; that is the way it reads.

Mr. MALONE. I thank the Senator from Iowa, and appreciate his courtesy, including the debate on Friday, August 13, when the bill was returned to the House for the express purpose of deleting the phrase "insofar as practicable."

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

Mr. HICKENLOOPER. I yield.

Mr. CASE. Not to be redundant, but perhaps to understand the provision in terms of some correspondence which the Senator from South Dakota has had in this connection, does it accomplish exactly what was proposed to be accomplished by the proposal suggested by the distinguished Senator from California, the majority leader, when he suggested that a separate resolution might be adopted following the conference report?

Mr. HICKENLOOPER. Exactly and completely.

Mr. CASE. I thank the Senator.

Mr. HICKENLOOPER. It conforms to the proposed joint resolution which was suggested the other day.

The other change is to strike out—I shall have to refer for convenience to the original conference report submitted earlier—subsection (d) of section 182, as found on page 36 of the original conference report.

I must use those references, because they are numbered. Subsection (d) is stricken. The language of the so-called Cole amendment of the House is retained. The language of the original section 152 of the bill, as it came to both Houses from the conference committee, is retained, with certain modifications representing suggestions and amendments by the Senator from Oklahoma [Mr. KERR].

Mr. ANDERSON. Mr. President, will the Senator yield for a question at that point?

Mr. HICKENLOOPER. I have this position marked. I should like to complete my statement on it.

Certain modifications are made, with the insertion in paragraph (2) under subsection (b) of what appears to be section 153 in the mimeographed sheet, of the word "nonexclusive" in the pat-

ent section.

That paragraph of subsection 153 (b) will then read:

Any person may apply to the Commission for a nonexclusive patent license—

That is in the old section 152 and in the new section 153—

to use the invention or discovery covered by such patent, and the Commission shall grant such patent license to the extent that it finds that the use of the invention or discovery is of primary importance to the conduct of an activity by such person authorized under this act.

In subsection (e) (4), the general language and intent of the Kerr amendment is preserved, and the provision at the end of subsection (c) (4) will read as follows:

The Commission shall license the application to use the invention or discovery covered by the patent for the purposes stated in such application on terms deemed equitable by the Commission and generally not less fair than those granted by the patentee or by the Commission to similar licensees for comparable use.

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

Mr. HICKENLOOPER. I yield.

Mr. ANDERSON. Would the Senator from Iowa agree with me that that language does not destroy the Kerr amendment as it was originally proposed?

Mr. HICKENLOOPER. That is correct.

Mr. ANDERSON. It merely prevents it from being so inflexible that the Commission could not use it.

Mr. HICKENLOOPER. The Senator from Oklahoma is present on the floor. I believe it reaches the purpose the Senator from Oklahoma attempted to accomplish. Yet it contains enough flexibility so that injustices will not result from a requirement that the Commission cannot use equitable judgment in determining these questions in the future.

Mr. ANDERSON. In other words, the Senator from Oklahoma was trying to make sure that it would be impossible to license a patent at an exorbitant rate to one person and practically give it away to the next one? This meets the point he had in mind, without chaining it down absolutely tight, to the point where there would be no flexibility. Is that correct?

Mr. HICKENLOOPER. That is correct. However, I wish to call attention to the point which was made the other night on the floor of the Senate, that we did not want to tie the amendment down so that a patent holder could not give the use of his patent free of charge or for only $1 to a university, for research purposes, and then be forced to charge only $1 or give it free to an industrial concern. We wanted to provide some leeway in that connection.

Mr. ANDERSON. In the discussion on the floor, the Senator from Oklahoma made it clear that he was in full agreement with that kind of provision.

Mr. HICKENLOOPER. I believe he made it abundantly clear. We have tried to leave a reasonable amount of sound discretion in the Atomic Energy Commission in deciding these questions.

The remaining changes appearing on the first page of the mimeographed sheets, which have been placed on the desk of every Senator, refer only to the renumbering of the sections, which has become necessary because of the changes in section numbers. They are only mechanical changes.

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

Mr. HICKENLOOPER. I yield.

Mr. KEFAUVER. May I inquire what happened to the amendment offered by the distinguished Senator from Colorado [Mr. JOHNSON], with reference to making some atomic power available for commercial uses?

Mr. HICKENLOOPER. That was not a question of serious dispute when we defeated the first conference report. The Senator from Colorado, I am sure, will say that the spirit and purpose of his amendment, which was to make it clear that the Atomic Energy Commission could build experimental reactors of any size desired, provided it got the

money from Congress, is preserved amply in the bill.

Mr. KEFAUVER. Does not the last sentence of section 44 on page 12 rather strike down the possibility of commercial use of atomic power?

Mr. HICKENLOOPER. Will the Senator restate the last part of his question?

Mr. KEFAUVER. I refer to the last sentence of section 44 of the old report.

Mr. HICKENLOOPER. Oh, yes; it clearly states that the Atomic Energy Commission is not to go into the business of production of commercial power. That is clearly established. However, it is clearly set forth in the conference bill that the Commission may build various types and kinds of reactors experimentally for the production of power, but is not to go into the business of commercially producing it.

Mr. KEFAUVER. Was it not the will of the Senate that a limited amount of commercial power should be produced by reactors owned by the Government?

Mr. HICKENLOOPER. For the purpose of research and development; yes. That authority is amply preserved in the bill.

Mr. KEFAUVER. Where is it preserved in the bill?

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

Mr. HICKENLOOPER. I yield.

Mr. ANDERSON. In part the point being raised by the Senator from Tennessee was met by the change in language which made it possible for the Atomic Energy Commission to license other Government agencies by bringing them under the definition of person. Therefore, the TVA or the Bonneville Power Administration, if it got an appropriation from Congress, could do it. However, the Atomic Energy Commission, as such, was not to run around the country building commercial plants, which had not been contemplated in the original Johnson amendment.

Mr. HICKENLOOPER. That is correct.

Mr. ANDERSON. Could not the Atomic Energy Commission build any type of reactor?

Mr. HICKENLOOPER. Indeed.

Mr. ANDERSON. And carry it all the way through to learn if the production of power were commercially feasible?

Mr. HICKENLOOPER. That is correct. Under the bill the Atomic Energy Commission, if it could get the money from Congress, could build a reactor to produce a million kilowatts of power. There is no limitation as to what it could produce under the research and development sections. If it has excess power from that experimental plant, it can sell it, under preference, to public bodies and REA's.

Mr. ANDERSON. There is nothing in the last sentence of section 44 of the original conference report or in any other provision in the conference report which would prohibit the Atomic Energy Commission from selling, for commercial use, subject to priority or the preference clause, any excess power it may produce after its own needs are taken care of. Is that correct?

[p. 14604]

Mr. HICKENLOOPER. In connection with the research and development activities. The Senator is correct.

SEVERAL SENATORS. Vote! Vote!

Mr. HICKENLOOPER. Mr. President, the conferees, I think, are very familiar with what we have done in this second conference report. It is unanimously agreed to. I shall be glad to attempt to answer any questions any Senator may desire to ask, and I am sure the other conferees will be glad to answer questions. If there are no questions——

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

Mr. HICKENLOOPER. I yield.

Mr. FULBRIGHT. Will the Senator permit me to say that I think he has done a very fine job in getting this very controversial bill through conference, and I wish to pay him a very decided compliment for what he has done.

Mr. HICKENLOOPER. I thank the Senator from Arkansas for his generosity, and I only wish I deserved the full weight of his compliment. There are 5 conferees on the part of the Senate, and the other 4 have probably been more tolerant of the situation at which we are trying to arrive than I have been. They have worked hard on the matter, and four times as much credit should go to the entire committee than any possible credit to me.

Mr. FULBRIGHT. If I may say so, I think the Senate has retained more of the original Senate bill in this report than it has in most of the bills which have been passed at this session of the Congress.

Mr. HICKENLOOPER. There has been a serious attempt to lay a basis for an approach to this subject in the future which will be one of encouragement. We attempted in the original bill to protect the rights of public bodies and of such private bodies as REA and any other private groups to enable them to get "into the swim," and see what will happen when we turn American genius, either public or private, loose in this field.

I think this bill probably gives protection, safeguards, and opportunities as much as has any bill I have ever seen in a pioneering field.

Mr. HOLLAND. Mr. President, will the Senator from Iowa yield?

Mr. HICKENLOOPER. I yield.

Mr. HOLLAND. I wish to say to the distinguished Senator from Iowa that I join the distinguished Senator from Arkansas in expressing my compliments to the Senator from Iowa and to all other members of the conference committee of the Senate. I think they have done a fine job.

I wish to be sure that I understand the situation with reference to patents, because that was the only matter which gave me concern at the time we were considering the previous conference report. Would it be fair to say that under this conference report the situation is handled in such a manner that the 5 years of nonexclusive time covered by the original Senate bill appears in the conference report?

Mr. HICKENLOOPER. The Senator is correct.

Mr. HOLLAND. Rather than the 10-year period which appeared is the bill as passed by the Senate?

Mr. HICKENLOOPER. The Senator is correct.

Mr. HOLLAND. But is it also correct, as I believe it to be, that the protective features in the field of patents written into the bill by the amendment offered by the distinguished senior Senator from Oklahoma [Mr. KERR] are retained in the conference report?

Mr. HICKENLOOPER. The Senator is correct, in my view, and, I believe, according to the view of the Senator from Oklahoma. The control principles are protected and preserved in the present conference report.

Mr. HOLLAND. That meets the only serious objection I had to the original conference report, and I certainly congratulate the conferees upon the working out of the matter.

Several SENATORS. Vote! Vote! Vote!

Mr. HUMPHREY. Mr. President, will the Senator from Iowa yield?

Mr. HICKENLOOPER. I yield.

Mr. HUMPHREY. Were any changes at all made in the international-activities section as a result of the conference?

Mr. HICKENLOOPER. None.

Mr. HUMPHREY. In other words, the language is the language contained in the Senate bill?

Mr. HICKENLOOPER. Yes.

Mr. HUMPHREY. In reference to the power commission regulations, of which there was considerable discussion during the debate, were the basic purposes of that amendment included

and continued?

Mr. HICKENLOOPER. Exactly the same.

Mr. HUMPHREY. As it passed the Senate?

Mr. ANDERSON. Mr. President, if I may interrupt, the spirit, at least, is contained in the report.

Mr. HICKENLOOPER. There may have been a grammatical rearrangement, such as "are" for "is," or something of that kind; but there is no fundamental change in it. It is not a matter of dispute.

Mr. HUMPHREY. I wish to say that after a very long discussion of this bill, which has been termed many things, I, too, wish to join my colleagues in commending the conference committee on working out a reasonable and, I hope, a very effective program of legislation in this field. While I joined in the debate and was rather critical of the Senate bill, I also participated in getting a few amendments into the bill, and it is my intention to vote for the bill as it has been reported by the conference committee, despite my misgivings about the Ferguson amendment.

I understand the Gore amendment has been retained in the bill. Is that correct?

Mr. HICKENLOOPER. That is correct.

Mr. President, I yield to the Senator from Oklahoma.

Mr. KERR. Mr. President, in the judgment of the Senator from Oklahoma, the two questions at issue which went to conference following the vote of the Senate have been handled in a manner which entitles the conference committee of the Senate to the congratulations and thanks of every Member of the Senate. I wish to express my appreciation for the able manner in which the two matters at issue are handled in the conference report.

Mr. HICKENLOOPER. I thank the Senator from Oklahoma. He and I have not quite agreed on the verbiage of some of these passages, but he has been most cooperative and most willing to discuss the question. I think we have arrived at a period of mutual understanding and satisfaction as to the protective features of the bill.

Mr. BRICKER. Mr. President, I ask for the yeas and nays on the conference report.

The yeas and nays were ordered.

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

The PRESIDING OFFICER. The clerk will call the roll.

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

* * * * *

The PRESIDING OFFICER. A quorum is present.

The question is on agreeing to the conference report. On this question, the yeas and nays have been ordered, and the clerk will call the roll.

The legislative clerk called the roll.

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[p. 14605]

The result was announced—yeas 59, nays 17, as follows:

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[p. 14606]

Mr. COLE of New York. Mr. Speaker, I ask unanimous consent that the reading of the statement may be dispensed with.

The SPEAKER. Is there objection to the request of the gentleman from New York?

There was no objection.

Mr. COLE of New York. Mr. Speaker, it seems unnecessary to have read or explained the statement of the managers on the part of the House on this conference report. This is the same matter, substantially, that was before the House on Monday of last week when the managers reported to the House an agreement of the conferences in respect to the bill amending the atomic energy law.

Mr. Speaker, you will recall that the House on that occasion adopted the House report. Subsequently the report was considered in the other body and

was rejected. Apparently the basis for rejection by the other body was predicated on two principal points: One was with respect to the so-called preferential clause, giving preferential rights to public bodies and cooperatives in the distribution of whatever electric energy may be produced by the Commission. The other point of dispute was with respect to how patents in the atomic energy field having nothing whatever to do with atomic weapons would be treated.

