Congressional Record

United States of America

PROCEEDINGS AND DEBATES OF THE 83d CONGRESS, SECOND SESSION

SENATE

TUESDAY, MARCH 9, 1954

(Legislative day of Monday, March 1, 1954)

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

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

O Thou to whose all-seeing gaze the darkness and the light are both alike, in all our need we turn unfilled to Thee who hath promised that even in what to us is a shadowed valley Thy rod and Thy staff will still comfort and sustain. Whatever the days may bring, may we work without haste, without stress and strain, in the joy of Thy strength garnering the lessons of the past, alert to the challenge of the present and joyfully confident that the future is in Thy hands, when, to a redeemed earth, cleansed of its iniquity, there shall rise in splendor the city of our God.

Give us this day, O Father, the courage to stand up and speak out fearlessly and honestly in defense of the truth, as Thou dost give us to see it. To our fallible judgments may there come a wisdom not our own, as we give the best that is in us to master the difficulties that confront us in these overburdened days. We ask it in the name of that Holy One who in the briefest time accomplished the most majestic ministry for all the sons of men. Amen.

DESIGNATION OF ACTING PRESIDENT PRO TEMPORE

The legislative clerk read the following letter:

UNITED STATES SENATE,
PRESIDENT PRO TEMPORE,
Washington, D. C., March 9, 1954.

To the Senate:

Being temporarily absent from the Senate, I appoint Hon. JOHN MARSHALL BUTLER, a Senator from the State of Maryland, to perform the duties of the Chair during my absence.

STYLES BRIDGES,
President pro tempore.

Mr. BUTLER of Maryland thereupon took the chair as Acting President pro tempore.

THE JOURNAL

On request of Mr. KNOWLAND, and by unanimous consent, the reading of the Journal of the proceedings of Monday, March 8, 1954, was dispensed with.

MESSAGE FROM THE PRESIDENT

A message in writing from the President of the United States submitting a nomination was communicated to the Senate by Mr. Miller, one of his secretaries.

MESSAGE FROM THE HOUSE

A message from the House of Representatives, by Mr. Chaffee, one of its clerks, announced that the House had passed a bill (H. R. 8127) to amend and supplement the Federal-Aid Road Act approved July 11, 1916 (39 Stat. 355), as amended and supplemented, to authorize appropriations for continuing the construction of highways, and for other purposes, in which it requested the concurrence of the Senate.

ENROLLED BILL SIGNED

The message also announced that the Speaker had affixed his signature to the enrolled bill (S. 2714) to increase the borrowing power of Commodity Credit Corporation, and it was signed by the Acting President pro tempore.

LEAVES OF ABSENCE

Mr. CAPEHART. Mr. President, I ask unanimous consent that I may be absent from the sessions of the Senate this afternoon, tomorrow, and possibly on Thursday, in order that I may attend the funeral of Will H. Hays.

The ACTING PRESIDENT pro tempore. Without objection, leave of absence is granted.

On request of Mr. JOHNSON of Texas, and by unanimous consent, Mr. PASTORE was excused from attendance on the sessions of the Senate for the next 3 weeks because of official committee business.

ORDER FOR TRANSACTION OF ROUTINE BUSINESS

Mr. KNOWLAND. Mr. President, I ask unanimous consent that immediately following the quorum call there may be the customary morning hour for the transaction of routine business, under the usual 2-minute limitation on speeches.

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

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

The ACTING PRESIDENT pro tempore. The Secretary will call the roll.

The Chief Clerk proceeded to call the roll.

Mr. KNOWLAND. I ask unanimous consent that the order for the quorum call be rescinded.

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

PROVISION FOR ORDERLY USE, IMPROVEMENT, AND DEVELOPMENT OF NATIONAL FORESTS AND OTHER LANDS—MOTION TO RECONSIDER

Mr. WELKER. Mr. President, I desire to enter a motion to reconsider the vote by which the bill (S. 2548) to facilitate the administration of the national forests and other lands under the jurisdiction of the Secretary of Agriculture; to provide for the orderly use, improvement, and development thereof; and for other purposes, was passed yesterday by the Senate.

The ACTING PRESIDENT pro tempore. The motion will be entered.

CONCURRENT RESOLUTIONS OF ARIZONA LEGISLATURE

Mr. GOLDWATER presented two concurrent resolutions of the Legislature of the State of Arizona, which were referred to the Committee on Public Works, and, under the rule, ordered to be printed in the RECORD, as follows:

Senate Concurrent Memorial 1

Concurrent memorial requesting Congress to retain the present formula in allocating Federal aid funds to the national system of interstate highways

To the Senate and House of Representatives of the Congress of the United States:

Your memorialist, the Senate of the State of Arizona, the House of Representatives concurring, respectfully represents:

Section 21 of the Federal Aid Highway Act of 1952, in setting forth a formula for the apportionment of funds for the national system of interstate highways, uses a value basis of one-third for State area, one-third for State population and one-third for total State road mileage. Under this method of distribution, Arizona receives annually, 1.54 percent or a net of $3,749,430 out of the total $25 million appropriation.

Under the proposed act of 1954, which sets forth a total of $250 million for interstate highways, the old basis noted above would be abandoned in favor of the population factor alone. This would relegate Arizona to a position in which it would receive the minimum apportionment, 0.75 percent of the total, or a net amount of $1,838,000, whereas if the current formula is retained, Arizona would receive 1.54 percent or a net amount of $3,749,430.

The interstate system embraces a total of 37,158.9 miles. Of this figure, 1,136.9 miles, or 3.1 percent of the total, lie within the boundaries of this State. This places Arizona eighth from the top in the number

AUTHENTICATED U.S. GOVERNMENT INFORMATION GPO

of interstate miles. For an important "bridge" State, and one whose interstate roads are vital to the national defense, the inequity of the proposed formula will be readily discernible to those in positions of authority and experience, and whose understanding embraces logic as well as fairness in matters of highway finance.

In order to cite a comparison which will highlight and emphasize the glaring inequity of the 1954 proposal, attention is directed to the State of Kansas, which has 701.5 miles of interstate mileage, and improvement to the interstate system is fixed at 0.80 percent of the total allocation. Under the proposed formula, Kansas will receive a net amount of $2,919,000. On the other hand, and in sharp contrast, is Arizona's position under the proposed population formula. As previously pointed out, this State has 1,136.9 miles of interstate highways. Arizona's estimated cost of improvement to this system is 0.82 percent of the total allocation, but it is scheduled to receive but 0.75 percent, or a net amount of $1,838,000. Here, then is a case where one State, Arizona, has 435.4 more miles to improve, a higher improvement estimate, but more than $1 million less than the State of Kansas with which to achieve the improvement.

The wisdom and fairness of the current sliding scale formula applicable to States having Federal land holdings in excess of 5 percent, is fully recognized. The extension of this formula to embrace the interstate system in allocating funds under the $250 million appropriation would therefore appear to be justified on the basis of a proven formula which has been an outstanding success for more than 35 years.

Wherefore, your memorialist, the Senate of the State of Arizona, the House of Representatives concurring, earnestly prays:

1. That the Congress of the United States retain the formula set forth under section 21 of the Federal Aid Highway Act of 1952, and that said present formula be applied to all similar legislation which may be enacted and all appropriations which may be authorized for Federal aid to highways, and specifically that it be applied to future interstate allocations.

Senate Concurrent Memorial 2

Concurrent memorial requesting Congress to increase Federal-aid allocations for the highways of the Nation

To the Senate and House of Representatives of the Congress of the United States:

Your memorialist, the Senate of the State of Arizona (the House of Representatives concurring), respectfully represents:

Congress in its wisdom has seen fit to enact and perpetuate legislation fixing the Federal gasoline excise tax at a rate of 2 cents per gallon. The results of such legislation have proven highly beneficial in providing improvements to the Nation's vast network of highways, and the continuance of such a levy, is felt, will reflect great annual highway benefits.

However, it is our understanding that the President of the United States, and many others in positions of authority and experience, also recognize the fact that the sum currently allocated to highways in the form of Federal aid is substantially inadequate. The insufficient condition of our highway system from the standpoints of safety, comfort, and the national defense has for several years been the topic of many discussions. Many theories have been propounded for the alleviation of this condition, and all efforts toward a solution point to a need for added revenue.

The current allocation, even though amounting to the large sum of $575 million annually, still falls far short of the amount received by the Federal Government in the form of excise taxes on gasoline and oil. The annual revenue from these sources is in the neighborhood of $900 million.

It does not appear to be unreasonable to request that funds derived from fuel and oil imposts be returned in full measure to the source of their creation, namely, the highway network of the Nation.

Wherefore your memorialist (the Senate of the State of Arizona, the House of Representatives concurring), earnestly prays:

1. That the Congress of the United States increase the annual amount of Federal aid for highways to $900 million.

INVESTIGATION OF COFFEE PRICES—RESOLUTION OF COMMON COUNCIL, MILWAUKEE, WIS.

Mr. WILEY. Mr. President, I have been pleased to note that an investigation of high coffee prices has begun in both the legislative and the executive branches.

I present a resolution which I received today from the Milwaukee Common Council supporting these investigations in the interest of protecting the American consumer and finding out the necessary facts.

I ask unanimous consent that the resolution be printed in the RECORD and be thereafter appropriately referred.

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

Whereas the recent increase of 5 cents on the price of coffee has caused consternation and protest among the people of our city; and

Whereas it is alleged that the increase is the result of speculation and manipulation of the market and the people look to their Government to protect them from such exploitation: Therefore be it

Resolved by the Common Council of the City of Milwaukee, That we support the President's order for the fullest investigation and for such other action as he may deem fitting and proper to relieve the people from such exploitation; and be it further

Resolved, That a copy of this resolution be sent to the President of the United States, Congress, and the Senate.

FARM INCOME—RESOLUTION OF WISCONSIN RETAIL LUMBERMEN'S ASSOCIATION

Mr. WILEY. Mr. President, I was pleased to receive this morning from H. P. McDermott, secretary of the Wisconsin Retail Lumbermen's Association, a resolution adopted by that organization on behalf of sustaining farm income.

The resolution soundly points out the need to avoid a chain reaction of economic hardship starting in the farm segment of our economy and spreading throughout the rest of our country.

I ask unanimous consent that the resolution be printed in the RECORD, and referred to the Senate Agriculture Committee.

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

Whereas the welfare of the people of the United States is based on a sound economy, one of the most important cornerstones of which is agricultural prosperity; and

Whereas in recent years the position of the farmer has been seriously weakened by falling commodity prices, with resultant loss of income; and

Whereas because of the chain reaction resulting from lessened farm income, all segments of our economic life have been or will be adversely affected, including labor, industry, and retail and service activities: Now, therefore, be it

Resolved by the Wisconsin Retail Lumbermen's Association in convention assembled, That our United States Senators and Representatives be and they hereby are urged to support such measures and take such steps as will restore the security of the farmer and to maintain a sound agricultural economy for the benefit of all. "As the farmer goes so goes the Nation."

THIRTY-SIXTH ANNIVERSARY OF LITHUANIAN INDEPENDENCE

Mr. SMATHERS. Mr. President, on the 14th day of February, the Florida West Coast Lithuanian American Citizens Club observed the 36th anniversary of that nation's declaration of independence, at Tampa, Fla.

I am in receipt of a report of this meeting from Frank J. Saskotas, the chairman. Mr. Saskotas, a citizen of St. Petersburg Beach, Fla., residing at 666 76th Avenue, has written to me saying:

We ask for your sympathy and help in our cause. In furthering our cause, you also further the cause of free American and all freedom-loving peoples of the world.

The meeting adopted the following resolution which is self-explanatory:

This resolution, unanimously adopted the 14th day of February 1954 by the Florida West Coast Lithuanian American Citizen's Club, assembled in mass meeting at Tampa, Fla., to commemorate the 36th anniversary of the declaration of independence by the people of Lithuania:

"Whereas the Republic of Lithuania, a peace-loving and progressive nation, notwithstanding its loyalty to international treaties and agreements, fell victim to the unprovoked aggression and military invasion by Communist Russia and, in spite of all the declarations and obligations solemnly undertaken by the great powers under the Atlantic Charter and the United Nations Charter, is still subjected to the premeditated Kremlin policy of physical, national, cultural, religious, and economic destruction; and

"Whereas similar conditions persist in all the Baltic States and in many other countries of Europe which, at the close of the last World War, were so unfortunate as to find themselves in the bag of huge Soviet military prey; and

"Whereas no peace and stability in the world is possible as long as that part of Europe, comprising over 100 million people, is held in captivity: Therefore be it

"*Resolved,* That this meeting of patriotic American citizens of Lithuanian descent, after having reviewed the present international situation, appeal to the Government of the United States to use, to the utmost, its influence with the United Nations to demand evacuation of all Soviet occupation forces from the territories which they are unlawfully holding by invoking principles and obligations under the Atlantic Charter and the Charter of the United Nations; and be it further

"*Resolved,* That this meeting voice its gratitude to the President, Secretary of State, and to the Congress of the United States of America for the support constantly extended to the cause of independence of Lithuania and, especially, for the recent creation of the select congressional committee to investigate the circumstances under which the seizure and incorporation of the Baltic nations by the Soviet Union took place."

Unanimously adopted this 14th day of February 1954.

JACOB MASKOLUNOS,
President.

Attest:

WILLIAM A. POPELL,
Secretary.

The resolution presented by Mr. SMATHERS was referred to the Committee on Foreign Relations.

SURPLUS FOODS FOR UNEMPLOYED AND NEEDY—RESOLUTION OF ST. PAUL (MINN.) TRADES AND LABOR ASSEMBLY

Mr. HUMPHREY. Mr. President, I ask unanimous consent that a resolution adopted by the St. Paul Trades and Labor Assembly at their regular meeting on February 26, concerning the use of our surplus food for the unemployed and needy, be printed in the RECORD and appropriately referred.

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

Whereas in the Twin Cities area alone the unemployment rate is nearing the 6 percent mark designated by Federal officials as constituting a distress region; and

Whereas in Minnesota and Wisconsin surplus food warehouses currently are stored 39,843,000 pounds of butter, 49,651,000 pounds of cheese, 223,248,000 pounds of dried milk, about 200,000 pounds of dried beef and beef gravy, plus 63 million bushels of wheat and between four and one-half and five million bushels of corn; and

Whereas in the neighboring State of Iowa not only the unemployed but the old-age pensioners, the dependent children, and other needy as well, in 18 counties, already are receiving tons of dairy products and tinned meats which otherwise would only deteriorate in warehouses which already are overflowing with surplus foods while health and living standards of many are endangered; and

Whereas Gov. William S. Beardsley, of Iowa, today reported that the program of using surplus foods to help the needy is proceeding efficiently, without waste, spoilage, or undue difficulty, as result of easily coordinated teamwork between the State and county boards of social welfare in that State; and

Whereas the mechanics of procedure can always be worked out to eliminate any special problems in specific localities, once the will to embark upon the program itself has solidified: Let it hereby be

Resolved, That the St. Paul Trades and Labor Assembly go on record as calling for the establishment as soon as possible of a program designed to turn over to the unemployed and other needy as much of the Government-purchased surplus foods in this area as is needed to provide proper health and nutritional standards; and be it further

Resolved, That the president of the assembly appoint a committee of 5 persons to explore the possibilities and most efficient methods of carrying out such a program, including the sending of one or more such committee members to Des Moines, Iowa, to obtain firsthand information as to the actual procedures being worked out in that State. This with the understanding that the committee then confer with such Sate, county, and local officials as would be involved in carrying out such a program; be it further

Resolved, That the assembly express its appreciation to United States Senator HUBERT H. HUMPHREY, Congressman EUGENE MCCARTHY, and the other members of the Minnesota congressional delegation, representing both major political parties, for their prompt and effective support of a program which should benefit the State as a whole, and particularly the farmers of Minnesota as well as the unemployed and other needy who have a particularly vital stake in the problem of surplus foods and other commodities, due primarily to lack of consumer buying power rather than to overproduction.

Adopted by the St. Paul Trades and Labor Assembly, February 26, 1954.

EXTENSION OF SOCIAL SECURITY PROGRAM—RESOLUTION OF ITASCA COUNTY (MINN.) BAR ASSOCIATION

Mr. HUMPHREY. Mr. President, I ask unanimous consent that a resolution adopted by the Itasca County Bar Association, favoring the extension of the social-security program to include the legal profession, be printed in the body of the RECORD.

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

Whereas the legal profession has for many years contributed both as employer and as general taxpayer in the building up of social-security retirement funds for others; and

Whereas the members of the legal profession who have been unfortunate in their investments are dependent on public relief or their relatives after retirement: Now, therefore, be it

Resolved by the Itasca County Bar Association, That this association go on record as emphatically favoring the extension of social security so as to include the legal profession; be it further

Resolved, That copies of this resolution be sent to the United States Senators from Minnesota, Congressman BLATNIK, and to the Secretary of the State bar association.

Dated February 16, 1954.

ITASCA COUNTY BAR ASSOCIATION,
By J. D. MURPHY, *President.*

Attest:

WARREN H. ANDERSON,
Secretary.

POSTAL SALARIES—RESOLUTION OF NATIONAL POSTAL TRANSPORT ASSOCIATION, ST. PAUL, MINN.

Mr. HUMPHREY. Mr. President, I ask unanimous consent that a resolution adopted by the St. Paul branch of the National Postal Transport Association, concerning postal salaries, be printed in the body of the RECORD, together with the attached report of tabulation of returns from salary questionnaire.

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

RESOLUTION OF ST. PAUL BRANCH, TENTH DIVISION, NATIONAL POSTAL TRANSPORT ASSOCIATION

Whereas the last increase in pay received by postal employees was in 1951 and even then the amount was inadequate to bring their pay up to a level consistent with the cost of living at that time; further

Whereas employees in other lines of endeavor have received several increases since that time and now the cost of living has reached an alltime high, which fact has been recognized recently by both the city of St. Paul and the State of Minnesota, inasmuch as both have recently announced increased compensation rates for their employees. Also many other lines of work have been granted increases recently and some other demands are now being considered by other employers; and further

Whereas in the returns of a salary questionaire recently received from the members of the St. Paul branch, National Postal Transport Association, shows that over 92.6 percent of those replying need an immediate increase of $800 per annum to enable them to adequately provide for their families without either sinking deeper into debt or having their wives obtain employment or obtaining sideline work themselves: Therefore be it

Resolved, That we the members of the executive committee of the St. Paul branch, National Postal Transport Association, request that the Members of the United States Senate and House of Representatives give immediate attention to the enactment of H. R. 2344 and S. 1685 both of which would provide this much needed financial assistance for postal employees; further, be it

Resolved, That immediately after the enactment of this long overdue legislation, that the subject of a general reclassification of postal salary schedules be referred to subcommittees of the Senate and House Post Office and Civil Service Committees for a proper study of that subject in order that a just adjustment may be made in the postal pay rates; and further be it

Resolved, That copies of this resolution be sent to all members of the Senate and House Post Office and Civil Service Committees, all members of the Minnesota congressional delegation, William M. Thomas, national president, and all the 10th division branches of the National Postal Transport Association.

Adopted at St. Paul, Minn., this 5th day of March 1954.

ORIN W. ROOT,
President.

Attest: DONALD J. ROHRER,
Secretary.

Tenth Division, National Postal Transport Association—Report of tabulation of returns from salary questionnaire, Mar. 3, 1954

Branch	Number of reports	Wife works	Clerk and wife work	Clerk only works	No outside work	Needs increase of—	
						$800 or more	Less than $800
Duluth	27	3	4	6	14	22	5
Fargo	56	17	7	10	22	50	6
Fox River	27	4	5	4	14	24	3
Illinois	42	14	5	13	10	40	2
Jamestown	31	13	5	4	9	26	5
La Crosse	31	6	2	6	17	28	3
Minneapolis	164	47	19	29	69	133	31
N. P. Michigan	47	7	6	9	25	45	2
St. Paul	895	67	29	91	208	367	28
Sioux City	54	15	6	8	25	47	7
South Dakota	28	11	5	2	10	25	3
Southern Wisconsin	30	6	7	9	8	26	4
WAT-Port	41	7	4	9	21	32	9
Willmar	13	4	4	0	5	12	1
Wisconsin	57	19	8	11	19	53	4
Total	1,043	240	116	211	476	930	113

Percentagewise we find that twenty-two-plus percent of the wives are working, eleven-plus percent, both the clerk and his wife are working and twenty-plus percent of the clerks are doing outside work. That over 54 percent of the members reporting find it necessary that either they, their wife, or another member of the family work and in some cases themselves and wife or children are working to enable them to keep on an even keel financially. (Note figure 240 includes cases where either the wife or another member of family is working.) Eighty-nine-plus percent feel they need an increase of $800 or more to maintain a satisfactory standard of living without extra outside work.

Comments: "Salary so small no provision can be made for savings or emergencies. And extra expense such as unexpected sickness must be met by sacrifice of actual necessities." "Had some savings when I entered the service but all gone now." "Car over 5 years old." "Still have furniture we originally bought, see no chance of getting anything new." "Raise long overdue." "Unable to maintain decent standard of living. No reserve funds available. If a Member of Congress needs a $12,000-a-year raise, surely $1,200 is not too much for a postal clerk."

Fraternally submitted.

ORIN W. ROOT,
Vice President and Division Legislative Chairman.
ST. PAUL, MINN.

COLLECTION OF EXCISE TAXES AT RETAIL LEVEL—RESOLUTION OF TENNESSEE PHARMACEUTICAL ASSOCIATION, MEMPHIS, TENN.

Mr. HUMPHREY. Mr. President, I ask unanimous consent to have printed in the body of the RECORD a resolution that has come to my attention, adopted by the 66th annual convention of the Tennessee Pharmaceutical Association. The association met in convention at Memphis, Tenn., on May 25, 1953.

There is growing opposition on the part of the retail merchants in having the excise tax collected at the retail level.

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

The following is a copy of resolution No. 3, adopted by the 66th annual convention of the Tennessee Pharmaceutical Association, which met in Memphis, Tenn., on May 25, 1953:

"Whereas the collection of Federal excise tax at the retail level has created a constant state of confusion both in the minds of the consumers and in the minds of the retailers; and

"Whereas no suitable and practical method of accurately collecting this tax has been formulated either by the Federal Government, the manufacturers, or the retailers; and

"Whereas it is virtually impossible for any retailer to conduct this tax collection in a satisfactory manner; and

"Whereas the tax places an undue hardship and burden of both time and expense on the retailers; and

"Whereas we maintain that the proper place to collect this tax without placing a burden on anyone is at the original source of supply: Therefore be it

"*Resolved*, That we go on record as strongly opposing the present method of collection of the excise tax at the retail level, and further resolve that we shall through our congressional delegation attempt to obtain the proper legislation to establish the collection of the said excise tax at the original source of supply."

The motion to adopt was duly made and seconded, and the above resolution was adopted. Since the adoption of this resolution, retailers in Tennessee have been assessed thousands of dollars by agents of the Internal Revenue Service, who have come into the places of business of the retailers and completely ignored any records of sales that the retailer might have, and have assessed the retailers not on the sale of merchandise as the law stipulates, but on the record of purchases taken from the invoices of the retailers, with no consideration being given to the loss to the retailer by such means as pilferage, breakage, merchandise going out of date, evaporation, and many other means by which the merchandise was not sold at the regular retail price. Their method being that of analyzing the invoices of 1 year's purchases of taxable items adding to that a percentage of profit of their own decision taking the gross amount of what they think the sales should have been by using this method, and then using that amount against the gross sales for that particular year and arriving at a percentage and using that percentage figure to apply to a period of 4 years, and that is the assessment that is placed against the retailer.

Further, there are literally thousands of retail merchants in the State of Tennessee who have never collected any tax on this type of merchandise, and the department so far has made no effort to uncover this large loophole in excise-tax collections, which group by the simple method of not charging a tax on the merchandise that should be taxed create an unfair competition with those who do collect the tax.

The Tennessee Pharmaceutical Association, along with other interested groups, feels that 1 of 2 things are necessary at this time, if the honor and integrity of the retail industry is to be maintained, preferably a repeal of the excise tax on cosmetics. Cosmetics have long ceased to be a luxury, and we think you will agree that in our modern way of life, they are a necessity for the modern woman of today. Therefore, why should such items as lipstick, face powder, hair preparations, etc., be classed as a luxury and subject to 20-percent tax. But should Congress refuse to share the views of many of us concerning the above items, it would most certainly be more efficient, more economical, and the tax more justly spread to place the tax on the merchandise when it leaves the manufacturer and before it goes through the channels of distribution.

We respectfully ask that you, as a representative of the United States Congress, give these facts your earnest consideration, and use every effort to see that retail merchants can be relieved of the Gestapo methods used by the Internal Revenue Service of this United States of ours, which is supposed to be free of any such methods as are used by the above-mentioned group.

PRICE SUPPORTS—LETTERS, RESOLUTIONS, PETITIONS, ETC.

Mr. HUMPHREY. Mr. President, supplementing my insertions in the RECORD of yesterday, I shall present additional resolutions and petitions urging a farm price support program of from 90 to 100 percent of parity.

I present a letter from the Goodhue County Farmers Union, an advertisement by the Oklee Commercial Club of Oklee, Minn., and a letter and petition from Baudette, Minn. Rather than list the names on this petition, I ask that letters and petition be printed at this point in the RECORD with the notation that it was signed by 77 nonfarm people.

There being no objection, the letter and the body of the petition, were ordered to be printed in the RECORD, as follows:

Hon. HUBERT HUMPHREY,
Senate Office Building,
Washington, D. C.

MY DEAR SENATOR: The Goodhue County Farmers Union has at present time about 325 members and the membership is growing steadily.

As farmers we are greatly alarmed at the action taken by Secretary Ezra T. Benson in reducing dairy price supports on dairy products to 75 percent of parity. We believe that his action will destroy farmers' buying power and will also injure the economic structure of all business.

We feel that our congressional representatives should at this session of Congress take legislative action to annul such unfair administrative action by the United States Department of Agriculture.

As farmers we feel the lowering of price supports on soybeans, flax, and dairy products, together with cuts in acreage will mean that farmers are headed for a severe economic depression in 1954. We want to leave no doubt in our congressional Representatives' minds that as farmers we stand for rigid price supports.

Sincerely,
GOODHUE COUNTY FARMERS UNION,
ARNOLD BORAAS, *President.*
RICHARD PETERS, *Vice President.*
WALTER CALLSTROM,
Secretary-Treasurer.

OKLEE BUSINESSMEN SAY FULL PARITY FOR FARMERS

The Oklee Commercial Club, at its regular meeting held Monday, March 1, 1954, declared their absolute support of, and passed the following resolution:

"*Resolved*, That we go on record as favoring no less than 100 percent parity for the basic farm commodities. This is essential because there must be provided adequate price and income protection to the producer if we are to reach the goal of agricultural equality with the rest of the economy.

"We do not favor the present proposed flexible price-support system.

"We urge continuation of production control and continuation of the soil conservation program."

Copies of this resolution have been sent to our United States Senators and Representatives in Washington, D. C.

OKLEE COMMERCIAL CLUB.

BAUDETTE, MINN., *March 5, 1954.*

Hon. HUBERT HUMPHREY.

DEAR SIR: Enclosed you will find a list of Baudette businessmen who support your parity program. By the list you will see that the support was very satisfactory.

I also wish to subscribe to your program.

Also, I wish to thank you for your courtesy and friendliness while I was at your office some time ago.

Sincerely yours,

B. J. SALIN.

PARITY FOR THE FARMERS

Whereas Lake of the Woods County is primarily an agricultural area, the following businessmen of Baudette, Lake of the Woods County, Minn., do hereby go on record as favoring appropriate action to be taken by the Congress of the United States to insure that at least 90 percent of parity prices be maintained for agricultural products and commodities.

We urge this action be taken because we realize that unless farmers have adequate buying power they cannot buy the products and services of local businessmen.

The type of farming in this area is primarily dairying. We, therefore, feel the recent announcement by the Secretary of

Agriculture reducing the support price for butter from 90 percent to 75 percent is far too drastic and will have serious economic effects in our area and the State of Minnesota.

We urge more widespread use of butter and other dairy products by Federal and State institutions and by the Armed Forces of the United States.

Mr. HUMPHREY. Mr. President, I present petitions from Murdock and DeGraff, Minn. Rather than repeat this petition which appeared in the RECORD yesterday, I want the RECORD to show that a total of 37 nonfarm people from Murdock and DeGraff recognizing everybody's stake in a sound farm program have gone on record in support of 90 to 100 percent of parity.

REPORTS OF A COMMITTEE

The following reports of a committee were submitted:

By Mr. PURTELL, from the Committee on Labor and Public Welfare, without amendment:

H. R. 6434. A bill to amend sections 401 and 701 of the Federal Food, Drug, and Cosmetic Act so as to simplify the procedures governing the establishment of food standards (Rept. No. 1060).

By Mr. PURTELL, from the Committee on Labor and Public Welfare, with an amendment:

H. R. 6702. A bill to authorize the care and treatment at facilities of the Public Health Service of narcotic addicts committed by the United States District Court for the District of Columbia, and for other purposes (Rept. No. 1061).

ENROLLED BILL PRESENTED

The Secretary of the Senate reported that on today, March 9, 1954, he presented to the President of the United States the enrolled bill (S. 2714) to increase the borrowing power of Commodity Credit Corporation.

BILLS AND JOINT RESOLUTIONS INTRODUCED

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

By Mr. DIRKSEN:

S. 3086. A bill to provide for the designation of the United States Veterans' Administration Hospital at Chicago, Ill., as the Albert A. Sprague Veterans' Memorial Hospital; to the Committee on Labor and Public Welfare.

By Mr. HOLLAND:

S. 3087. A bill for the relief of Peter Charles Bethel (Peter Charles Peters); to the Committee on the Judiciary.

By Mr. SALTONSTALL:

S. 3088. A bill to provide for the establishment in the Department of Labor of a Federal Safety Division, and for other purposes; to the Committee on Labor and Public Welfare.

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

By Mr. SCHOEPPEL:

S. 3089. A bill to make it a Federal offense to kill or assault a Member of Congress while engaged in the performance of his official duties, or on account of the performance of his official duties; to the Committee on the Judiciary.

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

By Mr. MARTIN (by request):

S. 3090. A bill to authorize the transmission and disposition by the Secretary of the Interior of electric energy generated at Falcon Dam on the Rio Grande; to the Committee on Public Works.

By Mr. SMITH of New Jersey:

S. 3091. A bill to reimburse and to compensate the Geo. D. Emery Co.; to the Committee on the Judiciary.

By Mr. KERR (for himself, Mr. HUMPHREY, Mr. MCCLELLAN, Mr. FREAR, Mr. STENNIS, Mr. ANDERSON, Mr. CHAVEZ, Mr. KILGORE, Mr. ELLENDER, Mr. HUNT, Mr. JOHNSTON of South Carolina, Mr. MONRONEY, Mr. LONG, Mr. GILLETTE, Mr. SPARKMAN, Mr. LENNON, Mr. HILL, Mr. KEFAUVER, Mr. SMATHERS, Mr. CLEMENTS, Mr. BURKE, Mr. EASTLAND, Mr. MANSFIELD, Mr. WILEY, Mr. YOUNG, Mr. SYMINGTON, Mr. LANGER, Mr. DWORSHAK, and Mr. DOUGLAS):

S. 3092. A bill to provide supplementary benefits for recipients of public assistance under Social Security Act programs through the issuance to such recipients of certificates to be used in the acquisition of surplus agricultural food products; to the Committee on Finance.

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

By Mr. HUNT:

S. 3093. A bill for the relief of Mrs. Kathleen Schrater; to the Committee on the Judiciary.

By Mr. JOHNSON of Colorado:

S. 3094. A bill for the relief of Christa Harkrader; to the Committee on the Judiciary.

S. 3095. A bill to regulate multiple ownership of television broadcast stations; to the Committee on Interstate and Foreign Commerce.

By Mr. SALTONSTALL (by request):

S. 3096. A bill to further amend section 4 of the act of September 9, 1950, in relation to the utilization in an enlisted grade or rank in the Armed Forces of physicians, dentists, or those in an allied specialist category; to the Committee on Armed Services.

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

By Mr. SALTONSTALL:

S. 3097. A bill to extend the benefits of the Combat Duty Pay Act of 1952, to members during entire period they were in a missing-in-action status; to the Committee on Armed Services.

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

By Mr. WILEY:

S. J. Res. 138. Joint resolution establishing a Commission on International Agreements; to the Committee on the Judiciary.

(See the remarks of Mr. WILEY when he introduced the above joint resolution, which appear under a separate heading.)

By Mr. BUTLER of Nebraska:

S. J. Res. 139. Joint resolution authorizing the Secretary of the Interior to authorize erection of a memorial gift from the people of the Netherlands; to the Committee on Interior and Insular Affairs.

PENALTY FOR ATTACKS ON MEMBERS OF CONGRESS

Mr. SCHOEPPEL. Mr. President, I introduce for appropriate reference a bill to make it a Federal offense to kill or assault a Member of Congress while engaged in the performance of his official duties, or on account of the performance of his official duties. I ask unanimous consent that a statement by me relating to the bill be printed in the RECORD.

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

The bill (S. 3089) to make it a Federal offense to kill or assault a Member of Congress while engaged in the performance of his official duties, or on account of the performance of his official duties, introduced by Mr. SCHOEPPEL, was received, read twice by its title, and referred to the Committee on the Judiciary.

The statement by Mr. SCHOEPPEL is as follows:

STATEMENT BY SENATOR SCHOEPPEL

The bill I have introduced would make it a Federal offense to assault or to kill a Member of Congress while he is engaged in the performance of his official duties, or on account of his having performed his official duties.

By means of this bill, the United States Government will be enabled to assume criminal cognizance of certain criminal acts now exclusively within the respective jurisdictions of the 48 States and the District of Columbia. Accordingly, Federal law-enforcement authorities shall be empowered to apprehend, to prosecute, and to punish anyone who assaults or kills a Member of Congress who is engaged in performing his official duties, or on account of his having performed them.

Such protection by Federal statute has been proved satisfactory in its record of application to a number of specific classes of officers and employees in the executive and judicial branches. As will be recalled, Congress on past occasions has provided that it is a Federal offense to assault or to kill any Federal judge, United States attorney, United States marshal, FBI agent, or certain other designated employees of the United States. Just as Congress has previously decided such legislative action was necessary and proper, I believe that it will again so decide in respect to this measure.

The desirability of extending to Members of Congress the protection of the laws of the United States may be stated briefly. A paramount consideration is that the enactment of such a law will thereby confer upon the Department of Justice and its Federal Bureau of Investigation authority to act immediately should an attack upon a Member of Congress take place. This fact in itself will have a strong deterrent effect upon those contemplating bodily harm to a Congressman.

I also wish to say that the application of Federal laws to the offenses under consideration should make for a reasonable uniformity in punishment, the place of the crime notwithstanding. It may be observed that, among the various State jurisdictions, the penalties for the crimes of assault, manslaughter, and murder differ significantly. For example, six States, namely, Maine, Michigan, Minnesota, North Dakota, Rhode Island, and Wisconsin, do not permit capital punishment. Under the United States Criminal Code, the penalty for first-degree murder is death unless life imprisonment is recommended by the jury.

It may be that an intensive study of the problem of Federal jurisdiction in the case of crimes committed against various Federal officers will reveal that there are others who should likewise be brought within the protection of the laws of the United States. If so, the proper amendment can be made.

I hope that this proposal will receive prompt consideration by the members of the Judiciary Committee.

FEDERAL SAFETY DIVISION, DEPARTMENT OF LABOR

Mr. SALTONSTALL. Mr. President, I introduce for appropriate reference a bill designed to improve the performance of the Federal Government in the field of accident prevention.

To date the Government's performance in this field is shockingly bad. Every year, preventable accidents to Government employees are causing untold human suffering. In compensation payments, medical care, and loss of work, they are costing American taxpayers millions and millions of dollars.

According to Labor Department records, 486,062 civilian Federal employees were injured in the 6-year period from 1947 to 1952. Fatal accidents took the lives of 1,547 Federal workers. Man-days lost totaled 17,725,358. Direct and indirect accident costs to the Federal Government during the 6-year period amounted to more than $563 million for occupational accidents alone.

Production time lost as the direct result of disabling injuries was the equivalent of the loss of 77,066 workers. In man-hours the cost to the taxpayer totaled more than $217 million at an average hourly rate of $1.54.

Some accidents are, of course, bound to occur, no matter how effective the safety program being enforced, but the Government's record, on the whole, is much poorer than that of private industry. A fundamental reason is incentive. In private industry, a poor safety record eats into profits. It pays, therefore, to see to it that a properly trained full-time staff is on the job promoting the development of improved safety measures.

This recognition of the importance of an effective safety program has led to really impressive reductions of the accident frequency rates in private industry during the last 10 years. In the communications, cement, steel, and shipbuilding industries for example, the accident rates have been reduced by over 70 percent. According to current figures, the accident rates in these industries are now:

Communications	1.79
Cement	4.22
Steel	4.50
Shipbuilding	4.81
Average	3.83

The work of most Government employees certainly is not more hazardous than that in these industries, but compare the accident rates in four subdivisions of the Federal Government:

District of Columbia	18.8
General Services Administration	15.9
Interior Department	14.8
Post Office Department	13.1
Average	15.6

The Federal Government should be a leader, not an also-ran, in the field of accident prevention. There is in existence, it is true, a Federal Safety Council whose purported function is to coordinate the safety programs of the various Government departments and agencies. But the Council has no full-time staff, and meets only once or twice a year. The agencies represented on the Council, moreover, are not directly chargeable with the costs of their own safety record, good or bad.

Mr. President, this bill is aimed primarily at repairing these two deficiencies. In place of the present Federal Safety Council, it establishes a Federal Safety Division in the Department of Labor, under the direction of a full-time Director, with a small but highly trained staff.

It will be the duty of the Director to advise the Secretary of Labor with respect to the development and maintenance of adequate and effective safety organizations and programs in the several executive agencies and with respect to criteria, standards, and procedures designed to eliminate work hazards and health risks and to prevent injuries and accidents in Federal employment.

In addition to the promotion of safety measures aimed at preventing injuries and accidents in Federal employment, it will be the duty of the Director of Federal Safety to encourage programs designed to reduce the number of tort claims against the Government resulting from injury to private persons and property caused by officers and employees of the Federal Government. No overall figures on the cost of tort claims are available, but in 1952 the cost to the Post Office Department alone exceeded $900,000. I have, accordingly, proposed the prevention and reduction of tort claims as an additional function of the Safety Division, because the measures necessary to reduce such claims are very closely related to those concerned with reducing accidents to Federal employees themselves. This, I am glad to say, is the view of the Attorney General, who wrote me on September 25, 1953, that he concurs in principle with this proposal.

To advise the Safety Division, section 6 of the bill establishes a Federal Safety Advisory Committee, with representation of all Government departments and agencies. While in many respects comparable to the existing Federal Safety Council, the Advisory Committee would include representatives of Federal Government employees' unions, which are not represented on the Council. This is a positive forward step, welcomed by the national officers of Government unions with whom I have discussed this bill. They are deeply conscious of the need for improving the safety measures applicable to the 600,000 workers whom they represent, and they have pledged their full support of the bill.