You will recall that when the bill was considered by the House an amendment was offered by the gentleman from Alabama [Mr. JONES] to require the Commission at all times—and I emphasize those words "at all times"—to give preference to public bodies and cooperatives in the distribution of the electric energy. That was accepted by the committee and adopted by the House. A similar amendment was adopted by the Senate.

The House conferees accepted the principle of preference, because we recognized that that is the established policy of the Government with respect to electric energy generated from water-power, and could see no reason why that same principle would not apply to electric energy generated from atomic fission by the Atomic Energy Commission. However, the conferees were disturbed by the requirement that this preference should apply "at all times," because it was conceivable that there might be instances where it would be impractical to grant the preference. The conferees therefore wrote in the expression that the preference clause should apply "insofar as practicable."

When the conference report was considered by the other body that phrase "insofar as practicable" was considered by some Members of the other body as being some sort of threat to the principle of Federal preference to cooperatives. They envisioned that it represented a hidden ogre that was somehow going to [p. 14867] strangle and destroy the preferential clause. Of course, there was nothing to that fearful fantasy; it was completely imaginary; it had no substance to it at all. At any rate the Senate rejected that phase of the conference report.

The conferees have held a further conference and have agreed to the elimination of the expression "insofar as practicable."

I think it should be understood that in the elimination of those "three little words" it is not intended by any stretch of the imagination that the Atomic Energy Commission, in granting preference to a Rural Electrification Administration cooperative or to any other public body, should grant that preference even though it is impracticable to do so. I think we recognize that our governmental agencies and governmental commissions are expected to do the practical, efficient, economic, proper thing; and so it should not be construed or considered in the future that the elimination of that expression authorizes or directs the Commission to do the impossible, impracticable thing in granting a preference to public bodies.

The other point in dispute was of much greater substance and far greater importance. That has to do with the question of how to deal with patents in this new field. You will recall that as the bill was reported by the joint committee to the House it contained a provision requiring the compulsory licensing of patents for a period of 5 years. That provided in substance that any person who may devise a new scheme or a new method of applying atomic energy in its many, many thousands of opportunities, the owner of the patent would be required to share the patent with anybody who may ask for it upon a royalty, fixed, not by the owner of the patent, but by the Government.

When the matter was considered by the House an amendment was offered and adopted by the House eliminating

the provision requiring the compulsory licensing of patents, and substituting instead an amendment which would declare to be public property any invention in this field conceived during the course of any relationship with the Government, whether it be as a direct employee of the Government, as an employee of a contractor of the Government or of a subcontractor. That was based on the theory that a principal acquires the benefits of his agent's efforts. The effect of that amendment would have protected the public interest in all phases in this problem of preventing undue enrichment of those concerns and those individuals who have been operating in this field under Government sponsorship for the past 10 years. In all other respects it would have left the patent opportunities in this field open to the normal processes of the patent laws.

It is inconceivable, and without justification, that the Government should have any claim whatever on the discovery of an invention made by an individual who has no connection with the Government whatsoever.

The Senate and House conferees originally accepted the elimination of the compulsory feature of the patent system and retained the amendment which was adopted by the House by a very substantial vote of 203 to 159, a majority of 44. When it was reported to the other body the conference report was rejected by a very, very narrow margin and they insisted upon the Senate amendment principally with respect to the patent features.

The conferees were reappointed by the House on yesterday and we met with the Senate conferees yesterday afternoon. We were confronted with a very difficult, unpleasant, distasteful situation. It can be reported factually that a majority of the conferees, all of them Republicans, representing both bodies were willing to eliminate the provision for compulsory licensing; however, it was pointed out that there was in the other body a group of persistent and defiant individuals who threw out a warning that if the compulsory licensing feature was not restored there would be a renewal of what has been politely characterized in the other body as a "talkathon" or as a process of education. Having endured that performance in connection with this bill once, and now anticipating an imminent adjournment, the conferees were faced with the choice of two alternatives, either of insisting on the principle which the majority of the conferees felt to be proper and thereby postponing the anticipated adjournment of the Congress, or of accepting the highly distasteful principle of compulsory licensing and thereby avoiding a threatened filibuster, speeding this bill to early enactment, and hastening the date of adjournment. It was with the greatest of reluctance that the majority of the House managers consented to yield. It is not pleasant to be forced to recede in a matter of principle because of expediency. The position of the House was yielded by your representatives finally only upon an understanding and upon the express condition, clearly accepted and understood by all of the conferees at that meeting—and all 10 of the conferees were there, that at the very earliest opportunity at the next session, the Joint Committee on Atomic Energy would give full, and complete study to the potent problem. On my own responsibility, if I am returned as a Member of this House, the very first bill that I shall introduce will be one to repeal what is now sections 153 and 154, the Senate provisions with respect to patents.

Mr. DINGELL. Mr. Speaker, will the gentleman yield?

Mr. COLE of New York. I yield to the gentleman from Michigan.

Mr. DINGELL. I just want to make an observation and ask a question of my distinguished friend from New York. We have been hearing and talking about profits and patents, about the uses of fissionable material, and the

control of the atom. Now, of late I have been reading about the problem which, if true and unsolved, means anything up to destruction of all humanity. In the control and disposition of the unspent force in the tailings of fissionable material of the atom there remains a deadly danger. What provisions are we making or what are we going to do about the final disposition of the unspent force of this fissionable material which remains? They tell me that the residue will plague us for a thousand years. It will pollute our streams; it will make radio-active food and fish and the animals on the ranges. Unless something is done, this matter concerning us now is the greatest menace that has ever been brought to the attention of the people. I am wondering what this great committee is going to do about that.

Mr. COLE of New York. The gentleman has not made himself completely clear because there are two types of deleterious tailings, as the gentleman calls them, from atomic energy.

Mr. DINGELL. I am not an expert.

Mr. COLE of New York. When uncontrolled nuclear reaction sets in, it develops deleterious and dangerous particles in the air, and it was that consequence that caused the episode of the unfortunate damage to the Japanese fishermen.

Mr. DINGELL. I am not talking about the Japanese fishermen.

Mr. COLE of New York. Then there is also the possible danger to public health and safety in the refinement of raw uranium into plutonium and the process of nuclear reaction, fissionable reaction—that is, the controlled reaction. In addition, there are the radioactive wastes which are the unused end products of the controlled reaction. Ample provision is made in the bill for the Commission to protect the health and safety of the public. This, of course, includes adequate treatment of and control of these wastes.

The only thing I can assure the gentleman is that to date there have been no harmful consequences from this controlled reaction; and that is what the peacetime uses of atomic energy would involve. There have been no harmful effects. As a matter of fact, the health and safety record of the great atomic energy works up at Hanford far exceed the best of the industrial records in this country. So we do have that as a problem. It is something that is not in this bill and we cannot discuss it too much.

Mr. DINGELL. Mr. Speaker, will the gentleman yield for one other brief question?

Mr. COLE of New York. I yield.

Mr. DINGELL. If these tailings are unspent and for that reason dangerous, is there not some means or method that should be found to spend them completely so that they will become absolutely harmless?

Mr. COLE of New York. I am not sure that I understand what the gentleman has in mind when he speaks of tailings that are not completely spent. Material which has been exposed to radiation is not altogether consumed in that process. That material, that waste material, is stored underground and eventually reworked.

Mr. DINGELL. Yes, but that is the final disposition of it, is it not?

Mr. COLE of New York. No; that is only temporary. Eventually it is reworked.

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Mr. DINGELL. I think the American people are interested in that phase of the question, I will say to my distinguished friend.

Mr. KEATING. Mr. Speaker, will the gentleman yield?

Mr. COLE of New York. I yield to the gentleman from New York.

Mr. KEATING. I should like to say to the gentleman that it is my intention to support the conference report. I think the committee has done a commendable job. This is a very constructive piece of legislation, one of the most

constructive it has ever been my privilege to vote for.

However, I am greatly disturbed, as I am sure the gentleman is, too, about the constitutionality of any provisions for compulsory licensing. But there is, as I understand it, in this bill a severability clause. That would mean that if the courts should hold that that part of the bill was unconstitutional, that would not interfere at all with the other parts of the bill having to do with the setting up of this atomic stockpile and all of the other salutory parts of the bill.

Mr. COLE of New York. The gentleman is entirely correct.

Mr. KEATING. It is only for that reason that I feel I can support the bill because I have such a strong feeling about the unconstitutionality of providing for compulsory licensing.

Mr. WALTER. Mr. Speaker, will the gentleman yield?

Mr. COLE of New York. I yield.

Mr. WALTER. I, too, am concerned over one section of this bill, the compulsory licensing section, and I am wondering whether or not the conferees did not have in mind the possibility sometime in the near future, of changing that provision so that the objections, the substantial objections that have been made by so many people would be met?

Mr. COLE of New York. That is exactly what the conferees had in mind when it was made a condition of the acceptance of this compulsory licensing that at the very earliest opportunity next year the committee will take up this question of compulsory licensing.

Mr. MEADER. Mr. Speaker, will the gentleman yield?

Mr. COLE of New York. I yield.

Mr. MEADER. When this bill was before the House for consideration I supported the amendment of the gentleman from New York [Mr. COLE] to the patent section and expressed my views to the House. I was pleased when the conferees originally accepted the provisions with respect to patents which had been adopted in the House by a substantial margin. I had hoped that the House provisions would prevail in the final legislation. But apparently Members of the other body who have the opposite view with respect to patent policy would be willing to block the passage of the bill rather than to yield to the House version of the patent section.

Under these circumstances, although he fought valiantly for this important principle, the gentleman from New York could do little else than to make concessions to insure the passage of the legislation. I commend him and his colleagues of the conference committee for the hard work and effective effort they have put forth in writing this historic statute.

As a member of the Judiciary Committee of the House, I have been somewhat disturbed about legislation dealing with patents emanating from other committees. Patent lawyers and some of my colleagues on the Judiciary Committee have expressed grave doubts over the constitutionality of the Senate version of the patent section. They have likewise pointed out that compulsory licensing is a major departure from our longstanding patent policy. I believe it is in the interest of orderly processes and consistent legislation to have proposed legislation in the patent field referred to the Judiciary Committee, considered by that committee, and adopted by the parent body after thorough consideration of our national interests in the patent field.

No one wants to write unconstitutional legislation and no one should want to make a rash change in a feature of our system of government which is so basic as the exclusive right of inventors to the use and discovery of their inventions contemplated by the Constitution.

Because of the novelty and mystery surrounding nuclear fission, insofar as we laymen are concerned, there is a temptation to consider this field as

something apart from other fields of legislation. I submit that this attitude is essentially unsound and if it prevails over a long period of time, will lead us to confusion and inconsistency.

Even if compulsory patent licensing is constitutional, I think it is a grave mistake as a matter of policy. The principles of private ownership and individual freedom are closely allied to the principle that the imaginative inventor and the ingenious craftsman may derive benefits from the products of their discoveries. The new methods which have led to the mass production system in America, which is the foundation of our abundance, stem from these freedoms and these rights in individual citizens.

Now we are on the threshold of a new field of human endeavor—the development and utilization of this wonderful new source of atomic energy for commercial and industrial purposes in peacetime. If we are to match the performance of the American people in other fields of human endeavor, their ingenuity, their inventiveness, and their enterprise should be encouraged, not stifled.

The House version of the patent section would have been adequate to prevent windfalls to firms who have enjoyed contracts with the Atomic Energy Commission. I am opposed to such windfalls and I believe all of my colleagues are of like mind. But compulsory licensing even though it be for a limited time, applies not only to firms and individuals who have heretofore engaged in the atomic energy program financed with Federal funds, but to all inventors in the atomic energy field.

I sincerely hope that the Congress in its next session will reexamine the semisocialistic patent section of this legislation and work out a method for stimulating and encouraging the development of atomic energy for peacetime processes in line with our historic patent policy.

Mr. COLE of New York. The gentleman has made a very fine statement. I can assure him and you, Mr. Speaker, that had we not faced the prospect of imminent adjournment of this body your House conferees would have stayed in conference until the regions in the center of the earth were frozen. But this, we could not do.

It should be known that this group of persistent persons represents a philosophy of government which is quite foreign to our normal system of Government. There have been organizations that have been bitterly opposed to this bill, no matter how it might have been amended. The CIO has been strong and bitter and vitriolic against this bill. The ADA has been opposed to it. The National Rural Electric Cooperative Association, a reputable and respected organization although in this instance misguided by the recommendations of its lobbyist, has been bitterly opposed to it. That lobbyist in open session said that this bill no matter how it might be amended would not be acceptable to his organization. The American Public Power Association has been opposed to it. Those persons who entertain the philosophy of public ownership, the ultimate of socialism, by advocating the principle of compulsory licensing of patents, are insistent upon a fatal step in the direction of socialism.

The ironical part is that those persons who were so insistent upon the adoption of this initial step of compulsory licensing, even though we had yielded to them, on the record vote last evening over in the other body, in spite of the fact that they had everything they had asked for and demanded, still voted against the bill. That is very, very revealing.

My apprehension, my criticism, my opposition to compulsory licensing is not based only on its doubtful legality. I am more concerned about its consequences. Here we are for the first time making available this new energy for the good of mankind, away from weapons, away from destruction, away from devastation, opening up the door to the

opportunity of individuals and groups to apply their thoughts and their finances and their resources and their energies to find new ways of putting this to work; and immediately the lid is put upon their efforts. What inducement is there for people to find new ways if the Government is going to confiscate their discoveries? To the extent that we apply the principle of compulsory licensing by even 5 years we delay the full opportunity of exploiting this new energy. Upon the shoulders of those persons who were so insistent upon compulsory licensing must rest the consequences of the delay of these 5 years in the full exploitation of this new force for nonmilitary purposes.

It is my fervent hope that the Congress next year will be persuaded to repeal this highly distasteful, highly un-American provision, which is so contrary to our tradition and which, if

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continued in practice, will eventually spell the doom of our great industrial prosperity.

Mr. Speaker, there have been many factors which have entered into the decision to get private enterprise into the atomic energy field. This country cannot continue to pay the kind of sums it has paid out of its public treasury for the development of atomic weapons. This is particularly true of the development of facilities which are not primarily weapons. Where this country has utilized private industry in the development of other arms such as in radar and in the airplane many ideas have come from the private companies which have been used not only in the weapons field but have been of great value in promoting the civilian progress of this country. Through having private industry participate, these ideas have been developed without the expenditure of Federal funds to the extent which would otherwise have been necessary.

We have also had to keep our eyes upon the developments in other countries. The Russians have brought in atomic weapons years before our experts thought they would be able to. While some espionage played a part in this, native Russian skill was of great importance. Will the Russians be able to bring in peacetime reactors before we can? We cannot lose this race. Under the Atomic Energy Act of 1954 it is hoped that we will not.

While the Government and the Commission will be able to make the expenditures for the same types of research and development that they have in the past, it is hoped that industry will become established and will make the normal contributions to private industry under the normal incentives.

Of course we all know how far we are ahead of other countries in the development of many technological fields, radios, telephones, automobiles, electrical appliances and the chemical industry, to name a few. These and many more have flourished and grown great under the normal American ways of promoting new ideas. The thing that I want to emphasize at this point is that in order to win the race for world peace, this country must have new ideas in the field of atomic energy. It must have the extremely important ideas which make the difference between economical and uneconomical atomic energy—the new ideas which make the difference between the ability to use many byproducts in many new ways and industries and in many new medical ways, and in having no progress in these fields.

It is my position that each and all of these new ideas should be guarded and protected so that each may develop and flourish to the extent it deserves. This is the time for us to break the shackles on this new industry and to let it grow under the minimum of necessary control.

I have already addressed myself to the constitutional problem so I need do no more than to refer to that. Let me then go on to discuss what a patent is.

It is a right given by the Constitution —the exclusive right—given for a limited time for an invention or discovery. It is a right granted by the United States as a reward and as an inducement to inventors. What is rewarded is not something which is common or ordinary or easy to learn. In order to obtain a patent there must be something beyond ordinary skill to produce an invention. In the 1940's the Supreme Court had gone to the extent of requiring that patents be given only for "flashes of genius." Congress revised the standard of inventions needed for a patent in July of 1952 when it reestablished the standard as being for those ideas which were above the knowledge of the persons skilled in the art. A patent then is issued for new ideas, new thoughts, inventions that this country has not had before.

A patent is property and as such is treated as any other property, tangible or intangible, but then a property right in any other item is the right which is specified in the Constitution for patents, namely the exclusive right. When I buy a house or a farm I buy the right to exclude others from that house or farm. When I buy a car I buy the right to exclude others from that car. Under the principles of compulsory licensing the Government would permit anybody else to use my car, my house, and my farm on terms which would be prescribed by the Government. If I explored for and found an oil field, the principle of compulsory licensing would require me to permit others to drill in that oil field and extract the oil from it on terms that would be set by the Government. When you strip away the coverings of compulsory licensing it is socialism in its barest form. It removes the very protection which is needed in the start of the period when new ideas are being formed. I would like to quote from the testimony of Mr. Frederick P. Fish when he spoke in 1913 before the Oldfield committee in opposition to a bill for compulsory licensing.

He said:

> The whole history of industrial development shows that it is only through the prospect of special gain that men will devote attention to inventing or to inventions. Without adequate hope of unusual returns neither the man of inventive capacity nor the businessman and the capitalist can be induced to take the chances and go to the great trouble and expense necessary to work out inventions or to establish new industries or reorganize industrial methods so as to utilize inventions. As a class, they are wise enough to recognize that the chances of success are not so great as to justify the risk.
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> Inventors, and businessmen who develop inventions and introduce them to the service of man, to exactly the same degree and for the same reasons are stimulated by the protection afforded by a patent, to efforts which they would never otherwise make. Each class would be helpless without the other. It is only when both are encouraged and protected, as they are by the grant of a patent, that the progress of the useful arts is promoted.
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> When we consider the chances of failure that inventors, capitalists, manufacturers, and investors take and the trouble, expense, energy, and intelligence required to bring a new idea or even an improvement into commercial use, involving as is the case, extensive experiments before and after the invention is made, the determination of the exact field for the invention, the overthrowing of habits, the education of the consumer, the discovery of how he can be induced to take up the new invention, and ultimately, in many instances, the scrapping of machinery and the modification of manufacturing methods, it would seem that the least encouragement adequate to keep men at such work would be an absolutely free hand for a short term of years, such as is given by the patent laws of the United States.
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> The encouragement of patent protection does not alone stimulate the inventor to intellectual effort; it excites to strenuous endeavor a long line of intermediaries, capitalists, investors, business administrators, licensees, and users who work with or under the patent and whose cooperation is vitally necessary that the invention may not be confined to a paper description, but may actually be used.

Instead of leading to harmful monopolies, patents in themselves form the basis for real competition since it is the new and difficult kind of competition which requires the competitor not to mimic what has already been

done, but to go out and find new things to sell, new ways of doing things.

In forcing the competitors to seek these new ideas it is as much benefit to the science and the useful arts as it is in the reward of royalties from the right to use patented inventions. The normal antitrust safeguards against unlawful use of patents have been built into the bill in provisions other than those dealing with compulsory licenses. These have been emphasized and strengthened so that there will be little chance of the vicious type of monopoly growing in this field.

The Senate believes that compulsory licensing is needed because this, of all fields, has been born and raised with Federal funds. Mr. Speaker, I don't think that this is a proper basis for selecting this field. If you single out this field for this requirement, then why have you not singled out the electronics fields? The automotive field—the airplane field—or the chemical fields? All of these have had tremendous sums spent on them by the Federal Government. Yet there is no compulsory licensing in those fields. If there were compulsory licensing in those fields, then why would not it be proper for other fields beyond them where the Federal expenditures shaded off. This is not right. While it is the popular opinion that this field arose solely because of the expenditure of Federal funds, I must point out the fact that there was a field of nuclear physics long before the Federal Government ever expended a cent in the field. Indeed, one of the basic patents, the Fermi patent, on which the owners agreed to accept a Government payment of $300,000 last fall, was conceived in the middle 1930's and patented in 1940. This patent is basic to the field and had not a single cent of Federal funds put into it before it was condemned by the Government for war purposes.

Of course, I do not mean to minimize the importance of the expenditure of Federal funds, but there were many seeds in this field that were planted long before the first Federal funds

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were ever spent. Now the Federal funds have been spent, I would like to progress a step further and point out to you that of the $12 billion between a half billion and one billion is the amount that was spent for research and development. From this expenditure the Atomic Energy Commission is at this very moment, according to the report made by the Research and Development Subcommittee of the Joint Committee on Atomic Energy, planning to construct under contract five different types of peacetime reactors in order to test them—to try them out. All of the rights to those reactors now belong to the United States. There are five different types, Mr. Speaker, that list has been read here before and I need not repeat it. What the types are does not matter as much as the fact that there are five different types already. Those with intimate knowledge in the field who appeared before our committee when it was gathering information for H. R. 9757 testified that in the present art there is room for many possible types of reactors. This is, then, not like the start of any other field. Mr. Speaker, this is a field in which there is already a broad base—in which already there are different kinds of facilities that can be built and which the Government is proceeding to build as fast as it can. How can anybody get a monopoly in this field with this as the starting point and with Government funds promised for continuing research?

It is said that there will be but few opportunities. Yet if that is so, why should the Federal Government force its views on the new field. It will combine the techniques of generating equipment manufacturers, of chemical plants, and of public utilities. Why should all be forced into the same economic mold when they are not so now? Some say that cross-licensing works in

the automotive field, yet that is not yet parallel to this field.

It has been said that there are but a limited number of big companies. This is not fully accurate. It is true that there are a limited number of big companies which have operated reactors, but these are not the only companies with which the Commission has dealt. It has had 1,500 prime contractors and 50,000 subcontractors in the atomic energy field, drawing virtually on every industrial organization in the country. Each one of these organizations has, to a very limited extent and under Government control, tried to apply its knowledge and information to the particular problems for which it was brought into the program. The program will flourish much better if they are given an opportunity to tackle the many thousands of problems which are present in the atomic field in the normal ways in which problems are ordinarily solved in our modern world. It is only when many of these problems—each one small in itself—are cumulatively solved that the field will progress rapidly and quickly.

During the Senate debates on this bill, there has been much discussion about conserving our national resources, and promoting their use in the interest of all of the people. I believe that there is only one natural resource, and that is the brains and ingenuity of our people. Without them we would not be turning falling water to electricity which can be transmitted many miles. Without the brains and ingenuity of our people we could not turn coal and fossil fuels to energy or to make rare chemicals from them. Since it is the brains and ingenuity of our people which are of primary importance, let us foster them as national resources, and encourage all new ideas in this field as in all other fields.

Mr. Speaker, notwithstanding my abhorrence of the compulsory licensing provisions of the conference report, I shall vote for its acceptance and I urge every Member of the House to do likewise.

I shall vote for the acceptance of the conference report because I believe the passage of this bill at this session is urgently necessary to our well-being as a Nation both in our domestic affairs and in our international activities.

As I have said, I do not like the patent provisions of the conference report. I believe particularly sections 153 and 154, which require compulsory licensing of all patents of primary importance in the atomic-energy field that are conceived in the next 5 years, will be shown to be a serious deterrent to the widespread and vigorous attack on the problem of competitive atomic power by private industry—a basic objective of the bill.

Yet, I am compelled today to urge my colleagues to support this conference report. The report contains vital corrective measures in our domestic-security programs. I can assure you that day by day the need—the urgent need—for these measures becomes more apparent. The bill contains legislative mechanisms which will enable us to deal equitably in the peacetime application of atomic energy with our loyal friends overseas whose efforts, both during the war and afterwards, in the supplying of uranium to the common defense of the free world have meant the difference between peace and war. The bill contains provisions which enable us to tell our military allies information on the effects and utilization of atomic weapons so that we may, in our common effort, reflect prudent planning against an aggressor who may utilize such weapons in an attempt to overrun freedom's borders and expand outward the sphere of influence of atheistic communism.

The bill also provides the President with encouragement and legislative means of bringing to reality his plan for the international pooling of atomic energy for peaceful purposes—the plan which has so dramatically captured the minds and given expression to the hopes of men everywhere.

These objectives of the bill are, to me, of such transcendent importance as to outweigh my dislike—both on constitutional grounds and on the principle involved—of the compulsory licensing features in the patent section.

I have noted that when H. R. 9757 was considered in the House the Members by record vote of 203 to 159 clearly stated their rejection of the principle of compulsory licensing. If it were possible to isolate this problem of compulsory licensing from the larger issues which involve our very national survival, I would urge the House to reject any compromise. But this is not possible. Recognizing that, your managers in reluctantly accepting the insistence of the other body that compulsory licensing be included, made it a condition of their acceptance that the problem be reexamined at the beginning of the next session of Congress.

In good conscience I sincerely urge my colleagues to support overwhelmingly, as a token of our recognition of these large and vital issues, the acceptance of the conference report.

Mr. Speaker, I yield 4 minutes to the gentleman from Illinois [Mr. PRICE].

Mr. PRICE. Mr. Speaker, as one of the House conferees, I signed this report. We went into conference to resolve the differences between the other body and the House and in the second conference, I think, the managers on the part of the House and the managers on the part of the Senate satisfactorily resolved the issues and the points in dispute to the point where we have an opportunity this afternoon to consider a better bill than the one which went into conference. I would not impugn the motive of any Member of either body for whatever position they took on this bill, whether they opposed it or favored it. I think it is a subject which requires considerable thought and study. Unfortunately, few Members of either body had the personal opportunity to give this the close study and thought required to fully understand its many provisions. I think the House should know that by accepting the position of the other body on the patent provision, we are merely going back to the original patent provision which was in the bill which came to the floor of the House for our consideration just a little over a week ago. We are asked, today, to accept almost the identical language which came to the House from the Joint Committee on Atomic Energy. True, it was amended in the House and it was amended on a rollcall vote, but this compulsory licensing provision was originally approved by the Joint Committee on Atomic Energy, by almost unanimous vote. It became the position of the other body, and I might say, it is also the position that was recommended in a message to the Congress from the President. I think anyone can support the position of the conferees in full justification. I can see no way in which this amendment could hold back the program. The President, himself, foresaw a period in which the participation would be so limited that a few companies might be in a position to set up a patent monopoly. He recommended safeguards, and I, personally, have the feeling that the conferees, in this last action, have provided those safeguards which the President recommended. It is for that reason that I, as one of the managers on the part of the House, signed the conference report.