With the aim of making Government departments and agencies more acutely conscious of the cost of carelessness, section 7 of the bill makes each department and agency separately accountable for its accident losses. Prior to August 15 of each year, the Secretary of Labor is required to furnish each agency the latest available figures showing the pure premium cost for past work injuries sustained by its employees. The agency is then required to include an amount equal to this premium cost in its annual budget estimates. Such a step, I am convinced, will do a great deal to create in department and agency heads an incentive to reduce accident costs, comparable to the incentive which has made the safety programs of private industry so much more effective than those of the Federal Government.

Mr. President, this bill is a product of discussions with representative of the National Safety Council, the Department of Labor, the Social Security Administration, the Bureau of the Budget, and, as I have already mentioned, the representatives of Government employees' unions. I hope that hearings on it can soon be held, because I believe it can be the means of bringing about real improvement in the safety record of the Federal Government.

Mr. President, I am respectfully asking the chairman of the Committee on Labor and Public Welfare to appoint a subcommittee in which public hearings on this bill can be held.

The ACTING PRESIDENT pro tempore. The bill will be received and appropriately referred.

The bill (S. 3088) to provide for the establishment in the Department of Labor of a Federal Safety Division, and for other purposes, introduced by Mr. SALTONSTALL, was received, read twice by its title, and referred to the Committee on Labor and Public Welfare.

AMENDMENT OF DOCTORS DRAFT ACT

Mr. SALTONSTALL. Mr. President, by request, I introduce for appropriate reference a bill amending the so-called Doctors Draft Act.

I ask that the accompanying letter attached to the bill be printed in the CONGRESSIONAL RECORD immediately following the listing of the bill itself.

Mr. President, under the amended form of the Doctors Draft Act, an individual inducted or ordered into military service as a physician or dentist must be granted a commission if he is to be utilized in his professional capacity.

The purpose of the bill is to remove the mandatory requirement that individuals in these specialized categories shall be given commissions. If the bill is enacted they could be utilized in their professional capacities although serving in an enlisted status.

The ACTING PRESIDENT pro tempore. The bill will be received and appropriately referred; and, without objection, the letter accompanying the bill will be printed in the RECORD.

The bill (S. 3096) to further amend section 4 of the act of September 9, 1950, in relation to the utilization in an enlisted grade or rank in the Armed Forces of physicians, dentists, or those in an allied specialist category, introduced by Mr. SALTONSTALL (by request), was received, read twice by its title, and referred to the Committee on Armed Services.

The letter accompanying Senate bill 3096 is as follows:

ASSISTANT SECRETARY OF DEFENSE,
LEGISLATIVE AND PUBLIC AFFAIRS,
Washington, D. C., March 8, 1954.

Hon. RICHARD M. NIXON,
President of the Senate.

DEAR MR. PRESIDENT: There is forwarded herewith a draft of legislation "to further amend section 4 of the act of September 9,

1950, in relation to the utilization in an enlisted grade or rank in the armed services of physicians, dentists, or those in an allied specialist category."

This proposal is a part of the Department of Defense legislative program for 1954 and the Bureau of the Budget advises that it has no objection to the presentation of this proposal to the Congress. It is recommended that this proposal be enacted by the Congress.

PURPOSE OF THE LEGISLATION

The purpose of this proposed legislation is to remove any doubt that may exist as to the authority of the Armed Forces to retain and utilize in a professional capacity in an enlisted grade or rank any physician, dentist, or person in an allied specialist category who has been inducted or ordered to active duty under the so-called Doctors Draft Act.

Section 4 (a) of the Doctors Draft Act, as amended by section 3 of Public Law 84, 83d Congress (50 U. S. C. App. 454a), now provides:

"SEC. 4. (a) Notwithstanding subsection 217 (c) of the Armed Forces Reserve Act of 1952 (66 Stat. 481) or any other provision of law, any person liable for induction under the act of September 9, 1950, as amended, or any member of a reserve component who has been or shall be ordered to active duty on or before July 1, 1955, as a physician, dentist, or in an allied specialist category in the Armed Forces (including the Public Health Service) of the United States shall, under regulations prescribed by the President, be appointed, reappointed, or promoted to such grade or rank as may be commensurate with his professional education, experience, or ability."

The Department of Defense, in relying upon the decision of the Supreme Court in *Orloff* v. *Willoughby* (345 U. S. 83 (preliminary print, 1953)), had construed the Doctors Draft Act as authorizing the Armed Forces to retain and utilize in a professional capacity in an enlisted grade or rank those persons who are inducted under that act but who fail otherwise to meet the qualifications for a commission as an officer. That decision, however, was based upon the Doctors Draft Act prior to the amendment of section 4 thereof by Public Law 84, 83d Congress. Section 4 as originally enacted then provided, in part, that a physician or dentist recalled to active duty in the Armed Forces "may, under regulations prescribed by the President, be promoted to such grade or rank as may be commensurate with his medical or dental education, experience, and ability."

Subsection (a) of section 4, as that section was later amended by Public Law 84, 83d Congress, now provides that a physician, dentist, or person in an allied specialist category, who has been inducted or ordered to active duty "shall, under regulations prescribed by the President, be appointed, reappointed, or promoted to such grade or rank as may be commensurate with his professional education, experience, or ability."

Subsequent to that amendment of the Doctors Draft Act by Public Law 84, 83d Congress, the United States Court of Appeals for the Fourth Circuit decided on February 9, 1954, the case of *Nelson* v. *Peckham*. That case held, on an application for a writ of habeas corpus, that in view of that amendment "If [a dentist inducted under the Doctors Draft Act be held] not fit to be an officer, he should be held not fit for the services for which he has been drafted and should be dismissed." The opinion further stated that "the case will be remanded with direction to order that appellant be released from service unless accorded rank and grade as provided by statute." Although consideration has been given to filing a petition for a writ of certiorari in the Supreme Court of the United States in that case, the decision of the United States Court of Appeals would, if followed, deny the authority of the Armed Forces to retain and utilize such persons in a professional capacity in enlisted grades. In order to retain doctors, dentists, or persons in an allied specialist category in the Armed Forces and utilize their services in a professional capacity, the Armed Forces would be required to commission them and to promote them in accordance with their "professional education, experience, and ability" irrespective of their moral or other qualifications for commissioned rank. This proposal would avoid such a situation.

COST AND BUDGET DATA

The enactment of this proposed legislation would not result in any additional cost to the Government.

Sincerely yours,

FRED A. SEATON.

Mr. SALTONSTALL. Mr. President, the Committee on Armed Services expects to hold a public hearing on the bill Thursday, March 18. I have talked with the Secretary of Defense, and it is my understanding that Mr. Wilson, Admiral Radford, General Ridgway, Mr. Stevens, and any others whom the Department of Defense may wish to have appear before the committee will testify, at a public hearing, as to the actions which the Department of Defense and the Department of the Army are taking with relation to Communists and other subversives who may be serving or may have served in the ranks of the armed services. They will testify as to what should be done, and what steps are being taken. Those witnesses will appear at a public hearing on Thursday, March 18, in connection with the bill which I have just introduced.

EXTENSION OF BENEFITS OF COMBAT DUTY PAY ACT TO CERTAIN MEMBERS OF ARMED FORCES

Mr. SALTONSTALL. Mr. President, I introduce for appropriate reference a bill to extend the benefits of the Combat Duty Pay Act of 1952, to members during entire period they were in a missing-in-action status.

At the present time a man who is in the missing-in-action status receives combat pay for only 3 months. This bill would allow him to receive such pay until the missing-in-action status is terminated in one way or another.

The bill (S. 3097) to extend the benefits of the Combat Duty Pay Act of 1952, to members during entire period they were in a missing-in-action status, introduced by Mr. SALTONSTALL, was received, read twice by its title, and referred to the Committee on Armed Services.

COMMISSION ON INTERNATIONAL AGREEMENTS

Mr. WILEY. Mr. President, the Senate recently completed debate on the treatymaking and executive agreement powers of the United States. It rejected the so-called Bricker amendment by decisive votes. It failed to approve the George amendment by one vote. The debate in the Senate indicated a deep and abiding concern in the devices and instrumentalities of the Federal Government in the conduct of its foreign relations.

Mr. President, I opposed the Bricker amendment and all of the amendments thereto because I felt that they would impair the power of the President to conduct the foreign affairs of this Nation in these critical times. I also opposed the amendments to the Bricker amendment because I could not approve the writing of amendments to the Constitution on the floor of the Senate, where we were subject to the emotional impact of debate, and were operating without the benefit of public hearings and careful consideration of the proposed amendments.

I am not opposed to careful, objective study of the powers of the President in the making of executive agreements and in negotiating treaties. His powers are so important to our self-preservation and to our liberties that they deserve our most profound study.

I have prepared a joint resolution authorizing the creation of a Commission on International Agreements, composed of eminent Americans, to examine our debates of the past weeks and to come up with their best analysis, thinking, and recommendations for the consideration of the Congress.

WHAT THE RESOLUTION DOES

First. The resolution calls for the creation of a 16-man Commission to be appointed as follows:

(a) Eight members to be selected from the Senate and the House of Representatives, 4 of whom are to be chosen by the Vice President and 4 by the Speaker of the House;

(b) Two members to be selected from the executive branch of the Government by the President of the United States;

(c) Two members to be selected by the Chief Justice of the United States from among individuals with judicial experience; and

(d) Four members to be selected from among the public at large by the President and by the Chief Justice.

Second. Provision is made for the Commission to be equally divided as between members of the two major political parties.

Third. The resolution calls for the Commission to report its recommendations to Congress by March 1, 1955, in plenty of time if proposals need to be acted upon at the next session of Congress.

Fourth. The resolution gives the Commission adequate staff to carry out its assignments.

ADVANTAGES OF THE COMMISSION STUDY

Mr. President, there are a number of advantages to be obtained if we authorize the creation of this Commission at once. Permit me to list a few:

First, by asking this bipartisan Commission to examine this most important problem, we will take it out of politics. Amendment of the Constitution should not be a partisan matter. I think most of us must candidly admit that the debate in the Senate on the so-called Bricker amendment had some political overtones. At least, in my State there have been many overtones, and I have been the object of some of them; but, Mr. President, I might say parenthetically that those overtones are dying down, so far as the Bricker amendment is concerned.

Second, Members of the House of Representatives will serve on the Commission. Surely it is clear by now that the House and the Senate will be at loggerheads if, for example, the Senate should require that executive agreements must be approved by a two-thirds vote of the Senate, as was suggested last week by the senior Senator from Georgia [Mr. GEORGE], and if the House should require that all treaties be approved by a simple majority of both Houses, as was proposed last week by a ranking member of the House Foreign Affairs Committee.

Third, by creation of this Commission we will be following the suggestion of President Eisenhower who has not been able as Chief Executive to give his outright endorsement to any of the proposals we have considered here. I am sure that President Eisenhower will not oppose the most careful and analytical study of this problem.

Fourth, the Commission should be able to give us good solid recommendations to guide us at the next session of the Congress. It will not take prerogatives away from the Senate. But it will give us a good takeoff point for consideration of any proposals which may be submitted next year.

President Eisenhower was elected with the greatest majority any President has ever had. I have no fear that he will take advantage of alleged loopholes in our Constitution during the next year; and I, myself, do not think there are any loopholes. Time is not of the essence in acting on the proposed changes in our Constitution.

Mr. President, it will do us good to stop, look, and listen before we embark on any constitutional changes as broad as those we have considered here. This Commission will give us that chance.

I now introduce the joint resolution and ask that it be appropriately referred.

The ACTING PRESIDENT pro tempore. The joint resolution will be received and appropriately referred.

The joint resolution (S. J. Res. 138) establishing a Commission on International Agreements, introduced by Mr. WILEY, was received, read twice by its title, and referred to the Committee on the Judiciary.

ONE HUNDREDTH ANNIVERSARY OF BEREA COLLEGE, KENTUCKY

Mr. CLEMENTS submitted the following concurrent resolution (S. Con. Res. 67), which was referred to the Committee on the Judiciary:

Whereas Berea College, begun in 1855, was founded on the constitutional principle of responsible freedom of expression, for which its founder, John G. Fee, his teachers and supporters suffered, and from which has developed during the century a system of education unique in America today; and

Whereas Berea College, which is not supported by public taxation, provides education without charge of tuition to students of the Appalachian Mountains area from 230 counties in 8 Southern States, selecting young men and women on the basis of financial need, high moral character, sincerity of purpose, and academic scholarship without regard to race or creed, and adapting its educational program to fit the special needs of these registrants; and

Whereas Berea College has always recognized the essential and honorable nature of labor well done as basic in the philosophy of education and has evolved a unique work program for students as an integral part of its educational process; and

Whereas the Berea idea of combining a study program of high quality and a work program of practical value has attracted hundreds of visiting foreign educators engaged in replanning their whole educational systems in the postwar period. Berea College has become the specific model for many educational institutions in these foreign countries where a pattern is needed conforming to their current basic resources and State appropriations; and

Whereas this labor system produces through Berea College student industries arts and crafts so distinguished in craftmanship as to be sought in world markets, thus bringing great credit to Berea College and to the United States; and

Whereas Berea College participated in the origin of the present agricultural county agent program of the United States Department of Agriculture by sharing in the employment of the pioneer county agent 40 years ago, and by aiding in the support of the home demonstration agent for the past 26 years; and

Whereas Berea College shares its educational resources by furnishing leadership in such needed cultural and recreational activities in the isolated mountain areas; and

Whereas during the year 1955 there are to be held at Berea College in Berea, Ky., appropriate ceremonies commemorating the college's century of service, which will be attended by people from all over the United States, who will have recalled to their minds the cost of freedom, the responsibilities of educated men, and the value of labor as a part of education: Therefore be it

Resolved by the Senate (the House of Representatives concurring), That the Congress of the United States hereby extends the best wishes of the Government and of the people of the United States to Berea College in Berea, Ky., upon the observance of its anniversary.

NATIONAL DAIRY DIET DIVIDEND ACT—ADDITIONAL COSPONSOR OF BILL

Mr. HUMPHREY. Mr. President, I ask unanimous consent that the name of the Senator from North Dakota [Mr. LANGER] may be added as a cosponsor of the bill (S. 3079) to provide for improving the Nation's health standards through the issuance of dairy diet dividend certificates to individuals receiving certain welfare or other payments, which I introduced yesterday.

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

DEVELOPMENT OF DOMESTIC WOOL INDUSTRY—AMENDMENTS

Mr. HUMPHREY. Mr. President, on behalf of myself, and the Senator from Wisconsin [Mr. WILEY], I submit an amendment intended to be proposed by us, jointly, to the bill (S. 2911) to provide for the development of a sound and profitable domestic wool industry under our national policy of expanding world trade, to encourage increased domestic production of wool for our national security, and for other purposes, commonly known as the wool price support bill. I intend to call up the amendment at the time the bill is considered by the Senate, which I understand will be very shortly.

The ACTING PRESIDENT pro tempore. The amendment will be received and printed, and will lie on the table.

Mr. ELLENDER. Mr. President, in anticipation of the so-called wool bill being considered on behalf of myself, the Senator from North Dakota [Mr. YOUNG], the Senator from Georgia [Mr. RUSSELL], the Senator from South Carolina [Mr. MAYBANK], the junior Senator from Louisiana [Mr. LONG], and the Senator from Minnesota [Mr. HUMPHREY], I submit an amendment intended to be proposed by us jointly, to the bill (S. 2911) to provide for the development of a sound and profitable domestic wool industry under our national policy of expanding world trade, to encourage increased domestic production of wool for our national security, and for other purposes. The effect of the amendment would be to extend the rigid price support on basic commodities for 2 more years.

The ACTING PRESIDENT pro tempore. The amendment will be received and printed and will lie on the table.

HOUSE BILL REFERRED

The bill (H. R. 8127) to amend and supplement the Federal-Aid Road Act approved July 11, 1916 (39 Stat. 355), as amended and supplemented, to authorize appropriations for continuing the construction of highways, and for other purposes, was read twice by its title, and referred to the Committee on Public Works.

EQUALITY FOR AGRICULTURE

Mr. HUMPHREY. Mr. President, on February 17 there appeared in the RECORD a summary of my equality for agriculture program, listing the bills I have introduced in this Congress toward an improved farm program. Because I have since introduced three additional bills, I should like to list them at this point in the RECORD as further steps in my efforts to obtain constructive action for American agriculture. They are:

Soil Fertility Bank Act (S. 3049): To provide adequate incentive premiums to convert diverted acres under production restrictions to soil-building conservation practices, rather than to other competing and soil-depleting crops.

Farm Trading Post Act of 1954 (S. 3020): To authorize the President to use agricultural commodities to improve the foreign relations of the United States, to relieve famine, and to stimulate private export trade through conversion of foreign currency.

National Dairy Diet Dividend Act (S. 3079): To provide for improving the Nation's health standards through the issuance of dairy diet dividend certificates to individuals on public welfare rolls, entitling them to the minimum essentials of proper dietary requirements of milk and other dairy products at discount prices. By using our dairy abundance to aid America's 12 million underprivileged, the Nation's health standards can be improved while creating a vast new outlet for dairy products. Eligible for assistance would be the needly aged, the blind, dependent children, physically handicapped, and the unemployed.

WASHINGTON CONFERENCE ON UNITED STATES RESPONSIBILITY FOR WORLD LEADERSHIP

Mr. LEHMAN. Mr. President, I ask unanimous consent that a resolution adopted by the Washington Conference on United States Responsibility for World Leadership be printed in the body of the RECORD. The cross-sectional nature of the organization composing this conference adds greatly to the consideration which should be given this resolution.

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

WASHINGTON, D. C., *March 2, 1954.*

Hon. HERBERT H. LEHMAN,
Senate Office Building,
Washington, D. C.:

In view of possible reconsideration of proposed amendment to the Constitution relating to treaties and executive agreements, we wish to transmit to you immediately one of the resolutions passed today by the Washington Conference on United States Responsibility for World Leadership. This resolution was unanimously adopted by the delegates at this conference voting as individuals but appointed by some 90 national organizations. The full text of the resolution follows:

"We acclaim President Eisenhower for his leadership and the 32 Senators for their wisdom and courage in opposing the proposals for a constitutional amendment concerning treaties and executive agreements. The effort to limit the treatymaking power of the President and the Senate and the constitutional responsibilities of the President to conduct our foreign relations, is the beginning of an attempt to limit our participation in world affairs including the United Nations.

"The growing opposition to these proposals has evidenced the realization by the American people of their international responsibilities upon which their national security depends. The need for informing the people concerning this issue does not stop with the bare defeat of these proposals. There must be greater awareness of the fact that such constitutional amendments would make it uncertain whether the United States would be able to honor the obligations which it undertakes by treaties and executive agreements.

"We reaffirm our opposition to all such proposals for a constitutional amendment and we strongly urge a continuation of the process of informing the people concerning the grave dangers to our national security and international leadership that are involved."

PHILIP SCHIFF,
Chairman, Conference Resolutions Committee.

CLARK M. EICHELBERGER,
Chairman, Continuing Action Committee of the Conference on United States Responsibility for World Leadership.

NEED FOR NATIONAL FIREWORKS-CONTROL BILL

Mr. WILEY. Mr. President, I have received from Mrs. Henry Kramer, State legislative chairman of the Minnesota Congress of Parents and Teachers, Inc., a letter in which she urges passage of legislation to control the fireworks menace, which I, for one, feel is extremely vital. I ask unanimous consent that the text of the letter be printed at this point in the body of the CONGRESSIONAL RECORD.

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

MINNESOTA CONGRESS OF PARENTS AND TEACHERS, INC.,
St. Paul, Minn., March 5, 1954.

Senator ALEXANDER WILEY,
Member, Senate Judiciary Committee,
Senate Office Building,
Washington, D. C.

DEAR SENATOR: The Minnesota Congress of Parents and Teachers urgently requests that you use your efforts in bringing S. 2245, "the fireworks bill," to successful passage at the earliest possible date.

Soon the barrage of fireworks advertising will reach our young people, urging them to purchase and sell the same. We urge your immediate support of this measure for the protection of all our children.

Sincerely,

MRS. HENRY KRAMER,
State Legislative Chairman.

TOWN HALL SALUTES MEXICO

Mr. WILEY. Mr. President, I was extremely interested to receive word that on March 16 there will be inaugurated a 6-week series of information and cultural programs presented under the auspices of Town Hall, New York, in salute to our Sister Republic of Mexico.

On March 16 itself America's town meeting program will originate from Mexico City. This is the 14th country from which the program has been broadcast.

As chairman of the Senate Foreign Relations Committee, I think that it is particularly appropriate amidst the present meeting of the 10th Inter-American Conference that I invite the attention of my colleagues in the Senate to this fine forthcoming event.

I cannot endorse too heartily steps such as this, taken to increase understanding between the United States and her sister Republics of the hemisphere.

I have before me the interesting schedule of the program of the 6 weekly sessions of Town Hall. I hope that there will be many further counterparts in time to come.

I ask unanimous consent that the schedule be printed in the RECORD at this point.

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

TOWN HALL SALUTES MEXICO WITH A PORTRAIT OF HER PROGRESS

MARCH 16

Inauguration: Dr. Gilberto Loyo, Secretary of Economy; His Excellency Manuel Tello, Mexican Ambassador to the United States.

Mexico's people and historical development: Dr. Edmundo O'Gorman, professor of history, National University of Mexico.

Contemporary Mexico: Dr. Rafael de la Colina, Mexican Ambassador to the United Nations.

Mexico's international relations: Dr. Roberto Cordova, specialist in international law; Mexican delegate to conferences of the United Nations and other international organizations.

MARCH 23

Industry: Señor Edmundo J. Phelan, vice president, Euzkadi Rubber Co.; former president of the Mexican division, Mexican-American Businessmen's Committee.

Agriculture and cattle raising: Ing. Gonzalo Robles, director of economic studies, Banco de Mexico.

Mexico's domestic and foreign commerce: Ing. Jose Rivera R., former president, Confederation of Mexican Chambers of Commerce.

Banking: Señor Eustaquio Escandon, former president, Confederation of Mexican Chambers of Commerce; business and financial consultant.

MARCH 30

Social situation: Dr. Fernando Yllanes-Ramos, specialist in labor relations, council member of the International Workers' Organization.

Taxes: Dr. Eduardo Bustamante, former Under Secretary of Finance and Public Credit.

Mining: Ing. Gustavo P. Serrano, president of the National Chamber of Mining.

Electric power: Ing. Carlos Ramirez-Ulloa, general director, Federal Commission of Electricity.

APRIL 6

Communications: Arq. Carlos Lazo, Minister of Communications and Public Works.

Engineering: Ing. Federico Barona de la O., Building materials and construction specialist.

Tourist trade: Señor Gustavo Ortiz-Hernan, director general, Mexican Tourist Bureau.

Press, radio, television and advertising: Señor Juan M. Duran y Casahonda, President, Mexican Advertising Association.

APRIL 13

Education, science and intellectual life: Dr. Nabor Carrillo-Flores, rector, National University of Mexico.

Archeology and Anthropology: speaker to be announced.

Architecture, sculpture, and painting: Ing. Guillermo Rossell de la Lama, Promotion Director, Ministry of Communications and Public Works.

APRIL 20

Mexico's future: Dr. Antonio Carrillo-Flores, Secretary of Finance and Public Credit; other speaker, representing private industry, to be announced.

MEXICAN PLANNING COMMITTEE

Señor Guillermo Barroso, Señor Alejandro Buelna, Dr. Arturo Bueno y Urquidi, Dr. Enrique Creel de la B., Señor Carlos Mendiola, Señor Gustavo Ortiz-Hernan, Ing. Guillermo Rossell de la Lama, Señor Federico Sanchez-Fogarty.

UNITED STATES PLANNING COMMITTEE

Dr. Francisco Villagran, Consul General of Mexico; Dr. Carleton Sprague Smith, New York Public Library Music Division; John B. Glenn, president, the Mexican Chamber of Commerce; Hugo de Neufville, vice president, the American Metal Co.; Lorimer Slocum, vice president, Young & Rubicam, Inc.; Rodney Ericson, manager, radio and TV department, Young & Rubicam, Inc.; Rex Smith, vice president, American Airlines; Karl Dahlem, director of public relations, American Airlines; Oscar S. Straus, treasurer, American Smelting & Refining Co.; Adm. Paul P. Powell, president, Town Hall; Dr. Thurston J. Davies, director, Town Hall; William R. Traum, director of radio-TV, Town Hall; Miss Alice Pentlarge, educational assistant to director of Town Hall; Miss Jacqueline Alden, publicity director, Town Hall.

TOWN HALL TRUSTEES

Mrs. Elinore Herrick, chairman; Walter W. Naumburg; Mrs. Theodore Roosevelt.

Vice chairmen: Mrs. Yorke Allen; Robert H. Armstrong; Lemuel R. Boulware; Arthur H. Bunker; Robert S. Byfield; Elmer A. Carter; W. Howard Chase; Charles R. Cox; Ralph Shepard Damon; Mrs. Carl Eggers; Alvin C. Eurich; Rev. Robert I. Gannon, S. J.; Mrs. Elgin R. L. Gould-Emerita; Joseph Peter Grace, Jr.; Peter Grimm; Dr. Henry T. Heald; Edgar Kobak; Mrs. Albert D. Lasker; J. K. Lasser; Miss Isabel Leighton; Joseph M.

Levine; James Loomis Madden; Don G. Mitchell; Thomas A. Morgan; Mrs. Robert Moses; Dr. George Murphy; Mrs. Richard C. Patterson, Jr.; Harold Riegelman; Morton Thalhimer; Norman Thomas; Mrs. Elizabeth Harrison Walker; Frederic A. Willis; William Zeckendorf.

ACTIVITIES OF SENATOR McCARTHY—THE WORLD CRISIS

Mr. FLANDERS. Mr. President, this brief talk is in the nature of advice to the junior Senator from Wisconsin [Mr. McCARTHY]. I had hoped that he would be present. I do not feel constrained to put off the talk in his absence. I find that he is to be in New York today. Not knowing when he can be present, I proceed.

Mr. President, the junior Senator from Wisconsin [Mr. McCARTHY] interests us all—there can be no doubt about that—but also he puzzles some of us. To what party does he belong? Is he a hidden satellite of the Democratic Party, to which he is furnishing so much material for quiet mirth? It does not seem that his Republican label can be stuck on very tightly, when, by intention or through ignorance he is doing his best to shatter the party whose label he wears. He no longer claims or wants any support from the Communist fringe. What is his party affiliation?

One must conclude that his is a one-man party, and that its name is "McCarthyism," a title which he has proudly accepted.

The junior Senator from Vermont finds much to praise and much to deplore in McCarthyism, as he sees it displayed on the national stage. That which is praiseworthy is the vigorous and effective housecleaning which it undertakes.

In January of last year the Republican family moved into quarters which had been occupied by another family for 20 long years. The outgoing family did not clean up before it left. The premises were dirty indeed.

Into these dirty premises the junior Senator from Wisconsin charged with all the energy and enthusiasm of a natural-born housekeeper. He found dirt under the rug. He found dirt behind the chiffonier. He found dirt in all the corners. He found cobwebs and spiders in the cellarway. All this dirt he found and displayed, and the clean-up he personally superintended.

Of course it was not done quietly. In the long years of my life I have come to the conclusion that natural-born housewives seldom work quietly—particularly when cleaning premises left by someone else. There is much clatter and hullabaloo. The neighbors across the backyard fence are apprised of each newly discovered deposit of grime. Much of this in his long life has the junior Senator from Vermont seen and heard, but he has never seen or heard anything to match the dust and racket of this particular job of housecleaning. Perhaps these extremes are necessary if a one-man party is to be kept in the headlines and in the limelight.

Now the question before the Nation is this: Is the necessary housecleaning the great task before the United States, or do we face far more dangerous problems, from the serious consideration of which we are being diverted by the dust and the racket? It is the deep conviction of the junior Senator from Vermont that we are being diverted, and to an extent dangerous to our future as a nation. He feels called upon to say to the junior Senator from Wisconsin, "Right about face." Having looked inward so long, let him now look outward.

When he and we look outward, what do we see? We see defeat in Korea, and the Iron Curtain moved down to the truce line by force of arms, in defiance of the principles and purposes of the United Nations. We find the same aggression pursued in Indochina, with our country assigned to play the part of a supporter of colonialism, and persuaded to enter into negotiations which are foredoomed to parallel, to a greater or less extent, the foreordained conclusions of the Korean truce.

In Europe we see Italy ready to fall into Communist hands. We find France irresolute, palsied in thought and action, with her Communists well organized and sure of their ground. Saddest of all, we see Great Britain nibbling at the drugged bait of trade profits, which benumbed her judgments when Japan moved into Manchuria and Mussolini moved into Ethiopia. Then followed, in logical sequence, the fall of the Rhineland, Austria, Czechoslovakia, and Poland, and the Second World War.

Let us look to the south. In Latin America there are sturdy strongpoints of freedom. But there are likewise, alas, spreading infections of communism. Whole countries are being taken over. Other countries, not yet captured, are undergoing relentless infiltration.

There is little need to spotlight the other trouble spots in Asia and in Africa. If this massive advance is not stemmed, our future place in the world is clearly foreordained. The Iron Curtain, now protecting Communist countries, will be drawn about the United States and Canada, the last remnants of the free world. This will not need to be accomplished by defeating us militarily. It will result from the capture of the rest of the world by infiltration and subversion. We will be left with no place to trade and no place to go except as we are permitted to trade and to go by the Communist masters of the world.

Of course the attack may come from the air—sudden, catastrophic. This is possible, though unlikely, for why should the Soviet Government subject the Russian cities to destruction when it is doing so well by infiltration and subversion. In either case, the dangerous attack is from without, not from within. Look out, Senators, and see what is creeping upon us.

In very truth the world seems to be mobilizing for the great battle of Armageddon. Now is a crisis in the agelong warfare between God and the Devil for the souls of men.

In this battle of the agelong war, what is the part played by the junior Senator from Wisconsin? He dons his war paint. He goes into his war dance. He emits his war whoops. He goes forth to battle and proudly returns with the scalp of a pink Army dentist. We may assume that this presents the depth and seriousness of Communist penetration in this country at this time.

If he cannot view the larger scene and the real danger, let him return to his housecleaning. Let him sweep out all the dirt that is under the rugs, back of the furniture and in the remotest corners. After he has done all this, let him take a clean pocket handkerchief and rub over the tops of the doors and window frames. He may find a little dust there too. But let him not so work as to conceal mortal danger in which our country finds itself from the external enemies of mankind.

Let me appeal to him in the words of a great hymn, written by St. Andrew of Crete about the year of our Lord 700:

> Christian, dost thou see them
> On the holy ground,
> How the hosts of darkness
> Compass thee around?
> Christian, up and smite them,
> Counting gain but loss;
> Smite them, Christ is with thee,
> Soldier of the cross.

Mr. LEHMAN. Mr. President, will the Senator from Vermont yield?

Mr. FLANDERS. I yield to the Senator from New York.

Mr. LEHMAN. I wish to give myself the pleasure of congratulating the Senator from Vermont on his very fine statement regarding the junior Senator from Wisconsin. I concur wholeheartedly with his comments regarding the methods and procedures of the junior Senator from Wisconsin—methods and procedures which I have very frequently strongly opposed on the floor of the Senate and elsewhere for a very long period of time.

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

Mr. FLANDERS. I yield.

Mr. COOPER. Mr. President, I should like to make the comment that the statement of the distinguished Senator from Vermont is characterized by a sense of proportion and a thoughtfulness which have not always illuminated the controversy about which we hear so much today.

His remarks bear the same character of proportion and sanity which was evidenced by the President of the United States in his statement of principle at his press conference last week.

Following the press conference a distinguished member of the minority party—a former Presidential nominee, Mr. Stevenson—made on last Saturday evening a rather bitter attack upon the leadership of the President of the United States for his stand in the controversy over the junior Senator from Wisconsin.

Mr. Stevenson did not make clear what alternate course should be followed. The President of the United States made it clear that he spoke for fairness and justice; he called upon the Senate of the United States to assume its responsibilities to insure fairness and justice in its investigations. He made it clear also that he would defend the

executive branch of the Government against improper encroachment.

I believe that his sound, decent, and fair statement represents the profound feeling of the American people. It is a statement of principle which ought to be followed and upon which opinion in the country can agree, and upon which necessary and proper action can be taken. The distinguished Senator from Vermont has made the same kind of appeal to fairness and justice and sense.

Mr. FLANDERS. I thank the distinguished Senator from Kentucky very much.

DEATH OF CARDINAL MASSIMI

Mr. HENDRICKSON. Mr. President, I note with deep regret the passing of Cardinal Massimi in Rome. It was my high privilege to know the cardinal well while I served as chief legal officer with the Fifth Army. He was a great Christian gentleman. The church has lost a great man, and the world has lost a great friend.

I ask unanimous consent that an article published in the New York Times be printed in the RECORD at this point.

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

CARDINAL MASSIMI DIES IN ROME AT 76—PREFECT OF SUPREME TRIBUNAL WAS CHURCH'S LEGAL EXPERT—FORMER DEAN OF ROTA

ROME, March 6.—Massimo Cardinal Massimi, foremost legal expert of the Roman Catholic Church, died of a heart ailment at his home here today. He was 76 years old.

News of the death of the cardinal, who had suffered from heart trouble for years, was taken to the ailing Pope at the Vatican by Msgr. Giovanni Battista Montini, pro-Secretary of State for Ordinary Affairs.

Cardinal Massimi and the Pope had moved to high positions in the church together. The former was ordained 1 year after the latter.

As prefect of the supreme tribunal of the Apostolic Signatura, the highest appeal court in the Catholic Church, Cardinal Massimi drafted the laws by which the 108-acre Vatican state is governed. He had been dean of the Rota, the church's highest tribunal, from 1925 to 1935 when he was made a cardinal.

Cardinal Massimi was a member of the Congregations for the Eastern Church, the Sacraments, the Religious Orders, and the Propagation of the Faith. He served also on the pontifical commission for the drafting of the canon code for eastern churches and for the interpretation of canon codes.

His titular church was Santa Maria Portico, which he chose at the first postwar consistory in February 1946. He was protector of the Daughters of Calvary, a religious order whose mother-house is in Mexico.

COLLEGE ONE UNDER PLENUM

ROME, March 6.—With Cardinal Massimi's death, the Sacred College of Cardinals suffered the first loss it has had in nearly 21 months—since the death of Michael Cardinal von Faulhaber, archbishop of Munich, on June 12, 1952. The college was brought back to its plenum of 70 cardinals in the consistory of January 12, 1953.

With the loss of Cardinal Massimi the Sacred College has 69 members, of which 25 are Italians and 44 non-Italians. The Italians therefore still comprise more than one-third of the Sacred College and are in position to block the election of a non-Italian Pope if a conclave were held under present conditions.

The apostolic constitution of 1945, in fact, stipulates that the election of a pope requires two-thirds plus one of votes cast by cardinals in a conclave.

Of 25 Italian cardinals, 17 are cardinals of the Curia, or cardinals holding positions in the central administration of the Roman Catholic Church. Eight are archbishops in charge of archdioceses.

FRENCH HAVE SEVEN

Aside from the 25 Italians, the largest nationality group in the Sacred College is represented by the French, who have 7 cardinals. Next come the United States and Spain, with 4 each, and then Brazil with 3. After them are 5 countries with 2 cardinals each and 16 with 1.

The death of Cardinal Massimi is sure to revive reports of another consistory at an early date. Pope Pius XII has been credited for some time with the intention of holding a consistory as soon as the first few vacancies occur in the Sacred College and of conferring the red hat on a prelate whom he would later appoint cardinal secretary of state.

It is thought that this post would certainly be given to 1 of the 2 pro-secretaries of state, Monsignors Montini and Domenico Tardini. The Pope has been without a cardinal secretary of state since the death of Luigi Cardinal Maglione on August 22, 1944.

WILL H. HAYS

Mr. CAPEHART. Mr. President, Indiana and the Nation today mourn the loss of one of America's outstanding business, civic, and political leaders—William Harrison Hays.

Will Hays, as he was affectionately known by all, was as Hoosier as the sycamore.

Born in Sullivan, Ind., where he died last Sunday noon, Will Hays was educated in Indiana public schools and at Wabash College.

All of his interests were accomplished in unison: he became a lawyer, a precinct committeeman, and a civic leader upon graduation from college.

As a lawyer, Will Hays won national reputation.

As a political leader, Will Hays became Republican national chairman.

As a civic leader, Will Hays served in many capacities in connection with his home town and his alma mater and also was a coordinator for the American Red Cross following World War I.

His thinking in all of his endeavors was basically American, and his aims at all times were to contribute as much as his talents would permit to the betterment of his country. Those talents were great and those contributions many.

Mr. President, I ask unanimous consent to have printed in the body of the RECORD an article published in the Indianapolis Star of Monday, March 8, 1954, containing a report of the death of Mr. Hays, and an excellent biography of this great American.

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

WILL H. HAYS, POLITICAL AND FILM LEADER, DIES

William Harrison Hays—universally known as Will H. Hays—longtime leader in national Republican politics and powerful force in America's motion picture industry, died at noon yesterday in his home at Sullivan.

He was 74 years old.

His wife, Jessie, and his son, Will H. Hays, Jr., were at his bedside in the house he had built in the early 1900's in the western Indiana town that was his birthplace and which he always called his "home."

Stricken with penumonia last November, he never recovered fully. Relatives said complications set in a week ago.

During his long career, Mr. Hays exercised a profound influence—politically, socially, and religiously—on American life.

He became a force in politics at an early age, foreshadowing the role he was to play in later years as a master political strategist.

Born November 5, 1879, the son of a lawyer who was active in the Republican Party and the Presbyterian Church, he had his first taste of politics at the age of 17 when his father took him to the Republican national convention in St. Louis that nominated William McKinley.

The proceeding electrified him and from then on he was an energetic Republican, displaying an ability that carried him to the head of his party with a perpetual place in its affections.

After graduation from Wabash College at Crawfordsville, he was admitted to the bar. He became a precinct committeeman and at 24, county chairman, a member of the State advisory committee and State chairman from 1914 to 1918. He rapidly won recognition from national leaders, and at the age of 38 he become Republican national chairman.

At the time, when the GOP was split into regular and Bull Moose factions, Mr. Hays forged party unity to win Republican control of Congress in the crucial war year 1918. He was to remain a lifelong spokesman for a unified Republican Party.

In 1920 he managed the famous front-porch campaign that put Warren G. Harding in the White House. This won him appointment as Postmaster General March 4, 1921.

Ordinarily, the postmaster generalship is a political reward, but Mr. Hays did not regard it as such. He took the job seriously and acted with zeal to give a good administration.

He moved to improve the welfare of postal employees and divorced politics from his administration.

He acted swiftly to erase the current wave of mail robberies. He armed postal employees and put marines on mail cars. He offered rewards for the capture of robbers. In the face of such measures, the mails became safe.

Mr. Hays promoted airmail service and campaigned to reduce the Christmas rush by having packages mailed early. He sponsored educational drives for the legible and accurate addressing of mail to be sure it reached its destination.

At the time, mountains of undelivered mail were ending in the dead-letter office which distressed Mr. Hays' sense of efficiency. He demanded that the postal system function to give maximum service to the public.

Mr. Hays resigned on March 4, 1922, to become president of the Motion Picture Producers and Distributors of America, Inc., which set up a film self-censorship board that became known popularly as the "Hays office." Mr. Hays headed the powerful office, which controlled 80 percent of the film industry, from 1922 to 1945. His annual salary ranged from $100,000 to $150,000, and even after retirement as president he kept a $100,000-a-year advisory post with the association. His successor was Eric Johnston.

When Mr. Hays became arbiter, the motion-picture industry was wracked by scandals in the lives of its chief performers and by inferior films of questionable moral character. Mr. Hays went into action promptly.

Obscene plays were finished. He ruled that no picture should tend to lower the moral standards of those witnessing it. The sympathy of the audience must never be

created on the side of evil. No religion should be ridiculed. The sanctity of marriage must be upheld. Loose habits must not be glorified.

While he encountered stiff criticism inside the industry because of his strictness, he also drew fire from some puritanical minds who accused him of being too lenient.

They all had access to his office and to all of them he listened courteously. Then he followed his own judgment.

The Hays office is credited with establishing and protecting standards of good taste still accepted for film productions.

Mr. Hays was active in the operations of the Red Cross, Salvation Army, Boy Scouts, National Institute for Crippled and Disabled Men, and the Presbyterian Church, which was the church of his faith.

After retirement from Hollywood, he returned to law practice in a firm with his brother, Hinkle C. Hays, with offices in Indianapolis and Sullivan.

The body was taken to the Billman Mortuary and will remain there until before funeral services. Services will be conducted by the Reverend Homer G. Weisbecker, at 4 p. m. Wednesday, in the Sullivan First Presbyterian Church. Burial will be in Center Ridge Cemetery.

Survivors include his son, Will H. Hays, Jr., Wabash College professor of creative writing and author of a first novel, Dragon Watch, described as a story of contemporary life in a Midwest community, which will be published next month; his second wife, Mrs. Jessie Herron Hays; his brother, Hinkle C. Hays, who was vacationing in Hollywood, Fla., at the time of Mr. Hays' death; 2 nephews, John P. Hays and Charles E. Hays, both of Sullivan, and 2 grandchildren, Mary Katherine Hays and Will H. Hays, III.

Mr. Hays was the son of John Tennyson Hays and Mary Cain Hays. His father was a profound guiding influence. From him Mr. Hays learned his love of politics and law and from his home he gained the inspiration of a deep and abiding religious faith.

He graduated from Sullivan High School in 1896 and from Wabash College in 1900 and entered into partnership in his father's law firm at the age of 21. The firm was Hays & Hays and it continued to operate there even while the son was far away on duties just as far from his law practice.

Mr. Hays married Miss Helen Louise Thomas, daughter of a Crawfordsville minister in 1902. They had one son, Will, Jr. They were divorced in 1929 and the following year Mr. Hays married Mrs. Jessie Herron Stutesman, widow of a former United States Minister to Bolivia.

Mr. Hays has served continuously on the Wabash College board of trustees since 1919. He was last elected as an alumni representative in 1951 for a 4-year term. He received his A. B. degree from Wabash in 1900. In 1904 an honorary degree of master of arts was conferred upon him and he was awarded the honorary degree of doctor of laws by Wabash in 1940.

Mr. Hays was an elder in the Presbyterian Church and a member of the lay committee of the Presbyterian board for relief and sustenance of ministers.

He was active in the Masonic orders, holding the 33d degree in the Scottish Rite and being a Knight Templar and a Shriner. Other fraternal orders to which he belonged were the Knights of Pythias, the Elks, and the Moose.

He was affiliated with the National Institute of Social Science and the National Academy of Political Science.

Locally he belonged to the Columbia Club, the Indianapolis Athletic Club, and the Indianapolis Country Club. He was coordinator of the American Red Cross and the Near East Relief following World War I.

He maintained an office at 630 Fifth Avenue in New York, and with his wide national and international interests he maintained an active interest in the affairs of his native State almost to the hour of his passing.

Mr. JENNER. Mr. President, the people of Indiana mourn the passing of a distinguished citizen of Indiana and a great American—William Harrison Hays.

Will Hays' life was rooted in the American tradition. Born in Sullivan, Ind., on the historic ground won by George Rogers Clark, he was named for the famous territorial governor of the Northwest Territory, who later became President William Henry Harrison.

A graduate of the public schools of Indiana and of Wabash College, he began his political apprenticeship in the precinct, and worked upward step by step in the State organization, breathing deeply the atmosphere of States' rights and of self-reliance which Indiana cherishes so highly.

On the national scene Will Hays achieved distinction in four fields, in the law, in politics, in government, and in the program of the moving-picture companies to preserve good taste in amusement.

Today we realize that Will Hays' contribution to politics was the greatest of all. He organized the campaign of the Republican National Committee of 1920 which had to oppose the war powers government left by Woodrow Wilson. By his brilliant organizing ability in support of his political principles, he helped launch our Nation on a decade of freedom and prosperity such as Europe never recaptured after 1918.

The ability of the United States to return to liberty, States' rights, and free private enterprise after a great war may one day prove the most important political fact of the 20th century.

The people of Indiana and of the United States have lost a good citizen and devoted public servant. But we will preserve his memory as an example of true Americanism and a model to us in the political struggles of our time.

STATEHOOD FOR HAWAII

The ACTING PRESIDENT pro tempore. The Chair lays before the Senate the unfinished business.

The Senate resumed the consideration of the bill (S. 49) to enable the people of Hawaii to form a constitution and State government and to be admitted into the Union on an equal footing with the original States.

Mr. DIRKSEN. Mr. President, I should like to address myself briefly to the unfinished business and make some observations thereon, if the overtones in the Senate Chamber will subside just a little.

The ACTING PRESIDENT pro tempore. The Senate will be in order.

Mr. DIRKSEN. Mr. President, I perceive no great crusading spirit in connection with the subject which presently engages the attention of the Senate. It is an extremely important subject, because in my judgment, the basic issue which is before us is to carry out what I regard as a covenant and a pledge on the part of the people of the United States and on the part of the membership of both the major political parties.

I note that the Republican platform of 1952 declared:

> We favor immediate statehood for Hawaii.

In 1948 we stated that we favored eventual statehood for Hawaii.

At other times the Republican National Committee and the convention of the Republican Party expressed themselves on the issue.

I go on the theory that those are covenants with the people. When we are entrusted with power and authority, it is our duty and our responsibility to carry out those covenants if at all possible.

In the Democratic platforms similar recitals appear. In their platform of 1952 the Democrats stated:

> We therefore urge immediate statehood for these two Territories.

They refer to Hawaii and Alaska.

Four years before, at their convention in 1948, in entreating the people of the United States for their support, they urged immediate statehood for Alaska and Hawaii.

Mr. President, those are pledges which were made to be kept. They were solemnly contrived.

I believe too often it is forgotten how resolutions committees of the various political parties are formed. I can speak with some authority with respect to my own party, for at the convention in Chicago in 1952 there were 102 members of the resolutions committee. The committee included two delegates from each State of the Union. It included a delegate each from Hawaii, Alaska, and Puerto Rico. It was a very distinguished delegation, Mr. President, because among its members there were Members and former Members of this great deliberative body and of the other House, former governors of States and commonwealths, and others. The labors of the resolutions committee extend over a long period of time, and begin long before the national convention convenes. Therefore it is fair to assume that the declaration with respect to Hawaii was a well-reasoned one, and as such was placed in the platform of the Republican Party. I believe a similar argument can be made so far as the plank in the Democratic platform is concerned.

So, Mr. President, the Republican National Convention hammered out a resolution on the subject of Hawaiian statehood, and I mean by my voice and my vote to implement, so far as is possible, what we recited in the platform. It was fortified and reinforced, of course, by what the President said in his message on the state of the Union.

So, as party members, at least, there is upon us a responsibility to strive to act in accordance with our respective platforms.

I have examined, not only this year, but in other years, the case against statehood. In the main, the most persuasive arguments, I think, are that, in the face of a Communist danger in the Pacific, there is a peculiar racial problem involved; that there is involved a question of noncontiguity, inasmuch as the Territory of Hawaii lies 2,100 miles offshore,

and that very possibly there would be a disproportionate representation in the Senate and in the House of Representatives based upon the present population of the Hawaiian Islands.

It has always been my considered opinion, Mr. President, that the arguments against statehood have been a little on the unrealistic side. I think they have been lacking in vision. It appears to me, that, as a matter of fact, they deny the very essence of the law of progress itself. They are not unlike the shortsighted arguments which have probably been made in similar circumstances in every generation of history.

It is rather interesting on occasions to go back and note the pontifical wisdom which has been evidenced with respect to controversies which engaged the attention of nations and parliaments, including the Congress of the United States. I recall a problem in the economic field which confronted the Republic of France many, many years ago. It seemed that the fishing boats were doing too well in the offshore fishing waters. They were bringing back so many fish that the price in the market declined. So, wise minds in the French Chamber of Deputies at that time hit upon the amazing solution of reducing the size of the fishing boats, as if that would remedy the difficulty.

On one occasion, many, many years ago, too much flax was produced in France, and some French economists hit upon the idea of cutting down the size of ladies' handkerchiefs in the belief that that would remedy the situation which had been brought about because earth and sunshine and the Almighty had been bountiful in giving that great Republic too large a supply of flax.

In the reign of Queen Victoria there was a similar problem in England concerning wool. It was thought to be a great idea to require that every person who died should be buried in a woolen shroud, in order to get rid of the surplus wool produced in the islands. The net result was that when the law went upon the statute books, there was the beginning of the black market, because it was then that the practice arose of exhuming bodies in the cemeteries of England and removing the woolen shrouds, thus aggravating the problem.

So, Mr. President, there are many examples of shortsightedness in other days, but I think we have some examples before us in connection with the testimony which has been supplied to the committee in its hearings on the pending bill. I note, for instance, that no less a personage than that great statesman from Massachusetts whose monument graces a triangle on Massachusetts Avenue, had some objection to the admission of Texas into the Union. It will be found in the supplemental hearings on the bill that in 1845 Daniel Webster had this to say with respect to the admission of Texas into the Union:

> A very dangerous tendency and of doubtful consequence to enlarge the boundaries of this Government. There must be some limit to the extent of our territory, if we are to make our institutions permanent. The Government is very likely to be endangered, in my opinion, by a further enlargement of its already vast territorial surface.

I wonder what citizens of the great Lone Star State will say when they examine the pages of history and learn what Daniel Webster said regarding the admission of that great empire into the sisterhood of the Union, with all the vitality, resources, and assets it has brought to this great Republic.

Josiah Quincy, of Massachusetts, in 1819, was opposed to the admission of Alabama into the Union, and in the course of his remarks he had this to say:

> You have no authority to throw the rights and property of the people into the "hotchpotch" with the wild men on the Missouri; nor with the mixed though more responsible race of Anglo-Hispan-Gallo-Americans who bask on the sands in the mouth of the Mississippi. Do you suppose the people of the Northern and Atlantic States will, or ought to, look with patience and see Representatives and Senators from the Red River and the Missouri, pouring themselves upon this and the other floor, managing the concern of a seaboard 1,500 miles, at least, from their residence?

There we see lack of vision, Mr. President. There we find faintheartedness when it came to the admission of other Territories into the sisterhood of the Union long ago.

In the case of States such as New Mexico and Arizona, in an era closer to the present time, a man from my own State, a Member of the House of Representatives, named John A. Sterling, had this to say in 1904:

> I submit * * * that it is absolutely impossible for Arizona or New Mexico ever to have a dense population. They will never have any great cities through which commerce from the East to the West will pass. There is no trade, no commerce, no production beyond Arizona that must come through these Territories to the East and North. The population drawn to this new State by reason of its mineral resources will be largely transient. It will build a city today and tomorrow it will be gone.

It would be interesting, indeed, Mr. President, if the shade of John A. Sterling, a former Representative in Congress from the State of Illinois, could return and climb into a DC-6 or a Constellation and fly over Albuquerque, N. Mex., and see that great metropolis and the developments which are taking place there at the present time. It would be interesting, indeed, if John A. Sterling could return and see what has happened in Phoenix, Ariz. It would be interesting if he could see what has happened at Santa Fe. It would be even more interesting, Mr. President, if he could return and note in the desert of that area the experiments in atomic energy, which is so essential to the defense and survival and security of this country.

When it came to the admission of California, no less a personage than the man who contested with Abraham Lincoln for the senatorship from Illinois in 1858, and who attempted to be a candidate for the Presidency, was very dubious about the admission of the great golden State of California, for it was Stephen A. Douglas who said on that occasion:

> I have always thought that the boundaries of California were too large. I have laid upon the table an amendment proposing to divide it into three States.

He never was very happy about the admission of California into the Union.

What a pity that Stephen Douglas cannot return today to envision the State upon the Pacific seaboard which, in due course—and I say this in all humility and kindness—will probably one day, numerically in population and in business, become one of the greatest States of the Union, if not the greatest. One need only go to San Francisco, Los Angeles, and San Diego; one need only to travel from Shasta County, in the north, down to the Mexican border to see the variety of industry and commerce that has gone to the great State of California. One need only examine the census returns to note how people gravitate toward the land in the State of sunshine.

One need only note that Congress, from time to time, has found it necessary to reapportion its membership, and in the reapportionment more and more Members, under the law, have been allocated to the State of California, so as to keep pace with the great growth of that State.

So history, I think, is replete with testimony as to the shortsightedness which has prevailed, perhaps in each generation, when it came to the expansion of this country and the rounding out of its territorial area and its destiny. I earnestly and humbly hope that that kind of spirit will not prevail on this occasion, because I think there is a fundamental reason behind the support this bill should have. I put it on a sound basis, on a fundamental basis.

Reference is made to communism in Hawaii. Communism exists in this country. There is communism in New York; there is communism in the State of Illinois. So, unless communism can be considered to be a serious menace to the United States, I do not believe that the argument concerning communism in Hawaii ought to be persuasive.

There is the argument of racial integrity. Yet the fact of the matter is that the number of Caucasians in the Hawaiian Islands is constantly increasing; so that argument should not stand in the way of statehood.

There is the question of noncontiguity, because the islands stand off in the Pacific Ocean, far from the mainland. Evidently that was not too persuasive upon some of the military leaders of the United States, because I know of a statement which was made by General MacArthur in Honolulu on April 17, 1951. At that time one of the greatest military leaders this country has ever produced said:

> We hope that when we meet again, Hawaii will be a full blown State.

Are we to feel that a man so accomplished in the field of strategy, a man so devoted to the defense and the survival of a free country, would, with open arms, want to invite Hawaii into the sisterhood of the Union, if he felt

there were any military danger involved? Rather, he is persuaded that it is in the interest of our national defense and the expansion of the periphery of our defensive establishment that Hawaii should be admitted into the Union.

Will anyone say that a great sailor like Admiral Nimitz is lacking in devotion or fidelity, or that he has no concern about the national defense and the national security? Yet on March 10, 1947, it was Adm. Chester Nimitz, our fleet admiral in the Pacific during the last war, who, in his testimony, said:

I have given close study to the islands from a military and naval aspect. I perceive no objection from a military or a naval standpoint to the Hawaiian Islands achieving statehood. I have a great admiration and appreciation of the complete and wholehearted cooperation they gave the war effort.

That is the statement of a great sailor, a man who was entrusted with tremendous responsibility in an hour of danger, when our security was being menaced.

Then, I recite from the testimony of Gen. J. Lawton Collins, Chief of Staff, a man accomplished in the military field, a man trained to be one of the professional defenders of the country. On April 11, 1951, in a letter which he addressed to the distinguished Delegate from Hawaii, whom I count as a longtime friend, and with whom I served in the House of Representatives, JOE FARRINGTON, General Collins had this to say:

The splendid part played by Hawaii in the Korea war is entirely in keeping with the distinguished record established in World War II.

Finally, Mr. President, I cite the testimony and the statement of Maj. Gen. Charles D. Herron, now retired from the United States Army, who in March 1947, in testimony before the Hawaii Statehood Commission, in Washington, D. C., had this to say:

I was in command in Hawaii from 1937 to 1941, shortly before Pearl Harbor, when I was retired. * * * The people are not only good people, but they have long since shown themselves to be wise and fully worthy of full citizenship.

That is the testimony of a man who spent 4 years of his active military life in giving direction to the military affairs of this country in the Territory of Hawaii.

In the face of that rather persuasive testimony from the leading military figures of contemporary time, it seems to me that the argument of noncontiguity is disposed of, if the basis for that argument is that probably the admission of Hawaii into the Union would have an adverse effect upon the defensive structure of the Nation.

But, Mr. President, I now desire to refer to what I consider to be the fundamental issue involved, namely, that we are under obligation to confer the benefits of statehood upon the Territory of Hawaii. Sentiment in that direction goes back a long, long time, to the year 1849, the very year in which Sutter discovered gold in the valleys of California.

In the book the Hawaiian Kingdom, 1778–1854, by Ralph S. Kuykendall, there is the following statement:

On May 1, 1849, the Northern Journal of Lowville, N. Y., published a two-column editorial advocating annexation and statehood for the Hawaiian Islands.

A year later, the Foreign Minister of Hawaii wrote:

My opinion is that the tide of events rushes on to annexation to the United States.

It was only a few years later, in the year 1852, when a Representative in Congress from the State of California, J. W. McCorkle, had this to say on the floor of the House:

In the annexation of the Sandwich Islands—

Parenthetically, that is a title which was used at that time—

it makes a part of ourselves—no entangling alliances are formed * * * but we become one power, independent in the balance of the world.

In the same year, 1852, the year in which Representative McCorkle made his statement on the floor of the House, Franklin Pierce, who had been elected President of the United States on the Democratic platform, and for whom a Democratic Party celebration was held, offered this toast:

The Sandwich Islands—may they soon be added to the galaxy of States.

Mr. President, that statement by President Pierce was made in 1852, 102 years ago.

In 1853, when a disastrous epidemic of smallpox afflicted the islands and there was fear of invasion by a foreign power and of revolution at home, the King of the Hawaiian Islands was petitioned to make advances toward statehood in the interest of peace and security. That was 100 years ago.

This is no new issue. The question has been before Hawaii and before the United States of America for more than a century. It is a testimony to the fidelity and the devotion of the people of the islands to the idea of statehood that there has been no diminution in their interest and their effort to join with the States of the Union.

In 1854, 100 years ago, there came the first treaty which had some bearing on the question of statehood. That was in the same year in which the Republican Party was first incubated in a little schoolhouse in Ripon, Wis., and then sprang to full life in the same year, to become one of the great political instrumentalities of the United States. In that year 1854, 100 years ago, treaty negotiations between Hawaii and the United States were instituted. In the draft of the treaty, the United States Commissioner, whose name was David L. Gregg, had incorporated a provision for Hawaii's admission into the Union as a State. The exact language employed was: "Enjoying the same degree of sovereignty as other States."

In referring to the treaty the then Secretary of State, Mr. Marcy, said:

The Hawaiian authorities are especially desirous of cultivating friendly relations with the United States and look forward to the time when their country may constitute an integral portion of the great North American Republic.

Although the death of the King prevented the signing of the treaty, and his successor at that time did not continue the negotiations, the aspiration for statehood in the American Union has remained vernal and vital in the breasts of the people of Hawaii.

The next treaty which had a bearing upon the question of statehood came in 1893. It was on the 17th of January, 1893, that the monarchy of Hawaii was overthrown. The newly constituted political government sent a commission to this very city of Washington, in the District of Columbia, to negotiate a treaty for a full and complete political union. The treaty was signed by President Harrison, and was submitted to the Senate for ratification. So for the first time the question was actively presented to the consideration of the United States Senate in a formal way. The Senate, however, failed to act before the end of that session, and when President Cleveland succeeded President Harrison, the treaty was withdrawn from the Senate for consideration. But the question was before this body more than a half century ago.

Then came the Treaty of 1897. Immediately following the inauguration of President McKinley, a new treaty was negotiated. It was signed here in the Nation's Capital on the 16th day of June, 1897. That was one year after I was born, and that goes back quite a long time. A joint resolution implementing the treaty, was passed by both the House and the Senate on the 6th day of July, 1898, and was signed by President McKinley the next day. This treaty also employed the phrase "integral part of the United States."

So it seems to me, Mr. President, that the troth was plighted that must one day be consummated by the wedding of this Republic and the Territory of Hawaii, so that Hawaii may enter into the galaxy of the Union.

Besides the historical basis, it occurs to me there is another aspect which fully justifies favorable action by the Senate of the United States on the pending bill. That aspect has relation to the whole question of Territories, why they are created, and what the ultimate fate of a Territory must be. Either it finally becomes a State, or we must lay ourselves open to the charge that we mean only to carry on some kind of imperial or colonial policy.

In April 1900 Congress passed the organic act making Hawaii a Territory of the United States. I think it should be noted, if it has not been noted by those who have addressed themselves to this issue before this time, that when we speak about a Territory of the United States, that term bears a very juristic meaning. The first territorial act was the Northwest Ordinance, which was enacted on July 17, 1787, by the Congress of the United States under the Articles of Confederation. It created a new political form, a Territory of the United States; and in that form, as one who

goes back to examine the original ordinance will find, there is a similitude between the form there embraced and the form which exists in this government today, namely, there was a provision for an executive, a legislative, and a judicial branch. That is the pattern of the States of the Union, and that is the pattern of the Republic of the United States of America, and it was followed in the case of the Territories.

The States which were formed out of the Northwest Territory were regarded as future members of this confederacy of States; and it seems to me that idea is implicit in the very term "Territory of the United States." I think it is definitely expressed in the terms of the ordinance itself, in section 13, where it is stated: "To provide also for the establishment of States and permanent government therein, and for their admission to a share in the Federal councils on an equal footing with the original States at as early periods as may be consistent with the general interest."

Such a provision was contained in the ordinance of 1787 under the authority of the Articles of Confederation. That ordinance further provided:

> There shall be formed in the said Territory not less than 3 nor more than 5 States; * * * and whenever any of the said States shall have 60,000 free inhabitants therein, such State shall be admitted by its delegates into the Congress of the United States, on an equal footing with the original States, in all respects whatever.

So there was the pattern for the achievement of statehood followed in the case of all States which were first organized as Territories. As I recall, 29 of the States of the Union were organized as Territories before they were admitted into the Union. Of the remaining States, 13 were of the original number; 4, Maine, Vermont, Kentucky, and West Virginia, were carved out of the original States; and 2 of the States, namely, Texas and California, which had been originally independent nations, were annexed by treaty and admitted to the Union of States, without any probationary period, as Territories.

This pattern of evolution from territoriality to statehood has been frequently recognized by the Supreme Court. As I recall, in the hearings and in the testimony there is some allusion to the finding of Chief Justice Taney in the Dred Scott case, in which he said that a Territory "is acquired to become a State, and not to be held as a colony and governed by Congress with absolute authority."

More recently, in 1894, the Supreme Court, in handing down a decision, used the following language:

> The Territories acquired by Congress whether by deed or cession from the original States, or by treaty with a foreign country, are held with the object, as soon as their population and conditions justify, of being admitted into the Union as States upon an equal footing with the original States in all respects.

Then, of course, there is the celebrated case of O'Donoghue against United States, wherein the Court held that the courts of the District of Columbia, meaning the Supreme Court and the Court of Appeals of the District, were constitutional courts, distinguishing between them and the courts of the Territories; and in dicta in that case it was mentioned that the character of territorial courts is due to their ephemeral nature, meaning, of course, the ephemeral nature of territorial government, which must ultimately evolve into statehood.

In the McAllister case, the Court used the following language:

> The absence from the Constitution of such guaranties for Territorial judges was no doubt due to the fact that the organization of governments for the Territories was but temporary and would be superseded when the Territories became States of the Union.

In the concurring opinion of Mr. Justice White, in the case of Downes against Bidwell, these decisions are said to grow out of the "presumably ephemeral nature of a territorial government."

Finally, in the case of Nelson against United States, the Court said:

> The Territorial state is one of pupilage at best.

So, Mr. President, I would rather rest this case upon two propositions. The first is that the Republican Party pledged itself as a party to immediate statehood. The Democratic Party pledged itself to immediate statehood. I think that was a covenant made to be kept, unless we wish to open ourselves to the indictment and the charge that such pledges are nothing more than ephemeral pledges, which are not made to be kept, and that there is nothing solemn about pledges which are made by a great national convention.

Finally, because of the historical record, there is an expectation of statehood. I think it is the natural evolution from the territorial stage.

Consequently, Mr. President, on the broad grounds I have stated, notwithstanding the rather transient case which may be made upon other grounds, the pending bill, to confer statehood upon the Territory of Hawaii, should be substantially supported by Members on both sides of the aisle.

Mr. President, I yield the floor.

REDUCTION OF PRICE SUPPORTS FOR AGRICULTURAL COMMODITIES

Mr. THYE. Mr. President, I am opposed to any change in the mandatory level of 90-percent price supports for the six basic agricultural commodities at the present time.

I am opposed to the proposal of the Secretary of Agriculture to reduce the level of price supports for dairy products from 90 percent to 75 percent on April 1.

The reasons for my conclusions are to be found in the present economic condition of the farmer, and I shall outline why that condition makes both of these proposed courses of action seem most unwise.

American agriculture is at a crisis point. What the present Congress does, or does not do, with reference to the farm program will have a profound effect upon the well-being and stability of the whole country.

This is true because, at a time when the farmer is caught in the price squeeze of high production costs and diminishing returns for what he produces, the adoption of policies which would accentuate the downward trend could easily lead to trouble. That trouble would not be confined to the farmers, for agriculture is a basic factor in the Nation's economy, and the national welfare requires an ample supply of the products of the farm.

If there is a recession in agriculture, it will be reflected in every business, in every industry, in the pay envelope of every worker. Such a downward trend in agriculture will have its repercussions in every part of this Nation.

It is of the utmost importance, therefore, that we consider the steps which must be taken to assure stability and those which must be avoided.

In doing so, we need to keep in mind certain fundamental considerations which can be summarized as being the following three generally accepted principles:

First. Agriculture must share fairly in the national income.

Second. Farmers are entitled to parity with other economic groups.

Third. Drastic fluctuations in policy must be avoided.

In considering legislative changes in the farm program we must also be prepared to look at the facts in the agricultural picture as they actually exist today.

I am seriously concerned about the economic trends in agriculture, although I am not an alarmist, and I do not want to be classified as a "prophet of gloom," such as we have been hearing about in the political arena recently.

In fact, speaking of politics, I do not think the farm question should ever be allowed to become a "political football."

I would add to that the assertion that those who seek to deal with the agricultural problem—or any of our other problems, for that matter—by pitting the consumer against the producer, or class against class, are doing a disservice to their country.

I think we can consider the facts without falling into these traps.

Furthermore, I do not believe the farm program is going to collapse.

I do not think we are heading for a depression in this country.

I am not convinced that we lack the know-how to solve such vexing questions as how to manage the farm surpluses.

I cannot conceive that the Members of this Congress will abdicate their plain responsibility to deal promptly and forthrightly with the agricultural legislation which now is required.

Indeed, I have great faith in the future of American agriculture, and I believe we shall work out a sound farm program; but I do not think we can do so by closing our eyes to what is really happening to agriculture.

FARMERS' INCOME DROPS

In examining some of the national statistics which are available as to the farmer's place in the economic picture, I find that certain conclusions are inescapable:

First. The farmers' net income is not keeping pace with the national income.

The percentage of the national income originating in agriculture was only 6 percent in 1953, the lowest percentage on record. It was 7.1 percent in 1952. The lowest previous figure to these was for 1932 when it was 7.3 percent.

Second. The farmers' receipts are dropping at twice the rate that costs are coming down. In 1953, the realized gross farm income was 4 percent less than 1952, but total production expenses went down only 2 percent for the same period.

Third. The farmers' operating costs are taking a larger proportion of the gross returns than ever before. In 1953, the farmers retained as net income only 36.6 percent of their realized gross income, the smallest percentage for any year since 1932.

These are sobering facts; and when the percentages are translated into dollar figures, showing the tremendous drop in net farm income in recent years, due to the inflationary costs of the things the farmers must buy, the result is startling.

In 1947, the realized net income of farm operators from farming was just under $17 billion, which was 49 percent of the realized gross income of slightly over $34 billion.

Last year the net income was $12.8 billion, according to the latest figures of the Department of Agriculture. This was 36.6 percent of the gross income, which was in excess of $35 billion.

That means there was a drop of about $4 billion in the annual net return of farmers, in spite of the larger gross income—all due to the fact that the farmers' operating costs were $5 billion higher last year than in a comparable 12-month period 7 years ago.

The latest figures, announced by the Department of Agriculture on March 4, show that the Nation's farmers earned 9 percent less money last year than during the year before. At the same time, city dwellers' incomes increased in total by more than 6 percent.

The net income of the farm population from all sources has been computed at $20,466,000,000 for 1953, in comparison with $22,458,000,000 for 1952.

The income of the nonfarm, or urban, population increased from $243,468,000,000 in 1952 to $259,099,000,000 in 1953.

The average per capita income of the nonfarm population increased from $1,842 to $1,898 in 1953 as compared to 1952.

In contrast, the average per capita income of farmers dropped from $905 in 1952 to $882 last year.

Mr. LONG. Mr. President, will the Senator from Minnesota yield?

Mr. THYE. I yield.

Mr. LONG. Are we to understand from the Senator's figures that last year the farmer produced substantially more, and yet made less money?

Mr. THYE. The figures definitely show that the farmer's gross income in 1953 was higher than in previous years, but his net take-home pay, as we refer to it—because that term is much more understandable—was less, because, for one thing, he was receiving less of the consumer's food dollar, by 9 cents. He was faced with a much higher operating expense. In fact, his operating expenses are still at the inflationary level to which they were carried by reason of the Korean situation. Therefore, his net is less than it was previously. That is one reason why I make the statement that I am opposed to a reduction in the support program, because with the surpluses now visible and hanging over the markets, if we lower the support program, inevitably and immediately prices of commodities will drop to the newly established level, whether it be 85 percent or 75 percent, as advocated for dairy products.

Mr. LONG. Then the Senator is proving by his figures that the farmer produced almost 10 percent more, and yet his profit was substantially less than it was the previous year.

Mr. THYE. Due entirely to the high operating expenses and the loss he has suffered with respect to the consumer's food dollar.

Personally, I have given a great deal of study to this question before making the decision to oppose the Secretary of Agriculture in his announced drop from 90 to 75 percent with respect to dairy products. I also took into consideration the entire question before I made the decision that I would not favor any further legislative step, except to retain the 90 percent.

By agreement the producer has already imposed upon himself a limitation by voting for the wheat-acreage reduction, as he did last year. He has agreed to reduce the cotton acreage planted. He is agreeing to accept the announced reduction in corn acreage. The producer is endeavoring, with all his ability, to bring his operations into compliance with the Government's request to get his production down until its volume is in line with domestic consumption and our ability to export. But we must not take the fatal step of removing the so-called floors under prices until our surplus is in a manageable situation, whether we isolate it, or, as is done in the field of production, reduce the total acreage and thereby bring down the overall production.

I shall not project myself into a discussion of the situation in the dairy industry until I reach it in my speech. I think all these questions will be answered as I proceed.

Mr. LONG. I thank the Senator. I am very much interested in the facts he has presented. I am glad he has taken the trouble to develop these facts for the Senate.

Mr. THYE. I thank the Senator.

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

Mr. THYE. I am happy to yield to the distinguished Senator from Wisconsin. I am standing at his desk. The reason I moved back to his desk was that I was acting majority leader, and I did not wish to make this address from the desk of the majority leader. For that reason I stepped back to the desk of the distinguished Senator from Wisconsin.

Mr. WILEY. I rise for the purpose of having 1 or 2 things made clear. I know the Senator can aid me.

First, if the Secretary's program goes into effect and a reduction is made to 75 percent of parity, the Senator and I know that that will affect the prices of manufactured products. Is not that correct?

Mr. THYE. That is where the first reflection will occur, and it will be a drastic reflection, because the producers in Wisconsin, Minnesota, northern Iowa, and the eastern area of the two Dakotas, as well as in Michigan and some sections of Illinois and Indiana, do not have a large fluid-milk-consuming market. They must manufacture into butter, powdered milk, and cheese, and market those products in the large population centers. Therefore, we are immediately subject to the effects of a reduction in support. At the present time the farmer is not realizing 8 cents a quart in the Twin Cities milk area. The producers in the Twin Cities milk area produce 90 percent of the fluid milk consumed in the Twin Cities. Members of that group of producers belong to the Twin Cities Milk Association. Fifty-nine percent of the milk is sold as fluid milk; yet members of that producer group, consisting of some 6,500 farmers, are not receiving 8 cents a quart for their milk.

Anyone on the eastern seaboard need only give thought to what he pays for a quart of milk in one of the eastern markets. The markets in the East are under regulation by Federal milk control legislation. One could not carry a gallon pail of milk into an eastern milk-consuming center and offer it for sale without being in violation of the restrictive measures imposed in such consuming centers, and the regulations laid down in the milk-control legislation. Producers in our section of the country would suffer a loss of about 60 cents a hundred the very day the 75-percent level went into effect.

Mr. WILEY. I happen to be a producer, so I know what it would mean. The point I wish to make clear is that producers of milk which goes into manufactured products would be hurt.

I should like to ask a second question. I assume that fluid-milk prices in the Federal order areas would remain high so long as the public would pay for the milk. In other words, the reduction to 75 percent would not affect those prices.

It is true, as the Senator says, that the producers in our section of the country do not receive as much as 8 cents a quart. On the same day the same milk is sold in my town for 21 or 22 cents a quart.

Many consumers believe that Secretary Benson is going to give them a plum when it comes to fluid milk. As a matter of fact, if the proposed reduction goes into effect, consumers in the Federal order areas will be paying the same price for fluid milk they have been paying. Is that correct?

Mr. THYE. That is correct. That is why I stated that manufactured dairy

products would immediately be affected. However, it would be much longer before any reflection would be felt or shown in the milk-consuming centers which are now under Federal milk-control orders, because a referendum would have to be held. There would have to be a vote on the question, or it would be necessary to go through a long legal procedure before it would be possible even to commence to negotiate some reduction in the price to the producer as well as the retail price to the consumer.

Mr. WILEY. Can the Senator explain why, in cities like Houston, Tex., and New York, producers of grade-A milk would be receiving in the neighborhood of $6 to $6.50 a hundred, whereas the producers in our section of the country are receiving about 7 or 8 cents a quart, as the Senator has stated?

Mr. THYE. In most of the creamery areas of the Midwest—Wisconsin, Minnesota, Iowa, and the Dakotas—the producers are receiving $3 a hundred for 3½ percent butterfat milk, which is the standard milk. Those are the figures which I inserted in the RECORD, and they were furnished to me by the Twin Cities Milk Producers Association, which has a membership of 6,500 farmers. It supplies about 90 percent of the milk consumed in the Minneapolis and St. Paul area. Approximately 59 percent of their milk is sold in that way. That is the price which the producer receives in that wonderful marketing organization. It is a net of $3 a hundred.

Mr. WILEY. There are about 48 quarts in a hundred, I believe.

Mr. THYE. That is about correct.

Mr. WILEY. If we divide 48 quarts into $3, we get the price per quart.

Mr. THYE. The Senator from Wisconsin is correct.

There was actually a more marked drop of 6.5 percent in the amount of per capita income farmers actually derived from farming—the amount being $655 for 1952 and $615 for 1953.

The purchasing power per dollar of farm income remaining after production expenses declined in 4 of the last 5 years as prices paid by farmers for family living items rose nearly 15 percent.

Purchasing power per dollar did not change much in 1953, but the decline in net dollar income reduced farmers' total purchasing power last year to a new postwar low approximately equal to its 1941 level.

The farmers provide a great outlet for heavy industry such as farm machinery and trucks. I saw too many implement yards full of new machines last fall not to know what was happening to the farmers' purchasing power.

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

Mr. THYE. I am happy to yield.

Mr. WILEY. The Senator from Minnesota just mentioned a very important fact. I received a letter the other day from Kenosha, Wis., where a great deal of farm machinery is manufactured, and I am informed that approximately 6,000 people are out of employment there. Many persons do not realize that when the farmer's buying power is cut, so that he can no longer buy the things he needs, his curtailed purchasing power is immediately reflected in the economic life and health of the communities which furnish and manufacture the things farmers buy. In my State thousands of men are out of employment. They were formerly engaged in the manufacture of farm machinery and other things farmers usually buy but which they cannot buy now because of the reduction in the market prices of their products.

Mr. THYE. I will answer my friend from Wisconsin by saying that any recession which occurs in the farm communities immediately reflects itself in the towns that serve those communities. It is only a matter of a few days or a week before it is reflected in the orders placed in the wholesale houses in the larger cities, and that in turn reflects itself in the industrial centers. It is impossible to separate one from the other.

During the past few years, particularly since the Korean truce was negotiated, there has been a constant drop in farmers' prices. That fact is reflected in his operating expenses and in his prices. When that happens we know what will happen in the various communities, and we know that the Nation could very well suffer a recession. That is why I stand on the floor of the Senate today advocating what I believe to be a sound support program.

Mr. President, the authority for the figures which I have quoted is the best source of agricultural statistics in this country—the Bureau of Agricultural Economics, now part of the Agricultural Marketing Service, of the Department of Agriculture.

I have had excerpts made of these tables from the publication, The Farm Income Situation, and I ask unanimous consent that the three tables be printed in the RECORD at this point as a part of my remarks.

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

Net farm income in relation to national income

[Dollars in billions]

Year	National income	Originating in agriculture	
		Amount	Percent
1910	33.101	5.285	16.0
1915	38.446	5.624	14.6
1920	73.522	10.240	13.9
1925	75.442	8.785	11.6
1930	75.010	6.214	8.3
1932	43.554	3.166	7.3
1935	56.824	6.575	11.6
1940	78.067	6.323	8.1
1941	94.961	8.719	9.2
1942	123.171	12.865	10.4
1943	151.237	14.697	9.7
1944	163.821	15.025	9.2
1945	163.536	15.425	9.4
1946	167.440	18.107	10.8
1947	183.539	18.964	10.3
1948	206.936	21.352	10.3
1949	202.808	16.909	8.3
1950	218.937	17.428	8.0
1951	250.672	20.554	8.2
1952	265.926	18.794	7.1
1953	279.565	16.765	6.0

Source: The Farm Income Situation, U. S. Department of Agriculture.