Mr. JAVITS. Mr. Speaker, will the gentleman yield?

Mr. PRICE. I yield.

Mr. JAVITS. I heard, with great interest, the gentleman from New York on the question of so-called compulsory licensing. But, is it not a fact that the courts, themselves, have, when they

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saw a monopoly, enforced compulsory licensing, and if memory serves me, that is true in the field of radio tubes. Therefore, it is not such a horrible proposition, but it is used where they run into a situation which is conducive

to monopoly such as this one.

Mr. PRICE. I might say in reply, that the Atomic Energy Act on the books today contains a compulsory licensing provision, and certainly the constitutionality of it has not been questioned, at least not in court.

Mr. COLE of New York. Mr. Speaker, I yield myself just a minute.

Of course, the constitutionality of the provisions of the McMahon Act has not been in question for the reason that that very law prohibits anybody from getting a patent and nobody has been in a position to test the constitutionality of the law. As to the point raised by the gentleman from New York [Mr. JAVITS], it is true that the courts have required compulsory licensing, but only after it has been established in a court of law that the patent was used as a basis of a monopoly, and that provision is in the bill which was presented to the House and adopted by the House.

Mr. Speaker, I yield 2 minutes to the gentleman from North Carolina [Mr. DURHAM].

Mr. DURHAM. Mr. Speaker, it is late in the afternoon, but I want to say I think the chairman has given a very fine and explicit review of what the conferees adopted. Personally, I do not agree with it altogether, but I do urge this body this afternoon to adopt this report. I want personally to thank this body on this side of the Capitol for the patience and the kindness they have exhibited toward this committee who are trying to rewrite the Atomic Energy Act so that private enterprise would be able to enter this field and thus do what we have done so successfully in the past 175 years in this country. That was our main effort. Unfortunately, some things crept into our deliberations which in my opinion should never have been brought in, because of the importance of this measure, because of the necessity for adopting some beginning, at least, in international cooperation; also, in regard to the cooperation of our allies from a military and security standpoint in their own countries. I feel we have brought a measure to the House which every Member of the House can feel confident that at least we have made a beginning. If this committee will continue to do as it has in the past—and that has been the intent and purpose since the adoption of the first act—that the atoms should eventually be used for the benefit of humanity and not to destroy the whole world, as so many people talk and write about today, then great progress will be made.

Of course we are apprised of the inherent dangers involved in the release of this energy, if and when trouble begins. I think the gentleman from Michigan [Mr. DINGELL] was concerned with one of the problems that exists today in the control of radioactive material. Not only is the committee concerned about how we are going to control it, because it is absolutely necessary that we do control it, because if and when it is released it is more dangerous than atomic weapons.

Speaking of course of what we ordinarily refer to as "tailings" in the operation we only recover a very small percentage of the energy today from the material that is fissioned. If and when the time comes, and I believe it will come, when the scientists of this country will recover 95 percent of the energy instead of 4 or 5 percent, then the world can expect benefits to come to humanity which probably never have been heard of or dreamed of in the history of our country.

Again I want to thank this body for allowing us to write a measure that we think will be a start in the proper direction. We have brought to you a conference report which will carry on and further develop our atomic program, as well as provide weapons for the security of this country.

Mr. CROSSER. Mr. Speaker, will the gentleman yield?

Mr. DURHAM. I yield.

Mr. CROSSER. Has the committee given any consideration to the subject

of controlling the natural resources to prevent a monopoly at the source?

Mr. DURHAM. I can say to the gentleman and I have a very high regard for him—that I believe that under present circumstances when the Federal Government, under this measure, will control every grain of material that fissions, we will not permit any individual under this law to buy 1 ounce of uranium, that there is no fear. Further to allay any fears of the gentleman from Ohio, we own and control completely 730 basic patents which are the fundamental patents of the whole process. I have never been worried much about the patent provision creating a monopoly because the Government owns and will continue to own and control the basic patents.

Under the present law and under this act the Federal Government can confiscate any patent by any individual which has anything to do with the development of weapons under this program.

In my opinion it is still a Government-controlled monopoly completely.

Mr. CROSSER. I understand from the gentleman, then, that the country's fissionable material itself is sufficiently in the hands of the Government.

Mr. DURHAM. Yes, that is a correct statement. My chief objection to the bill is it does not let private enterprise come in and do the job as fully and freely as I would like it to be done. I am just as much concerned as anybody not to let private enterprise or any one come in and create a monopoly. It is necessary to put private enterprise into this program, unless we want to let the Government continue to hold a monopoly from now on, since we must control the weapons production for our own and our allies security. Your committee will continue to study as we have since 1946 the advancement of this program in all of its phases, that we may continue to lead the world as we have before.

Mr. Speaker, I ask for the adoption of the conference report with confidence that we will still lead and share with those of our allies that want to remain a free people.

Mr. COLE of New York. Mr. Speaker, I yield 3 minutes to the gentleman from California [Mr. HINSHAW].

Mr. HINSHAW. Mr. Speaker, I think it is quite evident that the conferees on both sides of the table faced a condition and not a theory. This was a shotgun wedding. There was section 152; there was the Cole amendment; and there was section 153 which was the original bill. They are both in here, and if the original section as it was presented to the House is declared unconstitutional, then the Cole amendment remains in the bill as a backstop.

I think that that is all that need be said except I want to say to my friend the gentleman from New York [Mr. JAVITS] that if he will read section 158 of the bill he will find that the matter he referred to is already taken care of, and it is already taken care of in existing law.

Mr. Speaker, I think we ought to approve the amendment.

Mr. COLE of New York. Mr. Speaker, I yield 3 minutes to the gentleman from Pennsylvania [Mr. VAN ZANDT].

Mr. VAN ZANDT. Mr. Speaker, as a member of the joint committee, I have participated in the many days, weeks, even months of intense deliberation on this bill. It has received the most careful consideration. In fact the manner of preparing this bill and working out the problems it involved has to me been almost a model of the legislative process. I have been proud to be a member of the group which has seen this through. It was for this reason that the conference on the bill yesterday was all the more painful for me, as I know it was for my colleagues on this side of the aisle who were with me.

Seldom has any piece of legislation come before the Congress which touches upon so many vital issues for our national well-being. We have had

no illusions that the product of our labors would prove to be perfect, but it was our best effort and a good one. The Members of the House showed their true understanding of the significance of this bill when they gave such careful consideration to the arguments presented here so ably by our esteemed chairman, the gentleman from New York [Mr. COLE], concerning patents. Your House managers were forced to compromise on this matter despite the conviction shown by the overwhelming House vote to reject compulsory licensing. That compromise was made only after having been assured that the entire patent problem will be the first order of business in January before the joint committee.

I deeply regret that we were unable to convince our colleagues in the other body of the wisdom and necessity of the House version of the bill. We bring back to you the best compromise we have been able to obtain. The pace of atomic progress will not permit our law to go unrevised. I, therefore, recommend adoption of this conference report—and urge the House to have

[p. 14872]

confidence that future amendments on this bill can undo or relieve whatever proves to be unsound.

Mr. COLE of New York. Mr. Speaker, I ask unanimous consent to revise and extend my remarks and that other members who have spoken on the conference report may revise and extend their remarks.

The SPEAKER. Is there objection to the request of the gentleman from New York?

There was no objection.

Mr. H. CARL ANDERSEN. Mr. Speaker, I am much pleased that the conferees have agreed to removing the words "insofar as practicable." I very reluctantly voted for the House bill upon the assurance that public and cooperative bodies were without question retaining their preference rights to public power. Our rural electrification associations are very much interested in the preference clause as has been law for many years. I congratulate the gentleman from New York [Mr. COLE] and the other House conferees in accepting the Senate provisions and thereby insuring without question the prior rights of public bodies and REA's to the power when it is available.

Mr. COLE of New York. Mr. Speaker, much as I am opposed to this one phase of this conference report, it contains so many other elements of a highly desirable nature that I urge the adoption of the conference report.

Mr. Speaker, I move the previous question on the conference report.

The previous question was ordered.

The conference report was agreed to, and a motion to reconsider was laid on the table.

* * * * *

[p. 14873]

1.1c AMENDMENTS TO ATOMIC ENERGY ACT OF 1954

July 14, 1956, P.L. 84–722, 70 Stat. 553

AN ACT

To amend the *Atomic Energy Act of 1954*, to permit the negotiation of commercial leases at atomic energy communities, and for other purposes.

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That section 161 e. of the Atomic Energy Act of 1954, as amended, is amended by striking therefrom the words "section 174;" and substituting in lieu thereof the words: "section 174: *Provided, however,* That in the communities owned by the Commission, the Commission is authorized to grant privileges, leases and permits upon adjusted terms which are fair and reasonable to responsible persons to operate commercial businesses without advertising and without securing competitive bids, but taking into consideration, in addition to the price, and among other things (1) the quality and type of services required by the residents of the community, (2) the experience of each concession applicant in the community and its surrounding area, (3) the ability of the concession applicant to meet the needs of the community, and (4) the contribution the concession applicant has made or will make to the other activities and general welfare of the community;".

Approved July 14, 1956.

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[p. 553]

1.1c(1) JOINT COMMITTEE ON ATOMIC ENERGY
H.R. REP. No. 2431, 84th Cong., 2d Sess. (1956)

AMENDING THE ATOMIC ENERGY ACT OF 1954 TO PERMIT THE NEGOTIATION OF COMMERCIAL LEASES AT ATOMIC ENERGY COMMUNITIES

JUNE 25, 1956.—Committed to the Committee of the Whole House on the State of the Union and ordered to be printed

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MR. DEMPSEY, *from the Joint Committee on Atomic Energy*, submitted the following

REPORT

[To accompany H.R. 11926]

The Joint Committee on Atomic Energy, having considered H. R. 11926, an original committee bill, to amend the Atomic Energy Act of 1954 to permit the negotiation of commercial leases at atomic energy communities, and for other purposes, do unanimously report favorably thereon, and recommend the bill do pass.

BACKGROUND

The atomic energy products at Oak Ridge, Tenn., Richland, Wash., and Los Alamos, N. Mex., are carried on in towns which, as of this moment, are all owned by the Federal Government. These towns comprise residences for their employees at the projects and commercial shopping centers. Under the Atomic Energy Community Act of 1955 a program was set up for the sale of the properties in Oak Ridge, Tenn., and Richland, Wash., to the citizens of the towns. The actual sales program at these two towns, which has been in preparation for nearly a year, has not yet been officially started.

Meanwhile, there are commercial leases in these towns and in the town of Los Alamos, N. Mex., which have not yet been brought under the terms of the Atomic Energy Community Act of 1955, which are expiring. The Commission is not renegotiating leases of these people who have formed an integral and beneficial part of the communities, but instead is reletting the concessions on a straight advertised-bid basis. In coming to the Commission communities to start needed commercial enterprises at those com-

[p. 1]

munities, the commercial lessees uprooted themselves from their

former surroundings and have now made major contributions to the success of these three new towns.

In letting these renewals out on a strictly bid basis, the Commission states that it is bound by the strict requirements of the advertising statutes, and therefore cannot consider the desirability of continuing the growth of the citizens in these towns.

The authority to operate and maintain these towns is incorporated in the chapter on the general authority of the Commission in subsection 161 e. This section now provides:

> SEC. 161. GENERAL PROVISIONS.—In the performance of its functions the Commission is authorized to—
>
> > e. acquire such material, property, equipment, and facilities, establish or construct such buildings and facilities, and modify such buildings and facilities from time to time, as it may deem necessary, and construct, acquire, provide, or arrange for such facilities and services (at project sites where such facilities and services are not available) for the housing, health, safety, welfare, and recreation of personnel employed by the Commission as it may deem necessary, subject to the provisions of section 174;

The reference to section 174 is merely a reference to the section requiring that the Attorney General approve title to real estate acquired under the act. Most of the powers of the Atomic Energy Commission are based on declarations, findings and purposes set forth in sections 1, 2, and 3 of the act, most of which relates to the common defense and security. The operations of these towns are indeed vital to the defense of our country in doing the research and manufacturing which is needed for atomic weapons. From these towns, too, spring the development of the peaceful uses of atomic energy. It is of the utmost importance to this program that the citizens of the towns not suffer undue dislocations. Thus, in the Atomic Energy Community Act of 1955, in establishing a program for the sales of the communities of Oak Ridge and Richland to the residents, section 11 c finds:

> To that end, it is desired at each community to—
>
> > c. provide for the orderly sale to private purchasers of property within those communities *with a minimum of dislocation.*

Section 12a of the same act has the finding:

> *The continued morale of project-connected persons is essential to the common defense and security of the United States.*

Section 13a states as a purpose of the act that it is to provide for—

> a. the maintenance of conditions which will not impede the *recruitment and retention of personnel essential to the atomic energy program;*

These purposes and policies are further amplified in the section of the Atomic Energy Community Act relating to the priorities for the sale of property. In this section, the Commission is re- [p. 2]
quired to establish rules and regulations for priorities for the sale of the property based on:

> (1) The retention and recruitment of personnel essential to the atomic energy program;
>
> (2) The minimization of dislocation of persons within the community * * *.