Realized gross and net income of farm operators from farming[1]

[Dollars in billions]

Year	Realized gross farm income	Production expenses	Realized net farm income	Percent of realized gross income
1910	7.349	3.556	3.793	51.6
1915	7.966	4.162	3.804	47.8
1920	15.910	8.989	6.921	43.5
1925	13.596	7.373	6.223	45.8
1930	11.420	6.990	4.430	38.8
1932	6.400	4.502	1.898	29.7
1935	9.585	5.085	4.500	46.9
1940	10.920	6.622	4.298	39.4
1941	13.707	7.655	6.052	44.2
1942	18.592	9.743	8.849	47.6
1943	22.870	11.330	11.540	50.5
1944	24.113	12.143	11.970	49.6
1945	25.323	13.037	12.286	48.5
1946	28.967	14.774	14.193	49.0
1947	34.002	17.228	16.774	49.3
1948	34.520	18.916	15.604	45.2
1949	31.763	18.170	13.593	42.8
1950	32.066	19.704	12.362	38.6
1951	36.962	22.317	14.645	39.6
1952	36.526	23.027	13.499	37.0
1953	35.020	22.218	12.802	36.6

[1] Realized gross farm income includes, in addition to cash receipts from marketings, the value of home-consumed farm products, the rental value of farm dwellings, and Government payments.

Source: The Farm Income Situation, U. S. Department of Agriculture.

Farm income and nonfarm income, United States, 1952–53

Item	1952	1953
INCOME TOTALS	*Million dollars*	*Million dollars*
Cash receipts from farm marketings	32,373	30,975
Government payments to farmers	275	213
Home consumption of farm products	2,144	2,081
Rental value of farm dwellings	1,734	1,751
Realized gross farm income	36,526	35,020
Farm production expenses	−23,027	−22,218
Farm operators' realized net income	13,499	12,802
Net change in farm inventories	654	−675
Farm operators' total net income	14,153	12,127
Farm wages of laborers on farms	2,105	2,139
Income of farm population from farming	16,258	14,266
Income of farm population from nonfarm sources	6,200	6,200
Income of farm population from all sources	22,458	20,466
Income of nonfarm population	243,468	259,099
Total national income	265,926	279,565
AVERAGE INCOME PER CAPITA	*Dollars*	*Dollars*
Farm population from farming	655	615
Farm population from nonfarm sources	250	267
Farm population from all sources	905	882
Nonfarm population	1,842	1,898
Total population	1,694	1,751
AVERAGE FARM INCOME PER FARM		
Realized gross farm income	6,599	6,388
Farm production expenses	−4,160	−4,053
Farm operators' realized net income	2,439	2,335
Net change in farm inventories	118	−123
Farm operators' total net income	2,557	2,212

Source: The Farm Income Situation, U. S. Department of Agriculture, Mar. 4, 1954.

The series on income of the nonfarm population and total national income are those developed in the Department of Agriculture for use in comparison with income

of the farm population. They are based on Department of Commerce estimates of nonagricultural income, with appropriate adjustments to improve their comparability with farm income. The resulting series on national income is approximately equivalent to the Department of Commerce series on personal income less transfer payments plus undistributed corporate profits.

Per capita income estimates for 1953 are based on a tentative figure for the farm population pending release of the official farm population estimate, to be issued jointly by the Bureau of the Census and the Agricultural Marketing Service.

Farmers sold or consumed about 2 percent more than they produced in 1953 while in 1952 they sold or consumed about 2 percent less than they produced. As a result, farmers marketed about 4 percent more products than in 1952, even though the total physical volume of farm output was about the same in each year, thereby holding their realized or spendable net income above their total net income.

With farmers' holdings of crops and livestock decreasing $675 million during 1953 compared with an increase of $654 million in 1952, the total net income of farmers, including these inventory changes, was down $2 billion or 14 percent from 1952. This compares with a decline of $700 million, or 5 percent in their realized net income. The drop in total net income contrasts with a 5-percent rise in national income.

Net income of the farm population from farming operations was $14.3 billion in 1953. This includes the wages received by farm laborers living on farms in addition to the total net income of farm operators. Income from nonfarm sources added $6.2 billion more, bringing the total income of the farm population from all sources to $20.5 billion, 9 percent less than in 1952.

The number of farms and the number of people living on farms were both smaller in 1953 than in 1952. Percentage declines were smaller, therefore, in average farm income per farm and per person than in the corresponding income totals. Average per capita income of the farm population from all sources was down less than 3 percent in 1953 to $882. On the other hand, average per capita income of the nonfarm population rose 3 percent to $1,898. Average realized net income per farm declined 4 percent to $2,335.

Estimates of 1953 income given above and in table 1 are preliminary, based on information as of February 15. However, it is not expected that there will be enough additional data to allow any substantial revisions before July 1.

CASH RECEIPTS FROM FARM MARKETINGS IN 1953

Farmers' cash receipts from marketings last year are estimated at $31 billion, 4 percent less than their receipts in 1952. The total volume of farm marketings was up 4 percent, but the weighted average of prices received was down about 8 percent.

Receipts from livestock and livestock products, estimated at $17,200,000,000, made up about 55 percent of total cash receipts and were 6 percent below the previous year. This decline was due to a drop of 9 percent in average prices, more than offsetting a 3-percent increase in livestock marketings. Crop receipts last year totaled $13,800,000,000 down 2 percent from the previous year, with crop marketings up 5 percent and prices averaging about 7 percent lower.

Mr. THYE. Mr. President, one of the major problems we must recognize is apparent from these figures, that the farmer has already suffered too great a drop in his net income—his take-home pay.

The prices that he receives have dropped drastically in many of the commodities and products, while his operating expenses are still on the level to which the Korean war inflation carried them, to say nothing of the higher school taxes levied on real estate and personal property, or township and county taxes.

They are all up.

The machines the farmer must purchase in his normal operations are still at those inflationary price levels; likewise, the repairs on his old machinery if he be so unfortunate he cannot afford to buy the new machines.

Then, there is the high cost of mill feeds, commonly known as high-protein feeds, which he must purchase to supplement his homegrown feeds for his dairy operations, poultry production, or any general livestock feeding operations.

How the farmer can suffer a further loss in price and still continue to pay these inflationary costs is a question that we must consider.

DANGER OF RECESSION

A further index to the agricultural situation today is provided by the figures on farm indebtedness.

The farm mortgage debt in 1945—which was the lowest in the 40-year period from 1914 to the present—was $4,760,000,000.

It has risen every year since that time until today it stands at an estimated $7,800,000,000.

That is an increase of nearly 63 percent in the farm mortgage debt in the past 8 years.

Short-term debt has increased in the same period from slightly under $2.9 billion at the end of 1945 to an estimated $7.2 billion at the end of 1953.

Furthermore, farmers through their cooperative associations borrow from the Banks for Cooperatives, Federal Intermediate Credit Banks, Agricultural Marketing Act Revolving Fund, REA, FHA, and the CCC. On January 1, 1953, loans to cooperatives by these agencies amounted to about $2.6 billion.

These reliable national statistics showing the great drop in farmers' income and the marked increase in farm indebtedness in the postwar years provide warning signals that we cannot ignore.

The Joint Committee on the Economic Report recognized that agricultural income has fallen, and expressed concern that adoption of certain proposals would prove to be an "unnecessary disrupting factor" and "may actually place the farm family in a worse position" so far as immediate effect is concerned.

The Joint Committee cited what the lowered income from agriculture means to the country when it said:

> While this committee recognizes the difficulties of the agricultural problem, it is also impressed with the fact that unfavorable trends in real farm income offer a serious threat to an expanding and stable economy.

There are clear indications that certain economic warning signals are apparent in agriculture

A further downward trend could upset the whole of our national economy.

The American people have reason to be concerned about this.

Many will remember how declining farm prices led to conditions in the depression years of the early thirties when foreclosure of farm mortgages reached the highest peak in the history of our country.

The bottom dropped out of farm prices.

Land values declined.

Farm income reached such low levels, and defaults on mortgage loans were so numerous, that many lost their entire life savings.

Parents who had bought these farms, paid for them, raised their families, and educated their children, were then, in the eve of their lives, threatened with the loss of their property through no fault of their own but because of the low agricultural prices.

We must never permit the conditions of those dark years of ruinous low prices to return to this country, and that is why we must take heed of the trends that appear in agriculture today.

Those trends, if permitted to continue, will ultimately result in a serious economic condition in this country.

I would rather spend a relatively small sum now in maintaining a stable agricultural economy than to have to spend the huge sums of money that would be required to reestablish a public-works program such as we knew in the 1930's in order to give employment to large numbers of our citizens.

There is talk of a new recession, originating in agriculture.

I prefer to approach the problem this way: If we maintain the Nation's economy in balance, with every segment sharing, we shall have national prosperity.

CONSUMERS HAVE BENEFITED

While most reasonable persons will accept this concept of a fair share of the national economy for all economic groups, some assert that the consumer's interest is in direct conflict with the producer's interest.

Many are contending that the support program is to blame for high food costs and is giving the farmer too high prices for his products, but these contentions are not borne out by the facts.

The farmer who grows the food is today getting less of the consumer's food dollar than at any time in the last 12 years.

In fact, the farmer was actually receiving only about 45 cents of the consumer's food dollar in 1953.

That is the lowest the farmer's share of the consumer's food dollar has been since World War II, and, in fact, the lowest since 1941, when it was 44 cents.

The high point in this period was 53 cents in 1945.

In other words, the costs of processing, distributing, and selling are taking more of the consumer's food dollar, and the producer is getting less for the basic product.

Yet it is a fact that food prices now are low relative to wages.

It is largely as a result of the high level of production of our American farmers that workers can now buy substantially more food with an hour's labor than in any earlier period of our history.

This is a point often overlooked by nonfarm people.

I have just had an opportunity to examine some authentic figures furnished me by the Legislative Reference Service of the Library of Congress relative to what the returns of an hour of factory labor would purchase in 1953 in contrast with 1929.

Such an hour of factory labor would have purchased in December of last year 2.2 pounds of butter, as against only 1 pound that could have been bought in 1929 for the same hour's wages.

That is 120 percent more butter for an hour's work.

The factory workingman for an hour's work would have had enough to buy twice as much milk last year as he could have purchased for the same amount of labor a quarter-century ago.

Other food commodities show a similar relationship.

An hour of factory labor in 1953, as compared to 1929, would purchase 66 percent more bread, 67 percent more steak, 47 percent more pork chops, 114 percent more cheese, 136 percent more eggs, 125 percent more potatoes, and 177 percent more oranges.

Much has been said about the cost of the farm program, particularly the price-support phases of it.

We now have complete accounting of the section 32 funds expenditures and Commodity Credit Corporation losses on price-supporting programs for the entire period of its operation.

For the entire period ending June 30, 1953, these expenditures and these losses, including administrative costs, together amounted to $3.8 billion.

During this same period the value of farm products marketed totaled $335 billion.

Thus, the total cost of price supports to date is about 1 percent of the value of crops and livestock marketed.

Farm output has increased 47 percent in the past 20 years, during which various phases of the program to reduce price uncertainty have been in effect.

While price-support programs are only part of the mechanics that have been found necessary to give agriculture a measure of stability in these years of wartime production and postwar adjustment, I believe they have been an important factor in making possible an abundant production.

It is a fair conclusion that farm output and consumers' supplies in recent years have been larger as a result of farm price-support programs.

Consequently, the primary benefits of the program have been more stable prices and incomes for farmers and increased and stabilized supplies for consumers.

It is true that a part of the $3.5 billion cost of price supports was a net addition to farm incomes.

On the other hand, a larger part of the benefits, in my judgment, have been shifted to the consumers in the form of larger supplies at lower prices than would have occurred in the absence of price stabilization programs.

Considering the situation in agriculture today I believe one of the major responsibilities of Congress and the administration is to see that whatever adjustments are made in the farm program take due consideration of the trends and not act as a disruptive force that will send farmers' income further down the slide.

The President took exactly this view in presenting recommendations to the Congress to carry out the administration's objectives based on the conclusion that "a stable, prosperous, and free agriculture is essential to the welfare of the United States."

He made this very clear when he said:

> Adjustment to a new farm program must be accomplished gradually in the interest of the Nation's farming population and in the interest of the economy of the Nation as a whole.

A first consideration in this respect is to take the necessary steps to prevent any further disastrous drop in farm income.

DAIRYMEN FACE HARDSHIP

The order of the Secretary of Agriculture in reducing from 90 to 75 percent the price-support level for milk for manufacture and butterfat sold by farmers during the marketing year beginning April 1 is the type of drastic action that is certain to have a widespread effect not only on the dairy industry but on the entire farm economy.

It has been stated that the Secretary of Agriculture had no alternative under the Agricultural Act of 1949 but to reduce the level of price support from the maximum to the minimum in view of the surplus of dairy products and the extent of these commodities in Government warehouses.

There are two reasons, then, why Congress should act immediately: First, to prevent the ruinous effect of the drastic change that has been proposed, and, second, to give authorization for more moderate, and wiser, changes when conditions require reductions in the support level.

Twenty-six Members of the Senate have joined in the bill to limit to 5 percent in any marketing year the reduction in the parity support level of milk, butterfat, and their products, and to relate the supports for dairy products to those given so-called basic crops.

The intent of Congress should be made perfectly clear.

It should be promptly done, as any delay in modifying the Secretary's order, and uncertainty as to future policy, will simply add to distress in the dairy industry.

Four million dairy farmers who derive all or part of their cash income from the sale of dairy products face serious economic hardship under the present situation.

Further decline in purchasing power of dairy farmers in Minnesota, Iowa, Wisconsin, Indiana, Michigan, Ohio, New York, Pennsylvania, and the New England States, where dairying is a major source of farm income, could well be disastrous.

Last year, when dairy price supports were at 90 percent, milk producers actually received only 84 percent of parity.

From 1952 to 1953 the average prices received by farmers for each 100 pounds of milk equivalent sold dropped from $4.71 to $4.08.

Mr. President, this refers to the general price of milk in the consuming centers which are under milk control legislation, and does not reflect the true price which the producer receives in areas where a surplus is being produced, and where the producer is dependent solely upon the price received for butter, powdered milk, cheese, and so forth and which constitutes his overall price.

It is estimated that if the proposed reduction in the support price from 90 percent of parity to 75 percent of parity goes into effect, the support level would be dropped the equivalent of another 62 cents per hundredweight of milk.

In that case dairy farmers might realize only $3.56 per 100 pounds for all milk sold during the 1954–55 marketing year.

If in the coming marketing year, as in the past year, the support level should establish the selling price for dairy farmers, they will suffer an income loss of approximately $600 million.

In addition, there will be a decline in the value of their capital assets because of this drop in earning power.

This might approach the capital asset loss they suffered in 1953 in the value of their cows and heifers, 2 years old and over.

This amounted to $1,200,000,000 according to Department of Agriculture figures.

If this loss should be only a fraction as great, say one-third, they would suffer a total loss in income and in reduction of capital assets of at least a billion dollars in 1954—an amount equalling 25 percent of their 1953 income.

USE OF DIVERTED ACRES

Another phase of the agricultural situation which requires early action by Congress in adjustment or stabilization of crop production is the use of acres which are diverted from production of certain commodities.

The farmer last fall voted and agreed to reduce his acreage of wheat planted, in order to manage the surplus in wheat.

He has willingly accepted reduction in the number of acres planted to cotton and I know that the producer of corn will likewise agree to a reduction in the number of acres planted to corn.

Farmers will agree to put these acres into clover, alfalfa, or some other type of legume crop that will be soil-building, bringing a higher fertility in the land, which will give greater assurance of production in the future if the need arises.

Encouragement must be given to the use of this land in soil-building practices rather than its use for crops which may create surpluses in other commodities.

It is important that an adequate program be developed to take care of this problem.

Mr. President, rest assured that I shall lend every assistance I can to make certain that the surplus situation with respect to other commodities and other produce will not be aggravated, when production is being diverted away from wheat, corn, and cotton.

Bills have been introduced to accomplish this purpose.

One is my own bill, S. 3036, to amend the Soil Conservation and Domestic Allotment Act by setting up a program for the use of acres diverted from production of basic commodities by marketing quotas or acreage allotments.

This measure directs the Secretary of Agriculture to make soil conservation payments to encourage that such acres be utilized for soil conservation purposes instead of production of commodities for market.

It also provides for the extension for 2 years of the authority to make soil conservation payments which otherwise would expire at the end of this year.

There are various other legislative proposals pending which, I am certain, will have prompt consideration in Senate and House Committees on Agriculture.

Hearings have already been started by the Senate Committee on Agriculture and Forestry on the bill introduced by the senior Senator from Vermont [Mr. AIKEN] to implement various phases of the President's program.

It is fortunate for the country that the tradition in Congress has been to consider agricultural legislation on a bipartisan basis.

There is widespread support for many phases of the President's program as presented to Congress, even while there is vigorous difference of opinion as to the wisdom of putting flexible price supports and the modernized parity formula into effect at this time.

Strong differences of opinion and judgment relate to certain phases of the program, but there is no difference of opinion that a sound agricultural program must be developed for the good of the country.

MANAGE SURPLUSES FIRST

Our No. 1 problem today is to get our surpluses of agricultural products into manageable proportions.

It is imperative that we in Congress and the administration demonstrate our ability to handle these surpluses, whether we isolate them, stockpile them, or barter them off in the international field.

We must show that we can do it, or the surpluses will be like a black shadow threatening or weakening our own domestic market as well as the world market.

When we have proved our ability in this respect, we can take the necessary steps toward settling the question of price supports and what our price supports should be.

It must be perfectly evident to anyone looking at the tremendous inventories of Government-owned farm products that we have not really made a dent in the solution of this problem.

With all our know-how in industry, in commerce, and in distribution, must we stand helpless in the presence of this problem?

I do not think so. At the same time I do not believe that we should drastically change the farm price-support program until we have solved the problem of the accumulated surplus stocks. I believe that Congress and the administration should deal forthrightly and effectively with that problem.

We now have a specific legislative proposal before the Senate Committee on Agriculture and Forestry to set aside $2.5 billion worth of wheat, upland cotton, cottonseed oil, and dairy products from Government stocks purchased under the present price-support program. This set-aside would not be counted as carryover, and therfore would not affect the calculation of future price-support levels for those items.

The bill provides the following methods by which such commodity set-aside may be reduced:

First. Transfer for foreign-aid purposes, including disaster and other relief purposes outside the United States.

Second. Sale or barter—including barter for strategic materials—to develop new or expanded markets for American agricultural commodities.

Third. Donation to school-lunch programs.

Fourth. Transfer to the national stockpile.

Fifth. Donation, sale, or other disposition for research, experimental, or educational purposes.

Sixth. Donation, sale, or other disposition for disaster-relief purposes in the United States or to meet any national emergency declared by the President.

Seventh. Sale for unrestricted use to meet a need for increased supplies.

These are practical proposals which merit our support. They can be made effective, but they are not the final answer in themselves.

FOOD FOR HEALTH

We must meet the surplus problem, not only by temporary acreage controls, but by a long-range program of larger use of such surpluses in school lunch and welfare programs, and by an intensified effort to rebuild our export trade.

A factor in the demand for farm products is a necessary improvement in the nutritional standards and food consumption of the American people themselves. Surely there can be no justification for starvation or malnutrition in the midst of plenty.

Up to this time, despite legislative authorization, we have certainly not made sufficient distribution of such surplus food on hand as dairy products, considering the need in certain lower-income groups or the objectives of the school-lunch program.

In a single year the Commodity Stabilization Service inventories have grown to a total of 270.6 million pounds of butter, 282 million pounds of cheese, and 469.6 million pounds of nonfat milk solids. Considering the total production, these are not as overwhelming as they seem.

Yet for the fiscal year ending July 1, 1953, only 22.3 million pounds of butter went into the food distribution program, 14.0 million pounds to the school-lunch program, 8 million pounds to institutions, and only 0.3 million pounds for welfare purposes, including distribution to needy Indian people.

The Department is stepping up the butter distribution program for the present fiscal year to a total of 61.0 million pounds. It can be accelerated, not only for the good of agriculture but for the good of our people.

If the distribution program is too cumbersome and restricted, other sound methods should be employed which will make such food products available to people who cannot afford to buy them on the market.

MUST INCREASE EXPORTS

It is obvious that we have lost our export markets for agricultural products since the war. One of our major export commodities has been wheat. At the end of the war we were exporting 70 percent of the world wheat exports; Canada was exporting 30 percent of that total. Today the situation is just the reverse; our share of world exports of wheat is 30 percent, while Canada's portion is 70 percent.

In 1948–49 we exported 502 million bushels, but for the current crop year of 1953–54 the exports are expected to total not even half that amount.

We will have on July 1 a carryover of 840 million bushels of wheat as compared to the previous high point of 631 million bushels July 1, 1942.

Cotton, another big export item, has shown a similar drop. In 1949–50 we exported 5,771,000 bales of cotton. For the marketing year, 1953–54, it is estimated that our exports of cotton will be about 3,500,000 bales.

Price differentials are, of course, a tremendous factor.

Opinions differ as to how to meet world competition, without subjecting the American farmer to the low level of foreign prices and foreign costs.

The fact remains, however, that in the export field is a most important potent factor in the solution of our agricultural surplus problems.

In the field of dairying we need to sell our products. What the producer of dairy products needs to do is to join with all the Nation's producers through their fine national organizations, agreeing to have a deduction made from the price of his product to go into a general advertising fund. The dairy producers must advertise their product through the medium of the greatest national selling organizations, such as television, magazines, or any other medium of advertising.

The dairy producer has one of the greatest foods that could be offered on the market. Fluid milk contains not only the natural milk sugars, but contains calcium, which is so essential in one's diet. Children must have it for their health and well-being. Adults should have it because of the calcium that this food product contains.

The surpluses in dairy products would vanish if we undertook to sell this highly nutritive food that dairy products contain. It can be done, and it must be done.

American agriculture today is in a key position to contribute to our domestic well-being, and to the peace and stability of the world, in which we have assumed historic obligations and responsibilities. All other considerations aside, we cannot long have prosperity in America if there are hunger and insecurity in large areas

elsewhere in the world. Full production in American agriculture is the only effective answer to the needs of the entire world.

Mr. President, I yield the floor.

USE OF AGRICULTURAL SURPLUSES TO AID BENEFICIARIES OF SOCIAL SECURITY PROGRAMS.

Mr. KERR obtained the floor.

Mr. MANSFIELD. Mr. President, will the Senator yield that I may suggest the absence of a quorum?

The PRESIDING OFFICER (Mr. BARRETT in the chair). Does the Senator from Oklahoma yield for that purpose?

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

The PRESIDING OFFICER. Is there objection? The Chair hears none, and the Secretary will call the roll.

The Chief Clerk proceeded to call the roll.

Mr. KERR. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

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

Mr. KERR. Mr. President, on behalf of myself, the Senator from Minnesota [Mr. HUMPHREY], the Senator from Arkansas [Mr. MCCLELLAN], the Senator from Delaware [Mr. FREAR], the junior Senator from Mississippi [Mr. STENNIS], the junior Senator from New Mexico [Mr. ANDERSON], the senior Senator from New Mexico [Mr. CHAVEZ], the Senator from West Virginia [Mr. KILGORE], the senior Senator from Louisiana [Mr. ELLENDER], the Senator from Wyoming [Mr. HUNT], the Senator from South Carolina [Mr. JOHNSTON], my colleague the junior Senator from Oklahoma [Mr. MONRONEY], the junior Senator from Louisiana [Mr. LONG], the Senator from Iowa [Mr. GILLETTE], the junior Senator from Alabama [Mr. SPARKMAN], the Senator from North Carolina [Mr. LENNON], the senior Senator from Alabama [Mr. HILL], the Senator from Tennessee [Mr. KEFAUVER], the Senator from Florida [Mr. SMATHERS], the Senator from Kentucky [Mr. CLEMENTS], the Senator from Ohio [Mr. BURKE], the senior Senator from Mississippi [Mr. EASTLAND], the Senator from Montana [Mr. MANSFIELD], the Senator from Wisconsin [Mr. WILEY], the junior Senator from North Dakota [Mr. YOUNG], the Senator from Missouri [Mr. SYMINGTON], the senior Senator from North Dakota [Mr. LANGER], the Senator from Idaho [Mr. DWORSHAK], and the Senator from Illinois [Mr. DOUGLAS], I ask unanimous consent to introduce for appropriate reference a bill to provide supplementary benefits for recipients of public assistance under Social Security Act programs through the issuance to such recipients of certificates to be used in the acquisition of surplus agricultural food products.

There being no objection, the bill (S. 3092) to provide supplementary benefits for recipients of public assistance under Social Security Act programs through the issuance to such recipients of certificates to be used in the acquisition of surplus agricultural food products, introduced by Mr. KERR (for himself and other Senators), was received, read twice by its title, and referred to the Committee on Finance.

Mr. KERR. Mr. President, I ask unanimous consent that at any time during the remainder of the afternoon any other Senator who desires to do so may join in sponsoring the bill.

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

Mr. KERR. Mr. President, the bill has two purposes. The first is to provide supplemental benefits for individuals receiving assistance under the programs of old-age assistance, aid to dependent children, aid to the blind, and aid to the permanently and totally disabled, as provided for in titles I, IV, X, and XIV of the Social Security Act.

It is also the purpose of the bill to provide for increased domestic consumption of surplus agricultural food products, by establishing a program whereby the monthly benefit payments of such individuals will be supplemented by the issuance of certificates which may be transferred to retail food products dealers, in exchange for surplus agricultural food products, at prevailing market prices.

Under the provisions of the bill the Secretary of Agriculture is authorized and directed, for the purposes of the bill, to determine and announce for each month the agricultural commodities with respect to which supplies exceed the domestic demand to such an extent as to depress the market price below the parity price thereof.

Under the bill, Mr. President, each of the individuals receiving assistance or benefits for any month, under the programs referred to, shall be entitled to receive, as a supplementary benefit for such month, and over and beyond those otherwise provided, $10 in face amount of surplus food certificates issued in accordance with the provisions of the bill, to be applied by such individual toward the retail purchase price of surplus agricultural food products.

Mr. President, in our country today we have one of the strangest economic and social conditions which has ever existed in the history of the Nation: Millions of our people, under provisions inaugurated by the Government which are calculated to meet their requirements do not have enough food to eat. On the other hand, in the Nation there is a suplus of food, which, under the operations of programs instituted, originated, and operated by the Government, has accumulated to such a point that now we have what many persons regard as a burdensome supply, a burdensome surplus of food products.

At the same time the cost of living is at a point just about equal to or in excess of any previous all-time high. The latter situation has resulted in a number of effects adverse to our economy and to the welfare of our people. It is responsible for the fact that the allowances now being provided under the programs of old-age assistance, assistance for dependent children and the blind, and assistance to the permanently and totally disabled, are inadequate. Recipients of such assistance find themselves in a position of economic squeeze. That is, the amount which is being provided for them under such programs is inadequate to enable them to have enough to eat. All the consumers of the country have found themselves in an economic squeeze because of the continued high cost—and, in many instances, the increasing cost—of living.

Mr. HUMPHREY. Mr. President, will the Senator from Oklahoma yield?

Mr. KERR. I yield.

Mr. HUMPHREY. First, I wish to commend the Senator from Oklahoma for his program. I am very happy and proud to be a cosponsor of the far-seeing, very humane, and economically sensible program which he is outlining.

Is it the view of the Senator that, since the Department of Agriculture and the present administration seem to find no answer to the blessings of our abundance save to cut the income of the producer, it becomes a privilege and a responsibility for those of us in the Congress to try to shed a little light upon the opportunities for use of this blessing of surplus food and fiber? Would the Senator say that that is what we are now attempting to do?

Mr. KERR. I will say that that is one of the objectives very high on the list of those for the accomplishment of which this bill is being introduced.

Mr. HUMPHREY. In order that the RECORD may be crystal clear, as I understand the measure we are sponsoring, it would not in any way interfere with the dollars-and-cents payments to the recipients under the social security programs listed by the Senator.

Mr. KERR. That is correct. It would not interfere with the assistance which they are now receiving by reason of the amounts made available by local, State, and national governments.

Mr. HUMPHREY. In other words, the proposed plan would be supplemental.

Mr. KERR. And additional.

Mr. HUMPHREY. As I see it, the purpose is twofold: First, to provide a more reasonable and balanced diet for the recipients——

Mr. KERR. To the extent that they may have confidence themselves, and that we may have the assurance that they will have enough to eat.

Mr. HUMPHREY. The second purpose, as I understand, is to make constructive and sensible use of our abundance, or, as some call it, our surplus.

Mr. KERR. I think that is entirely correct. Mr. President, I cannot imagine a more worthy manner in which the surplus of food we now have and may be currently producing can be used than for it to be made available to the millions of our people who at the present time have too little to eat.

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

Mr. KERR. I yield for a further question.

Mr. HUMPHREY. As I understand, our measure also provides that the Secretary of Agriculture may determine, by administrative rules and procedures, the

method whereby this program shall be administered.

Mr. KERR. He shall determine the method by which the objective of the bill is to be realized.

Mr. HUMPHREY. So the Secretary would be authorized to adopt such methods as he deems best and most feasible.

Mr. KERR. He would be directed to do so.

Mr. HUMPHREY. Mr. President, if the Senator will yield for one further observation, I shall not further interrupt his discussion of the bill.

Mr. KERR. I yield.

Mr. HUMPHREY. It is very interesting to the junior Senator from Minnesota to learn that the use of our agricultural abundance—which abundance has been frowned upon by some powerful administration leaders—has been discussed in terms of overseas aid, which the junior Senator from Minnesota feels is desirable. The use of the abundance has been discussed in terms of a concessional price to the Soviet Union in the case of dairy products, particularly butter. Yet I gather that the administration, even in Cabinet meetings, has discussed the disposal and the use of so-called surplus agricultural commodities in many and diverse ways, except that there has been brought to light no instance of the administration having discussed or formulated a plan to use this great abundance of food and fiber for the well-being, health, welfare, and contentment of the needy people of our own country. Does the Senator recall any such program or plan which has been designed—even in the embryonic stage, much less in its consummation or culmination?

Mr. KERR. If there has been such, the senior Senator from Oklahoma has not learned of it.

Mr. HUMPHREY. I point out that a series of proposals has been presented in the Congress, some of which go further than others, and some of which are limited to a particular group of products or area of production. There are now before the committees of Congress, and being brought to the attention of the Eisenhower administration, at least half a dozen constructive, progressive, and forward-looking proposals for the use of our surplus food commodities. It seems to me that the administration ought to get off dead center, start to move ahead, and give its enthusiastic support to a proposal such as that which the Senator from Oklahoma is now advancing. We are indebted to the Senator for the constructive, sensible, and sound program which he has outlined. I am proud to be a cosponsor of the bill.

Mr. KERR. I thank the distinguished Senator from Minnesota. No one has labored more diligently or intelligently than he in seeking solutions to some of the vexing problems which confront us, in the solution of which it is the hope of the senior Senator from Oklahoma and the cosponsors of the bill that its provisions may be helpful.

Mr. President, it is my deep conviction that we have no greater material benefit or blessing in this country than the so-called surplus of food, which can be defined in my mind only as an abundance of food. We have no more pressing problem than that of the millions of persons on public-assistance rolls who are confronted, in this period of high cost of living and inadequate allowances, with the difficult and tragic task of trying, out of their meager resources, to provide for themselves an adequate diet. It is the conviction of the Senator from Oklahoma that this bill would make a substantial contribution to the solution of that problem and of the problem incident to the so-called surplus of food production.

I wish to express my appreciation to my distinguished colleagues who have joined me in sponsoring this bill. They include distinguished Senators on both sides of the aisle. It is my hope that many other Senators, as they read the provisions of the bill today and study them, will become cosponsors because of my conviction of its worthiness and of the critical necessity for action on the bill at the earliest possible moment.

Mr. McCLELLAN. Mr. President, will the Senator from Oklahoma yield?

Mr. KERR. I yield to the distinguished Senator from Arkansas.

Mr. McCLELLAN. Mr. President, I have joined as a cosponsor of the bill, and I appreciate the opportunity and privilege accorded me to do so by the distinguished Senator from Oklahoma.

I should like to say that the proposal has a threefold appeal, which is very persuasive with me.

First, we have many people on the welfare rolls in this country, and we know that the present aid which they are receiving is not adequate. We might well implement that aid by providing some additional assistance for them out of the surplus food products we have on hand.

We have the surplus. The Government already owns it. If additional aid is to be given to people on the welfare rolls who, we all agree, certainly need some further assistance, then it appears to me that this is a practical way to do it. In other words, we should try to provide that additional aid, or some part of that additional assistance from surplus agricultural products that are on hand and which will serve their needs as well as would the actual cash, of which there is no surplus in the United States Treasury.

The second point is that since we do have agricultural surpluses on hand, aside from the need of many of our citizens who are on the welfare rolls, we do have the problem with respect to those surplus commodities which threaten to seriously depress the market of farm products, either soon or at some time in the future.

Therefore the provisions of the bill would afford a measure of relief by reducing those surpluses, or at least prevent them from increasing.

The third point that appeals to me is, again and again we are having proposals made to give our surpluses of food to other countries. I do believe that before we enter into any extensive giveaway program of that character to foreign peoples we should try to take care of those of our own people who are in need and who could use to advantage our surplus agricultural products.

I recall in the past that on two occasions I have made an effort to dispose of some of the surplus agricultural products to foreign countries as a part of our assistance program, instead of providing them with dollars, which we have had to borrow, thus increasing the national debt.

I failed completely in 1949, when I urged such a proposal by way of an amendment to the mutual security appropriation bill. We did make a little progress last year when we wrote section 550 into the mutual-security bill.

However, Mr. President, every time we undertake to provide some way to make use of these agricultural surplus commodities in the foreign-aid program by exchanging them for the currencies of the countries to whom the aid is given, or by exchanging them for those goods and commodities of countries that we need, or for offshore purchases and services, we encounter serious opposition from this administration, as we also encountered serious opposition from the previous administration. I take the position that if these surpluses are to be kept until they deteriorate, as they will if not consumed, or if they are to be given away for the relief of peoples abroad, as some have proposed, then I certainly believe that we can well afford to make them available for relief and assistance to our welfare clients who are on the relief rolls here at home.

Mr. President, I do not know that the bill is the complete answer, but I do feel, as a cosponsor of it, that it be brought to the attention of Congress, and that early consideration be given to it by the appropriate committee, in order that a determination may be made respecting the merits of the proposal.

The wisdom of this approach, the soundness of this approach, and the practicability of our giving further aid to those for whom the Government has already accepted responsibility should be immediately studied and considered. This bill may serve as the basis, at least, or as the foundation, for a program which will provide mutual benefit not only to those who will be the beneficiary of any aid given by it, but also to relieving the pressure of surpluses that have piled up in the Commodity Credit Corporation.

These surpluses are a burden. They are a threat to the income of the farmer and to agriculture, as long as they remain. The bill may be at least a partial answer to the problem.

Mr. KERR. Mr. President, I thank the distinguished Senator from Arkansas for what he has said. I am especially grateful for his calling attention to the fact that the bill will be effective in the utilization of the food produced in this country, to the end that there will not be a burdensome surplus to adversely affect the price received by the producer.

I believe, in the light of the results to be accomplished, the bill deserves our most serious and favorable consideration and early action.

Mr. LENNON. Mr. President, will the Senator from Oklahoma yield?

Mr. KERR. I am glad to yield to the distinguished Senator from North Carolina.

Mr. LENNON. Mr. President, I should like to say that, in my opinion, the bill of the Senator from Oklahoma is the most practical and sensible approach which has been made at this session of Congress toward the solution of a very difficult problem. I congratulate the distinguished Senator from Oklahoma for his practical, sensible, and humane approach to a problem which all of us have worried about during this entire session.

During the past 60 days or more we have heard many things said about the farm problem, and about what should be done. I commend the distinguished Senator from Oklahoma for his practical approach. I wish to say to the distinguished Senator from Oklahoma that I greatly appreciate the opportunity of being associated with him in what I believe to be a real forward-looking piece of proposed legislation.

As Members of the Senate, we have been confronted for a long time with the question of what we might do to help the dependent children of America, the aged, and the blind. All of us realize that we are not in a position to continue to increase their benefits on all levels. This is a way, as the distinguished Senator from Oklahoma has pointed out, that we can help those unfortunate persons.

As I understand the provisions of the proposed legislation, it would permit all these individuals to receive an additional $10 in surplus food. I do not like to think of it as surplus food; I think we are a blessed country in that we have such an abundance of food and fiber. I sincerely hope that, as the distinguished Senator from Oklahoma has suggested, many Members of the Senate, on both sides of the aisle, will join in this forward-looking piece of proposed legislation.

I thank the Senator for permitting me to be associated with him in the introduction of the bill.

Mr. KERR. I thank the Senator from North Carolina, and I want him to know how sincerely I appreciate his approval of the proposed legislation and his willingness and purpose as a co-sponsor to help to expedite its early consideration and passage by the Congress.

Mr. President, I yield the floor.

EFFORTS OF DAIRYMEN TO HELP THEMSELVES

Mr. HUMPHREY. Mr. President, America's dairy industry has good reason to be shocked at Secretary Benson's discrimination against it, because few commodity groups in agriculture have done more to try and help themselves.

During this period of discussion of Secretary Benson's too drastic slash in dairy price supports, some propagandists have tried to make it appear either that dairymen were lazy farmers wanting a handout from the Government, or that there was not any future in dairying anyway, so why worry.

Mr. President, nothing could be further from the truth. I doubt if there are any harder working group of farmers than our dairymen. I doubt if any group has tried harder to help themselves and their industry. Yet the reward they get from the Department of Agriculture is to have the commodity they produce become the first victim of the new philosophy of curing everything by cutting prices to the farmer.

In view of the discussion of the dairy situation, I think the record should be kept clear concerning what dairymen are doing themselves, paying for with their own dollars, to sell more dairy foods through the normal channels of trade. An intensive sales promotion campaign is being conducted by the American Dairy Association, self-financed by dairy farmers throughout the country to strengthen their present markets and build new markets to insure a more prosperous future. Given time and cooperation, such efforts can and will do a great deal to alleviate problems now confronting the industry.

But dairymen who have contributed their dollars to this sales promotion will not feel too kindly, I am sure, about being forced out of business before they can reap the benefits of their investment.

I emphasize this great sales campaign of the dairy industry, Mr. President, in order to refute the idea that dairymen are not doing their part in their own behalf and also to refute the idea that we will not need so much dairy production in the future anyway.

Mr. President, Hoard's Dairyman is perhaps the most authoritative national dairy magazine. In its January 25 issue, just a few weeks before Secretary Benson announced he was going to pull the rug out from under the dairy industry, Hoard's Dairyman told the story of what the American Dairy Association is doing toward developing new and broader markets for the future.

In that informative article, they said:

> If milk consumption can be increased but 2 percent per capita each year until 1960, this increase and the increase in population would mean that, in 1960, the dairy industry would need about 25 billion more pounds of milk to meet the demand. And the obtainable increased consumption rates of the other dairy products are not even considered in this calculation.

Mr. President, that emphasizes what I have said all along: we are going to need our dairy production, so we had better take care of our dairy producers. Given equitable treatment now, and protection over this emergency period of temporary oversupply, the dairy industry stands ready to do its part toward self-help in one form or another.

I ask unanimous consent to have printed at this point in the RECORD an editorial entitled "Proof of the Pudding" from Hoard's Dairyman of January 25, discussing the sales-promotion efforts, along with the article in the same issue entitled "Your Sales Dollars Are Bringing Results," analyzing results of the ADA's campaign.

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

PROOF OF THE PUDDING

Dairy farmers, looking for encouragement in the future of dairying, will enjoy reading the report beginning on page 64 of this issue. For the first time, we have specific sales figures which can be converted into dollar returns proving the wisdom of investing dairy dollars in a sound sales promotion campaign. Prior to this time, farmers have made their investment in the American Dairy Association sales program largely on faith. We, too, have had faith in the American Dairy Association's sales-building approach.

We must admit, however, that there were thousands of dairy farmers who have been skeptical. They wanted proof of the merit of investing their hardearned dollars in sales promotion. Others used the lack-of-available-proof argument as an excuse for their own backwardness. Certainly it has been evident for some time that a carefully conducted market test must be carried out to measure the specific dollars-and-cents return for money invested in sales promotion.

Using Rochester, N. Y., and Kansas City, Mo.—both Federal milk marketing areas—the American Dairy Association, working in cooperation with local dairy farmer groups, was able to put on what they considered to be the best available fluid milk promotion campaign. With the data available in the Federal milk marketing administrator's office actual increases in sales of fluid milk could be measured.

The increased sale of bottled milk meant that this milk was marketed at a higher price than would be the case were it forced to go into manufacturing channels. The difference in price of the milk sold provides the dollar-return figures quoted by Don Coleman in his feature article.

Anytime a dairy farmer can invest a dollar at the beginning of the month and get back at least $2 and possibly $17 at the end of the month, he should consider that he has had a phenomenally high return. Most of us are happy to get 6 percent a year rather than 100 percent per month.

Do not be misled by this report from Rochester and Kansas City. The American Dairy Association cannot conduct this type of a sales-promotion program throughout the United States. It simply does not have the funds available to get the job done. These were demonstration markets; nothing more. To do this kind of a job in all markets will require that all dairy farmers go on the year-around American Dairy Association set-aside at the earliest possible moment.

During the past few years we have devoted a large portion of our time, travel, and editorial columns to this problem of expanding markets through sales promotion. We have listened to countless arguments, pro and con, on the method of approach and who should do the job. Only one valid argument has ever been set forth to justify any reluctance to support the expanded sales promotion effort. This has been the lack-of-proof argument. For years we have endeavored to have the American Dairy Association conduct the tests reported in this issue. It wasn't until there was a change in the association management, 13 months ago, that such a market test was launched. We believe the results answer those who requested proof of merit of investment.

In our opinion, the evidence conclusively proves that every dairy plant and every dairy farmer in the United States should be cooperating in this great campaign. We compliment those dairy farmers, leaders, and plant operators who have pioneered in this venture. We admire the courage and faith of those who have taken the lead in the year-around set-aside. They have exhibited admirable statesmanship and have paved the

way for what can be a much brighter, more profitable future for dairy farming.

The extent of our future gains will depend upon how rapidly the remaining States join the parade. Every day of delay will be written into the size of our milk checks.

YOUR SALES DOLLARS ARE BRINGING RESULTS

(By Don Coleman)

Early last year from the grassroots of the country came the demand for a stronger American Dairy Association sales promotion program. As you will recall, Hoard's Dairyman has been active in reporting this demand and inspiring the industry to an increased promotion plan.

This factual report has been prepared by the staff of ADA at the request of the editors to describe progress to date as ADA moves toward the year-around set-aside.

Answering this demand for more sales promotion work, the board of directors of ADA, at its annual meeting last March, unanimously adopted a year-around set-aside program of 2 cents per hundredweight of milk or one-half cent per pound butterfat. At that time, it was decided this program would become the national policy as soon as either 25 States or States representing 60 percent of the milk supply had approved it.

At press time, 18 States with 55.3 percent of the milk have already voted for the plan.

When the plan for increased action started in 1953, ADA prepared an ideal plan of advertising, merchandising, research, and public relations. This plan carried a budget of $10 to $12 million annually.

But more than an ideal plan was needed. A specific program, designed to tell the dairy foods story to the public better than ever before, was needed. To develop this program, all the known facts on dairy foods had to be assembled for a complete review. Milk was selected as a starting point. This job was turned over to J. E. Ratner of Campbell-Mithun, Inc., the advertising agency which handles the ADA account.

After several months of extensive research through scientific literature, research surveys, and consumer attitude studies, Ratner prepared a 500-page (and still growing) encyclopedia on milk.

Armed with this well-documented book, ADA prepared a new advertising campaign for fluid milk which used the scientific facts Ratner had compiled as approaches for the advertising. Some 20 different approaches which were considered convincing enough to cause consumers to buy more milk were collected.

Following actual tests of the ideas on groups of men, women, and children, the six strongest were selected for use. After the initial tests, the number of approaches was reduced to the most effective four: "Three glasses of milk a day will help you sleep better, relax, lose weight comfortably, and end calcium starvation."

With the authoritative information accurately reported and documented, the need became apparent for ADA to have an authority (who was himself an authority) to help carry our milk sales message to the public.

Herrell DeGraff, professor of food economics at Cornell University, New York State, was contacted. Professor DeGraff was chosen because he himself is a milk enthusiast and his mission in life is to help improve the nutrition of the American people through the use of adequate amounts of milk. His role was to lend the weight of his authoritative knowledge on milk to the ADA ads and to appear on television films, which he consented to do.

At the same time this program was developed the dairy groups of Rochester, N. Y., and Kansas City, Mo., had sought to expand dairy advertising by instituting a local promotion program. The new ADA milk-selling program was presented to the groups who agreed to sponsor them as tests in their areas, starting in early July in Kansas City and in mid-July in Rochester.

To launch the new test programs, mass dairy meetings of producers, processors, and dairy route driver-salesmen were called to fully explain the advertising program and to suggest how the drivers could cooperate in the campaigns. Reviews of the merchandising materials to be used by the dairies, paid for by them, were given the drivers.

These two markets went to work. Both test areas used television and newspaper advertising to tell the message. Kansas City had more TV than did Rochester. The driver-salesmen went to work distributing bottle collars, prepared by ADA, which told the housewife the same documented messages.

The dairies, too, joined the test programs with concrete action programs. One of the best examples of dealer support was evidenced in Rochester when the manager of Blue Boy Dairy, James Bell, and his staff designed a set of six bottle caps tied to the advertising theme.

Prepared by ADA, these merchandising materials (bottle collars, store posters, and reprints of the advertisements used in newspapers) were used to good advantage in both markets.

Did these sales efforts have an impact?

Surveys in Rochester proved that they certainly did. Consumers questioned before and after the sales campaign showed these changes in consumer attitudes:

1. Why should adults drink more milk? Before: 277 different ideas. After: 316 different ideas.

2. People who volunteered "milk is good for general health." Before: 21 percent. After: 31 percent.

3. Calcium benefits mentioned. Before: 14 percent. After: 22 percent.

4. Vitamin benefits mentioned. Before: 5 percent. After: 9 percent.

5. Milk is fattening. Before: 12 percent. After: 2 percent.

6. How much milk should an adult drink daily? Before: people estimated amounts in parts of pints or quarts. After: three glasses, 31 percent.

Other findings: Milk advertising on television was remembered by 65 percent of Rochester people (set ownership is 75 percent). One-half of the people, when asked, remembered recommendation of three glasses of milk per day. The newspaper ads on three glasses were recalled by 25 percent of the people. Professor DeGraff was identified by more than 25 percent of the consumers.

And here are the sales results of the ADA fluid milk test campaigns:

Fluid milk sales increases (over same 1952 period)

	Rochester	Kansas City
	Percent	*Percent*
July	[1] Plus	8.5
August	2.3	11.0
September	1.9	10.0
October	3.7	11.9
November	3.2	7.0

[1] Promotion not in effect full month of July.

Both market tests were successful. Milk sales were up in the two markets an average of 6.6 percent.

And here is what it meant in extra dollars for the producers, based on what the milk brought in Class I or fluid sales as opposed to what it would have brought in Class II or milk for manufacturing:

Rochester: For every $1 of advertising investment by the producers, $2.07 extra was returned to producers.

Kansas City: For every $1 of advertising investment by the producers, $17.87 extra was returned to the producers.

The 22-week advertising program cost the Kansas City producers $7,060. The extra dollar in Class I sales return above the advertising cost was $126,203.78.

Now that these programs have been successfully tested, the new milk-selling approaches are being incorporated in the year-around advertising program of ADA. In late fall 1953 the association's Bob Crosby TV show and the Bob Hope radio program were giving these messages to the Nation's consumers.

The Crosby show, seen in 50 key TV market areas by nearly 4 million people each program, is identified closely with the three-glasses-a-day theme. The Hope broadcasts, carrying milk messages, also now are stressing the three-glasses campaign messages.

By using these proven methods of selling more milk on Nationwide advertising, reaching a potential audience of nearly every American in every section of the country, ADA hopes to keep increasing the consumption of milk across the country.

Future effects of such Nationwide increased consumption can be seen easily in looking at the population trends which are advancing rapidly to an estimated population of some 17 million more people in 1960.

If milk consumption can be increased but 2 percent per capita each year until 1960, this increase and the increase in population would mean that, in 1960, the dairy industry would need about 25 billion more pounds of milk to meet the demand. And the obtainable increased consumption rates of the other dairy products are not even considered in this calculation.

Naturally, with an expansion of the advertising program of ADA, made possible by the year-around set-aside, comes an increase in the other vital ADA fields of research, merchandising, and public relations.

A new program in sales research is underway. Alfred Politz Research, Inc., the Nation's leading market analysis organization, began its field work in late fall 1953, making the first of a series of consumer surveys on buying habits and attitudes among homemakers in market areas across the country. Results will soon be available to guide ADA and the dairy industry in their sales approaches.

The American Dairy Association is also cooperating with the United States Department of Agriculture in formulating and carrying out other market surveys that can be integrated with the dairy industry sales promotions.

In the overall scientific research program for 1954, ADA has 22 active projects at 14 research centers. Recent highlights of scientific research are (1) the development of a new test for solids in milk, and (2) a new test for foreign fats as an adulterant in dairy foods.

In addition, the butterfat-nutrition program is in progress, with special projects placed at several leading universities. Additional ADA funds for butterfat-nutrition research have been made available on a 50-50 basis with the Minnesota Dairy Industry Committee.

In public relations, progress also is being made by ADA. During the middle of last year (1953) a gainful public relations conference was held with the Washington, D. C., press following meetings with President Eisenhower and Secretary of Agriculture Benson.

Later in the same year, a series of press contacts were made by ADA with the very influential New York City newspapers, the national press wire service headquarters, radio and TV network news offices, and the offices of leading national news magazines.

Also, contacts were made by the home service department of ADA with the leading food and general consumer magazines to secure continued support for food stories and recipe features.

Public relations advertisements directed to the newspapers of the country also have been scheduled by ADA.

On the merchandising front, the strengthening of the popular "Ice Cream, Milk, and Cheese Festivals," and other ADA promotions have been progressing rapidly. For example, the "1954 Milk and Ice Cream Festivals" (May and July-August respectively) have enlisted more industry and related food support than ever before.

For dairying, ADA is also preparing a "Milk Selling" handbook that ties in with the new advertising programs and approaches. This book will be distributed throughout the industry by the association during the next months.

This year of 1954 will be a big one for ADA and dairying. The extent to which the program can be expanded, through the year-around set-aside, could well make the difference between a small and a large increase in the milk and milk products markets for 1954 and the future.

The indications of sales increases obtainable through ADA's expanded selling program points up the fact that advertising does not cost. Rather, it costs not to advertise. Over the years, it may be that the dairy industry has been paying because it has not advertised enough.

Mr. HUMPHREY. Mr. President, I desire to say a few words with reference to another subject.

The PRESIDING OFFICER. The Senator from Minnesota has the floor.

CONSERVATION OF NATURAL RESOURCES

Mr. HUMPHREY. Mr. President, I should like to say a few words with reference to a part of the President's budget which has been brought to my attention and which I think is very pertinent at this time, in view of the fact that only yesterday we were discussing legislation pertaining to our Forest Service and to our great forest reserves.

Mr. President, I have frequently expressed my deep concern over some of the backward trends of the present administration in connection with the conservation of our natural resources.

Reassuring statements keep coming from the White House, but they do not jibe with budget messages and action in the Congress.

A very constructive article on this situation appeared in the February 26 issue of the Minneapolis Tribune, entitled "Cut in Federal Forestry Funds Questioned." Its message is summarized in the opening paragraph, saying:

> The 1955 budget for the United States Forest Service raises a question as to whether the Eisenhower administration is giving more than lip service to the cause of conservation.

Mr. President, this article is not from an antiadministration journal; it is from one of the Midwest's great newspapers that have vigorously supported this administration. Yet, it is also a newspaper deeply concerned with the realities of our conservation problems. It should serve as a timely warning to everyone interested in protecting our great natural resources.

I ask unanimous consent that the article be printed at this point in the body of the RECORD.

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

CUT IN FEDERAL FORESTRY FUNDS QUESTIONED

(By Wilbur Elston)

WASHINGTON.—The 1955 budget for the United States Forest Service raises a question as to whether the Eisenhower administration is giving more than lipservice to the cause of conservation.

Here are some of the things that will happen if the Forest Service budget is adopted without additional funds:

Work on reseeding the old Dust Bowl area in Texas, Colorado, Oklahoma, and Kansas will be practically suspended, even though a new drought hit the area last year.

Funds for reforestation of national forests will be cut from $820,000 this year to $390,000 next year.

Funds for planting grasses in Forest Service rangeland will be reduced from $565,000 this year to $265,000 next year.

Maintenance of many ranger stations and other permanent installations will be deferred, at a saving of $283,000.

The number of forest rangers and supervisors will be reduced by a $212,300 cut in funds for their services and by consolidating a number of national forests and ranger districts.

Further purchases of lands to consolidate present national forest holdings will be halted.

Federal aid for reforestation, forest fire control, forest management, and control of forest pests will be reduced by almost $2 million.

A cut of almost 50 percent will be made in the cooperative range improvements on national forests—from $531,000 to $281,000—on the theory that private users of the national forest ranges should do more of this work themselves.

The Eisenhower administration is turning more responsibility back to the States and private enterprise for forest conservation programs, and is stressing research and education work in this field instead.

For example, the budget for land utilization projects in the southwest dust bowl was cut back sharply because the administration is planning to sell much of the land.

Legislation is also pending to permit the sale of some of the lands to private owners.

Forest Service experts frankly admit the cutback will cause no particular harm if the weather is good. But in the event of further drought some 40,000 acres on which seeding is still under way may spawn a new dust bowl problem.

Conservationists question the wisdom of turning back these lands until the new grasses have gotten such a good start that they will prevent a future dust bowl and provide profitable grazing land for private operators.

In recent years the Forest Service has been getting only about $75,000 a year for new purchases of forest land, although funds have run as high as 3 million per year.

In Minnesota, eliminating this item will mean ending a program to consolidate Federal holdings in the Chippewa National Forest.

The Forest Service this year took options to buy some 31 individual Indian allotments in the Chippewa forest at a cost of about $23,000. These tracts are part of some 40,000 acres, held by the Indians in the forest, that are regarded as better suited for timber production than any other use.

Offsetting these budget cuts for the Forest Service are proposed increases of $415,836 for forest research programs; $1,502,000 for new timber access roads for insect control and timber salvage in Oregon and Washington forests, and $285,000 for control of epidemics caused by spruce bark beetle in southwestern Colorado and the Montana-Idaho regions.

The President recognized in his farm message to Congress that the soil, water, range, and forest resources of the United States are the natural foundation of our national economy.

The question is whether his desire to protect and improve these resources is consistent with his budget message declaring that the development and use of our public lands should be on a businesslike basis, with due regard for proper conservation and for the rights and interests of States and private citizens.

Mr. HUMPHREY. Mr. President, these economies at the expense of conserving our resources are apparently being pushed forward under the supposed justification that States can assume a greater share of the historic Federal-State cooperative programs. I have previously shown evidence on this floor that States are not capable or willing to assume those burdens, with the result that the public interest will suffer.

In further support for that contention, I ask consent to have printed at this point in my remarks another article from the Minneapolis Tribune of February 25 headed "Proposed Cuts in United States Aid Anger States."

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

PROPOSED CUTS IN UNITED STATES AID ANGER STATES

(By Wilbur Elston)

WASHINGTON.—State officials are protesting strongly Secretary of Agriculture Ezra T. Benson's proposed withdrawal of Federal aid for forest conservation and disease-control programs, it was learned Wednesday.

Benson has informed all governors his 1955 budget reflected President Eisenhower's desire to shift more responsibilities to State and local governments.

"Principal adjustments affecting States include elimination of tuberculosis and brucellosis indemnity payments, curtailment of Federal participation in quarantine and related operations in plant disease and pest-control programs and cooperative forestry activities," Benson wrote.

"It is our belief that State and local agencies and individuals can and should assume greater control and responsibility in these programs, particularly where problems are local in character and Federal control results in encroachment on State prerogatives and jurisdiction."

States, however, are complaining they were "caught off base" because they had no prior warning these Federal aid programs would be ended or reduced.

Since many legislatures are not meeting this year, these States are unable to provide funds to replace Federal aid that Benson proposes to withdraw for the year starting July 1.

Wiped out would be the following types of Federal aid to States:

Contributions for reforestation of State and private lands that totaled $447,061 in 1953–54.

Federal aid to stimulate better forest management, cutting, and sales totaling $632,429 this fiscal year.

Federal aid to help States finance brucellosis and tuberculosis indemnity payments to owners of diseased cattle, totaling more than $700,000 this fiscal year.

In addition, reductions are proposed for programs of Federal aid to States and private landowners as follows:

A cut of $2,241,350 for plant-disease and pest-control programs. It will substantially

reduce eradication work on barberry bushes that cause stem rust in wheat, as well as the grasshopper-control program.

A reduction of $481,000 for forest-fire control on State and private lands.

A cut of $250,000 for cooperative range improvements on national forests, including erecting fences, stock trails, watering facilities, bridges, and corrals.

Protests against elimination of funds for brucellosis and tuberculosis indemnities from Governor Anderson, of Minnesota, Myron W. Clark, State commissioner of agriculture, and Dr. Ralph West, secretary of the Minnesota State Livestock Sanitary Board, have been read on the Senate floor by Senator HUMPHREY, Democrat, of Minnesota.

Mr. HUMPHREY. Mr. President, it would be well for every member of our Appropriations Committee to consider carefully these objective stories from a pro-Eisenhower newspaper before going further with the pious contention that the administration's recommendations are not turning the country's back on the great conservation objectives we have been seeking to achieve for many decades.

Mr. President, only yesterday I found in the Washington Star a most revealing article entitled " 'Slipping Back' in Reforesting Blamed on Economy Measures." The article reads as follows:

The Department of Agriculture admits that it is definitely slipping back in reforesting cutover areas of the country but says the Eisenhower administration's attempt to balance the budget makes it impossible to do anything else.

Testimony released today by a House Appropriations subcommittee reveals both Democratic and Republican criticism of the administration's policy of relaxing protective controls over the national domain. And it discloses that department officials aren't any too happy about it, either.

Typical of committee members' comment on recommendations made in the proposed agricultural appropriation for 1955 were those made at the hearing on February 16 by Representatives WHITTEN, Democrat, of Mississippi, and HORAN, Republican, of Washington.

"What is disturbing me on this committee," Mr. WHITTEN said, "and with regard to many other recommendations I have seen is this: They would indicate that there is a feeling that the people as a whole, the people of the Nation, have less interest and less responsibility in their fields than I think they have. National resources always are something which all of the people are dependent upon. People in the cities are as dependent upon the timber in Oregon, Washington, and Mississippi as the people of those States.

"Since we all have that interest it strikes me that for the Federal Government to get out of the picture, even to a limited extent, without being absolutely sure that the natural resources are going to be protected first, is a shortsighted policy."

Mr. HORAN agreed, saying he was "a little disturbed" by the proposed decrease in Forest Service funds from $74,148,408 in 1954 to $71,882,500 in 1955.

Assistant Secretary of Agriculture J. Earl Coke told the committee that none of the proposed reductions "is going to seriously injure the type of work for which the reduction has been proposed. In most cases it is a reduction and not an elimination."

Mr. President, I think it would be interesting to place this information before Congress, prior to the time when appropriations are made for these items. I believe it is quite clear that when the Nation is using up its timber resources at an unprecedented rate—and that is exactly what is happening—it would be foolish economy, false economy, and economic madness and stupidity to reduce or to limit so-called reforestation programs. It would be a temporary economy to limit reforestation now, but the generation 50 years from now would have to pay dearly for it. The Americans of the future will be the ones who will pay.

I think we have learned the lesson—at least, I hope we have—that as a result of the exploitation of our great natural resources, the obligation of conservation and restoration, particularly through reforestation, is a political and moral obligation which cannot be ignored.

TENSIONS WITHIN THE SATELLITE COUNTRIES—BULGARIA

Mr. WILEY. Mr. President, I desire to call attention to the publication today of the first of a series of studies on Tensions Within the Satellite Countries, prepared by the Legislative Reference Service of the Library of Congress at the request of the Committee on Foreign Relations. The study which is published today is on Bulgaria. It will be followed by similar studies of tensions within Rumania, East Germany, Hungary, Czechoslovakia, Poland, and Albania.

The present series, which is being published as Senate Document No. 70, is a follow-up on the study Tensions Within the Soviet Union which was first published at my request 3 years ago and was brought up to date last year.

The earlier study showed that the monolithic appearance of Soviet society is but a thin facade behind which there is widespread discontent and unrest, with every important social group having its own grievances against the regime.

The present study on Bulgaria shows that, great as are the Soviet's troubles at home, they are even greater abroad. The solidarity of the Soviet bloc is a myth. The people of Bulgaria resent communism, not only for the specific wrongs it has done to them, but also for the reason that it is the instrument of foreign imperialism. Even the Communist leaders themselves are split into two factions—those repatriates who spent the interwar period in Moscow, and those indigenous Communists who never left Bulgaria.

Thus, the nationalism which Moscow preaches in the Soviet Union is a potent source of tension and even subversion in Bulgaria.

Nor is this the only cause of strife within the Bulgarian Communist Party. Many undependable opportunists entered its ranks in the early days of its success. These same opportunists are now beginning, secretly, to look for a way out, to make deals which they hope will insure them to some extent against the full vengeance of the people when communism is overthrown.

Outside the ranks of the Communist Party itself, almost every important social group in Bulgaria has been the source of trouble to the regime.

The upper strata of the old Bulgarian society—intellectuals, businessmen, civil servants, politicians, members of the independent professions, and army officers—are, in the words of the study, "a major sore in the flesh of communism in Bulgaria."

The peasants, perhaps the toughest anti-Communists of all, have even resorted to armed resistance and to sabotage of crops and farm machinery.

The workers, to quote the study again, "have one of the harshest deals possible."

Religious groups have either been liquidated or taken over as Communist instrumentalities. What a blasphemous perversion this is, Mr. President.

Youth groups make up one of the highest priority Communist propaganda targets; yet, says the study, in one of its most heartening conclusions:

Youth refuses to be held under the party's influence; it is balking, asserting its freedom, looking west for ideas.

Mr. President, all these groups—the upper strata, the peasants, the workers, the church members, and the youth—have real and persistent grievances against communism and against the Soviet Union. These grievances are not susceptible to amelioration or appeasement. If the regime attempts appeasement, it merely gives its opponents greater latitude. If it increases its brutality in an effort to wipe out all opposition, it merely creates more discontent. There is no end point, short of liquidation of the entire population, and that is self-defeating from the Communist point of view.

This is the insoluble dilemma of totalitarianism. Sooner or later—not tomorrow, or next week, or perhaps even next year—it is bound to be fatal.

So, Mr. President, the Legislative Reference Service has prepared an excellent exhibit, showing the tensions within the Soviet captive country of Bulgaria. Similar studies of other captive countries will follow. To persons who believe that all is not well back of the Iron Curtain, in countries which the Soviet has taken over, it should be heartening to know that things are not well for the Soviets, either. The spirit of liberty and freedom that sparks within the human breast, burns very fervently in those countries. A reading of this first statement of tensions within the satellite countries indicates clearly that in Bulgaria, the Bulgarians hunger for freedom.

AMERICAN SERVICE TECHNICIANS IN INDOCHINA

Mr. STENNIS. Mr. President, recent news items from the war areas of Indochina carry serious reports of an attack Monday before dawn on an airbase at Catbi, 3 miles from Haiphong. The place attacked was the actual spot where some 44 of our Air Force mechanics ordinarily work. They were away from this spot when it was attacked. These news reports state that there is a systematic plan by the Communists to make special attacks on all the places where our mechanics are at work.

The Associated Press dispatch from Haiphong reads, in part, as follows:

Reports circulated that the Viet Minh had declared they planned to attack every area where American personnel work. The Viet Minh radio recently accused the United States of intervening in the Indochinese war. None of the 44 United States Air Force personnel stationed at the field Catbi, 3 miles from Haiphong, was on the airfield when the commandos attacked before dawn yesterday. Another 105 American technicians work at Doson airstrip, 12 miles southeast of Haiphong. The French set up prohibited zones around both fields, barring from the areas all civilians except those with special authorization. The rest of the 252 Americans aiding the French in maintaining the planes are stationed at Tourane, on the central Indochinese coast.

Before the arrival of the Americans, Viet Minh commandos raided the Doson field about a month ago, damaging planes and blowing up gasoline storage depots. Last Thursday morning rebels wrecked 12 transport planes at Gialam civil airport, 5 miles from Hanoi. The French said natives living around Catbi airstrip apparently sheltered the raiders throughout the day while they plotted their approach to the field.

Mr. President, I understand that in large areas of Indochina there is no such thing as a battleline in the Indochinese war. Just like so many hornets' nests, there are straggling groups and little battles going on in a great number of places.

Thus, step by step and day by day, we are coming nearer and nearer to a fighting part in the war in Indochina. We are placing our mechanics on duty in the actual theater of war and thus are making them special targets.

We were recently assured, as I understand it, these men would not be in combat nor near combat, but were merely "technicians"; that they would not involve themselves in combat nor the Nation in war. We see now that they are at the scene of battle, and more, that they have become special targets of the enemy.

Suppose they are attacked? Of course they will fight back. Suppose they are wounded or captured? It is unthinkable that we should leave them to their fate. Or shall we? I raise that point. They are members of our Armed Forces and are under arms and are under orders. I think we would send other members of our Armed Forces to their rescue. They would not be armed with monkey wrenches, either, and the first shot of world war III might be fired there.

Deeply concerned about these very matters and fearing such development, I wrote Secretary of Defense Wilson on February 15, 1954, the following letter:

FEBRUARY 15, 1954.

Hon. CHARLES E. WILSON,
Secretary of Defense,
Washington, D. C.

DEAR MR. WILSON: I am writing to you concerning the subject matter of this letter in your capacity as a member of the Security Council.

My latest information is that about 250 additional members of our military forces, consisting of about 200 airplane mechanics and some officers, have recently been sent into the theater of war operations in Indochina and are now engaged in the servicing of the planes that are being used in the operation of that war. I accept at full faith your recent statement that you of course wish to avoid any act that might involve the United States in that war. At the same time I feel that when you send members of our military forces into the theater of operations whether they have monkey wrenches or rifles in their hands, they are nevertheless taking part in the operations of the war and the chances of our direct involvement are thereby materially increased.

As you doubtless know, Mr. Secretary, this is a very grave matter to the Members of the Congress and to the people, and I know it is to you. When Admiral Radford reported this matter to the Senate Armed Services Committee, every Senator present except one expressed grave concern and what was in effect strong disapproval.

I feel that each member of the Senate Armed Services Committee should keep up with the facts and to this end I respectfully ask the following questions:

1. How many men were there in this mission which was recently sent? What are their duties and how far from the scene of actual combat do they operate?

2. What effort was made to get suitable nationals who were capable mechanics from Korea, Japan, the Philippines, or France?

3. What efforts are being made now to recruit suitable men from some source other than the military services of the United States?

I was very much pleased with your assurances to Senator SALTONSTALL that these men would be withdrawn not later than June 12, 1954. I want to respectfully urge you to withdraw them now, and if you consider it impossible to withdraw them now, then I want to urge you to exert every effort to replace them and withdraw them entirely from this theater of operations as soon as you possibly can. I am not an alarmist and I am not opposing your policy of material aid to the French in the Indochina war. I do strenuously oppose the United States alone send members of our military forces in there and thus causing us to take all the chances of being involved ourselves and the chances of bringing Red China into the war. If direct intervention by outside military forces is absolutely necessary, it seems to me that the action should be by the United Nations, rather than by the United States alone.

I shall appreciate the foregoing information. I believe that I understand, and I know I appreciate full well, your own deep concern and your fine purposes and efforts in the premises.

With best wishes, I am,
Cordially yours,

JOHN STENNIS,
United States Senator.

Mr. President, the best information I have been able to obtain from the war scene is to be found in the March 5 issue of U. S. News & World Report, in an article by Mr. Robert P. Martin, staff member, written from Tourane, Indochina. The headlines read: "With the GI's in Indochina—They're Already at Work in Another War." I read from the article:

At Doson, only 8 minutes' jet-flying time from Communist China's border, unease is more tangible. This base is on the edge of the Red River Delta, for 7 years a fluid but major battleground between the French and the Communist Viet Minh. Raids, ambushes, fire fights, and artillery harassments are within sight and sound of American billets, and are now a part of the daily life there.

Viet Minh raiders, not long ago, sneaked into the Doson base and destroyed two American C-47's with explosives, damaging several others. Early this week, another raiding party tried to land at the edge of the base from small boats. The French blew them out of the water. No one in official position expects trouble in larger quantities than the French have been able to deal with in the past. But Americans have plans for orderly evacuation—by air if there is time, or by retreating to a nearby landing beach if the field should be under direct attack.

American GI's at Tourane look, talk, and work exactly like GI's at Clark Field in the Philippines, or Tachikawa and Iwakuni in Japan, their former bases. They wear fatigues during the day and uniforms at night. Officers wear khaki during the day, but can don civilian clothes at night when visiting the French officers' mess. But the superficial resemblance to their former life ends there.

Pilots of transport planes are required to carry pistols, sheathed bayonets, water bottles and emergency rations. All officers have pistols in their rooms. Men are not permitted to leave base except on conducted tours or Sunday swims at a beach guarded by French machine-gun squads.

Of course, Mr. President, the article was written before the recent attacks, about which we learned from the news reports early this week.

I read further from the article:

The French, as another precaution, are beginning to evacuate villagers living near Doson, to guard against any grenade throwing or other terrorist incident.

So, Mr. President, the French are evacuating the villagers around the areas where our Air Force mechanics are at work. The enemy soldiers who led the attack earlier this week, which missed our men by only a short distance, had been harbored among the natives in the villages around these airstrips or airbases, as is stated by the writer of this article, who also states that:

The Air Force has pledged that none of these new arrivals would have to stay in Indochina more than 120 days.

That statement coincides with the promise made on the floor of the Senate, through the Senator from Massachusetts [Mr. SALTONSTALL], the chairman of the Armed Services Committee.

I read further from the article:

The relative closeness of these two fields to possible danger draws forth this comment by a United States Air Force major: "At Tourane, we discuss the possibilities of a fight. At Doson, we talk about the probabilities."

Mr. President, those are our men, from our armed services. They are there on duty, under orders from our Government, in the Indochina theater of war.

I read further from the article:

The $64 question that is of all-consuming interest to American technicians now in Indochina, however, is what their role here may turn out to be. A captain posed it this way: "We may turn out to be the forgotten troops who just did a job. We may be heroes who helped the French to win. Or we may be the men who started another war." No one in Tourane can give the answer.

That article gives the on-the-ground viewpoint of this gentleman, who I understand is a responsible member of the staff of the U. S. News & World Report. In the article he describes the predicament of our men who are stationed there.

Mr. President, if we and the American people generally do not realize that these men are right "under the gun," and are

themselves thinking and talking in terms of being attacked and having to fight back, and probably starting a war, at least everyone else who is thinking on the subject realizes it.

I wish to make it clear, first, that my letter to Mr. Wilson was acknowledged, but nothing further has been heard from him as yet. I desire to say that I do not blame him personally. Perhaps he does not favor having our men there. I do not know. In any event, the answer to my letter involves a high policy decision that is, of course, shared by others than Mr. Wilson.

We are taking steps that lead our men directly into combat. Soon we may have to fight or run.

I think the policy decision should be made in advance, and that the Congress, as representatives of the American people, should be fully advised of all the facts and all the plans, and should be given a part in forming the final decision.

Of course, Mr. President, I know the plans cannot be made public and published in the newspapers. However, so far as I know, no one who represents the Congress, or who has the responsibility of the viewpoint of those who are definitely responsible to the people, is included in the groups who are charged with the duty of reaching these decisions. I do not charge anyone with misleading me or any other Member of Congress. Nevertheless, my understanding was that these men were to be kept far away, far removed, from the attacks which already have occurred in the last few days.

As I have already said, Mr. President, I believe that Congress, which represents the American people, should be consulted and advised in regard to the decision in this case. The Members of Congress are the ones who will be asked to vote the money and draft the men if we become involved further in war. During the current 12-month period ending June 30, 1954, we shall have spent $1,100,000,000 in money and materials on the Indochinese war.

Members of our Air Force are there, and are daily taking part in the war activities, in close proximity to actual ground combat, and are being sought out as special targets by enemy soldiers. Shall we sit idly and see these steps develop day by day, and give our consent by silence?

I renew my protest. I renew my request that our Air Force mechanics be withdrawn from Indochina. For the good they may do, the risk is too great. I restate my belief that suitable mechanics can be obtained in France or from Japanese or Korean nationals in those countries.

If the desired information is not forthcoming and if some policy is not disclosed, I shall ask the chairman of the Senate Committee on Armed Services to request Secretary Wilson, Admiral Radford, and such others as the committee may see fit to call, to make full disclosure of the facts before the committee and for the benefit of other interested Members of Congress.

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

Mr. STENNIS. I am ready to yield the floor.

Mr. KENNEDY. First, let me say that I certainly agree wholeheartedly with what the Senator said earlier in his speech about the necessity for the Congress being alerted with regard to the sending of mechanics to Indochina. The proposal which the Senator brings forward today, to request, before the Geneva Conference in April, that those men be withdrawn, would place us in a most serious position. I know that the Senator feels that the security of French Indochina is vital to the security of all southeast Asia. Is not that correct?

Mr. STENNIS. I spoke of the possibility of replacing those men.

Mr. KENNEDY. I agree with what the Senator said on that point.

Mr. STENNIS. I thank that can be done. I have made inquiry on that subject. I made a request for a report as to what effort was being made along that line and no reply has come as yet.

I do not favor turning our backs on any firm commitment we may have made. That is not my point. I do make the point, however, that the services of the Air Force mechanics should be performed at some point remote from the actual fighting because I think the present situation carries with it great danger of our becoming involved in a direct shooting war. It is an open invitation for Red China to come in.

I am not advocating that we go back on any promise we may have made, but I think I know of facts which prove that, if a real effort were made, in a very short time our men could be withdrawn and others could be brought in to do the work.

Mr. KENNEDY. I agree with the Senator that there was no necessity for sending American mechanics over there in the first place. No doubt the French could have obtained mechanics for service in that area. The situation now, however, is that they are there. In April there is to be a conference at Geneva, in which the Communists undoubtedly will present to the French an attractive plan for the total withdrawal of French forces from Indochina, and a partition which I believe, would be the first step toward the seizure of complete control in that area by Communist forces.

The position of the United States at Geneva should be that such an agreement should not be made, but that the war should be continued and brought to a successful conclusion. It seems to me, therefore, that if at this very sensitive time the United States should withdraw its mechanics and indicate to the French a total lack of interest in the fighting, or an unwillingness to make at least that commitment, it would certainly give the French an adequate excuse to take a greater step, to withdraw their own forces, and agree to a partition. That is the concern which I feel over the Senator's request, even though I agree with his statement that originally there was no necessity for sending American mechanics to that area.

Mr. STENNIS. When the facts are uncontradicted, does the Senator think we should sit idly by, leave those men exposed to fire, and wait until the April meeting has convened in Geneva and discussion has been had? Does not the Senator believe they could be withdrawn to a better protected area, and that they should be replaced as soon as possible?

Mr. KENNEDY. Yes.

Mr. STENNIS. Does the Senator agree to that?

Mr. KENNEDY. I should be delighted to see them withdrawn to a less-exposed place. However, I should be completely opposed to withdrawing them from Indochina, and I should be opposed until after the April meeting to our insisting that in the disposition of those men the French should do something which they felt was against their best strategic interest.

This month and the time of the April meeting represent the most critical period in the affairs of southeast Asia since the end of World War II. We could easily take the first step which could result in losing all of southeast Asia to the Communists. The position of the United States should be firm. But I do not believe that we should indicate in the Senate that we are reluctant to go all the way in supporting the war against the Communists. That is the only reason why I intervened. I agree with the Senator that the men should not have been sent there in the first place.

Mr. STENNIS. We are insisting upon the protection of our men, in line with what I understood were the assurances given us when the men were sent there. I realize that there is no such thing as perfect protection.

Mr. KENNEDY. Especially in guerrilla warfare.

Mr. STENNIS. That was one of the issues involved in going in there. I think more could be done toward protecting our men, and I think more could be done toward their early replacement without jeopardizing the conduct of that war. I am sure the Senator agrees that the risk is very great.

Mr. KENNEDY. Yes. I certainly am glad the Senator from Mississippi has brought the situation to the attention of the Senate.

STATEHOOD FOR HAWAII

The Senate resumed the consideration of the bill (S. 49) to enable the people of Hawaii to form a constitution and State government and to be admitted into the Union on an equal footing with the original States.

Mr. ANDERSON obtained the floor.

Mr. GORE. Mr. President, will the Senator yield in order that I may suggest the absence of a quorum, if he may do so without losing the floor?

Mr. ANDERSON. Mr. President, I ask unanimous consent that, without losing the floor, I be permitted to yield to the Senator from Tennessee for the purpose of suggesting the absence of a quorum.

The PRESIDING OFFICER. Is there objection? The Chair hears none.

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

The PRESIDING OFFICER. The clerk will call the roll.

The Chief Clerk proceeded to call the roll.

Mr. ANDERSON. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

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

Mr. ANDERSON. Mr. President, on the 26th of February 1954 I submitted an amendment which I had intended to offer to Senate bill 49, to add a new title, title II, to Senate bill 49. I now offer that amendment and ask unanimous consent that it be not read in full at this time but that it may be printed in full in the RECORD at this point.