The local offices of the Atomic Energy Commission at each of the three communities are thoroughly acquainted with how the commercial lessees have been serving the communities and the extent to which the lessees have contributed to the life in those communities. It is proposed in this bill to give the Commission the authority to consider all of these contributions in deciding on the lessee while the Commission still owns the towns.

In a field which is less important to the national defense than atomic energy the Congress has permitted the negotiation of commercial leases. The Secretary of the Interior has given the following statutory grant with respect to entering into leases for commercial services on lands under the jurisdiction of the National Park Service:

> He may also grant privileges, leases and permits for the use of land for the accomodation of visitors in the various parks, monuments or other reservations, provided for under section 2 of this title, but for periods not exceeding twenty years; * * * and provided further, that the Secretary of the Interior may grant said privileges, leases and permits and enter into contracts relating to same with responsible persons, firms or corporations without advertising or securing competitive bids: * * *

The policies of the National Park Service are set forth in the statement of October 13, 1950.

In order to encourage concessionaires to make contributions to the communities, to remain in the communities, and to put investments into their stores, their trade and the community, the Joint Committee recommends the passage of this bill. Under its pro-

visions the Commission may negotiate leases based not only on the return from the leases to the Government, but also on quality and type of services required by the residents—and in some instances, such as drug stores, the services required and 24-hour availability at the community—the experience of the concession applicant at this community or in its immediate area, the ability of the applicant to meet the needs of the community and the overall contributions he has made, or will make, to the community.

We are still providing for obtaining competitive proposals, but provide reasonable flexibility from formal advertising requirements.

The letter from the Atomic Energy Commission setting forth its position in not being able to base its consideration on the leases on these points is set forth below:

[p. 3]

MARCH 8, 1956.

HON. JOHN J. DEMPSEY,
Chairman, Subcommittee on Communities,
Joint Committee on Atomic Energy,
Congress of the United States.

DEAR MR. DEMPSEY: This letter will answer Mr. Norris' letter of December 15, 1955, asking the advisability of the Commission's general policy to advertise concessionaire leases upon expiration. It will also answer questions related to the Los Alamos situation which you raised in your telephone call to the Director of Military Application of January 4, and in your subsequent conference with Mr. Wampler and General Starbird on January 17. As a result of our subsequent discussion on this subject, the AEC has looked into the general policy question again. The following information is the result of that review.

In 1954 the Commission reviewed its policy with respect to leasing of concessions and decided that the terms of existing and future leases should be extended only for programatic reasons which support a conclusion that the extension by negotiation is necessary for the housing, health, safety, welfare of recreation of Commission and contractor personnel. The Commission's directives relating to the matter stated that negotiated extension was to be regarded as exception to the Commission's general policy of obtaining competition and that the programatic reason for any such exception must be clearly shown.

In reaching their policy decision, the Commission was influenced primarily by the general policy and practice of the Federal Government as exemplified by section 3709 of the Revised Statutes, which requires advertising for supplies and services. It was felt

that the policy assured fair treatment to all interested members of the public and most favorable economic return to the Government for the facility and opportunity the Government provided. Additionally, it provided a means for meeting changing community needs (where Government facilities were limited) by bringing into existence higher priority types of services. The Chairman of the AEC forwarded the detailed statement of policy to the chairman of the JCAE by letter of January 29, 1954.

As to the Los Alamos situation, original leases under the Manhattan District and for several years thereafter were generally of short duration and renewed by negotiation. When the move to permanent areas became possible and in recognition that lessees would be involved in added expense if best service were to be provided, the Commission offered all incumbents extension to a lease of 10-year total duration. Thereafter, all accepted. At the present time, we have 40 major concessions leased at Los Alamos in Government facilities, all of a duration totaling 10 years. A large number are scheduled to expire in the next 2 years. The first of the 10-year expirations will be that of the Ferris Cleaners.

As General Starbird explained in the conference of January 17, various alternate solutions to that of readvertising the Ferris Cleaner lease have been proposed and investigated. As requested, I shall describe these briefly.

The first suggestion was that in view of the satisfactory service performed by the Ferris Cleaners, a negotiated extension be made. [p. 4]

As explained in my letter of December 22, the circumstances indicate no programatic necessity for negotiated extension. Other cleaners serve Los Alamos and could handle the load during any temporary interruption. Negotiation in this first case would naturally lead all concessionaires to expect similar treatment, and in fairness would have to be given.

The proposal was then reviewed from the point of view of recommending the Commission permit negotiation at Los Alamos for all lessees. Neither my staff nor I believed such a course should be followed. It would, of course, depart from the basic principle of competition which was the basis of the Commission's decision. It would preclude others interested in competing for the opportunities available at Los Alamos. In this connection, a very large number of individuals and concerns have expessed a desire to compete on expiration of present leases.

A proposal has been made that the present leaseholders be given credit for the good will and investment they have made and be retained if their bid after advertisement is sufficiently close to that

of the high bidder. Such a procedure would be, in my opinion, impossible to administer fairly and could be objected to strenuously by those who have expressed a desire to compete in the future. Using the alternate approach of allowing negotiations after bid opening and awarding to incumbent if he then met the bid of the highest responsible bidder would lessen the interest of others in submitting a bid. Further, it would, to all intents and purposes, relieve the incumbent of the necessity of making an original bid to be entered in the competition to establish fair Governmental return.

You also asked that we comment on the price to be set on equipment taken over by a future lessee but owned by the former leaseholder. Specifically, the questions involved the advisability that AEC appraise the equipment's worth, and require the new tenant to pay the amount concerned. I feel that this action would be an unwarranted interference with the natural negotiation of the buyer and seller. The former lessee does, of course, have the right to remove his equipment if he so desires. On occasion such removal may not be desired, and there is the definite possibility that the owner may be willing to sell at a reduced price. On the other hand, if the equipment is needed by the new lessee for satisfactory operation and is in satisfactory condition, it normally would be to his advantage to pay a fair value to avoid the necessity of procuring and installing new equipment.

It is the AEC's policy to assure that any concessionaire show ability to handle adequately the promised service prior to his receiving an award. This is necessary so as to provide best services to the communities that support our technical programs. It is our policy also to assure that the concessionaire knows exactly what he will be furnished and what he is to expect of the Government, for only thus will he receive fair treatment and be able to program his operation and costs. Subject to meeting these two objectives, it is our further effort to assure maximum return for the Government's investment in the facilities concerned.

Under these circumstances, I consider I must reaffirm the earlier decision that concessions, upon completion of termination of the lease agreement, be readvertised for competitive bids.

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For your information, we have been informed by the Los Alamos area office that although the Ferris Cleaners had a full year remaining on their lease, they gave the AEC a 60-day notice of termination on February 1, 1956, and indicated an intention to bid

on the concession when it was advertised by the AEC.

Sincerely yours,

R. W. COOK,
Acting.
K. E. FIELDS,
General Manager.

CHANGES IN EXISTING LAW

In compliance with clause 3 of rule XIII of the Rules of the House of Representatives, changes in existing law made by the bill accompanying this report are shown as follows (new matter is printed in italics):

SEC. 161. GENERAL PROVISIONS.—In the performance of its functions the Commission is authorized to—

e. acquire material, property, equipment, and facilities, establish or construct such buildings and facilities, and modify such buildings and facilities from time to time, as it may deem necessary, and construct, acquire, provide, or arrange for such facilities and services (at project sites where such facilities and services are not available) for the housing, health, safety, welfare, and recreation of personnel employed by the Commission as it may deem necessary, subject to the provisions of [section 174;] *section 174: Provided, however, that in the communities owned by the Commission, the Commission is authorized to grant privileges, leases and permits upon adjusted terms which are fair and reasonable to responsible persons to operate commercial businesses without advertising and without securing competitive bids, but taking into consideration, in addition to the price, and among other things (1) the quality and type of services required by the residents of the community, (2) the experience of each concession applicant in the community and its surrounding area, (3) the ability of the concession applicant to meet the needs of the community, and (4) the contribution the concession applicant has made or will make to the other activities and general welfare of the community;*

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1.1c(2) JOINT COMMITTEE ON ATOMIC ENERGY
S. REP. No. 2384, 84th Cong., 2d Sess. (1956)

AMENDING THE ATOMIC ENERGY ACT OF 1954 TO PERMIT THE NEGOTIATION OF COMMERCIAL LEASES AT ATOMIC ENERGY COMMUNITIES

JUNE 28, 1956.—Ordered to be printed

Mr. ANDERSON, from the Joint Committee on Atomic Energy, submitted the following

REPORT

[To accompany H.R. 11926]

The Joint Committee on Atomic Energy, having considered H.R. 11926, to amend the Atomic Energy Act of 1954 to permit the negotiation of commercial leases at atomic energy communities, and for other purposes, do unanimously report favorably thereon, and recommend the bill do pass.

BACKGROUND

The atomic energy products at Oak Ridge, Tenn., Richland, Wash., and Los Alamos, N. Mex., are carried on in towns which, as of this moment, are all owned by the Federal Government. These towns comprise residences for their employees at the projects and commercial shopping centers. Under the Atomic Energy Community Act of 1955 a program was set up for the sale of the properties in Oak Ridge, Tenn., and Richland, Wash., to the citizens of the towns. The actual sales program at these two towns, which has been in preparation for nearly a year, has not yet been officially started.

Meanwhile, there are commercial leases in these towns and in the town of Los Alamos, N. Mex., which have not yet been brought under the terms of the Atomic Energy Community Act of 1955, which are expiring. The Commission is not renegotiating leases of these people who have formed an integral and beneficial part of the communities, but instead is reletting the concessions on a straight advertised-bid basis. In coming to the Commission communities to start needed commercial enterprises at those com-

munities, the commercial lessees uprooted themselves from their former surroundings and have now made major contributions to the success of these three new towns.

In letting these renewals out on a strictly bid basis, the Commission states that it is bound by the strict requirements of the advertising statutes, and therefore cannot consider the desirability of continuing the growth of the citizens in these towns.

The authority to operate and maintain these towns is incorporated in the chapter on the general authority of the Commission in subsection 161 e. This section now provides:

> SEC. 161. GENERAL PROVISIONS.—In the performance of its functions the Commission is authorized to—
>
> e. acquire such material, property, equipment, and facilities, establish or construct such buildings and facilities, and modify such buildings and facilities from time to time, as it may deem necessary, and construct, acquire, provide, or arrange for such facilities and services (at project sites where such facilities and services are not available) for the housing, health, safety, welfare, and recreation of personnel employed by the Commission as it may deem necessary, subject to the provisions of section 174;

The reference to section 174 is merely a reference to the section requiring that the Attorney General approve title to real estate acquired under the act. Most of the powers of the Atomic Energy Commission are based on declarations, findings and purposes set forth in sections 1, 2, and 3 of the act, most of which relates to the common defense and security. The operations of these towns are indeed vital to the defense of our country in doing the research and manufacturing which is needed for atomic weapons. From these towns, too, spring the development of the peaceful uses of atomic energy. It is of the utmost importance to this program that the citizens of the towns not suffer undue dislocations. Thus, in the Atomic Energy Community Act of 1955, in establishing a program for the sales of the communities of Oak Ridge and Richland to the residents, section 11 c finds:

> To that end, it is desired at each community to—
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> c. provide for the orderly sale to private purchasers of property within those communities *with a minimum of dislocation.*

Section 12 a of the same act has the finding:

> *The continued morale of project-connected persons is essential to the common defense and security of the United States.*

Section 13 a states as a purpose of the act that it is to provide for—

> a. the maintenance of conditions which will not impede the *recruitment and retention of personnel essential to the atomic energy program;*

These purposes and policies are further amplified in the section of the Atomic Energy Community Act relating to the priorities for the sale of property. In this section, the Commission is required

[p. 2]

to establish rules and regulations for priorities for the sale of the property based on:

> (1) The retention and recruitment of personnel essential to the atomic energy program;
>
> (2) The minimization of dislocation of persons within the community * * *.

The local offices of the Atomic Energy Commission at each of the three communities are thoroughly acquainted with how the commercial lessees have been serving the communities and the extent to which the lessees have contributed to the life in those communities. It is proposed in this bill to give the Commission the authority to consider all of these contributions in deciding on the lessee while the Commission still owns the towns.

In a field which is less important to the national defense than atomic energy the Congress has permitted the negotiation of commercial leases. The Secretary of the Interior has given the following statutory grant with respect to entering into leases for commercial services on lands under the jurisdiction of the National Park Service:

> He may also grant privileges, leases and permits for the use of land for the accomodation of visitors in the various parks, monuments or other reservations, provided for under section 2 of this title, but for periods not exceeding twenty years; * * * and provided further, that the Secretary of the Interior may grant said privileges, leases and permits and enter into contracts relating to same with responsible persons, firms or corporations without advertising or securing competitive bids: * * *

The policies of the National Park Service are set forth in the statement of October 13, 1950.