There being no objection, the amendment offered by Mr. ANDERSON was ordered to be printed in the RECORD, as follows:

At the end of the bill add the following new title:

"TITLE II

"SECTION 1. That the citizens of the United States who are bona fide residents of that part of the United States now constituting the Territory of Alaska are hereby authorized to form for themselves a constitution and State government, with the name 'State of Alaska,' which State, when so formed, shall be admitted into the Union, all as hereinafter provided.

"The State of Alaska shall consist of all the territory, together with the territorial waters appurtenant thereto, now included in the Territory of Alaska.

"SEC. 2. All citizens of the United States who are qualified to vote for representatives of the Territorial Legislature of Alaska are hereby authorized to vote for and choose delegates, having the same qualifications, to form a constitutional convention in said Territory. The convention shall consist of 27 delegates apportioned among the several judicial divisions of Alaska as follows: First judicial division, 6 delegates; second judicial division, 3 delegates; third judicial division, 10 delegates; fourth judicial division, 5 delegates; and 3 delegates to be chosen at large from the entire Territory.

"The Governor of Alaska shall, within 30 days after the approval of this act, issue a proclamation ordering an election of such delegates to be held at a time designated in the proclamation within 8 months after the approval of this act. The proclamation shall be issued at least 2 months prior to the date of election of such delegates. The election shall be conducted without reference to the political affiliations of the candidates. The ballots used at such election shall be nonpartisan and shall not contain any reference to or designation of the political party or affiliation of any candidate. A separate ballot shall be prepared for each judicial division. Each such ballot shall contain (1) the names of the candidates running for the office of delegate from such division and (2) the names of the candidates running for the office of delegate at large to the convention.

"The 6 candidates in the first judicial division who receive the greatest number of votes shall be the delegates for such division; the 3 candidates in the second judicial division who receive the greatest number of votes shall be the delegates for such division; the 10 candidates in the third judicial division who receive the greatest number of votes shall be the delegates for such division; the 5 candidates in the fourth judicial division who receive the greatest number of votes shall be the delegates for such division; and the 3 candidates who receive the greatest number of votes at large from the entire Territory shall be delegates at large.

"In case of a tie vote at the election, the candidates so tied shall draw lots under the supervision of the clerk of the District Court for the Territory of Alaska to determine which of them shall be elected.

"In the case of a vacancy in any office of delegate the candidate not theretofore certified who receives the next highest number of votes in the judicial division in which the vacancy occurs or the next highest number of votes in the Territory at large, as the case may be, shall become the delegate from such judicial division or from the Territory at large, as the case may be.

"Except as otherwise specifically provided herein, the election for such delegates shall be conducted, the returns made, the results ascertained, and the certificates of persons elected to such convention issued in the same manner as is prescribed by the laws of Alaska regulating elections therein of members of the Territorial Legislature of Alaska.

"SEC. 3. The delegates to the convention so elected shall meet at the capital of said Territory on the 1st Tuesday following the 30th day after their election, unless that date should occur during a session of the Territorial legislature, in which event the constitutional convention shall convene on the 1st Tuesday following adjournment of the legislative session. The session shall not exceed 75 days, and after organization the delegates thereto shall declare on behalf of the people of the proposed State that they adopt the Constitution of the United States, whereupon the said convention shall form a constitution and State government for the proposed State.

"The constitution shall be republican in form, shall make no distinction in civil or political rights on account of race or color, shall not be repugnant to the Constitution of the United States and the principles of the Declaration of Independence, and shall provide that no person who advocates, or who aids or belongs to any party, organization, or association which advocates, the overthrow by force or violence of the Government of the State of Alaska or of the United States shall be qualified to hold any public office of trust or profit under the State constitution. Said convention shall provide in said constitution:

"First. That no law shall be enacted respecting an establishment of religion or prohibiting the free exercise thereof; or abridging the freedom of speech or of the press, or the right of the people peacably to assemble and to petition the government for the redress of grievances.

"Second. That said State and its people do agree and declare (1) that they forever disclaim all right and title in or to any real or personal property belonging to the United States and not granted or confirmed to the State or its political subdivisions by or under the authority of this act or any real property that is owned by or, for a period of at least 3 years immediately prior to the enactment of this act, has been in the possession and actually in the use of occupation of any Indian, Eskimo, Aleut (including any Metlakahtlan Indian or Metlakahtlan), or any community of such natives; and (2) that the title to any such property of the United States or such natives shall remain subject to the disposition of or extinguishment by the United States to the same extent as though this act had never been enacted; and (3) that no taxes shall be imposed by the State upon any such property of the United States or such natives until the Congress provides otherwise, except when held by natives without restrictions on alienation: *Provided*, That nothing contained in this act shall recognize, deny, enlarge, impair, or otherwise affect any claim against the United States, and any such claim shall be governed by the laws of the United States applicable thereto; and nothing in this act is intended or shall be construed as a finding, interpretation, or construction by the Congress that any law applicable thereto authorizes, establishes, recognizes, or confirms the validity or invalidity of any such claim, and the determination of the applicability or effect of any law to any such claim shall be unaffected by anything in this act.

"Third. That the debts and liabilities of said Territory of Alaska shall be assumed and paid by said State and all debts owed to said Territory of Alaska shall be collected by said State.

"Fourth. That provision shall be made for the establishment and maintenance of a system of public schools which shall be open to all children of said State and free from sectarian control.

"Fifth. That all provisions of this act reserving rights or powers to the United States, as well as those prescribing the terms or conditions of the grants of lands or other property herein made to said State, are consented to fully by said State and its people.

"Sixth. That the lands and other property belonging to citizens of the United States residing without said State shall never be taxed at a higher rate than the lands and other property belonging to residents thereof.

"SEC. 4. The State of Alaska and its political subdivisions, respectively, shall have and retain title to all property, real and personal, title to which is in the Territory of Alaska or any of the subdivisions. Except as provided in section 5 hereof, the United States shall retain title to all property, real and personal, to which it has title, including public lands.

"SEC. 5. (a) For the purpose of furthering the development of and expansion of communities, the State of Alaska is hereby granted and shall be entitled to select from lands within national forests in Alaska which are vacant and unappropriated at the time of their selection not to exceed 400,000 acres of land, and from the other public lands of the United States in Alaska which are vacant, unappropriated, and unreserved at the time of their selection not to exceed another 400,000 acres of land, all of which shall be adjacent to established communities or suitable for prospective community centers and recreational areas. Such lands shall be selected by the State of Alaska with the approval of the Secretary of Agriculture as to national forest lands and with the approval of the Secretary of the Interior as to other public lands: *Provided*, That nothing herein contained shall affect any valid existing claim, location, or entry under the laws of the United States, whether for homestead, mineral, right-of-way, or other purpose whatsoever, or shall affect the rights of any such owner, claimant, locator, or entryman to the full use and enjoyment of the land so occupied.

"(b) The State of Alaska, in addition to any other grants made in this section, is hereby granted and shall be entitled to select, within 25 years after the admission of Alaska into the Union, not to exceed 100,000,000 acres from the public lands of the United States in Alaska which are vacant, unappropriated, and unreserved at the time of their selection: *Provided*, That nothing herein contained shall affect any valid existing claim, location, or entry under the laws of the United States, whether for homestead, mineral, right-of-way, or other purpose whatsoever, or shall affect the rights of any such owner, claimant, locator, or entryman to the full use and enjoyment of the land so occupied.

"(c) The State of Alaska, in addition to any other grants made in this section, is hereby granted and shall be entitled to select, within 25 years after the admission of Alaska into the Union, from the public lands of the United States in Alaska which are vacant, unappropriated, and unreserved at the time of their selection not to exceed the following amounts for internal improvements:

"For legislative, executive, and judicial public buildings heretofore erected in said Territory or to be hereafter erected in the

proposed State, 500,000 acres; for institutions for the mentally ill, 200,000 acres; for penitentiaries, 200,000 acres; for schools and asylums for the deaf, dumb, and the blind, 200,000 acres; for normal schools, 500,000 acres; for State charitable, penal, and reformatory institutions, 200,000 acres; for homes for needy pioneer residents, 250,000 acres; for the University of Alaska, in addition to grants heretofore made, 500,000 acres: *Provided*, That nothing herein contained shall affect any valid existing claim, location, or entry under the laws of the United States, whether for homestead, mineral, right-of-way, or other purpose whatsoever, or shall affect the rights of any such owner, claimant, locator, or entryman to the full use and enjoyment of the land so occupied.

"(d) Block 32, and the structures and improvements thereon, in the city of Juneau, are granted to the State of Alaska for any or all of the following purposes or a combination thereof: A residence for the Governor, a State museum, or park and recreational use.

"(e) Block 19, and the structures and improvements thereon, and the interests of the United States in blocks C and 7, and the structures and improvements thereon, in the city of Juneau, are hereby granted to the State of Alaska.

"(f) All real and personal property of the United States situated in the Territory of Alaska which is specifically used for the sole purpose of conservation and protection of the fisheries and wildlife of Alaska, under the provisions of the Alaska game law of July 1, 1943 (57 Stat. 301; 48 U. S. C., secs. 192–211), as amended, and under the provisions of the Alaska commercial fisheries laws of June 26, 1906 (34 Stat. 478; 48 U. S. C., secs. 230–39 and 241–42), and June 6, 1924 (43 Stat. 465; 48 U. S. C., secs. 221–28), as supplemented and amended, shall be transferred and conveyed to the State of Alaska by the appropriate Federal agency: *Provided*, That such transfer shall not include lands withdrawn or otherwise set apart as refuges or reservations for the protection of wildlife nor facilities utilized in connection therewith, or in connection with general research activities relating to fisheries or wildlife. The State of Alaska shall possess and exercise the same jurisdiction and control over the fisheries and the wildlife of Alaska as are possessed and exercised by the several States within their territorial limits, including adjacent waters. The rights of the State of Alaska over fisheries and wildlife shall not be construed to include control over fur seals, sea otters, and such other fish and wildlife resources as are protected under the provisions of international agreements. Commencing with the year during which Alaska is admitted into the Union and until the Congress shall otherwise provide, the Secretary of the Treasury, at the close of each fiscal year, shall pay to the State of Alaska 50 percent of the net proceeds, as determined by the Secretary of the Interior, derived during such fiscal year from all sales of seal skins or sea-otter skins made in accordance with the provisions of the act of February 26, 1944 (58 Stat. 100; 16 U. S. C., secs. 631a–631q), as supplemented and amended.

"(g) (1) Commencing with the year during which Alaska is admitted into the Union and until the Congress shall otherwise provide, the Secretary of the Treasury, at the close of each fiscal year, shall pay to the State of Alaska, in addition to payments made under the provisions of law codified as title 16, United States Code, section 500, 12½ percent of the money received during such fiscal year from the national forests of Alaska.

"(2) Section 3 (a) of the joint resolution entitled 'Joint resolution to authorize the Secretary of Agriculture to sell timber within the Tongass National Forest,' approved August 8, 1947 (61 Stat. 920), is hereby repealed. Amounts in the special account established under such section on the date of enactment of this act shall not be subject to the provisions of this subsection, and shall be covered into the general fund of the Treasury and shall be disposed of in accordance with the provisions of law with respect to disposition of receipts from the national forests. Amounts hereafter received from the sale of timber or lands under section 2 of such joint resolution shall be deposited in the Treasury to the credit of miscellaneous receipts, subject to the provisions of this subsection and the provisions of law with respect to disposition of receipts from the national forests. In lieu of such special account, there is hereby authorized to be appropriated such sums as may be necessary to pay such judgments, if any, as may result from adverse native claims to timber or lands described in the act of August 8, 1947 (61 Stat. 920).

"(h) Five percent of the proceeds of sale of public lands lying within said State which shall be sold by the United States subsequent to the admission of said State into the Union, after deducting all the expenses incident to such sales, shall be paid to the said State to be used for the support of the public schools within said State.

"(i) All lands granted in quantity to and authorized to be selected by the State of Alaska by this act shall be selected in such manner as the laws of the State may provide, and in conformity with such regulations as the Secretary of the Interior may prescribe. The authority to make selections shall never be alienated or bargained away, in whole or in part, by the State. All selections shall be made in reasonably compact tracts, taking into account the situation and potential uses of the lands involved, and each tract selected shall contain at least 5,760 acres unless isolated from other tracts open to selection. Upon the revocation of any order of withdrawal in Alaska, the order of revocation shall provide for a period of not less than 90 days before the date on which it otherwise becames effective, if subsequent to the admission of Alaska into the Union, during which period the State of Alaska shall have a preferred right of selection, subject to the requirements of this act, except as against prior existing valid rights or as against equitable claims subject to allowance and confirmation. Such preferred right of selection shall not have precedence over the preferred right of application created by section 4 of the act of September 27, 1944 (58 Stat. 748; 43 U. S. C., sec. 282), as now or hereafter amended, nor over other preference rights now conferred by law. Where any lands desired by the State are unsurveyed at the time of their selection, the Secretary of the Interior shall survey the exterior boundaries of the area requested without any interior subdivision thereof and shall issue a patent for such selected area in terms of the exterior boundary survey; where any lands desired by the State are surveyed at the time of their selection, the boundaries of the area requested shall conform to the public land subdivisions established by the approval of the survey. All lands duly selected by the State of Alaska pursuant to this act shall be patented to the State by the Secretary of the Interior. As used in this subsection, the words 'equitable claims subject to allowance and confirmation' include, without limitation, claims of holders of permits issued by the Department of Agriculture on lands eliminated from national forests, whose permits have been terminated only because of such elimination and who own valuable improvements on such lands.

"(j) Any lease, permit, license, or contract issued under the Mineral Leasing Act of February 25, 1920 (41 Stat. 437; 30 U. S. C., sec. 181 and following), as amended, or under the Alaska Coal Leasing Act of October 20, 1914 (38 Stat. 741; 30 U. S. C., sec. 432 and following), as amended, shall have the effect of withdrawing the lands subject thereto from selection by the State of Alaska under this act, unless such lease, permit, license, or contract is in effect on the date of approval of this act, and unless an application to select such lands is filed with the Secretary of the Interior within a period of 3 years after the date of the admission of Alaska into the Union. Such selections shall be made only from lands that are otherwise open to selection under this act, and shall include the entire area that is subject to each lease, permit, license, or contract involved in the selections. Any patent for lands so selected shall vest in the State of Alaska all right, title, and interest of the United States in and to any such lease, permit, license, or contract that remains outstanding on the effective date of the patent, including the right to all rentals, royalties, and other payments accruing after that date under such lease, permit, license, or contract, and including any authority that may have been retained by the United States to modify the terms and conditions of such lease, permit, license, or contract: *Provided*, That nothing herein contained shall affect the continued validity of any such lease, permit, license, or contract or any right arising thereunder.

"(k) All grants made or confirmed under this act shall include mineral deposits. The grants of mineral lands to the State of Alaska under subsections (b) and (c) of this section are made upon the express condition that all sales, grants, deeds, or patents for any of the mineral lands so granted shall be subject to and contain a reservation to the State of all of the minerals in the lands so sold, granted, deeded, or patented, together with the right to prospect for, mine, and remove the same. Mineral deposits in such lands shall be subject to lease by the State as the State legislature may direct: *Provided*, That any lands or minerals hereafter disposed of contrary to the provisions of this section shall be forfeited to the United States by appropriate proceedings instituted by the Attorney General for that purpose in the United States District Court for Alaska. For the purposes of this subsection, the mineral character of lands granted to the State of Alaska shall be determined at the time patent issues and the patent shall be conclusive evidence thereof.

"(l) No order of withdrawal of public lands in Alaska made within a period of 5 years after the date of approval of this act shall have the effect of withdrawing the lands affected thereby from selection by the State of Alaska under this act, provided such lands are otherwise open to selection under this act, and provided an application to select such lands is filed with the Secretary of the Interior before the end of said period of 5 years. The foregoing restriction shall not extend to withdrawals for military defense or for Coast Guard purposes.

"(m) The schools and colleges provided for in this section shall forever remain under the exclusive control of the State, and no part of the proceeds arising from the sale or disposal of any lands granted herein for educational purposes shall be used for the support of any sectarian or denominational school, college, or university.

"(n) Grants previously made to the Territory of Alaska are hereby confirmed and transferred to the State of Alaska upon its admission. Effective upon the admission of the State of Alaska into the Union, section 1 of the act of March 4, 1915 (38 Stat. 1214; 48 U. S. C., sec. 353), as amended, and the last sentence of section 35 of the act of February 25, 1920 (41 Stat. 450; 30 U. S. C., sec. 191), as amended, are repealed; but such repeal shall not affect any outstanding lease, permit, license, or contract issued under said section 1, as amended, or any rights or powers

with respect to such lease, permit, license, or contract, and shall not affect the disposition of the proceeds or income derived prior to such repeal from any lands reserved under said section 1, as amended, or derived thereafter from any disposition of the reserved lands or an interest therein made prior to such repeal.

"(o) The grants provided for in this act shall be in lieu of the grant of land for purposes of internal improvements made to new States by section 8 of the act of September 4, 1841 (5 Stat. 455), and sections 2378 and 2379 of the Revised Statutes (43 U. S. C., sec. 857), and in lieu of the swampland grant made by the act of September 28, 1850 (9 Stat. 520), and section 2479 of the Revised Statutes (43 U. S. C., sec. 982), and in lieu of the grant of 30,000 acres for each Senator and Representative in Congress made by the act of July 2, 1862, as amended (12 Stat. 503; 7 U. S. C., secs. 301–308), which grants are hereby declared not to extend to the State of Alaska.

"(p) The Submerged Lands Act of 1953 (Public Law 31, 83d Cong., 1st sess.; 67 Stat. 29) shall be applicable to the State of Alaska and the said State shall have the same rights as do existing States thereunder.

"SEC. 6. (a) After a constitution and State government have been formed in compliance with the provisions of this act, the convention forming the same shall provide by ordinance for submitting said constitution, for ratification or rejection, to the people of said proposed State at an election to be held at a date to be fixed by said convention, which shall be not less than 75 nor more than 100 days from the date of its adjournment, at which election the citizens of the United States who are qualified to vote for members of the Territorial Legislature of Alaska shall vote directly for or against the proposed constitution. The returns of said election shall be made to the Governor of Alaska, who shall cause the same to be canvassed by the canvassing board of the Territory of Alaska in the manner now provided by law for the canvass of votes cast in general Territorial elections. If a majority of the legal votes cast at said election shall reject the constitution, the Governor of said Territory shall, by proclamation, order the constitutional convention to reassemble at a date not later than 40 days after the votes have been canvassed as herein provided, and thereafter a new constitution may be formed by such convention and the same proceedings shall be taken in regard thereto in like manner as if said constitution were being originally prepared for submission and submitted to the people: *Provided*, That not more than two elections shall be held under the authority of this subsection.

"(b) When said constitution shall have been duly ratified by the people of said Territory, as aforesaid, by a majority of the legal votes cast at an election held pursuant to this section, a certified copy of the same shall be submitted by the Governor of the Territory of Alaska through the President of the United States to the Congress for approval or disapproval as hereinafter provided, together with a statement of the votes cast thereon.

"(c) If the Congress approves said constitution, it shall be the duty of the President to certify such approval to the Governor of said Territory, who shall within 30 days after receipt of such notification from the President issue a proclamation for the election provided for in section 7 of this act, said election to take place not earlier than 2 months nor later than 6 months after the date of issuance of said proclamation by the Governor.

"(d) If the Congress shall disapprove the constitution, such disapproval shall immediately be certified by the President to the Governor of said Territory, with the objections to the proposed constitution; the Governor thereupon by proclamation shall order the constitutional convention to reassemble at a date not later than 40 days after receipt of such notification and thereafter a new constitution may be formed and the same proceedings shall be taken in regard thereto in like manner as if said constitution were being originally prepared for submission and submitted to the people: *Provided*, That not more than one election shall be held under the authority of this subsection.

"(e) When said new constitution as provided for in subsection (d) of this section, shall have been duly ratified by the people of said Territory, as aforesaid, by a majority of the legal votes cast at an election held pursuant to this section, a certified copy of the same shall be submitted by the Governor of the Territory of Alaska through the President of the United States to the Congress for approval, together with a statement of the votes cast thereon; thereafter the procedure shall be as prescribed in subsections (c) and (d) of this section.

"SEC. 7. (a) The constitutional convention shall by ordinance provide that in case of ratification of the constitution by the people and in case the Congress of the United States shall approve the same, an election shall be held at the time named in the proclamation of the Governor of said Territory hereinbefore provided, at which election officers for a full State government, including a governor, members of the State legislature, one Representative and two Senators in the Congress of the United States to be elected at large from said State, and such other officers as the constitution shall prescribe, shall be chosen by the qualified voters of Alaska. Unless the constitutional convention shall by ordinance otherwise provide, such election, and an antecedent primary election, shall be held, and the returns thereof made, canvassed, and certified by the canvassing board, in the same manner, as nearly as practicable, as is now prescribed by law for the nomination, filing, and election, and canvass and certification of election of Territorial officers and members of the Territorial legislature. When such State and other officers and members of the State legislature and a Representative and Senators in the Congress of the United States shall be so elected and the returns thereof made, canvassed, and certified as herein provided, the Governor of said Territory shall certify the result of said election to the President of the United States, who shall thereupon immediately issue his proclamation announcing the result of said election so ascertained, and upon the issuance of said proclamation by the President of the United States the State of Alaska shall be deemed admitted by Congress into the Union by virtue of this act, on an equal footing with each of the other States of the Union, and the Representatives and Senators from said State in the Congress of the United States so elected and certified shall thereupon be entitled to seats in the House of Representatives and Senate of the United States and to all of the rights and privileges of Representatives and Senators therein. Until the issuance of said proclamation by the President of the United States and until said State is so admitted into the Union and said officers are elected and qualified under the provisions of the Constitution, all of the officers of said Territory, including the Delegates in Congress from said Territory, shall continue to discharge the duties of said respective offices in and for said Territory.

"Upon admission of Alaska as a State as herein provided and upon election and qualification of the officers of the State government formed in pursuance of and in accordance with the provisions of said constitution, said officers shall forthwith proceed to exercise all of the duties and functions of their respective offices; and all of the Territorial laws in force in the Territory of Alaska at the time of admission of said State into the Union shall be and continue in full force and effect throughout said State except as modified or changed by this act, or by the constitution of the State, or as thereafter modified or changed by the legislature of the State. All of the laws of the United States shall have the same force and effect within said State as elsewhere within the United States. As used in this paragraph, the term "Territorial laws" includes (in addition to laws enacted by the Territorial Legislature of Alaska) all laws or parts thereof enacted by the Congress the validity of which is dependent solely upon the authority of the Congress to provide for the government of Alaska prior to its admission as a State, and the term "laws of the United States" includes all laws or parts thereof enacted by the Congress that (1) apply to or within Alaska at the time of its admission as a State, (2) are not "Territorial laws" as defined in this paragraph, and (3) are not in conflict with any other provision of this act.

"(b) The State of Alaska upon its admission into the Union shall be entitled to one Representative until the taking effect of the next reapportionment, and such Representative shall be in addition to the membership of the House of Representatives as now prescribed by law: *Provided*, That such temporary increase in the membership of the House of Representatives shall not affect the basis of apportionment established by the act of November 15, 1941 (55 Stat. 761; 2 U. S. C. sec. 2a), for the 83d Congress and each Congress thereafter.

"SEC. 8. The sum of $200,000, or so much thereof as may be necessary, is hereby authorized to be appropriated, out of any money in the Treasury of the United States not otherwise appropriated, for defraying the expenses of the elections provided for in this act and the expenses of the convention. The delegates shall receive for their services, in addition to mileage at the rate of 20 cents a mile each way, the sum of $1,000 each, payable in 4 equal installments on and after the 1st, 20th, 40th, and 60th days of the convention, excluding Sundays and holidays. The disbursements of the money so appropriated shall be made by the secretary of the Territory of Alaska. The Territorial legislature is hereby authorized to appropriate such sum as it may deem advisable for the payment of additional compensation to said delegates and for defraying their expenses and for such other purposes as it may deem necessary.

"SEC. 9. The care and treatment of the mentally ill of Alaska shall be assumed by the State of Alaska: *Provided*, That the Federal Government shall continue to care for and treat the mentally ill of Alaska who are receiving such care and treatment in an institution at the expense of the Federal Government at the time Alaska is admitted into the Union.

"SEC. 10. (a) Nothing in this act shall affect the establishment, or right, ownership, and authority of the United States in Mount McKinley National Park, as now or hereafter constituted; but exclusive jurisdiction, in all cases, shall be exercised by the United States for the national park, as now or hereafter constituted; saving, however, to the State of Alaska the right to serve civil or criminal process within the limits of the aforesaid park in suits or prosecutions for or on account of rights acquired, obligations incurred, or crimes committed in said State, but outside of said park; and saving further to the said State the right to tax persons and corporations, their franchises and property on the lands included in said park; and saving also to the persons residing now or hereafter in such area the right to vote at all elections held within the respective political subdivisions of their residence in which the park is situated.

"(b) Notwithstanding the admission of the State of Alaska into the Union, authority is reserved in the United States, subject to

the proviso hereinafter set forth, for the exercise by the Congress of the United States of the power of exclusive legislation, as provided by article I, section 8, clause 17, of the Constitution of the United States, in all cases whatsoever over such tracts or parcels of land as, immediately prior to the admission of said State, are owned by the United States and held for military, naval, air force, or coast guard purposes, whether such lands were acquired by cession and transfer to the United States by Russia and set aside by act of Congress or by Executive order or proclamation of the President or the Governor of Alaska for the use of the United States, or were acquired by the United States by purchase, condemnation, donation, exchange, or otherwise: *Provided,* (i) That the State of Alaska shall always have the right to serve civil or criminal process within the said tracts or parcels of land in suits or prosecutions for or on account of rights acquired, obligations incurred, or crimes committed within the said State but outside of the said tracts or parcels of land; (ii) that the reservation of authority in the United States for the exercise by the Congress of the United States of the power of exclusive legislation over the lands aforesaid shall not operate to prevent such lands from being a part of the State of Alaska, or to prevent the said State from exercising over or upon such lands, concurrently with the United States, any jurisdiction whatsoever which it would have in the absence of such reservation of authority and which is consistent with the laws hereafter enacted by the Congress pursuant to such reservation of authority; and (iii) that such power of exclusive legislation shall rest and remain in the United States only so long as the particular tract or parcel of land involved is owned by the United States and used for military, naval, air force, or coast guard purposes.

"SEC. 11. Effective upon the admission of Alaska into the Union—

"(a) The analysis of chapter 5 of title 28, United States Code, immediately preceding section 81 of such title, is amended by inserting immediately after and underneath item 81 of such analysis, a new item to be designated as item 81A and to read as follows:

"'81A. Alaska';

"(b) Title 28, United States Code, is amended by inserting immediately after section 81 thereof a new section, to be designated as section 81A, and to read as follows:

"'§ 81A. Alaska

"'Alaska constitutes one judicial district.

"'Court shall be held at Anchorage, Fairbanks, Juneau, and Nome.';

"(c) Section 133 of title 28, United States Code, is amended by inserting in the table of districts and judges in such section immediately above the item: 'Arizona * * * 2,' a new item as follows: 'Alaska * * * 1';

"(d) The first paragraph of section 373 of title 28, United States Code, as heretofore amended, is further amended by striking out the words: 'the District Court for the Territory of Alaska,': *Provided,* That the amendment made by this subsection shall not affect the rights of any judge who may have retired before it takes effect;

"(e) The words 'the District Court for the Territory of Alaska,' are stricken out wherever they appear in sections 460, 610, 753, 1252, 1291, 1292, and 1346 of title 28, United States Code;

"(f) The first paragraph of section 1252 of title 28, United States Code, is further amended by striking out the word 'Alaska,' from the clause relating to courts of record;

"(g) Subsection (2) of section 1294 of title 28, United States Code, is repealed and the later subsections of such sections are renumbered accordingly;

"(h) Subsection (a) of section 2410 of title 28, United States Code, is amended by striking out the words: 'including the District Court for the Territory of Alaska,';

"(i) Section 3241 of title 18, United States Code, is amended by striking out the words: 'District Court for the Territory of Alaska, the';

"(j) Subsection (e) of section 3401 of title 18, United States Code, is amended by striking out the words: 'for Alaska or';

"(k) Section 3771 of title 18, United States Code, as heretofore amended, is further amended by striking out from the first paragraph of such section the words: 'the Territory of Alaska,';

"(l) Section 3772 of title 18, United States Code, as heretofore amended, is further amended by striking out from the first paragraph of such section the words: 'the Territory of Alaska,'; and

"(m) Section 2072 of title 28, United States Code, as heretofore amended, is further amended by striking out from the first paragraph of such section the words: 'and of the District Court for the Territory of Alaska.'

"SEC. 12. No writ, action, indictment, cause, or proceeding pending in the District Court for the Territory of Alaska on the date when said Territory shall become a State, and no case pending in an appellate court upon appeal from the District Court for the Territory of Alaska at the time said Territory shall become a State, shall abate by the admission of the State of Alaska into the Union, but the same shall be transferred and proceeded with as hereinafter provided.

"All civil causes of action and all criminal offenses which shall have arisen or been committed prior to the admission of said State, but as to which no suit, action, or prosecution shall be pending at the date of such admission, shall be subject to prosecution in the appropriate State courts or in the United States District Court for the District of Alaska in like manner, to the same extent, and with like right of appellate review, as if said State had been created and said courts had been established prior to the accrual of said causes of action or the commission of such offenses; and such of said criminal offenses as shall have been committed against the laws of the Territory shall be tried and punished by the appropriate courts of said State, and such as shall have been committed against the laws of the United States shall be tried and punished in the United States District Court for the District of Alaska.

"SEC. 13. All appeals taken from the District Court for the Territory of Alaska to the Supreme Court of the United States or the United States Court of Appeals for the Ninth Circuit, previous to the admission of Alaska as a State, shall be prosecuted to final determination as though this act had not been passed. All cases in which final judgment has been rendered in such district court, and in which appeals might be had except for the admission of such State, may still be sued out, taken, and prosecuted to the Supreme Court of the United States or the United States Court of Appeals for the Ninth Circuit under the provisions of then existing law, and there held and determined in like manner; and in either case, the Supreme Court of the United States, or the United States Court of Appeals, in the event of reversal, shall remand the said cause to either the State supreme court or other final appellate court of said State, or the United States district court for said district, as the case may require: *Provided,* That the time allowed by existing law for appeals from the district court for said Territory shall not be enlarged thereby.

"SEC. 14. All causes pending in the District Court for the Territory of Alaska at the time of the admission of Alaska as a State which are of such nature as to be within the jurisdiction of a district court of the United States shall be transferred to the United States District Court for the District of Alaska for final disposition. All other causes pending in the District Court for the Territory of Alaska at the time of the admission of Alaska as a State shall be transferred to the appropriate State court of Alaska. All final judgments and decrees rendered upon such transferred cases in the United States District Court for the District of Alaska may be reviewed by the Supreme Court of the United States or by the United States Court of Appeals for the Ninth Circuit in the same manner as is now provided by law with reference to the judgments and decrees in existing United States district courts.

"SEC. 15. Jurisdiction of all cases pending or determined in the District Court for the Territory of Alaska not transferred to the United States District Court for the District of Alaska shall devolve upon and be exercised by the courts of original jurisdiction created by said State, which shall be deemed to be the successor of the District Court for the Territory of Alaska with respect to cases not so transferred and, as such, shall take and retain custody of all records, dockets, journals, and files of such court pertaining to such cases. The files and papers in all cases so transferred to the United States district court, together with a transcript of all book entries to complete the record in such particular cases so transferred, shall be in like manner transferred to said district court.

"SEC. 16. All cases pending in the District Court for the Territory of Alaska at the time said Territory becomes a State not transferred to the United States District Court for the District of Alaska shall be proceeded with and determined by the courts created by said State with the right to prosecute appeals to the appellate courts created by said State, and also with the same right to prosecute appeals or writs of certiorari from the final determination in said causes made by the court of last resort created by such State to the Supreme Court of the United States, as now provided by law for appeals and writs of certiorari from the court of last resort of a State to the Supreme Court of the United States.

"SEC. 17. The first paragraph of section 2 of the Federal Reserve Act (38 Stat. 251) is amended by striking out the last sentence thereof and inserting in lieu of such sentence the following: 'When any State is hereafter admitted to the Union the Federal Reserve districts shall be readjusted by the Board of Governors of the Federal Reserve System in such manner as to include such State. Every national bank in any State shall, upon commencing business or within 90 days after admission into the Union of the State in which it is located, become a member bank of the Federal Reserve System by subscribing and paying for stock in the Federal Reserve bank of its district in accordance with the provisions of this act and shall thereupon be an insured bank under the Federal Deposit Insurance Act, and failure to do so shall subject such bank to the penalty provided by the sixth paragraph of this section.'

"SEC. 18. Section 2 of the act of October 20, 1914 (38 Stat. 742; 48 U. S. C., sec. 433), is hereby repealed.

"SEC. 19. (a) No area of land in Alaska shall be designated hereafter as an Indian reservation pursuant to section 2 of the act of May 1, 1936 (49 Stat. 1250).

"(b) The Secretary of the Interior is authorized, upon application, to issue patents to the appropriate native tribes and villages or individuals for any lands in Alaska that have been in their possession and actually in their use or occupation, for a period of not less than 3 years immediately prior to the effective date of this act, for towns, villages, building sites, cultivated fields or gardens, hunting or fishing camps, dock or landing sites, business sites, meeting places, missionary stations, burial grounds, or other like purposes.

"SEC. 20. There is hereby authorized to be appropriated out of any money in the Treasury of the United States not otherwise appropriated, to the State of Alaska the sum of $15 million to be used for the following purposes: Construction and improvement of harbors, and State surveys of land granted to the State of Alaska under this act.

"SEC. 21. (a) The State of Alaska shall be entitled to share in authorized or appropriated funds that may hereafter become available for apportionment under the Federal Aid Road Act approved July 11, 1916 (39 Stat. 355), as amended and supplemented, upon the same terms and conditions as any of the several States and the State of Alaska shall be included in the calculations to determine the basis of apportionment of such funds: *Provided*, That for a period of 15 years after the admission of Alaska into the Union, the maximum Federal share payable on account of any project constructed under this section in the State of Alaska shall be calculated, in accordance with section 11 of the Federal Highway Act, approved November 9, 1921 (42 Stat. 212), as amended and supplemented, on the basis of the areas of unappropriated and unreserved public lands and nontaxable Indian lands, individual and tribal, existing in Alaska on the date of approval of this act and such share shall continue on the same basis irrespective of any change in such areas during the 15-year period.

"(b) In addition to all other sums heretofore authorized to be appropriated for the construction of roads in Alaska, there is hereby authorized to be appropriated, out of any money in the Treasury not otherwise appropriated, for the construction of roads in Alaska after the date of the admission of Alaska to the Union, the following sums:

"(1) $17,000,000 for the first fiscal year beginning after such date,

"(2) $13,000,000 for the second fiscal year beginning after such date,

"(3) $9,000,000 for the third fiscal year beginning after such date,

"(4) $5,000,000 for the fourth fiscal year beginning after such date,

"(5) $3,000,000 for the fifth fiscal year beginning after such date, and

"(6) $1,000,000 for the sixth fiscal year beginning after such date.

"(c) In addition to all other sums heretofore authorized to be appropriated for the maintenance of roads in Alaska, there is hereby authorized to be appropriated, out of any money in the Treasury not otherwise appropriated, for the maintenance of roads in Alaska after the date of the admission of Alaska to the Union, the sum of $3,000,000 for each of the first 5 fiscal years beginning after such date, the sum of $2,000,000 for each of the second 5 fiscal years beginning after such date, and the sum of $1,000,000 for each of the third 5 fiscal years beginning after such date.

"(d) All roads and trails and rights-of-way for roads and trails situated in the Territory of Alaska which on the date of the admission of Alaska into the Union are owned by the United States and administered by the Alaska Road Commission, and all real and personal property of the United States situated in the Territory of Alaska which is specifically used by the Alaska Road Commission for the sole purpose of construction and maintenance of roads and trails in Alaska shall be transferred and conveyed to the State of Alaska by the appropriate Federal agency.

"SEC. 22. All acts or parts of acts in conflict with the provisions of this act, whether passed by the legislature of said Territory or by Congress, are hereby repealed."

The PRESIDING OFFICER. The question is on agreeing to the amendment offered by the Senator from New Mexico.

Mr. ANDERSON. Mr. President, I am deeply grateful to the distinguished majority leader for stating last Thursday, in response to questions from the distinguished senior Senator from Florida [Mr. HOLLAND], that he intended to bring up the subject of Alaskan statehood at "an early date," possibly during March, and that the majority policy committee had authorized him to make such a commitment.

It is good indeed that the majority recognizes both the merits of the cause of Alaskan statehood and the excellence of the bill which the committee worked out under the leadership of the distinguished chairman [Mr. BUTLER of Nebraska], and particularly by the chairman of the Subcommittee on Territories and Insular Affairs, the Senator from Oregon [Mr. CORDON].

However, the records of the committee show that with respect to S. 50, granting statehood to Alaska, reports were formally requested from the executive agencies directly concerned with Alaskan statehood, and administration policy with respect to it, on January 20, 1953.

A copy of the bill, with a request for a report on it, was sent to the Bureau of the Budget, which is the agency that traditionally makes the statement of whether a given piece of legislation is or is not consistent with the President's program; to the Interior Department; to the Department of State, and to the Department of Commerce.

That was well over a year ago. As of today, the records of the Committee on Interior and Insular Affairs show that no reports have been received in response to the official requests of the committee.

Therefore, there are those of us who are concerned as to what the attitude of the administration might be in the case of the passage of an Alaskan statehood bill separately from a bill granting statehood to Hawaii.

Finally, I believe we should take a brief glance at the situation in the House of Representatives. The Committee on Interior and Insular Affairs of the House of Representatives last June reported favorably on H. R. 2982, a bill introduced by the distinguished Representative SAYLOR, of Pennsylvania. The purpose of the bill was to enable Alaska to become a State.

Yet for nearly 9 months the reported bill has been on ice before the House Rules Committee. We recognize the fact that probably the only chance which Members of the House of Representatives may have to vote on the question of statehood for Alaska will be in the event the Senate passes a bill providing statehood for both Alaska and Hawaii and sends it in that form to the House, where action might be taken on the floor of the House upon its receipt.

I have been asked repeatedly if I know what attitude the President of the United States would take in such an event. I do not know, and certainly I do not intend to ask him. He would promptly tell me, as he should tell me, that it is none of my business to ask him for any such commitment.

However, last January I placed in the RECORD a quotation from a speech which General Eisenhower had made in Denver on November 17, 1950, in which he expressed support of statehood for both Hawaii and Alaska. It was such a good statement that I should like to read it into the RECORD again. It is very brief. The then General Eisenhower said:

> Quick admission of Alaska and Hawaii to statehood will show the world that America practices what it preaches, General Dwight D. Eisenhower said Saturday in a brief talk to 1,500 Denverites gathered at the freedom bell.
>
> The famed war and peacetime leader declared admission of the two Territories is in conformity with the American way of life granting them self-government and equal voice in national affairs.
>
> Alaskan and Hawaiian statehood will serve to the people of the world as a "practical symbol that America practices what it preaches," Eisenhower said. He said he hoped Congress would soon pass admission legislation now pending before it.

As I say, that is a good statement. I agreed with Mr. Eisenhower then, and I agree with his statement now.

Surely the case for statehood for Alaska is far more compelling now, in 1954, than it was then, in 1950, because Alaska, like Hawaii, has made important strides and a great deal of economic progress. It is worthwhile to remember that Alaska at the present time is well qualified for statehood.

Mr. President, in connection with the hearings on Alaskan statehood, I do not wish any Senator to think that this is a subject which came suddenly before Congress. The records show that when the then Delegate Wickersham, in 1916, came to Congress, he proposed an enabling act for Alaska, and that many formal hearings have been held since then.

Without burdening the Senate with reading the list of hearings, I ask unanimous consent to have the list printed in the RECORD, at this point in my remarks.

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

Subject: Alaska statehood hearings.

Committee records show that the issue of Alaska statehood has been before the Congress since 1916, when the first proposed enabling act was introduced by Alaska Delegate Wickersham.

Formal public hearings have been:

1. Subcommittee on Territorial and Insular Possessions of the Committee on Public Lands, House of Representatives, 80th Congress, 1st session, on H. R. 206 and H. R. 1803, April 16, 17, 18, 21, 22, 23, and 24, 1947, Washington, D. C.

2. Subcommittee on Territorial and Insular Possessions of the Committee on Public Lands, House of Representatives, 80th Congress, 1st session, pursuant to House Resolution 93, August 30, 1947, to September 12, 1947, throughout Alaska.

3. The Subcommittee on Territorial and Insular Possessions of the Committee on Public Lands, House of Representatives, 81st Congress, 1st session, on H. R. 331 and related bills, March 4 and 8, 1949, Washington, D. C.

4. Full committee of Senate Interior and Insular Affairs Committee, on H. R. 331, in April of 1950 (Senator ANDERSON, acting chairman).

5. Committee on Interior and Insular Affairs, United States Senate, 83d Congress, 1st session, on S. 50 and S. 224, Ketchikan, Alaska, August 17, 1953; Juneau, August 18, 19, 1953; Fairbanks, August 20, 1953; and Anchorage, August 24, 25, 1953.

6. Executive hearings (administrative agencies and the Governor of Alaska), in January and February 1954, by Senate committee.

Alaska statehood was reported favorably to the House in the 80th Congress, again in the 81st Congress, and for the 3d time in the 83d Congress. It passed the House on March 3, 1950.

We reported bills favorably in the 81st, 82d, and 83d Congresses. Our bill was debated in the Senate in late 1950, but was withdrawn by Majority Leader Lucas, after a filibuster of 8 full days.

In the 82d Congress, our S. 50 was recommitted by a 1-vote margin.

Mr. SMATHERS. Mr. President, will the Senator from New Mexico yield for one question?

Mr. ANDERSON. I am glad to yield to the Senator from Florida.

Mr. SMATHERS. The Senator from New Mexico a moment ago read a statement made by the President of the United States during the campaign, in which he stated he was in favor of statehood for Hawaii and Alaska.

Mr. ANDERSON. I did not say that the statement was made during the campaign. General Eisenhower made it on the 17th of November 1950, when he was not in politics. He was in Denver at the time and he made this very fine statement gratuitously to a group of people in Denver.

Mr. SMATHERS. Does the Senator from New Mexico have any idea why the President, when he made his state of the Union address to Congress, recommended only that Hawaii become a State, and did not recommend also that Alaska become a State?

Mr. ANDERSON. No; except it might be that the question probably was referred to his advisers, who suggested to him that Hawaii was ready to become a State and Alaska was not ready to become a State; that he followed their advice, and therefore made the recommendation only in behalf of Hawaii.

All I am trying to say is that, as a great military leader who had returned to this country from a magnificent tour of duty and had many honors bestowed upon him, speaking as a military man, he recognized the importance of Alaska and Hawaii to the defense program of the Nation. He then obviously had in mind what Gen. Billy Mitchell had said before him: "He who controls Alaska will control the world."

Mr. SMATHERS. Is it not a fact that since 1950 the population of Alaska has increased, and that the economic situation of Alaska has improved?

Mr. ANDERSON. The population has very greatly increased, and the economic situation of Alaska has immeasurably improved. This year the committee, in preparing a bill and holding hearings in Alaska, found that to be true, and statehood received a great deal of strong support, because of the improved situation.

Mr. President, what has engaged my attention recently is the desirability of ascertaining how other States have come into the Union, and what procedures and programs were followed in creating new States. So, with the assistance of the Library of Congress, I have tried to find out how certain States came into the Union, whether they have been admitted in pairs or whether individually, as it is suggested Hawaii should come in.

The first State to come into the Union following the establishment of the Thirteen Colonies was Vermont. Vermont had an unusual experience in joining the Union. It never had Territorial status; it had always maintained its independence against claims of adjoining States, particularly New York. So long as the neighboring States maintained their claims and were represented in Congress when Vermont was not, there was small chance of Vermont's being admitted. The attitude of New York was the main hindrance.

But in time it became very evident that New York's claim on Vermont could be enforced only by a bloody war, which New York was unwilling to undertake and which the other States would not have permitted. At the same time, conditions arose which seemed to make it desirable for Vermont to join the Union, even from the viewpoint of New York. So States which had previously opposed Vermont's admission into the Union suddenly became enthusiastically in favor of it.

In 1790 Kentucky became a separate Territory of the United States. It was evident that it would shortly obtain statehood, and the thought of balancing the coming southern State with a new northern State is presumed to have had some weight in Congress.

I mention that point, Mr. President, because there was what was known as the even-balance rule. There was a difference of opinion between industrial New England and the more agricultural Southern States, and, because there was some jealousy between them, there was a desire to see if the balance which had theretofore existed between the East and South could be preserved.

Nathaniel Chipman, of Vermont, and Alexander Hamilton, of New York, corresponded and met in Albany for a conference. Vermont and New York appointed commissioners to define the boundaries and to settle conflicting land claims of individuals of the two areas. The boundary proposed by Vermont was accepted, and that new State agreed to pay New York $30,000 to cancel certain land claims.

There was some effort made to persuade Vermont to join with Canada. Of course, it was important to the history of this country that Vermont be brought into the Union, and that result was finally achieved.

There had been 10 conventions of one sort or another in an effort to make Kentucky a State of the Union. Kentuckians met at those conventions from 1784 to 1790. They were faced with the problem of becoming free from Virginia. Various acts looking to the separation of Kentucky were passed by the Virginia Assembly only to be rescinded because they contained undesirable features or to lapse because of an expressed time limit.

I do not wish to go through the whole history, but I desire to say that many States, Vermont and Kentucky included, have come into the Union in pairs. I would point out as Samuel C. Williams, chairman of the Tennessee Historical Commission, has said:

Little Vermont had been admitted as the 14th State of the Union, quite as of course, after her people had reached an agreement to that effect with New York; and a gentleman's agreement that that State and Kentucky would be admitted at the same time.

The same authority, Mr. Williams, says further:

The two States, Vermont and Kentucky, were admitted before parties were formed under the leadership of Jefferson, "Republicans," on the one hand, and of "Federalists," on the other. Sectional rivalry played a part—the East against the South—in a struggle for balance of power. This brought about provision for the admission of the two States in 1791. The situation was reflected in a bit of doggerel which originated in a Pennsylvania newspaper and was widely copied in the American press of the period:

"Kentucky to the Union given,
Vermont will make the balance even;
Still Pennsylvania holds the scales
And neither South nor North prevails."

We started then, in 1791, with the pairing of two States, Vermont and Kentucky.

Tennessee was admitted to statehood on June 1, 1796, and upset expert calculations, because it was admitted after one of the most bitter struggles of all, without any State tied to it.

Ohio followed along and was admitted alone, and then Louisiana was admitted alone.

Then the Nation returned to the practice of admitting States in pairs. The next pair of States coming into the Union were Indiana and Mississippi. I invite attention to the fact that there was an effort always to preserve the even-balance theory. There were some things done in Mississippi looking toward statehood, and, finally, that Territory had to work in connection with the Territory of Indiana to come into the Union. In a short period of time Indiana and Mississippi were admitted into the Union.

The next pair consisted of Illinois and Alabama.

Mr. BUTLER of Nebraska. Mr. President, will the Senator from New Mexico yield?

Mr. ANDERSON. I yield.

Mr. BUTLER of Nebraska. I should like to ask the Senator if in the case of Indiana and Mississippi may not the reason for maintaining the balance have been the slavery situation?

Mr. ANDERSON. In the case of Indiana and Mississippi I think it was not so much the slavery situation as the economic situation, because there was a great deal of controversy between industrial areas of the country and the Southern States.

It is difficult to tell exactly when the slavery question got into the discussions. I think it came in soon. If it was not present at that time, certainly it was present when the next pair of States, Illinois and Alabama, were admitted into the Union, and it was very apparent when the next pair, Maine and Missouri, were admitted.

A bill for the admission of Illinois into the Union was introduced on April 7, 1818, and was passed on April 8, 1818.

Petitions were filed at that time for the admission of Alabama. There was very little opposition to the admission of the State itself, but there was involved the desirability of keeping the sections balanced.

If Senators will read the book entitled "The Story of Alabama," they will find that Alabama and Illinois came into the Union together.

Then we come to the very famous situation which arose in the case of Maine and Missouri. I am happy to note that the distinguished Senator from Maine [Mr. PAYNE], a fine representative of one of those States, is now the Presiding Officer of the Senate.

Maine had been a district of Massachusetts. It had arranged by mutual agreement a separation in 1819 and had asked for admission as a State of the Union. The admission of Alabama had made even the number of Senators from slave and free States. Missouri was seeking admission as a slave State. So the two States, Maine and Missouri, were tied together in the famous Missouri Compromise.

This caused some delay and a great deal of debate. There was no great opposition, but an attempt was made to combine Maine and Missouri in one bill. That was temporarily done, but the plan was laid aside. Finally there was what might be termed a gentlemen's agreement that both States would be admitted promptly.

I do not desire to deal at any great length with the Missouri situation. I think it would be useful to have printed in the RECORD at this point a statement as to the Missouri compromises which was prepared by Mr. C. C. Tansill on June 6, 1921, a hundred years after the Missouri Compromise. Mr. President, I ask unanimous consent to include that brief résumé in the RECORD at this point.

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

THE MISSOURI COMPROMISES (1820-21)

The so-called Missouri Compromise really comprised two separate agreements; the first provided for the admission of Maine as a free State and the fixing of a demarcation line of 36°30′ between free and slave territory, while the second made provision for the admission of Missouri as a slave State under certain specific conditions. The struggle leading up to the first agreement began in the House of Representatives early in 1819 when the application of Missouri for statehood was met by an amendment introduced by Mr. Tallmadge, of New York, which prohibited the further introduction of slavery into that State, and provided that all children born within the State after admission should be free at the age of 25 years.[1] The Speaker, Henry Clay, despite his supposed antislavery predications, led the fight against the proposed restriction, but Tallmadge's amendments were passed by the House and sent to the Senate.[2] In the Senate, however, the Tallmadge amendments were lost by a close vote and Congress adjourned without further action.[3]

When the next Congress assembled in December 1819, the House passed a bill admitting Maine to the Union, and the Senate, alive to the opportunity here presented, combined the bill for the admission of Maine with that for the unrestricted admission of Missouri. This measure passed the Senate by a vote of 23 to 21 (February 16, 1820), but immediately afterward Senator Thomas, of Illinois, moved a compromise amendment providing for the admission of Missouri as a slave State and for the prohibition of slavery north of 36°30′ in the rest of the Louisiana Purchase.[4] This amendment passed the Senate by the decisive vote of 34 to 10.[5] The House, however, refused to adopt the Senate bill, and on February 29, 1820, conferees were appointed to meet those of the Senate. Finally, on March 2, 1820, both Houses passed a bill admitting Maine as a free State and Missouri as a slave State, while all "of the rest of the territory possessed by the United States west of the Mississippi and north of 36°30′ was pledged to freedom."[6]

Up to this point Henry Clay does not figure as the originator of any compromise or conciliatory measure. It is with the second Missouri Compromise that he is identified. With regard to his agency in this regard the following excerpt from the Life of Henry Clay by Carl Schurz is significant: "Clay has been widely credited with being the father of the Missouri Compromise. At to the main features of the measure this credit he did not deserve. * * * His leadership in disposing of the Missouri question belonged to a later stage of the proceeding."[7] Indeed, Mr. Clay, himself, in his speech of February 6, 1850, observes as follows, "I beg to be allowed to correct a great error, not merely in the Senate, but throughout the whole country, in respect to my agency in regard to the Missouri Compromise, or, rather, the line of 36°30′, which was established upon the occasion of the admission of Missouri into the Union."[8]

It is in the second Missouri struggle that Henry Clay figured so prominently. Missouri, in her constitution that had just been completed, had made provision against the admission of free Negroes into the State. The northern leaders in Congress at once held that this provision infringed that section of the Constitution which guarantees the rights of citizens of the respective States, and they were determined not to admit Missouri until this provision was expunged. It was now that Clay essayed the role of peacemaker, and on February 2, 1821 he secured the reference of the question to a special House committee of 13, of which he was chairman, and which on the 10th of the month reported a compromise resolution for the admission of Missouri on the condition that the State should never pass any law preventing any persons who were citizens of other States from settling within her limits, and that the State Legislature by a solemn public act should give its assent to this condition.[9] This compromise resolution was defeated in the House by a vote of 80 to 83, and on February 22 a joint committee of the two houses took the question under consideration. On February 26 Henry Clay, in the House, reported out from the committee a resolution substantially equivalent to the resolution reported out on the 10th by the committee of 13, and this measure was finally accepted in Congress. Missouri agreed to the fundamental condition of her admission on June 26, 1821, and the President's proclamation announcing her admission was dated August 10, 1821.[10]

"It was in this last phase of the struggle—which seems only like an appendix to the real issue itself—in which Mr. Clay took such an active and prominent part, a part which helped to gain for him the title of 'Pacificator'."[11] According to one of Clay's biographers: "It was generally admitted that this final accommodation was mainly due to Clay's zeal, perseverance, skill, and the moving warmth of his personal appeals. He did not confine himself to speeches addressed to the House, but he went from man to man, expostulating, beseeching, persuading, in his most winning way. Even his opponents in debate acknowledged, involuntarily sometimes, the impressive sincerity of his anxious entreaties. * * * His success added greatly to his reputation and gave new struggle to his influence. Adams wrote in his journal that one of 'the greatest results of this conflict of three sessions' was 'to bring into full display the talents and resources and influence of Mr. Clay.' In newspapers and speeches he was praised as 'the great pacificator'."[12]

Mr. ANDERSON. Mr. President, we now come to another pair of States, Arkansas and Michigan. Again we see the same pattern of attempting to handle the admission of these States together. Arkansas had been having meetings looking to her admission into the Union, and there was a great deal of interest manifested.

Michigan had some problems.

There were really three parties in the House of Representatives at that time. There was the Ohio party, the Michigan party, and the Arkansas party. There was a fourth party headed by John Quincy Adams who opposed the admission of Arkansas as a slave State. No decision was reached for a long time, but finally a compromise was entered into, to determine where the borderline of Ohio should be. The Michigan bill was read once, and then the Arkansas bill was read once. The Michigan bill was read again, and then the Arkansas bill was read again, to make sure the Nation clearly understood that those two States would come into the Union together. They did not come in on exactly the same date, because Michigan had to straighten out its boundary. Nonetheless, the two States were tied together, although they were left in a somewhat different position. Arkansas was received into the Union at once, unconditionally. Michigan was not to be received except by having a definition of the southern boundary claimed by Indiana and desired by Ohio. Nonetheless, the pair of States came into the Union.

Then there was the situation of Iowa and Florida coming jointly into the Union in 1845 under authorization of the same bill.

So we have the story, over and over again, of an attempt to preserve an equal balance by bringing in pairs of States together.

---

[1] Annals of Congress, 15th Cong., 2d sess., p. 1170.

[2] Turner, F. J., Rise of the New West, p. 155 (New York 1906).

[3] Ibid., p. 156.

[4] Woodburn, James A., The Historical Significance of the Missouri Compromise, American Historical Association Reports, 1893, p. 260.

[5] Ibid, p. 261.

[6] Turner, F. J., The Rise of the New West, p. 165.

[7] P. 178.

[8] Quoted in Dixon, Mrs. Archibald, History of Missouri Compromise, p. 80 (Cincinnati, 1903).

[9] Hodder, F. H. Side Lights on the Missouri Compromises, pp. 156-161 (American Historical Association Reports, 1901).

[10] Woodburn, Jas. A. The Historical Significance of the Missouri Compromise, pp. 278-280.

[11] Ibid, pp. 280-281.

[12] Schurz, Carl. Henry Clay, pp. 192-193 (New York 1887).

As everyone recognizes, a period was reached in our national history when it was not possible to preserve a balance. Minnesota was admitted in 1857. There were proslavery Senators who wanted Kansas to come in as a slave State. But, as the distinguished Senator from Kansas [Mr. SCHOEPPEL], who is now on the floor knows, that could not easily be done. There were those who felt that Kansas had its own rights; that while it might be nice to preserve an equal balance, it was necessary to take into consideration the desires of the people of Kansas themselves.

So while Minnesota was brought into the Union, the question of statehood for Kansas was reserved for a long time; in fact, it was reserved for the period when the southern Senators who had objected to the admission of Kansas had withdrawn from Congress and were not present. Then Kansas was admitted into the Union.

I do not desire to continue at length with this discussion, but I wish to point out that even Texas was not exempt from the theory that there ought to be a balance of power. Of course, Texas came in by itself, and it stands alone. It has a distinction and a stature that has been accorded to no other State. Nonetheless, it was tied in with the question of the admission of Wisconsin. While that is not considered as an absolute tie-in, nonetheless, the admission of Wisconsin was being considered.

Mr. BUTLER of Nebraska. Mr. President, will the Senator yield for a question?

Mr. ANDERSON. I yield.

Mr. BUTLER of Nebraska. If my memory serves me correctly, the people of Texas, by reason of a provision, as I recall, in the act admitting the State, can divide the State into a number of additional States. Texas can be divided into more than one State.

Mr. ANDERSON. Texas has permission to divide itself into five States, but no man in Texas has been brave enough to suggest that that be done, and I do not believe the time ever will come when such a proposal will be made.

Mr. BUTLER of Nebraska. The time may arrive when someone will propose such a division.

Mr. ANDERSON. No, I think that is absolutely impossible. I should be glad to discuss with the Senator from Nebraska, on the floor of the Senate, the division of Texas into five States, but I would not attempt to discuss that question inside the boundaries of Texas. There is no possibility whatever, in my opinion, that that ever will occur.

Other States came into the Union, including the Senator's own great State of Nebraska in 1867, and Nevada, in 1864. Colorado came into the Union in 1876.

We come next to a period when a great effort was made to bring in a large number of States at one time.

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

Mr. ANDERSON. Yes, I am glad to yield.

Mr. SMATHERS. I notice in the Senate manual the dates on which the various States were admitted into the Union. Several of the States about which the Senator from New Mexico is talking were admitted at the same time, but have different dates of admission, so far as the list is concerned.

May I ask the Senator, Did not that result from the fact that Congress approved the admission of the States in pairs at the same time, but the actual dates of the admission of the States resulted from subsequent acts on the part of the Territorial legislatures?

Mr. ANDERSON. Yes. Since the Senator from Florida has asked that question, perhaps I can refer to the situation in his own State and the situation in Iowa.

The movement for statehood in Iowa was started in 1839. The people at that time were somewhat opposed to admission. They were quite satisfied with the amount of liberty they had in their Territorial status. But by 1844 Iowa had experienced an increase in population, and a great popular sweep in favor of statehood went through that State. A State constitution was developed in October of 1844 and was sent to Congress.

In Congress, the consideration of statehood status for Iowa was coupled in a bill with the question of admitting Florida. The same bill provided for the admission of both Territories. It was an established custom for Congress to admit new States in pairs, according to William J. Peterson, in his book entitled "The Story of Iowa—Progress of an American State."

That being the established custom, the free Territory of Iowa was paired with the slave Territory of Florida, in order to maintain the balance. But when the Iowa portion of the bill came up for debate—and this relates to the very question raised by the distinguished junior Senator from Florida—the advocates of statehood for Iowa demanded that the Territory of Iowa be carved into at least three States. They said there was so much land in Iowa that it would be just as well to have three States. They said that while they were willing to pair Iowa and Florida, they wanted three States to be made from the Territory of Iowa, and said that a new boundary would be arranged for Iowa, making the Territory two-thirds of its present size, and cutting down very drastically from the size which Iowa originally had.

Congress approved the bill, and the President signed it on March 3, 1845, with the greatly reduced acreage for Iowa. The people of Iowa were not happy when the news arrived back home. They did not care to have Iowa's boundaries trimmed down. They had supported statehood, but that was not the kind of statehood they wanted, and they said they would have nothing to do with it. The proposed constitution was rejected by Iowa in May 1846. Thereafter, another constitutional convention was called, and the Territorial Delegate in the House persuaded Congress to compromise. The boundaries accepted by Congress were the same as those demanded by the new convention, and the last hurdle to statehood was, therefore, cleared. On August 3, 1846, the people voted to accept the new constitution. On December 21 and 24, 1846, amended bills were passed by Congress, and the President signed them 4 days later.

But the Florida consitution was adopted by convention delegates on January 10, 1839. In May, the constitution was submitted for ratification, and was finally approved by a very close vote in September 1839.

Congress considered the admission of Florida as early as January 1840 but no substantial action was taken until February 1845. So the record will show that Florida was admitted to the Union ahead of Iowa, although the enabling legislation joined the two States together in the same bill.

Mr. SMATHERS. I thank the Senator from New Mexico, because the list in the Senate manual indicates that the date of admission of Florida was March 3, 1845, while the date of admission of Iowa was December 28, 1846, which was, of course, almost a year and a half later. I thank the Senator for this explanation.

Mr. ANDERSON. When I began my investigation into the question, I observed the different dates. I thought surely that those two States had not been admitted at the same time and that there had been no relationship between them. But when I read the history of their admission, I found that the bill provided for the admission of the two States together. It was because of the peculiar boundary provision in the case of Iowa that the two States came into the Union on different dates.

The States of New Mexico and Arizona, the last two States to enter the Union, were combined in the same bill. When the bill was passed, it was the intention to have both States enter the Union at the same time. They did not come into the Union at the same time, because Congress had decided that Arizona would have to make a change in its constitution. Arizona had provided for the recall of judges. The Congress of the United States did not think that was a very good provision. So Arizona had to revise its constitution and eliminate the provision for the recall of judges. It did so, and was then admitted to the Union. But it promptly passed a constitutional amendment for the recall of judges. Such action indicates that one cannot always tell what will happen in the life of sovereign States which have their own ideas, even when Congress tries to take a hand.

I shall discuss now a period in history which was very productive, so far as the creation of States was concerned. A very distinguished Democrat, Grover Cleveland, had been nominated for President in 1884 to oppose James G. Blaine, the Republican nominee. The campaign, which was one of the most bitter and one of the saddest campaigns ever to take place, turned on issues not directly related to the true party issues.

Before Grover Cleveland was elected in 1884, the Senate had 36 Democrats, 38 Republicans, and 2 of what were known as Readjustors. I think that is a very good term. Some day, perhaps, we shall again have Readjustors in the Senate of the United States.

The House at that time had as Members 197 Democrats, only 118 Republi-

cans, 5 Readjusters, 4 Independents, and 1 Nationalist. That was prior to the election. After the election the Senate contained only 34 Democrats and 43 Republicans, but the House contained 183 Democrats and 140 Republicans.

The result was that the country experienced a great deal of confusion and misunderstanding, and in the election of 1888 there was a very strong movement to get rid of President Cleveland and find someone who could bring about a more united Congress.

In the very close Presidential race in 1888 Harrison did defeat President Cleveland, not at the polls, where the Democrats received the greatest popular vote, but in the electoral college, where Harrison received 233, and Cleveland received 168.

After the election, there were in the Senate 39 Republicans and 37 Democrats, and in the House there were 166 Republicans and 159 Democrats. It was recognized that the majority was not large enough to be a good working majority; therefore, there was a very definite effort to bring some new States into the Union. In November 1889, says David Muzzey, writing on the history of our country:

> The States of North and South Dakota, Montana, and Washington were admitted to the Union, and Wyoming and Idaho were admitted the next year. Those States were expected to contribute 10 Senators and 5 or 6 Representatives to the then Republican majority in Congress, and to furnish as many electoral votes for the Republican column in the next presidential election.

I now quote further from David Muzzey's work, A History of Our Country:

> But they brought embarrassment as well as strength to the party; for they were mining States, and their new Senators demanded that "something must be done for silver" before they would support the McKinley tariff. * * * Finally the southern Senators were ready to make an alliance with the westerners to kill the McKinley bill unless all further attempts of the Republicans to control the elections in the South were abandoned.

The States that were admitted did send Republicans to fill the new seats in the Congress, but in the election of 1890 the Democrats captured the House by an overwhelming majority, and the majority in the Senate was cut from 14 to 6 Republicans. And in the election of 1892 the Democrats came very firmly into control of both Houses, so that the strength from the Western States the Republicans hoped would keep them in power lasted but a short time indeed.

The result of some of this jockeying in some States was the development of a Populist movement, which grew to very substantial proportions in my State. My own father was a candidate on the Populist ticket in South Dakota in 1896, and was elected to office in that State at that time.

Populists were not supposed to have any great amount of political power, but, just the same, the people felt so strongly against the building up of Senate strength by bringing in new States that they rebelled, and rebelled vigorously. That is why I say we should try to preserve the equal balance, and not bring in 1 State only even though it may contribute 2 Senators to a particular party.

I should like to add that the 1888 program was fairly successful. Idaho sent to the Senate George L. Shoup and William J. McConnell, both Republicans. Montana sent Thomas C. Power and Wilbur F. Sanders, both Republicans. North Dakota sent Lyman R. Casey and Gilbert A. Pierce, both Republicans. South Dakota sent Richard F. Pettigrew and Gideon C. Moody, both Republicans. Washington sent John B. Allen and Watson C. Squire, both Republicans. Wyoming sent Joseph M. Carey and Francis E. Warren, both Republicans.

Mr. SMATHERS. Mr. President, will the Senator from New Mexico yield?

Mr. ANDERSON. I yield to the Senator from Florida.

Mr. SMATHERS. I wonder if the Senator sees any historical significance or connection between what was attempted in 1888, when the Republicans sought to bring into the Union some additional States, apparently to fortify their hold on the Congress, and what we see being enacted on the Senate floor today, when there is an effort to promote statehood for Hawaii but not for Alaska.

Mr. ANDERSON. I would not say I see any historical significance, but I am attracted by the statement made by the majority leader a few days ago, that it was very difficult for a majority leader to operate with a minority in the Senate. I will assume it would be his natural desire to change the situation and see that he had a majority in the Senate.

Mr. SMATHERS. If the Senator will yield further, if there was some significance in the majority leader's statement that he found it difficult to be a majority leader with a minority, would it not appear logical that he would welcome the opportunity to have Alaska and Hawaii statehood voted on at the same time, particularly in view of what the Republicans said in 1950, and in view of the fact that the Republican Party platform in 1952 urged admission of both Hawaii and Alaska?

Mr. ANDERSON. I say that the party which tries to bring a State in, if any party ever does, on the theory that some lasting gain will come to it, will only be deluding itself, if the history of the past of our country is any guide to the future. That is why I have been extremely hopeful that any party, whether Democrat or Republican, will bring both States in on the equal balance theory.

Mr. BUTLER of Nebraska. Mr. President, will the Senator yield long enough for me to say that I heartily endorse the Senator's statement?

Mr. ANDERSON. I knew that the distinguished chairman of the committee would.

I have tried to make as careful a study of the statehood question in my own State as I possibly could make, and of the time when the States of New Mexico and Arizona were brought into the Union. I have been collecting the books and materials dealing with that subject for a long time, including every individual document, beginning with the first proposal for statehood. I have read them with a great deal of interest. Besides that, as a reporter I became well acquainted with the figures interested in statehood.

At that time Arizona was regarded as a Democratic Territory and New Mexico at that time was probably regarded as a Democratic Territory, but those in control brought in some of the Democratic leaders and said, "We have to balance these things off." Local Republicans, not the national administration, asked certain well-known Democrats if they would join the Republican Party and become Republicans in my State, so that they would be able to say to Congress that in bringing in the two States they would not upset the political balance. Those who were asked did join with the Republican Party, and the Republican Party carried the first election. However, they did not build a Republican State.

I am only trying to say that it is entirely conceivable that Hawaii might send to the Senate two Democrats and that Alaska might send two Republicans. It is impossible to predict what will happen.

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

Mr. ANDERSON. I yield to the Senator from Louisiana.

Mr. LONG. What concerns some of us is that Senators who are against bringing either one of the Territories into the Union as a State are supporting the proposition of tying them together. If those who are against any statehood whatsoever want to join the two together, I am sure their purpose is to defeat the bill by joining the two together.

Mr. ANDERSON. The question is what in the judgment of an individual is best for the cause of statehood. If anybody worked harder in the 81st Congress to bring about Alaskan statehood than I did, then I shall pin a little medal on him. I realize that many people worked as hard as I did, but I worked very hard in the 81st Congress to bring about statehood both for Alaska and Hawaii. I held hearings on the Alaska bill for days on end. I then substituted for the chairman, the then Senator from Wyoming, Mr. O'Mahoney, in holding hearings on Hawaiian statehood. I worked just as hard as I could for both bills. I wished then, and I wish now, that the 81st Congress had passed the bills admitting both Alaska and Hawaii to statehood.

In the 82d Congress I was interested in doing as much as I could to achieve statehood for Alaska and Hawaii. I at that time pleaded with Senators who were disposed to recommit the bill. I said, "If you recommit the Alaskan bill, you will kill the Hawaiian bill." I say to the Senator from Louisiana in all sincerity that I think the Alaskan statehood bill would have been defeated on the floor of the Senate.

After the Alaska bill was recommitted, there was a great deal of enthusiasm to bring up the Hawaiian bill and try to pass it, but Senators knew it was as dead as could be, and they knew it when the action was taken to recommit the Alaskan statehood bill.

I am saying as strongly as I can that I believe the pattern of history in which

States were brought into the Union in pairs is still the best pattern to follow in the present instance, and we ought to have a chance to bring in both Hawaii and Alaska at this time.

Mr. LONG, Mr. HOLLAND, and Mr. JACKSON addressed the Chair.

The PRESIDING OFFICER (Mr. BEALL in the chair). Does the Senator from New Mexico yield; and if so, to whom?

Mr. ANDERSON. I yield first to the Senator from Louisiana; and thereafter I shall yield to the Senator from Florida, and then to the Senator from Washington.

Mr. LONG. I thank the Senator from New Mexico.

Let me say that, so far as I can determine, every Senator who is opposed to statehood for either Hawaii or Alaska will vote for the motion of the Senator from New Mexico to tie together the statehood proposals in the case of those two Territories. If some Senators are willing to engage in a game of "double or nothing," does not that indicate that if the Senator from New Mexico wishes to have statehood granted to Hawaii, he is making a mistake by moving to tie together the two statehood bills?

Mr. ANDERSON. But my colleague from Louisiana himself is the only member of the committee who voted against statehood for Alaska. Does he intend to vote for my motion?

Mr. LONG. No.

Mr. ANDERSON. By that answer, I think my colleague has answered the question he has just asked me.

Mr. LONG. Regardless of whether the motion of the Senator from New Mexico in adopted or is rejected, I shall vote for statehood for Hawaii; and if we have to agree to statehood for Alaska in order to have statehood conferred upon Hawaii, I will still vote for statehood. So the Senator from New Mexico does not need to worry about my vote.

Mr. ANDERSON. I shall not worry about the vote of the Senator from Louisiana; but I echo the statement he just made. If my motion to tie together the proposals for statehood of Hawaii and statehood for Alaska fails, I still intend to vote for statehood for Hawaii. I am not making my motion because of any attempt to try to kill the proposals for statehood for either or both those Territories.

I have said from the beginning that some Senators who may vote against my motion may do so for different motives. Some Senators may seek to have statehood conferred only upon Alaska; some may seek to have statehood conferred only upon Hawaii. Some may be opposed to having statehood granted to either of them. We shall have to wait and see what the final outcome will be.

Mr. HOLLAND. Mr. President, will the Senator from New Mexico yield to me at this time?

Mr. ANDERSON. I yield.

Mr. HOLLAND. I think the Senator from New Mexico is performing a most useful function in stating for the RECORD the history of the admission of some 7 or 8 pairs of States. Will he also include a reference to the fact that a larger number of States have been admitted singly or otherwise, but not by pairs, since the creation of the Union by the establishment of the Original Thirteen States? For instance, the Senator from New Mexico has suggested that Tennessee, Ohio, and Louisiana were admitted separately, and he has also suggested that Texas was admitted separately. That makes a total of four. He also has suggested that 6 other States—making a total of ten—were admitted in 1889.

Let me call his attention to the fact that it is clearly shown that the nine following States did not come in by pairs: Wisconsin, in 1848; California, in 1850; Oregon, in 1859; West Virginia, in 1863; Nevada, in 1864; Nebraska, in 1867; Colorado, in 1876; Utah, in 1896; Oklahoma, in 1907.

So it is quite apparent that although there is historic precedent under which Senators may, if they wish, consider the admission of States in pairs, and particularly if they feel that by that means the admission of one State was offset against the admission of another, yet I think the Senator from New Mexico must realize that there is also an abundant amount of history to show that most of the States were not admitted by Congress on the basis of following a pattern of admitting them two at a time. That statement is correct, is it not?

Mr. ANDERSON. Yes; it is correct. I say there are three significant exceptions to the rule of admitting States by pairs. I do not wish to detain the Senate for much of the afternoon, but I shall be glad to go into that question with the distinguished Senator from Florida.

For instance, he referred to the State of West Virginia, which was brought into the Union in contradiction of the Constitution. I wish I were a great constitutional lawyer, like my distinguished friend, the Senator from Maryland [Mr. BUTLER], because then I could deal adequately with that matter, and could point out exactly what the difficulty was.

In May 1861—a period which the Senator from Florida will recognize as one of peculiar significance in our Nation, 48 counties in the western part of Virginia voted against secession. Virginia herself had voted in favor of secession; but those 48 counties voted against secession, and formed a new State, which they called Kanawha. The Southern forces tried to save that area and keep it within the Confederacy, but they were repulsed by General McClellan; and at the end of December 1862, President Lincoln supported a bill granting statehood to West Virginia, even though the Constitution provides—oh, Mr. President, I wish I had help from some of the able constitutional lawyers in the Senate—that the States cannot be dismembered without their consent. The language more accurately is that no new State shall be formed within any other State without the consent of the legislature of the State concerned. So, although West Virginia did not come in as one of a pair, she was admitted in a special manner for a special purpose. At that time various persons said, in effect, "We have to bring into the Union some additional States, in order to be able to do business, since our southern friends have withdrawn from the Union and have joined in a Confederacy."

What happened in that case is similar to what happened in the case of Kansas. Kansas was admitted individually, but was supposed to have been admitted previously with Minnesota. Kansas was admitted in 1861, although previously there had been objection to the admission of Kansas, because there was a desire to, let me say, "pack the Senate." After the "Court packing bill," I do not know whether that is a good term or not. But at that time there was a desire to change the Senate situation, and Kansas was admitted into the Union in 1861. That was made possible by the withdrawal of the proslavery Senators from the Senate of the United States, on the eve of the Civil War.

A somewhat similar situation existed in the case of the admission of Nevada, which was admitted at a time when she had a population of, I believe, approximately only 7,000. Nevada was admitted because of situations arising from the Emancipation Proclamation. So Nevada was admitted at that time to help ratify the 13th amendment, even though her population was extremely small.

Although I grant that there were occasions when some States were admitted individually, yet I think it is valid to point out that many of these admissions were in special purpose periods. The first period was when it was desired to do business during the War Between the States. The next period was during the attempt to impeach President Andrew Johnson. The next period was in 1889 and 1890 when there was an effort to strengthen the hands of President Benjamin Harrison in the control of both the House of Representatives and the Senate. Aside from those three periods, nearly all the other States were admitted on the basis of pairs.

Mr. HOLLAND. Mr. President, will the Senator from New Mexico yield further to me?

Mr. ANDERSON. I yield.

Mr. HOLLAND. I think the Senator from New Mexico has gone a little further, in making his statement, than he intended to go, because his statement does not cover the admission of Tennessee, Ohio, Louisiana, Texas, Wisconsin, California, Oregon, Nebraska, Colorado, Utah, or Oklahoma. Is not that correct?

Mr. ANDERSON. Yes. I said in the beginning that Tennessee was one of the great exceptions. Tennessee was a very bitter battleground, and came into the Union by herself, as did Ohio and Louisiana. To be sure, there were some difficulties at that time; but the States admitted in that period were admitted individually.

Of course, as I have said, Texas came in separately or individually. Nonetheless, the admission of Texas was tied to the admission of Wisconsin.

Although there is no explicit characterization in law to the effect that the admission of those States was tied together, it seems to me that a study of the history of the attempt to bring Texas into the Union will show that there was a connection between the admission of Texas and the admission of Wisconsin.

Mr. HOLLAND. Mr. President, will the Senator from New Mexico yield further to me?

Mr. ANDERSON. I yield.

Mr. HOLLAND. My sole reason for asking the question was to have the RECORD show—as I believe it now does; and if it does not, I should like to have my colleague say so—that more States have been admitted individually, since the original formation of the Union, than in pairs or under the pairing formula, which the Senator from New Mexico has very ably discussed. Let me say I think it is well to have his statement in the RECORD.

At this time I ask him to state whether it is correct that more States have been admitted individually, rather than under the pairing formula.

Mr. ANDERSON. Yes, I think it is true that more States have been admitted individually, without being brought in under the pairing formula. However, I have tried to say that has not been the best thing for harmony in the Nation.

Mr. HOLLAND. Mr. President, will the Senator from New Mexico yield to me at this point?

Mr. ANDERSON. I yield.

Mr. HOLLAND. It has been pointed out that when this subject was last before the Congress, there was a Democratic administration, with Democratic majorities in both the House of Representatives and the Senate; and at that time, in making our own free choice in regard to the matter, we decided it was better not to follow the pairing formula, and we brought up by itself the question of the admission of Alaska as a State. The distinguished chairman of the committee at that time, who was handling the debate on that subject, former Senator O'Mahoney, of Wyoming, who handled it most skillfully and most ably, made it very clear that it had been the decision of the powers that be to have the admission of Alaska considered by itself. Is not that the case?