In order to encourage concessionaires to make contributions to the communities, to remain in the communities, and to put investments into their stores, their trade and the community, the Joint Committee recommends the passage of this bill. Under its pro-

visions the Commission may negotiate leases based not only on the return from the leases to the Government, but also on quality and type of services required by the residents—and in some instances, such as drug stores, the services required and 24-hour availability at the community—the experience of the concession applicant at this community or in its immediate area, the ability of the applicant to meet the needs of the community and the overall contributions he has made, or will make, to the community.

We are still providing for obtaining competitive proposals, but provide reasonable flexibility from formal advertising requirements.

The letter from the Atomic Energy Commission setting forth its position in not being able to base its consideration of the leases on these points is set forth below:

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Chairman, Subcommittee on Communities,
Joint Committee on Atomic Energy,
Congress of the United States.

DEAR MR. DEMPSEY: This letter will answer Mr. Norris' letter of December 15, 1955, asking the advisability of the Commission's general policy to advertise concessionaire leases upon expiration. It will also answer questions related to the Los Alamos situation which you raised in your telephone call to the Director of Military Application of January 4, and in your subsequent conference with Mr. Wampler and General Starbird on January 17. As a result of our subsequent discussion on this subject, the AEC has looked into the general policy question again. The following information is the result of that review.

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In reaching their policy decision, the Commission was influenced primarily by the general policy and practice of the Federal Government as exemplified by section 3709 of the Revised Statutes, which requires advertising for supplies and services. It

was felt that the policy assured fair treatment to all interested members of the public and most favorable economic return to the Government for the facility and opportunity the Government provided. Additionally, it provided a means for meeting changing community needs (where Government facilities were limited) by bringing into existence higher priority types of services. The Chairman of the AEC forwarded the detailed statement of policy to the chairman of the JCAE by letter of January 29, 1954.

As to the Los Alamos situation, original leases under the Manhattan District and for several years thereafter were generally of short duration and renewed by negotiation. When the move to permanent areas became possible and in recognition that lessees would be involved in added expense if best service were to be provided, the Commission offered all incumbents extension to a lease of 10-year total duration. Thereafter, all accepted. At the present time, we have 40 major concessions leased at Los Alamos in Government facilities, all of a duration totaling 10 years. A large number are scheduled to expire in the next 2 years. The first of the 10-year expirations will be that of the Ferris Cleaners.

As General Starbird explained in the conference of January 17, various alternate solutions to that of readvertising the Ferris Cleaner lease have been proposed and investigated. As requested, I shall describe these briefly.

The first suggestion was that in view of the satisfactory service performed by the Ferris Cleaners, a negotiated extension be made. [p. 4]

As explained in my letter of December 22, the circumstances indicate no programatic necessity for negotiated extension. Other cleaners serve Los Alamos and could handle the load during any temporary interruption. Negotiation in this first case would naturally lead all concessionaires to except similar treatment, and in fairness would have to be given.

The proposal was then reviewed from the point of view of recommending the Commission permit negotiation at Los Alamos for all lessees. Neither my staff nor I believed such a course should be followed. It would, of course, depart from the basic principle of competition which was the basis of the Commission's decision. It would preclude others interested in competing for the opportunities available at Los Alamos. In this connection, a very large number of individuals and concerns have expressed a desire to compete on expiration of present leases.

A proposal has been made that the present leaseholders be given credit for the good will and investment they have made and be retained if their bid after advertisement is sufficiently close to that of

the high bidder. Such a procedure would be, in my opinion, impossible to administer fairly and could be objected to strenuously by those who have expressed a desire to compete in the future. Using the alternate approach of allowing negotiations after bid opening and awarding to incumbent if he then met the bid of the highest responsible bidder would lessen the interest of others in submitting a bid. Further, it would, to all intents and purposes, relieve the incumbent of the necessity of making an original bid to be entered in the competition to establish fair Governmental return.

You also asked that we comment on the price to be set on equipment taken over by a future lessee but owned by the former leaseholder. Specifically, the questions involved the advisability that AEC appraise the equipment's worth, and require the new tenant to pay the amount concerned. I feel that this action would be an unwarranted interference with the natural negotiation of the buyer and seller. The former lessee does, of course, have the right to remove his equipment if he so desires. On occasion such removal may not be desired, and there is the definite possibility that the owner may be willing to sell at a reduced price. On the other hand, if the equipment is needed by the new lessee for satisfactory operation and is in satisfactory condition, it normally would be to his advantage to pay fair value to avoid the necessity of procuring and installing new equipment.

It is the AEC's policy to assure that any concessionaire show ability to handle adequately the promised service prior to his receiving an award. This is necessary so as to provide best services to the communities that support our technical programs. It is our policy also to assure that the concessionaire knows exactly what he will be furnished and what he is to expect of the Government, for only thus will he receive fair treatment and be able to program his operation and costs. Subject to meeting these two objectives, it is our further effort to assure maximum return for the Government's investment in the facilities concerned.

Under these circumstances, I consider I must reaffirm the earlier decision that concessions, upon completion of termination of the lease agreement, be readvertised for competitive bids.

[p. 5]

For your information, we have been informed by the Los Alamos area office that although the Ferris Cleaners had a full year remaining on their lease, they gave the AEC a 60-day notice of termination on February 1, 1956, and indicated an intention to bid

on the concession when it was advertised by the AEC.

Sincerely yours,

R. W. COOK,
Acting.
K. E. FIELDS,
General Manager.

The committee has also received a letter from one of the leading citizens at Los Alamos with respect to this situation. That letter is:

Hon. CLINTON P. ANDERSON,
United States Senate,
Washington, D. C.

DEAR SENATOR ANDERSON: It has been a matter of considerable concern to a number of residents of Los Alamos that the method of granting concessions at Los Alamos has created an undesirable situation relative to the stability of the community. It has been generally indicated that no other policy would be adopted under the existing law and for that reason many of us have recommended that action be taken to provide for a better procedure in granting concessions. I am writing this letter as a private, and (recently) nonpartisan, citizen in support of the proposed legislation to grant the AEC authority to negotiate concession contracts similar to the authority existing in other Government agencies.

Some of the reasons for my support of that legislation are the following:

1. Whenever concessions are put out on bid, it is necessary for the AEC to accept the highest qualified bidder, and as a result the selected concessionaire often is required to pay a fee to the government far in excess of the value of the facility in which the concession is operated. Although this might appear to be of benefit to the Government, as a practical matter it is not. The purpose of the construction of the facility was to provide services to the people so that Los Alamos would approach a normal community as an inducement to the necessary personnel for the operation of the Los Alamos Scientific Laboratory. Obviously a concessionaire who overpays for a facility will either provide inadequate services or, more likely, will pass the increased costs on to the consumer, thus penalizing the very people for whom the facilities were constructed. Obviously the Government is not in the practice of establishing facilities of the private enterprise type to make money in lieu of taxes.

2. The merchants of Los Alamos as a group have made strenuous efforts to become integrated in the overall operation of Los Alamos and the contractor-operated Government programs. Be-

cause of State laws and the United States Constitution, the merchants are essentially the only commercial taxpayers in Los Alamos and provide a major source of income in the Government-owned Los Alamos County. Furthermore, because all other operations in Los Alamos County are Government reimbursed, the merchants have been solicited as a major supporter of most community enterprises. They have wholeheartedly cooperated and

[p. 6]

have created much good will. It is therefore disturbing to the community that these individuals who have done so much for Los Alamos should be forced to sacrifice the position that they have established in the community over so many years, by reason of open bidding on the termination of their original contracts. It further provides a general feeling of instability in the community, not only to the residents generally but to the employees of the concessionaires.

It is submitted that the AEC has full access to information as to the satisfactory performance of the existing concessionaires, as well as the value of the facilities and their reasonable rental value. Some of the concession facilities at Los Alamos have been granted on flat rent-basis without bid, and an extension of that program is not unreasonable or too difficult to administer. The percentage-of-gross-rental method has been particularly bad and the recent changeover has not come too soon. Inasmuch as the AEC and Congress are considering the opening for sale of certain lands at Los Alamos, the exclusiveness previously granted to concessionaires will no longer apply because others may build their own facilities on such lands.

Very truly yours,

RALPH CARLISLE SMITH.

CHANGES IN EXISTING LAW

In compliance with clause 3 of rule XIII of the Rules of the House of Representatives, changes in existing law made by the bill accompanying this report are shown as follows (new matter is printed in italics):

SEC. 161. GENERAL PROVISIONS.—In the performance of its functions the Commission is authorized to—

> e. acquire such material, property, equipment, and facilities, establish or construct such buildings and facilities, and modify such buildings and facilities from time to time, as it may deem necessary, and construct, acquire, provide, or arrange for such facilities and services (at project sites where such facilities

and services are not available) for the housing, health, safety, welfare, and recreation of personnel employed by the Commission as it may deem necessary, subject to the provisions of [section 174:] *section 174: Provided, however, that in the communities owned by the Commission, the Commission is authorized to grant privileges, leases and permits upon adjusted terms which are fair and reasonable to responsible persons to operate commercial businesses without advertising and without securing competitive bids, but taking into consideration, in addition to the price, and among other things (1) the quality and type of services required by the residents of the community, (2) the experience of each concession applicant in the community and its surrounding area, (3) the ability of the concession applicant to meet the needs of the community, and (4) the contribution the concession applicant has made or will make to the other activities and general welfare of the community;*

[p. 7]

1.1c(3) CONGRESSIONAL RECORD, VOL. 102 (1956)

1.1c(3)(a) June 26: Passed House, pp. 11004–11005

AMENDING THE ATOMIC ENERGY ACT OF 1954

Mr. DEMPSEY. Mr. Speaker, I ask unanimous consent for the immediate consideration of the bill (H. R. 11926) to amend the Atomic Energy Act of 1954, to permit the negotiation of commercial leases at atomic energy communities, and for other purposes.

The Clerk read the title of the bill.

The SPEAKER. Is there objection to the request of the gentleman from New Mexico?

Mr. MARTIN. Mr. Speaker, reserving the right to object, and I am not going to object, I understand this is a unanimous report.

Mr. DEMPSEY. It is a unanimous report from the committee; yes.

Mr. MARTIN. I withdraw my reservation of objection, Mr. Speaker.

The SPEAKER. Is there objection to the request of the gentleman from New Mexico?

There was no objection.

The Clerk read the bill, as follows:

Be it enacted, etc., That section 161 e. of the Atomic Energy Act of 1954, as amended, is amended by striking therefrom the words "section 174;" and substituting in lieu thereof the words: "section 174: *Provided, however,* That in the communities owned by the Commission, the Commission is authorized to grant privileges, leases and permits upon adjusted terms which are fair and reasonable to responsible persons to operate commercial businesses without advertising and without securing com-

[p. 11004]

petitive bids, but taking into consideration, in addition to the price, and among other things (1) the quality and type of services required by the residents of the community, (2) the experience of each concession applicant in the community and its surrounding area, (3) the ability of the concession applicant to meet the needs of the community, and (4) the contribution the concession applicant has made or will

make to the other activities and general welfare of the community;".

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

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[p. 11005]

1.1c(3)(b) July 3: Passed Senate, p. 11719

NEGOTIATION OF COMMERCIAL LEASES AT ATOMIC ENERGY COMMUNITIES

Mr. BIBLE. Mr. President, I move that the Senate proceed to the consideration of calendar No. 2407, House bill 11926.

The PRESIDING OFFICER. The bill will be stated by title for the information of the Senate.

The LEGISLATIVE CLERK. A bill (H. R. 11926) to amend the Atomic Energy Act of 1954 to permit the negotiation of commercial leases at atomic energy communities, and for other purposes.

The PRESIDING OFFICER. The question is on agreeing to the motion of the Senator from Nevada.

The motion was agreed to; and the Senate proceeded to consider the bill.

Mr. ANDERSON. Mr. President, the bill (H. R. 11926) would give an opportunity for the Atomic Energy Commission, in those areas where it makes commercial leases, to follow the practice other Government agencies have followed in giving continuity to the operation of concession facilities.

At the present time the requirement has been that the Atomic Energy Commission can enter into a lease for several years with a concessionaire. At the end of that time, if a concessionaire has given to the community and to the Atomic Energy Commission completely satisfactory service, he still may lose his concession if someone else bids a fraction of a percentage below what he bids.

These concessions are not based on flat payments, but generally are based upon a percentage above the sales cost. That money goes to the Federal Government, and therefore for a few hundred dollars the Atomic Energy authorities in the particular community are forced to displace someone who has given extremely satisfactory service over a long period of years, and give a concession to someone who would cash in on perhaps 5 years of very fine service by the previous concessionaire.

After a considerable hearing of the subject by the Joint Committee on Atomic Energy, we thought it was a bad practice, and agree with the Atomic Energy Commission that it should be stopped. The committee therefore proposes this legislation. The House very promptly passed the bill, and I hope the Senate will likewise promptly pass it.

The PRESIDENT pro tempore. The bill is before the Senate and open to amendment. If there be no amendment to be proposed, the question is on the third reading of the bill.

The bill (H. R. 11926) was ordered to a third reading, read the third time, and passed.

[p. 11719]

1.1d 1956 AMENDMENTS TO THE ATOMIC ENERGY ACT OF 1954

August 6, 1956, P.L. 84–1006, §§2, 3, 4, 12, 13, 70 Stat. 1069, 1071

AN ACT

To amend the Atomic Energy Act of 1954, as amended, and for other purposes.

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That section 11 u. of the Atomic Energy Act of 1954, as amended, is amended to read as follows:

"u. The term 'United States' when used in a geographical sense includes all Territories and possessions of the United States, the Canal Zone and Puerto Rico."

SEC. 2. Section 31 a. of the Atomic Energy Act of 1954, as amended, is amended by inserting after the word "development" in the first sentence thereof the words "and training".

SEC. 3. Section 31 b. and section 31 c. of the Atomic Energy Act of 1954, as amended, are amended by redesignating the sections as sections 31 c. and 31 d. respectively and by adding a new section 31 b. reading as follows:

"b. The Commission is further authorized to make grants and contributions to the cost of construction and operation of reactors and other facilities and other equipment to colleges, universities, hospitals, and eleemosynary or charitable institutions for the conduct of educational and training activities relating to the fields in subsection a."

SEC. 4. Section 161 of the Atomic Energy Act of 1954, as amended, is amended by adding at the end thereof the following new subsection:

"r. The Commission is authorized and empowered, under such terms and conditions as are deemed advisable by it, to grant easements for rights-of-way over, across, in, and upon acquired lands under its jurisdiction and control, and public lands permanently withdrawn or reserved for the use of the Commission, to any State, political subdivision thereof, or municipality, or to any individual, partnership, or corporation of any State, Territory, or possession of the United States, for (a) railroad tracks; (b) oil pipe lines; (c) substations for electric power transmission lines, telephone lines, and telegraph lines, and pumping stations for gas, water, sewer, and oil pipe lines; (d) canals; (e) ditches; (f) flumes; (g) tunnels; (h) dams and reservoirs in connection with fish and wildlife programs, fish hatcheries, and other fish-cultural improvements; (i) roads and streets; and (j) for any other pur-

pose or purposes deemed advisable by the Commission: *Provided,* That such rights-of-way shall be granted only upon a finding by the Commission that the same will not be incompatible with the public interest: *Provided further,* That such rights-of-way shall not include any more land than is reasonably necessary for the purpose for which granted: *And provided further,* That all or any part of such rights-of-way may be annulled and forfeited by the Commission for failure to comply with the terms and conditions of any grant hereunder or for nonuse for a period of two consecutive years or abandonment of rights granted under authority hereof. Copies of all instruments granting easements over public lands pursuant to this section shall be furnished to the Secretary of the Interior."

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[p. 1069]

SEC. 12. Section 103 a. of the Atomic Energy Act of 1954, as amended, is amended by inserting the word "use," between the words "possess," and "import,".

SEC. 13. Section 103 d. of the Atomic Energy Act of 1954, as amended, is amended by inserting the words "an alien or any" between the words "issued to" and the words "any corporation".

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[p. 1071]

1.1d(1) JOINT COMMITTEE ON ATOMIC ENERGY

S. REP. No. 2530, 84th Cong., 2d Sess. (1956)

AMENDING THE ATOMIC ENERGY ACT OF 1954, AS AMENDED

JULY 11, 1956.—Ordered to be printed.

Mr. ANDERSON, from the Joint Committee on Atomic Energy, submitted the following

REPORT

[To accompany S. 4203]

The Joint Committee on Atomic Energy, having considered the subject of various problems relating to the Atomic Energy Com-

mission and the Atomic Energy Act of 1954, report favorably on an original committee bill, S. 4203, and recommend that the bill do pass. This bill takes care of many minor problems on which it has been found necessary or desirable to have legislative action in order to clear up minor points of difficulties in the operations of the Atomic Energy Commission.

The original statement of the Atomic Energy Commission on the bill, as proposed, and comments of the Atomic Energy Commission on the bill are annexed to the last. There is also annexed the letter of the Department of Defense requesting the amendment taken in section 14 and a letter from the Central Intelligence Agency supporting this request.

SECTION BY SECTION ANALYSIS

Section 1 modifies the definition of "United States" specifically to include Puerto Rico and eliminate any question or doubt that it is covered by the Atomic Energy Act of 1954.

Section 2 and section 3 together, amend section 31a of the Atomic Energy Act of 1954 and add a new section 31b. These sections are designed to give the Commission authority to engage in training programs. In addition, they give the Commission the authority to make grants to universities and hospitals for educational and training activities which are related to the fields of research in section 31a and also to permit the Commission to make contributions to the cost of construction and operation of reactors which are used for educational and training activities.

* * * * * * *

[p. 1]

Sections 11 and 12 make perfecting amendments to sections 101 and 103 of the Atomic Energy Act of 1954, by adding "use" as one of the activities for which facilities license is required. This has been implicit in the language and operation of the statute.

Section 13 makes a perfecting amendment to section 103 d. in forbidding the issuance of a facility license to an "alien" as well as any corporation owned by an alien.

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ATOMIC ENERGY COMMISSION

DISCUSSION OF LEGISLATIVE PROPOSALS

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Sections 2–3. Assistance to universities for training nuclear scientists and engineers

This amendment is proposed to clarify the authority of the Com-

mission to meet a critical shortage in the atomic energy program—the shortage of trained scientists and engineers. At present the Commission is doing everything possible within its existing statutory powers to help our educational institutions alleviate this shortage. In addition to on-the-job training for Commission and contractor personnel, it is conducting the Oak Ridge and Argonne schools of reactor technology, and it is now negotiating contracts with two universities for courses which will supplement training given at Argonne. It is planning an expanded fellowship program. It has offered to waive fuel use charges to assist universities in acquiring research reactors and subcritical assemblies.

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[p. 3]

UNITED STATES
ATOMIC ENERGY COMMISSION,
Washington, D. C., July 10, 1956.

Hon. CLINTON P. ANDERSON,
Chairman, Joint Committee on Atomic Energy,
Congress of the United States.

DEAR SENATOR ANDERSON: This is in response to a letter to me from Mr. James T. Ramey, dated July 7, 1956, forwarding a copy of the omnibus bill as reported by the Subcommittee on Legislation to the full committee. Mr. Ramey indicated that the full Joint Committee would be considering this proposed legislation on July 10, 1956, and requested that the Commission provide the committee with an expression of its position on the legislation by that time. Except to the extent indicated by the following comments, the Commission favors enactment of the omnibus bill in its present form.

Section 3 of the bill would add a new subsection 31 b. to the act to authorize the Commission to make grants and contributions to the cost of construction and operation of various facilities by certain institutions for educational and training activities. We construe this language as authorizing the Commission to make contributions of equipment to the institutions specified. Subject to the accuracy of this construction, we also favor the enactment of the amendment in its present form.

Section 11 of the bill provides an amendment to section 101 of the act which the Commission does not believe is needed. By regulation the Commission has prohibited the "use" of any production or utilization facility "except as authorized by a license issued by the Commission" (sec. 50.10, pt. 50, 10 CFR). We believe that the Commission has authority to adopt such a provision under the

various provisions contained in sections 101, 103, 104, and 106 of the act when read together with the rulemaking authority vested in the Commission by section 161 (b) (i) and (q) of the act. This enumeration is not, of course, intended to be exclusive. We would also like to call your attention to the fact that the addition of the word "use" to section 101 would seem to expand very substantially the applicability of section 222. For example, if a facility licensee were to use a facility in any manner constituting a violation of any of the Commission's regulations, the effect of the proposed amendment would seem to make the violation an offense under section 222.

Consequently, the Commission does not favor the amendment contained in section 11 of the bill. However, if you conclude that the word "use" should be added to section 101, we suggest that you consider also the addition of the word to sections 57 (a) 1, 62, and 81. On the other hand, if you conclude that "use" should not be added to section 101, it should similarly not be added to section 103a as provided for in section 12 of the bill.

Finally, we should like to point out that the amendment proposed by section 13 of the bill provides for the insertion of the word "any" which duplicates a word already in section 103d of the act.

Sincerely yours,

K. E. FIELDS,
General Manager.

[p. 8]

1.1d(2) JOINT COMMITTEE ON ATOMIC ENERGY

H.R. REP. No. 2695, 84th Cong., 2d Sess. (1956)

NOTE: The House Report follows the Senate Report.

1.1d(3) CONGRESSIONAL RECORD, VOL. 102 (1956)

1.1d(3)(a) July 18: Passed Senate, pp. 13255–13256

AMENDMENT OF ATOMIC ENERGY ACT OF 1954

Mr. JOHNSON of Texas. Mr. President, I ask unanimous consent that the unfinished business be temporarily laid aside and that the Senate proceed to the consideration of Calendar No. 2569, Senate bill 4203.

The PRESIDENT pro tempore. The bill will be stated by title, for the information of the Senate.

The CHIEF CLERK. A bill (S. 4203) to amend the Atomic Energy Act of 1954, as amended, and for other purposes.

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

There being no objection, the Senate proceeded to consider the bill.

Mr. JOHNSON of Texas. Mr. President, I ask that the Senator from New Mexico make a brief explanation of the bill.

Mr. ANDERSON. Mr. President, with reference to the bill on which the distinguished majority leader asked for an explanation, I wish to say that the bill contains 14 sections, none of which is extremely important in itself, but each one of which deals with some minor problem which needs attention in the operations of the Atomic Energy Commission.

Very briefly, the bill does the following things:

First. Amends the definition of "United States" to be sure that Puerto Rico is included.

Second. Gives the Commission authority to embark upon training programs for the training of scientists and engineers who are so badly needed in the construction program.

Third. Assists in the construction of reactors at universities and hospitals; educational and training activities.

Fourth. Grants right-of-way over Atomic Energy Commission property.

Fifth. Changes the requirement with respect to oaths on Commission applications so that the oaths are mandatory for reactors and optional for other licenses.

Sixth. Adds new criminal sanctions against trespass on Commission property and photographing on Commission property.

Seventh. Makes conforming changes.

Eighth. Brings all of the land at Los Alamos under the jurisdiction of the Atomic Energy Commission.

Ninth. Brings the land at the Weldon Springs site—formerly used by the Weldon Springs Ordnance Works—under the Atomic Energy Commission.

Tenth. Retrocedes exclusive jurisdiction of the Paducah project back to the State of Kentucky.

Eleventh. Inserts the word "use" between the words "possess" and "import," with respect to facility licenses.

Twelfth. Prohibits issuance of a facility license to an alien as well as any corporation owned by an alien.

Thirteenth. Clarifies Department of Defense clearances along the lines that the Congress has already approved.

The Atomic Energy Commission has asked for this bill. The Department of Defense and the Central Intelligence Agency have asked for one section on this bill. So far as I know, there is no

objection to it. I thank the able majority leader for an opportunity to explain the bill.

The PRESIDING OFFICER (Mr. LEHMAN in the chair). The question is on the engrossment and third reading of the bill.

The bill (S. 4203) was ordered to be engrossed for a third reading, read the third time, and passed, as follows:

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[p. 13255]

1.1d(3)(b) July 26: Passed House, pp. 14888–14891

AMENDMENT OF ATOMIC ENERGY ACT OF 1954

Mr. DEMPSEY. Mr. Speaker, I ask unanimous consent for the immediate consideration of the bill (H. R. 12215) to amend the Atomic Energy Act of 1954, as amended, and for other purposes.

The Clerk read the title of the bill.

The SPEAKER. Is there objection to the request of the gentleman from New Mexico?

Mr. COLE. Reserving the right to object, Mr. Speaker, and I shall not object, because I feel that this is a bill that should be adopted by the Congress, however, I take this opportunity to give expression to what I feel to be a most discouraging, destructive, disillusioning, and disappointing situation. For over a month two bills have been on the calendar of the House which would do more to remove the logjam of reactor development of peacetime uses of atomic energy than anything else conceivable that the Congress can do. It appears that no action is going to be taken on those bills. That is to my mind tragic. The responsibility for the failure of this Congress to do the things that it should do to promote the development of peacetime uses of atomic energy must rest squarely on the persons having the responsibility for this Congress.

Mr. MARTIN. Mr. Speaker, will the gentleman yield?

[p. 14888]

Mr. COLE. I yield to the gentleman from Massachusetts.

Mr. MARTIN. I want to say to the gentleman from New York that the President is very anxious about this bill and has been constantly urging its passage. He joins in the expression the gentleman from New York has given here tonight. This is a bill that should be passed before we leave, and I hope it will be passed.

Mr. VAN ZANDT. Is it not true that the Joint Committee on Atomic Energy held lengthy hearings on the bill to provide Federal public liability indemnity program for atomic energy plants and the industry as well as spokesmen for the insurance companies of this country came before our committee and joined in our effort to provide through the bill the necessary relief for the great utilities of this country who are spending millions of dollars in the development of atomic power?

Mr. COLE. The gentleman is entirely right. This bill was reported by the joint committee unanimously with one exception. It determines and fixes the liability of the persons who are expected to own and operate these reactors. Here the Congress by law has called upon private capital to move into this field. Private capital has shown its readiness to do so, but it has hesitated to do so until its liability, when it does so, is determined by law. That is what this bill is designed to do and is intended to do.

Mr. PHILLIPS. Mr. Speaker, will the gentleman yield?

Mr. COLE. I yield.

Mr. PHILLIPS. What concerns me, Mr. Speaker, and I rise to ask the gentleman from New York if I am not right, is that we will not only lose 6 months or more of very valuable time in the race for leadership in atoms for peace, but we may have a tendency to discourage the industrial groups that are planning to help us carry the load of that research and leadership.

Mr. COLE. The gentleman is entirely right. The reactor development program will be delayed just so long as the Congress fails to measure up to its responsibility.

Mr. Speaker, I withdraw my reservation of objection.

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

There was no objection.

Mr. DEMPSEY. Mr. Speaker, I ask unanimous consent to substitute the Senate bill (S. 4203) to amend the Atomic Energy Act of 1954, as amended, and for other purposes, and ask for its immediate consideration.

The Clerk read the title of the bill.

The SPEAKER. Is there objection to the present consideration of the Senate bill?

Mr. HOFFMAN of Michigan. Mr. Speaker, reserving the right to object, is this the same bill that the gentleman said was thrown out earlier in the day?

Mr. DEMPSEY. No; I did not say that. This has never been thrown out so far as I know.

The SPEAKER. This bill has not been before the House.

Is there objection to the present consideration of the Senate bill?

There was no objection.

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[p. 14889]

Mr. HOLIFIELD. Mr. Speaker, I ask unanimous consent to extend by remarks at this point in the RECORD.

The SPEAKER. Is there objection to the request of the gentleman from California?

There was no objection.

Mr. HOLIFIELD. Mr. Speaker, the gentleman from New York and his colleagues, the gentleman from Massachusetts [Mr. MARTIN] and the gentleman from California [Mr. PHILLIPS] come before the House at this late date pleading for legislation which they claim is necessary for the President's atoms for peace plan.

Where were the gentlemen on Tuesday, July 24, when we had a bill before the House that would have accelerated the atomic-powered reactor program by supplying $400 million for the purpose of actually building large power reactors? The gentlemen were in this Chamber cutting the bill to pieces and opposing and voting against the legislation.

The record can be found on page 14288 of the July 24 CONGRESSIONAL RECORD, where the vote plainly shows that almost the solid Republican Party membership voted against House bill 12061, the power reactor acceleration bill. Regardless of how much the gentlemen accuse the Democrats for blocking the atoms for peace program—they can never erase that vote. That vote was the showdown.

Private industry has failed to make good for the past 2 years on their promises and it is my opinion that they will continue to fail for the next 2 years.

They will first ask for subsidized liability insurance.

They then will ask for special tax amortization for their capital plant investment.

The utilities will raise their power rates to their consumers to cover these uneconomic investments.

The private companies who have so far failed to build power reactors will also request many other Government subsidies in the form of long-range contracts paying them high prices for plutonium. They will want the Federal Government to furnish fuel for their reactors at prices lower than Government cost.

They will want their used fuel rods processed by the Government at lower than cost and they will want the deadly radioactive waste disposed of by the Government free or at subsidy prices.

Yes they will find many reasons why they cannot proceed. They will come back to the Congress again and again for special legislation for their selfish benefit and for their private profits.

In the meantime we will lose the international race for leadership to either England or Soviet Russia. This prediction will not come true if we face the fact and proceed in the next 4 or 5 years as we have in the past and continue the development of atomic energy for peacetime uses of all kinds.

When we get through the uneconomic phase of research and development, which I predict will continue for several years, then the economic techniques can be made available on a fair and equal basis to all the people of America and the free world.

I append hereto two newspaper editorials from the Washington Post and Times Herald:

[FROM THE WASHINGTON POST AND TIMES HERALD OF JULY 24, 1956]

ATOMIC POWER BY EXAMPLE

Prospects for prompt and meaningful American leadership in atomic power development are wrapped up in the Gore-Holifield bill now before the House. This bill, which has been approved by the Senate, would authorize the construction of working demonstration power reactors to serve Atomic Energy Commission installations. We hope that the House will pass it. Several weeks ago, before the Senate had acted, we expressed the view that it might be preferable to have top nuclear scientists and engineers first recommend the reactor types that offered the most promise for pilot models. We are now persuaded that the program for building a number of different types, as indorsed by AEC Commissioner Murray, affords more hope for the perfection of techniques that will be of use to a power-short world.

Indeed, this seems to us the most important consideration. Were the question simply one of furnishing power to AEC plants this undoubtedly could be done more cheaply by other means. The United States as a country rich in fossil fuels and with plentiful and relatively cheap electric power, has less incentive than many other nations to develop nuclear power promptly. Moreover, certain nuclear techniques now seem more promising than others, and on a basis of strict economics the construction of a number of different types of reactors might seem wasteful.

But the proposal must be judged on more than its immediate economic merits. The principal question is: How much importance does the United States attach to a practical nuclear power program that will safeguard its own future interest and stimulate development abroad in the fashion envisaged by President Eisenhower? This newspaper regards such a program as of tremendous importance, not only as the most significant kind of technical assistance, but also as a much needed and dramatic diversion from nuclear war. It is on this point that Government leadership is imperative.

It is no reflection on the efforts of private industry to say that the outlook for early private development of economic nuclear power is not bright. One pressurized water reactor is under construction at Shippingport, Pa., and others are in the advanced planning stage. But it is unlikely that private industry can afford to experiment with new techniques that are now expensive but ultimately may prove more economical. Atomic development by private industry ought by all means to be encouraged, and in this connection passage of the bill to provide governmental insurance for atomic powerplants seems to us imperative. But the hope of private participation is not a substitute for Government initiative as the House Appropriations Committee recognized in its report blasting AEC Chairman Strauss for duplicity in opposing the program.

Here the formula in the Gore-Holifield bill seems an ideal one. The power will be produced for a governmental purpose not in competition with private industry, and the process will afford practical experience with actual operating plants. This experience with reactor types is essential in order to afford a realistic test and ultimately reduce the cost, and it cannot be obtained through mere pilot plants. The role is an entirely proper one for the Government, and its assumption now should hasten the day when the bright dreams of plentiful atomic power will become a reality.

[FROM THE WASHINGTON POST AND TIMES HERALD OF JULY 26, 1956]

ATOMIC POWER DEFERRED

Defeat in the House of the Gore-Holifield bill for the construction of atomic power reactors is a tribute to the obstructionism of Lewis Strauss. The Chairman of the Atomic Energy Commission mesmerized the administration into opposing the bill on the ground that the job of developing atomic power can be handled adequately by private industry. This is the same sort of soft soap Admiral Strauss has consistently handed out respecting radiation hazards from nuclear weapons. His begging of the essential questions on the status

of atomic power development so infuriated the House Appropriations Subcommittee that it accused him of "duplicity" and "fraud."

In point of fact the private versus public power issue was wholly extraneous. The reactors to have been built by the Government would have provided power for the Atomic Energy Commission only—and as an incidental to their main purpose, of demonstrating the feasibility of various types of reactors. Only one privately constructed reactor is now in the building stage. Additional plants have been proposed, but because of the cost of atomic reactors and the availability of plentiful cheap power from other sources, there is little incentive for private industry to build on a scale necessary to test new reactor techniques. There will be very little incentive at all unless the House passes a separate bill to provide governmental reinsurance for private atomic power reactors.

The pity of all this is that the administration through the Strauss influence, was placed in the position of sabotaging President Eisenhower's own bright dream of plentiful atomic power for the world. What the House has

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said, with administration blessing, is that this country will take no practical step to advance American leadership in atomic power development. In other words, we leave the initiative in underdeveloped areas to the Russians.

Mr. VAN ZANDT. Mr. Speaker, I rise to speak in favor of sections 2 and 3 of H. R. 12215, now under consideration.

As you will note, these sections amend the existing section 31 a of the Atomic Energy Act of 1954, as amended, which authorizes the Atomic Energy Commission to "exercise its powers in such manner as to insure the continued conduct of research and development activities in the fields specified below, by private or public institutions or persons, and to assist in the acquisition of an ever-expanding fund of theoretical and practical knowledge in such fields. To this end the Commission is authorized and directed to make arrangements (including contracts, agreements, and loans) for the conduct of research and development activities relating to." The act then continues to outline the areas in which authority in this section is to be exercised.

As you know, one of the pioneers among the educational institutions of the United States in perceiving the great necessity to train engineers in the field of nuclear physics was the Penn State University. Realizing this obligation on the part of educational institutions, the Penn State University on its own arranged for the financing and construction of a research reactor which is now in operation on its campus at State University.

Likewise, the University of North Carolina at about the same time undertook on its own a similar project. The foresight and initiative of these institutions deserve the highest commendation.

The Atomic Energy Commission has felt for some time that the existing language of the Atomic Energy Act was not sufficiently clear and, therefore, it has been understandably hesitant to enter into all the various types of arrangements which is felt were necessary to assist universities and other nonprofit institutions in providing them with the facilities to carry forth this important training and research work. For this reason they have requested the clarifying language which appears in section 2 and 3 of S. 4112.

Mr. Speaker, I am heartily in favor of this amendment. Based upon the information I have accumulated as a member of the Joint Committee on Atomic Energy, I realize full well that an ever-expanding program for the construction of training facilities at universities and nonprofit institutions must be undertaken. I am sure the Commission is in favor of such a program and it should be given this clarifying language to permit it to proceed without delay.

As the amendment is now drafted it would permit the Commission to assist not only in the initial setting up of facilities, but also to assist in the continued operation thereafter. It is heartening to note that it is the clear intent of this amendment to permit the Commission to assist the early pioneers in this field in the continued operation

of facilities already constructed by their own initiative. I, therefore, urge each and every member to lend his support to the adoption of this amendment.

The bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

A similar House bill (H. R. 12215) was laid on the table.

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1.1e 1957 AMENDMENTS TO THE ATOMIC ENERGY ACT OF 1954

August 21, 1957, P.L. 85–162, Title II, §§201, 204, 71 Stat. 410

SEC. 201. Section 161 e. of the Atomic Energy Act of 1954, as amended, is amended by adding after the words "adjusted terms which" in the proviso thereof, the following: "(at the time of the initial grant of any privilege grant, lease, or permit, or renewal thereof, or in order to avoid inequities or undue hardship prior to the sale by the United States of property affected by such grant)".

SEC. 204. Section 161 of the Atomic Energy Act of 1954, as amended, is amended by adding the following new subsection:

"s. Under such regulations and for such periods and at such prices the Commission may prescribe, the Commission may sell or contract to sell to purchasers within Commission-owned communities or in the immediate vicinity of the Commission community, as the case may be, any of the following utilities and related services, if it is determined that they are not available from another local source and that the sale is in the interest of the national defense or in the public interest:

"(1) Electric power.
"(2) Steam.
"(3) Compressed air.
"(4) Water.
"(5) Sewage and garbage disposal.
"(6) Natural, manufactured, or mixed gas.
"(7) Ice.
"(8) Mechanical refrigeration.
"(9) Telephone service.

"Proceeds of sales under this subsection shall be credited to the appropriation currently available for the supply of that utility or service. To meet local needs the Commission may make minor expansions and extensions of any distributing system or facility within or in the immediate vicinity of a Commission-owned community through which a utility or service is furnished under this subsection."

Approved August 21, 1957. [p. 410]

1.1e(1) JOINT COMMITTEE ON ATOMIC ENERGY
H.R. REP. No. 978, 85th Cong., 1st Sess. (1957)

AUTHORIZING APPROPRIATIONS FOR THE ATOMIC ENERGY COMMISSION

AUGUST 2, 1957.—Committed to the Committee of the Whole House on the State of the Union and ordered to be printed

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Mr. DURHAM, from the Joint Committee on Atomic Energy, submitted the following

REPORT

[To accompany H.R. 8996]

The Joint Committee on Atomic Energy, having considered H. R. 8996, an original committee bill, to authorize appropriations for the Atomic Energy Commission in accordance with section 261 of the Atomic Energy Act of 1954, as amended, reports favorably thereon and recommends that the bill do pass.

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1.1e(2) JOINT COMMITTEE ON ATOMIC ENERGY
S. REP. No. 791, 85th Cong., 1st Sess. (1957)

NOTE: Senate Report follows House Report.

1.1e(3) COMMITTEE OF CONFERENCE
H.R. REP. No. 1204, 85th Cong., 1st Sess. (1957)

AUTHORIZING APPROPRIATIONS FOR THE ATOMIC ENERGY COMMISSION IN ACCORDANCE WITH SECTION 261 OF THE ATOMIC ENERGY ACT OF 1954, AS AMENDED

AUGUST 20, 1957.—Ordered to be printed

Mr. DURHAM, from the committee of conference, submitted the following

CONFERENCE REPORT

[To accompany H. R. 8996]

The committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H. R. 8996) to authorize appropriations for the Atomic Energy Commission in accordance with section 261 of the Atomic Energy Act of 1954, 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 and agree to the same with an amendment.

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The conference committee adopted subsection 111 a. (3) as contained in the Senate bill.

The Senate added sections 201, 202, 203, and 204 to the bill relating to community problems on which there was no disagreement. The House conferees agreed that these four sections might be included in the bill.

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