Mr. ANDERSON. Yes; but again, that was a matter of individual judgment. While the distinguished chairman of the committee felt that it was better to take them in individually, there were those of us who felt that it might be better to bring them in together.

Mr. BUTLER of Maryland. Mr. President, will the Senator yield?

Mr. ANDERSON. I had agreed to yield to the Senator from Washington [Mr. JACKSON].

Again I say that the proof of the pudding is in the eating thereof. I still maintain that if we had decided at that time to bring Alaska and Hawaii before the Congress together, we might have had a different result from what we had finally when we tried to bring them in individually.

I now yield to the Senator from Washington.

Mr. JACKSON. Mr. President, I should like to supplement the answer of the distinguished junior Senator from New Mexico in reply to the question propounded by the senior Senator from Florida [Mr. HOLLAND].

I think the situation in which we find ourselves today is entirely different from the situation when the question of statehood for Alaska and Hawaii was presented in the previous Congress. The bills were handled on a separate basis because we had the assurance that the then President would sign both bills. I say that if we now separate Alaska from Hawaii we are defeating Alaska. The record will disclose that the leadership in the House of Representatives bottled up the Alaska statehood bill in the Rules Committee for some 9 months. I am reliably informed that they have no intention of taking up Alaskan statehood.

I may say further that if we add Alaska as title II in this bill, the issue will then be presented squarely to the House of Representatives, when it will arise in connection with the conference report on the bill passed by the Senate and the one passed by the House of Representatives.

As one who has voted in the House of Representatives for statehood for both Hawaii and Alaska, I am completely convinced that if we want statehood for Alaska, it must be joined with statehood for Hawaii. We would not have to join these two bills in one package if it were not for the fact that the House leadership have tied up the Alaskan statehood bill. A further reason is that if the Alaska bill comes up separately, in all probability it will be vetoed by the President of the United States.

I wish to commend the distinguished Senator from New Mexico for the sincere effort he has made during the past several years in behalf of statehood for both Alaska and Hawaii. I do not think it is fair to try to ascribe particular motives to Members who may or may not vote for or against adding Alaska to the Hawaiian statehood bill. I do know that those of us who have fought for Alaskan statehood in the past sincerely believe that unless we add Alaska to the Hawaiian statehod bill, it will never be passed by this Congress.

Mr. ANDERSON. I do not know whether the Senator from Washington is right or wrong. I simply say that we have tried it the other way time after time, and have run into one roadblock after another. It strikes me that the sensible way to proceed is to tie them together.

In the 81st Congress we tried to bring about statehood. Our efforts extended over a long period of time. They came to nothing. Again, in the 82d Congress, they came to nothing. I hope that in this Congress they may result in statehood for both Hawaii and Alaska.

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

Mr. ANDERSON. I yield.

Mr. DOUGLAS. I congratulate the Senator from New Mexico for his very able historical statement of the circumstances attending the admission of new States. It is my understanding that up until about 1954 the States, like the animals entering the ark, came in by pairs—1 slave State and 1 free State together.

Mr. ANDERSON. That is not exactly true.

Mr. DOUGLAS. It is approximately true.

Mr. ANDERSON. Tennessee, Louisiana, and Ohio do not fall into that pattern at all. Vermont and Kentucky do. Indiana and Mississippi do. Then Illinois and Alabama——

Mr. DOUGLAS. And Maine and Missouri.

Mr. ANDERSON. Maine and Missouri, Arkansas and Michigan, Iowa and Florida. Then comes the case of Texas, which apparently does not fall into that pattern. But, after all, Texas does not fall into any pattern.

Mr. DANIEL rose.

Mr. ANDERSON. I now salute the junior Senator from Texas, who, I am sure, will agree with me that there could be no pattern broad enough to encompass the virtues of that great State.

Mr. DANIEL. I thank the Senator from New Mexico for that very fair and accurate statement.

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

Mr. ANDERSON. I yield.

Mr. DOUGLAS. Is it not true that a great deal of politics was played by our Republican friends in the admission of States after the Civil War? Is it not true that the State of Nevada, for example, was admitted in order to get the necessary three-fourths of the States to ratify the 13th amendment?

Those who have read Carl Sandburg's Life of Lincoln well know the methods which Lincoln's agents used in order to get Nevada into the Union. Sandburg is authority for the statement that corruption on a huge scale was resorted to in order to get Nevada in.

Mr. ANDERSON. I have tried not to place the discussion on the basis of partisan politics. I do not know whether it was then necessary in order to bring about the ordinary, decent conduct of Government to bring in some additional States. As I have said—and I am now looking at the distinguished senior Senator from Virginia [Mr. BYRD]—I do not know what prompted people to slice off a section of his great State, call it West Virginia, and admit it into the Union in contravention of the Constitution of the United States. I assume there must have been a grave and impelling motive.

I do not know what persuaded the Congress to bring in Nevada. I have read the story of how the Emancipation Proclamation had favorably impressed Europe; but there was a question as to whether the President could wipe out the enormous property rights involved. There is a manual dealing with this subject. It is called Guide to the Silver State. Between pages 42 and 45 there is a description of how Congress, in order to try to make it possible to validate what may have been an illegal act of the President, sought to bring in a number of States quickly. I do not know whether that was politics or whether it was the result of a jealous desire to protect the position of the United States.

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

Mr. ANDERSON. I yield.

Mr. DOUGLAS. Would not the Senator be interested in Mr. Sandburg's description of the conditions under which Nevada came into the Union?

Mr. ANDERSON. I would.

I digress at this point to say that while I was at my home in Albuquerque over the weekend I was trying to sort through

some papers. Early in life I formed the habit of attending lectures and upon returning home typing out something of what was said. Inasmuch as the Senator has mentioned Carl Sandburg, let me read this brief memorandum which was written in 1938:

Carl Sandburg, in a lecture in Albuquerque on Monday, February 14, 1938, told of the work he was doing on a second Lincoln series. The first, the Prairie Years, was in two volumes. He said he was half-way through the fourth book of the new series, which he was calling Abraham Lincoln, the War Years. In the preparation of the work (he was glad he was so far along; most of them die in the middle of the second volume), he has thumbed through biographies of others; he had read scores of speeches in full and hundreds in part; he had read the Congressional Globe. He had read all the newspaper accounts and editorials, and the one significant thing that he had learned was that not a single one of the speakers and commentators had the faintest idea of the great forces on march in America. Not one of them sensed that there was anything unusual going on—nothing more than a neighbors' quarrel. They didn't sense that the place whereon they were standing was holy ground.

Sandburg predicted that we could be guided in the present conflict by what had happened in 1870 and 1880 and 1890, when the railroads tried to prevent their employees from organizing, and in 1906, and up to 1914 when the garment manufacturers tried to destroy the organizations being set up within those industries. The unions were formed and have been a stabilizing force. He predicted that the auto workers would attain their goal and that Henry Ford was just fighting against time and history.

Mr. President, I typed that memorandum after I came home from the lecture. I am interested in how, many years later, we realize that Sandburg's prediction was very accurate, namely, that the Ford Motor Co. would change completely its attitude toward unions and would become a leader in that field.

When we try to keep Alaska and Hawaii out of the family of States we are fighting against time and history. I also believe that if we try to bring them in individually, and do not recognize the equal balance theory, we may very well lose the possibility of bringing either Territory into the Union.

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

Mr. ANDERSON. I yield.

Mr. HOLLAND. I merely wish to call to the attention of the distinguished Senator from Illinois [Mr. DOUGLAS] that the State he was thinking of, which was admitted in connection with the question of the adoption of the 14th amendment, was Nebraska.

Mr. DOUGLAS. I was speaking of the 13th amendment, not the 14th.

Mr. ANDERSON. Mr. President, I did not intend to get into all of these notes.

Mr. HOLLAND. Those amendments were submitted in 1865 and 1866, and Nevada was admitted in 1864.

Mr. DOUGLAS. I may point out that I was specifically referring to the 13th amendment, not the 14th. The history of the 13th amendment, as I understand, is that Nebraska at that time refused to come into the Union, and that Nevada was admitted under circumstances less than sanctimonious.

Mr. HOLLAND. The 13th amendment likewise was submitted after the admission of Nevada into the Union, in 1865.

Mr. DOUGLAS. Nevada was admitted in anticipation of that.

Mr. ANDERSON. Mr. President, I only wish to say that 1865 perhaps marked the adoption of the amendment. I wish to read a condensed version from A Guide to the Silver State, at pages 42 to 45:

Peculiar national and international considerations prompted the admission of Nevada into the Union. The mining of gold and silver in the Territory became of great importance upon the outbreak of the War Between the States: the North's economy would be grievously impaired were the miners to abandon the North. Although southerners in Nevada were few in number, this minority was both vocal and dangerous. Washington therefore determined to bring Nevada into the Union as soon as possible. Its admission would not only save Nevada's treasure for the Federal economy, but would also afford the Lincoln administration additional support in its prosecution of the war and in warding off European intervention on behalf of the Confederacy.

The Emancipation Proclamation had favorably impressed Europe, but it was questionable that a President could wipe out enormous property rights, even as a war measure. To settle all doubts, the administration sponsored a constitutional amendment to abolish slavery. Even though Lincoln dispensed patronage with a lavish hand, he found that he still needed the support of two more Senators. The admission of Nevada would be the easiest answer to the problem.

In Congress there was some question about the advisability of admitting a Territory with a population hardly a sixth of that required for a single Representative in the National Legislature. Statehood advocates argued that Nevada's slight population was necessarily a temporary condition inasmuch as the wealth of the area would attract citizens from other States in ever-increasing number. Buttressed by strong Presidential pressure, the proponents of statehood had a rather easy time in pushing through the admission bill. The President approved the Enabling Act on March 21, 1864, and on October 31 of the same year Nevada became a State.

Again, Mr. President, I say that not by any stretch of the imagination am I trying to infer that these things should in any way be considered as partisan. I do not know what prompted the President's action. Indeed, I know that he probably had very strong justification for the things he was doing. I am only trying to point out that the exceptions and the variations from the pairing plan come in about three pockets.

One is where new States were brought in in order to carry out the policies of President Lincoln. Second, when there was a desire to bring some additional States into the Union in order to have them participate in the impeachment of Andrew Johnson.

Mr. DOUGLAS. Which was a very vindictive action.

Mr. ANDERSON. I am not trying to characterize the action. I was not alive when it happened. I do not know.

Third, the great period of 1889 and 1890, when 6 States were admitted into the Union within a period of 9 months, which may be considered to be a proper gestation period, but it is hardly a desirable thing to give birth to that many States in such a short time for a special purpose.

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

Mr. ANDERSON. I yield.

Mr. CORDON. The Senator from Oregon has been following with great interest the discussion of the Senator from New Mexico, and he confesses that he is still completely at sea as to what the Senator from New Mexico is driving at.

Mr. ANDERSON. I am trying to drive home the fact that the people of my State and the people of Arizona tried for years and years to bring their Territories into the Union as States. As a matter of fact, when California was admitted into the Union, in 1850, the people of my State thought they also had formed a State. They thought they had done what California had done. California had become a State without benefit of an enabling act of Congress. Gen. Bennett Riley, in 1849, recommended the formation of a State. A constitutional convention sat and drafted a constitution which the people ratified and the general recognized the new State of California. Congress, after an 8 months' debate, accepted it and brought California into the Union.

Knowing what had happened, New Mexico tried to follow suit, and the people of New Mexico established a new government. They sent their representatives to Congress, who tried to take office. They found that their State had not been admitted because there was a feeling that New Mexico was not ready for statehood.

Again New Mexico tried to come in as a State when Colorado was trying to get in. The story that I could tell with respect to that incident in our history would fill a volume. There had been an attempt to bring in Colorado, and an attempt to bring in New Mexico. The fight was very close, but sufficient votes existed to bring both into the Union.

During the day preceding the vote a very strong speech was made on a subject dear to the hearts of many Members of Congress, on a rather touchy subject so far as some Southern Members of Congress were concerned. The Delegate from New Mexico, Mr. Elkins, rushed across the floor and shook the hand of the man who had made the vigorous speech which had attacked the South.

The next day, when the roll was called, Colorado was successfully voted into the Union, and New Mexico was not.

New Mexico struggled longer as a Territory to gain admission into the Union than had any other Territory. Through that long struggle of 61 years, New Mexico kept trying to come into the Union, and it failed to do so, until finally it was admitted together with Arizona. Both States came into the Union at the same time. That may be the key to Alaskan and Hawaiian statehood.

I have been disturbed by the effort to bring Hawaii into the Union without also bringing Alaska in. Alaska has petitioned regularly since 1916. I am trying to suggest that perhaps the way to bring in both Territories is to follow the course

we followed when New Mexico and Arizona came into the Union, namely, by way of a joint bill.

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

Mr. ANDERSON. I yield.

Mr. CORDON. The Senator certainly is not attempting to justify what happened with respect to other States entering into the Union, as he outlined that history?

Mr. ANDERSON. I regret to say that I did not catch the Senator's question.

Mr. CORDON. I am sure the Senator does not attempt to justify that method as the ideal method of admitting new States into the Union.

Mr. ANDERSON. I do not say it is the ideal method. I am saying that I strongly favor statehood for both Territories, and I believe the way to bring it about is to link the 2 Territories in 1 bill. I do not know of any better way to bring the question of Alaskan statehood to the floor of the House of Representatives, in view of the present situation, and the attitude of the Rules Committee of the House, which will not let the Alaskan statehood bill out of the committee, although it has been there for 9 solid months.

Mr. CORDON. The Senator, I am sure, is in favor of statehood for both Territories. There is no question in my mind about that. Therefore we get that point out of the way immediately.

Mr. ANDERSON. I appreciate that statement.

Mr. CORDON. The Senator from Oregon is also in favor of statehood for both Territories, but he will vote against the amendment of the Senator from New Mexico.

Mr. ANDERSON. I wish to state that I believe the work which the distinguished Senator from Oregon has done in preparing the Alaskan statehood bill and in permitting it to come to the floor stands as a memorial to him, because it represents fine legislative draftsmanship, and it is a splendid piece of work. I have stated so publicly and privately, and I now wish to put that statement into the RECORD of Congress.

Mr. CORDON. The Senator from Oregon is appreciative of the generous statement of the Senator from New Mexico. I should like to say with respect to the work on both of these bills that they were the subject of the devoted efforts of every member of the committee. Members of the committee who expected to vote against both bills worked with the other members to get the best bill possible.

If the Senator from New Mexico will yield further, I should like to say that I am troubled a bit regarding this problem: Assuming the conclusion which the Senator from New Mexico has reached is correct—I have no way of knowing whether it is correct—that there would be no hope at this stage for the enactment of a statehood bill for Alaska if it came up disconnected from the bill providing statehood for Hawaii, are we not faced with a situation, if we indulge that presumption, in which all we can succeed in doing, if we tie the two together, is to guarantee the failure of both?

Mr. ANDERSON. No; I do not think so. I have served in the House of Representatives, as have many other Senators, and I know the House Rules Committee can be almost all powerful, but I also know that when a bill comes from the Senate, a simple motion can be made to take it up and consider it, and the question would be at least voted on. If the House, in its wisdom, desires to vote it down, we can at least say we have done the best we could. If we emerge with only statehood for Hawaii, I shall be one of those voting for it.

Mr. CORDON. Mr. President, will the Senator from New Mexico yield further?

Mr. ANDERSON. I yield.

Mr. CORDON. If the Senators succeed in joining the two bills together, I assume the Senator from New Mexico will agree with me and with other Senators who have spoken that each bill will inherit the opposition of the other. Is not the Senator pretty certain that that is bound to be the result?

In other words, if we place Alaska and Hawaii in one bill, those who favor Hawaiian statehood will oppose Alaskan statehood, and those who favor Alaskan statehood will vote against Hawaiian statehood, because that would be one way to make opposition to Alaskan statehood felt, and vice versa.

Mr. ANDERSON. I hope not. I hope that Members who want statehood for Hawaii and do not want Alaskan statehood will vote for both, not that they would love one less, but would love the other more.

Mr. CORDON. There is at least one Member of the Senate who has said he would do that. I am a bit fearful that there are other Members of the Senate who have not yet committed themselves who will do the same.

Mr. DOUGLAS. Mr. President, will the Senator from New Mexico yield?

Mr. ANDERSON. I yield.

Mr. DOUGLAS. I think the Senator has mentioned a very important parliamentary point. As I understand, he has stated that if the bills are separated, the House Rules Committee, because of its terrific power over determining what bills shall come before the House, might be effective in preventing the consideration of the Alaskan statehood bill, but if a bill joining the two statehood proposals goes to the House from the Senate, it is not likely that committee will take such action.

Mr. ANDERSON. I think the possibility is less.

When I was a Member of the House, I desired very much to make it possible for soldiers to vote in the Presidential election of 1944. We were having a great deal of difficulty because we had to make a motion trying to change the decision of the Rules Committee in order to get a chance for Members to put their names down as voting one way or the other. We were never able to get the bill we wanted from the Rules Committee.

I enjoyed my membership in the House of Representatives, and I particularly admired the way it could dispatch business. But, nevertheless, the Rules Committee is very strong and powerful. I think that is necessary in a parliamentary body of 435 Members; but I thank the good Lord that we do not have such a situation in the Senate of the United States. We have a great deal more freedom. The Rules Committee of the House has taken a strong stand on the subject of statehood for Alaska. Regardless of whether the majority of the House does or does not want to vote for Alaskan statehood, they are unable to do so.

Mr. DOUGLAS. Is not the Senator saying that in view of the great power of the Rules Committee, the only effective way of getting statehood for Alaska is to combine it with statehood for Hawaii?

Mr. ANDERSON. That is my own personal opinion. It is only one man's opinion, but it is based on a sincere effort, over a period of several years, to bring about statehood for both Hawaii and Alaska.

Mr. SMATHERS. Mr. President, will the Senator from New Mexico yield?

Mr. ANDERSON. I yield.

Mr. SMATHERS. I should like to say, in connection with the statement of the Senator from New Mexico, that the statement has been made that those who oppose the admission of either Hawaii or Alaska will vote for tying the two bills together. I am one of those who would oppose the admission of either Hawaii or Alaska. As the able Senator from New Mexico and the able Senator from Oregon know, it is the feeling of other Senators who are opposed to both bills, that if we are going to take what we think will be the disastrous step of admitting a noncontiguous Territory, if we are going to admit one, there is no reason why we should not consider the other one and admit it also.

When, in 1951, the Alaska bill was up, it seemed to me that the situation was completely different from what it is today. In that year I was the one who offered the motion to recommit the Alaskan statehood bill, and the motion was carried by one vote. The basis of the motion was the fact that there had been no hearings on Alaskan statehood. The actual fact was that there had been no hearings on Hawaii, either. The President of the United States had written to the Senate Interior and Insular Affairs Committee urging the admission of both Alaska and Hawaii as new States. The reason the chairman of the committee did not bring the bill up was because he had not held hearings on Alaskan statehood, and no hearings had been held on the admission of Hawaii. So he knew it would be useless to bring the bill up.

Long hearings have now been held on the admission of Alaska. They have been held in the Territory of Alaska. There have been long hearings in Hawaii. I do not see why they should not be tied together. If the able Senator from Oregon and the able Senator from Nebraska are both for them, why not vote for both bills at the same time, unless there is some reason we may not know about, why it is thought one might get through, and the other might not. But if they are for the admission of both Territories, as

has been indicated, I do not see any reason for not saying, "Let us vote on both of them at the same time."

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

Mr. ANDERSON. I yield.

Mr. DANIEL. I am in the same position as is the junior Senator from Florida. Having sat through all the committee hearings last year and this year on statehood for Hawaii and Alaska, I have come to the conclusion that a better case has been made for statehood for Alaska. Although I should prefer that neither Territory should be admitted to statehood at this time, I do not believe it would be fair to admit Hawaii and not to admit Alaska.

In answer to the statements made on the floor previously by, I believe, the junior Senator from Louisiana [Mr. LONG], who wondered why so many Senators who are opposed to the admission of both Territories are in favor of the amendment offered by the distinguished Senator from New Mexico [Mr. ANDERSON] to provide for the admission of the two Territories in one bill, I think it might readily be said that there are some Senators who believe that even though we would rather not have both Territories admitted to the Union at this time, it would be only fair, if Hawaii is to be admitted, to admit Alaska at the same time.

Again, I wish to say that I believe a better case was made before the committee for the admission of Alaska than was made for the admission of Hawaii.

Mr. BUTLER of Nebraska. Mr. President, will the Senator from New Mexico yield?

Mr. ANDERSON. I yield.

Mr. BUTLER of Nebraska. First I wish to thank the distinguished Senator from New Mexico for the complimentary remarks he made with reference to the chairman of the subcommittee [Mr. CORDON], who handled the preparation of the bill in committee. He did a fine job.

Mr. ANDERSON. I made some complimentary remarks about the chairman of the committee himself.

Mr. BUTLER of Nebraska. The Senator from Oregon said he was not the only one who worked on the statehood bills. I wish to reiterate that statement, because the members of the committee, on both sides of the table, were regular in their attendance and did a good job.

In answer to the remarks just made by the distinguished junior Senator from Texas [Mr. DANIEL], I wish to ask this question: Assuming that the amendment offered by the Senator from New Mexico is not agreed to, and assuming that the bill to provide statehood for Hawaii passes, does the Senator from New Mexico think it could be very long before statehood for Alaska would follow as a natural course? I feel certain that it would.

Mr. ANDERSON. I may say to the distinguished chairman of the Committee on Interior and Insular Affairs that I hope it would not be very long; but I also remind him that, although the committee asked for reports on Alaskan statehood in January 1953, to this good date not one administrative agency of the Government has written us one line.

Mr. BUTLER of Nebraska. I may say to the distinguished Senator from New Mexico that the committee of which I have the honor to be chairman has reported a number of bills this year, which have been passed by the Senate with no reports from any of the executive departments.

Mr. ANDERSON. I commend the distinguished Senator from Nebraska for that. I commend him particularly for what he did with reference to Alaskan statehood. I have in my folder an editorial entitled "Hawaii and Alaska," which was published in the El Paso (Tex.) Herald-Post of March 1, 1945, and reads, in part, as follows:

> Since their respective merits are roughly equal, there is nothing particularly wrong with the proposal by Senator CLINTON ANDERSON of New Mexico to tack Alaska onto the Hawaii statehood bill in the Senate.

Then, further on, the editorial continues:

> We are not dealing here with colonies that came into American possession as the loot of war and whose inhabitants speak a foreign language. Hawaii and Alaska are American in language as well as in spirit. And while mainland Americans and the descendants of them are in the minority in Hawaii, 90 percent of its people are native-born American citizens. A large majority of Alaskans today are immigrants from the 48 States or descendants of them.
>
> For the people of Hawaii and Alaska, whose patriotism has been demonstrated in peace and war, statehood is the only answer. They have been denied it too long already.

Mr. SMATHERS. Mr. President, will the Senator yield for one question? Then I shall not bother him any longer.

Mr. ANDERSON. I yield.

Mr. SMATHERS. I shall ask the Senator from New Mexico, if he will for just a moment, to address himself to one point. If the Republican leadership has said, as I understand it has, that they intend to program the Alaskan statehood bill, and if the able chairman of the Committee on Interior and Insular Affairs, and the able chairman of its subcommittee, are both for Alaskan statehood, and it will be a matter of only 2 weeks or 6 weeks before the Senate will consider the Alaskan statehood bill, why should not the Senate take up both bills now? Why should we not have a vote on both now?

Mr. ANDERSON. That is what I am trying to accomplish. I was referring to what happened when a number of States came into the Union in 1889 and 1890.

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

Mr. ANDERSON. I yield.

Mr. CORDON. The Senator from Florida [Mr. SMATHERS] asked why the senior Senator from Oregon, among others, would oppose the joining of the two bills at this time if, as a matter of fact, it would be only a few weeks until the Alaskan statehood bill would follow the Hawaiian statehood bill to the floor.

I may say to the Senator from New Mexico that the reason ought to be apparent, after the history with respect to the Alaskan statehood bill when it was before the Senate.

If there exists on the House side such a situation as the Senator from New Mexico has suggested—and I have never served in the House and am not so fully familiar with the intricacies and operations of the House rules as is the Senator from New Mexico—then, in view of those circumstances, it would appear to be perfectly logical and sound for one who believes in statehood for both Territories, and who believes that the equities are the same, so far as statehood is concerned, although the reasons and facts may be different in each case, to attempt to let the reasons and the compelling facts for each stand for themselves, and give each an opportunity to go through by itself.

Mr. ANDERSON. The experience of Congress tempts me to believe that the other route is the surest way to bring statehood to both Territories. I say it is a matter of opinion. But I refer to the statehood law passed in 1889, which reads:

> An act to provide for the division of Dakota into two States.

It did not stop there, but continued:

> An act to provide for the division of Dakota into two States and to enable the people of North Dakota, South Dakota, Montana, and Washington to form constitutions and State governments and to be admitted into the Union on an equal footing with the original States.

All I say is that everything which has been said about Alaska and Hawaii applied equally to them. Congress simply did not admit North Dakota and then, in turn, say that South Dakota might later have come into the Union. Congress did not admit North Dakota and South Dakota, and then say that in its turn Montana might later have been admitted. Congress did not admit North Dakota, South Dakota, and Montana, and then, in turn, subsequently bring Washington into the Union.

There were conflicting opinions on statehood for all those Territories, and the answer was to place all of them in one bill. That is exactly what happened, and the bill passed, significantly, on the 22d day of February 1889.

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

Mr. ANDERSON. I yield.

Mr. DOUGLAS. The Senator from New Mexico is making a very statesmanlike speech and is very carefully eschewing all political reference in his consideration of the question, for which I wish to commend him.

At the same time, speaking as a realist, is it not possible that the enthusiasm for taking in a large number of States was caused by the facts surrounding the election of 1888, and the anticipation of the election of 1890?

In the election of 1888, as I remember, the Republican candidate for the Presidency was Benjamin Harrison. While he won a majority of the electoral votes, he did not command a majority of the popular votes. Nevertheless, the party of which he was a member had control of Congress.

But there were anticipations that the election of 1890 might bring unfavorable results. So, while the Senator from New Mexico is being very careful in the matter, is it not quite possible that the enthusiasm for the admission of the States of the new Northwest was, in part, dictated by the belief that there might be elected eight Republican Senators, to swell the diminishing Republican ranks?

Mr. ANDERSON. I have already dealt with that question. I pointed out that the membership of the Senate was 39 Republicans and 37 Democrats, and it was quite frankly admitted that the admission of 6 States would provide 12 additional votes in the Senate, thus permitting President Harrison to operate more easily.

I believe that that omnibus pattern would provide now the quickest and easiest way to bring two new States into the Union, and that is what I hope will happen in this case.

Mr. CORDON. I wonder if the Senator from Illinois is setting up that kind of picture in order to put his seal of approval on it. So far as I am concerned, I do not.

Mr. ANDERSON. I wish to quote briefly from the statute providing for the admission of the States of North Dakota, South Dakota, Montana, and Washington. Section 5 provides:

> That the convention which shall assemble at Bismarck shall form a constitution and State government for a State to be known as North Dakota, and the convention which shall assemble at Sioux Falls shall form a constitution and State government for a State to be known as South Dakota.

In other words, the practice there was to link these items together.

Let me go further along that line, because when the question of Alaskan and Hawaiian statehood was under consideration in the Committee on Interior and Insular Affairs, the question was asked me, "Why should the committee try to tie the two bills together?"

A reference to the minutes of the meeting of that day, which are printed, will disclose that I then said it was because of my own State of New Mexico and the State of Arizona. Let me read how that was done. On June 20, 1910, Public Law 219 gave approval for New Mexico to enter the Union. Alone? No. The title of the act reads:

> An act to enable the people of New Mexico to form a constitution and a State government and be admitted into the Union on an equal footing with the original States; and to enable the people of Arizona to form a constitution and State government and be admitted into the Union on an equal footing with the original States.

I hope to see the title of the bill under consideration amended, and that sort of provision inserted.

Finally, I may say that I have been greatly impressed by the people who are now in Alaska. I think no one can visit them and not be struck with the fact that they are fine people. Some of them are ex-GI's who settled there after coming out of the service, who enjoyed the period of their service in Alaska, and who are now determined to build a State there. I think I would rather trust the future of such a State now to such citizens, young and energetic businessmen, than to be forced to say to them, "After you have been here 40 or 50 years, if you still look willing, we will take you in."

When the committee of which I was a member traveled back and forth this summer in Alaska, we depended on a man in Alaska who had an airline. He had served in the United States Navy, and when the war was over he knew exactly which little floatplanes he wanted to buy. When such planes were put on sale as surplus property, the money he had saved while risking his life for his country went into the purchase of such planes, and he went into the airline business.

I flew out of Ketchikan the same day when some friends of mine from Albuquerque left on a different plane and suffered a disaster. I felt perfectly safe in the plane in which I was traveling because it was piloted by a man who had been in the service of our country, who had been flying over that area, and knew every inch of that ground and water. The man who owned the airline was an individual, and I say to my colleagues that individuals, pushing forward, have carried the American frontier from the Atlantic coast to points far beyond the places contemplated by the Government of the particular time. Cattle had made and then widened the trails along the Ohio River so the pioneer could drive an ox team along the banks out into the newest frontier.

Americans did not desire that the Louisiana Purchase be made. Individuals led the way and established scattered outposts, and the Government had to follow.

As Emerson Hough pointed out, "The frontiersmen were the true dreamers of the Nation. Not statesmen, but riflemen and riders made America. The noblest conclusions of American history still rest upon premises which they laid."

Adventure has nurtured men of spirit, who have built the world for those who lacked spirit. In Alaska are men of spirit who stand ready to build a great State.

I do not always quote people who had their own ideas of who built America, but a great banker, a few years before his death, George F. Baker, Sr., made a very remarkable statement when he was talking to a group of his business associates. He said:

> America has been built on reckless banking. We gambled on character and we won.

That great genius of finance did not mean that America had been built on foolish banking, but he did mean that America had come into its greatness because not every loan was measured by the assurance that the project was well established and that it was impossible for it to fail.

Mr. Mencken, in one of his flippant essays, sounded, possibly by accident, a great truth when he said that when the monuments are being erected to the men who have made America, the greatest monument of all should be built to the real-estate swindler, the man who misrepresents, perhaps, in order to bring people out into a virgin country, who induces them to settle there, and build in the wilderness a vast countryside of prosperous homes.

There is a great deal of truth in what Mr. Mencken has said. The first pioneer rarely lives to see his paradise materialize. He leaves it to the second generation to come into the full measure of what was represented to him. Had he known in the beginning the privations he must bear, the difficulties he must encounter, the disappointments that would meet him on every hand, it is doubtful if he would have left the peace and security of his former home to make a home in a new country.

I say those who have gone into Alaska are filled with the same sort of spirit. They believe it is easy to develop a great State there. They will have some difficulties. The committee, working as hard as it has known how, has tried to report a good bill, one which will make it possible for the State of Alaska to live through early difficulties until the people can get on their own.

I picked up a few thoughtful words which Joseph Conrad put into the preface of one of his books. He says he is interested in that "subtle but invincible conviction of solidarity that knits together the loneliness of innumerable hearts," and in the "solidarity in dreams, in joy, in sorrow, in aspirations, in illusions, in hope, in fear, which binds men to each other, which binds together all humanity, the dead to the living and the living to the unborn."

Somehow, I feel that the task which now confronts the Senate will be of significance in the years that lie ahead. I do not know the significance of immediate statehood for Hawaii. I do not think anyone in the Senate can measure the ultimate significance of it. We may find in future years that what we have done for the people of Hawaii and Alaska in granting them statehood has been the greatest single contribution we have made in reaching out to the Asiatic peoples, who may be a little displeased now with some of our conduct.

I wish to say to the distinguished Senator from Mississippi [Mr. STENNIS], who today spoke about trouble in another part of the world, that it may be unnecessary to send so many soldiers to foreign battlefields if we persuade the people of the earth that our great Nation does desire to treat all people fairly, and that we shall vote for statehood for those who have demonstrated that they deserve it.

I hope that the Senate will vote for statehood for Hawaii and Alaska, and thus bind these Territories to us in "aspirations, in illusions, in hope, in fear, which binds men to each other, which binds together all humanity, the dead to the living, and the living to the unborn."

NOTICE OF HEARING ON NOMINATION OF ARCHIE ALEXANDER TO BE GOVERNOR OF THE VIRGIN ISLANDS

Mr. KNOWLAND. Mr. President, I should like to give notice that there will be a public hearing on the nomination of Archie Alexander, to be Governor of the Virgin Islands, starting tomorrow at 10 o'clock a. m., before the Committee on Interior and Insular Affairs.

EXECUTIVE SESSION

Mr. KNOWLAND. Mr. President, I move that the Senate proceed to the consideration of executive business, for action on nominations on the calendar under the heading "New Reports."

The motion was agreed to; and the Senate proceeded to the consideration of executive business.

EXECUTIVE MESSAGE REFERRED

The PRESIDING OFFICER (Mr. PAYNE in the chair) laid before the Senate a message from the President of the United States submitting the nomination of Robert Bernerd Anderson, of Texas, to be Deputy Secretary of Defense, vice Roger M. Kyes, which was referred to the Committee on Armed Services.

The PRESIDING OFFICER. If there be no reports of committees, the clerk will proceed to state the nominations on the Executive Calendar.

TAX COURT OF THE UNITED STATES

The legislative clerk read the nomination of Arnold R. Baar to be judge of the Tax Court of the United States.

The PRESIDING OFFICER. Without objection, the nomination is confirmed.

UNITED STATES ATTORNEYS

The legislative clerk read the nomination of Madison B. Graves to be United States attorney for the district of Nevada.

The PRESIDING OFFICER. Without objection, the nomination is confirmed.

The legislative clerk read the nomination of Fred Elledge, Jr., to be United States attorney for the middle district of Tennessee.

The PRESIDING OFFICER. Without objection, the nomination is confirmed.

UNITED STATES MARSHAL

The legislative clerk read the nomination of Cedric E. Stewart to be United States marshal for the district of Nevada.

The PRESIDING OFFICER. Without objection, the nomination is confirmed; and without objection, the President will be notified of all nominations confirmed today.

LEGISLATIVE SESSION

Mr. KNOWLAND. Mr. President, I move the Senate resume the consideration of legislative business.

The motion was agreed to.

STATEHOOD FOR HAWAII

The Senate resumed the consideration of the bill (S. 49) to enable the people of Hawaii to form a constitution and State government and to be admitted into the Union on an equal footing with the original States.

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

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. KNOWLAND. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

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

Mr. KNOWLAND. Mr. President, I send to the desk a proposed unanimous-consent agreement, which I ask to have read for the information of the Senate.

The PRESIDING OFFICER. The proposed agreement will be read.

The legislative clerk read as follows:

UNANIMOUS-CONSENT AGREEMENT

Ordered, That on the calendar day of Thursday, March 11, 1954, at the hour of 4 o'clock p. m., the Senate proceed to vote, without further debate, upon the amendment proposed to Senate bill 49, the Hawaiian statehood bill, by Mr. ANDERSON, providing for the admission of Alaska into the Union.

Ordered further, That the Senate shall convene at 11 o'clock a. m. on said day, and that the time between said hour and the hour of 4 o'clock shall be equally divided, and controlled by Mr. ANDERSON, on behalf of the amendment, and by Mr. CORDON, in opposition thereto.

The PRESIDING OFFICER. Is there objection to the proposed agreement?

Mr. FREAR. Mr. President, reserving the right to object, if the hour set is 3 o'clock, instead of 4 o'clock, I shall have no objection. [Laughter.]

However, Mr. President, I withdraw the objection.

Mr. ELLENDER. Mr. President, reserving the right to object, let me inquire when the Senator from California intends to have the Senate take up the wool bill.

Mr. KNOWLAND. If the proposed agreement is entered, I believe the Senate will not take up the wool bill tomorrow. I hope there will be debate tomorrow on the Hawaiian statehood bill.

Mr. ELLENDER. Can we be assured that if the proposed agreement is entered the wool bill will not be taken up until after the vote is had on the Anderson amendment?

Mr. KNOWLAND. Yes, Senators may have that assurance. If debate on the Hawaiian statehood bill ends on tomorrow, I should like to be free to have the Senate take up some other bills, concerning which I shall consult the minority leader, but I shall not seek to call up the wool bill until after the vote is taken on the amendment of the Senator from New Mexico.

The PRESIDING OFFICER. Is there objection to the proposed unanimous-consent agreement?

The Chair hears none, and it is so ordered.

RECESS

Mr. KNOWLAND. I move that the Senate stand in recess until 12 o'clock noon tomorrow.

The motion was agreed to; and (at 5 o'clock and 23 minutes p. m.) the Senate took a recess until tomorrow, Wednesday, March 10, 1954, at 12 o'clock meridian.

NOMINATION

Executive nomination received by the Senate March 9 (legislative day of March 1), 1954:

DEPARTMENT OF DEFENSE

Robert Bernerd Anderson, of Texas, to be Deputy Secretary of Defense.

CONFIRMATIONS

Executive nominations confirmed by the Senate March 9 (legislative day of March 1), 1954:

TAX COURT OF THE UNITED STATES

Arnold R. Baar, of Illinois, to be a judge of the Tax Court of the United States for the unexpired term of 12 years from June 2, 1948.

UNITED STATES ATTORNEYS

Madison B. Graves, of Nevada, to be United States attorney for the district of Nevada.

Fred Elledge, Jr., of Tennessee, to be United States attorney for the middle district of Tennessee.

UNITED STATES MARSHAL

Cedric E. Stewart to be United States marshal for the district of Nevada.

HOUSE OF REPRESENTATIVES

TUESDAY, MARCH 9, 1954

The House met at 11 o'clock a. m.

The Chaplain, Rev. Bernard Braskamp, D. D., offered the following prayer:

God of infinite grace, at this morning hour, we are again seeking in the fellowship of prayer those blessings of wisdom and strength which we need for the duties and tasks of this day.

We rejoice that Thy fatherly heart and hand always open with love in response to those who humbly implore Thy divine guidance in the struggles and adventure of life.

May we lay hold of Thy promises and overtures of friendship with joy and confidence as we strive to build a world in which the troubled heart of humanity shall find peace.

Wilt Thou continue to grant recovery of health to our wounded colleagues. May we never lose hope for Thou canst lead us out of darkness into light and lift us out of death into life eternal.

In Christ's name we pray. Amen.

The Journal of the proceedings of yesterday was read and approved.

MESSAGE FROM THE SENATE

A message from the Senate, by Mr. Carrell, one of its clerks, announced that the Senate had passed, with an amendment in which the concurrence of the House is requested, a bill of the House of the following title:

H. R. 5337. An act to provide for the establishment of a United States Air Force Academy, and for other purposes.

REVISION OF REVENUE LAWS OF THE UNITED STATES

Mr. REED of New York. Mr. Speaker, I ask unanimous consent that the Com-

mittee on Ways and Means may have until midnight tonight to file its report on a bill to revise the revenue laws of the United States, and that the minority members may be permitted to file minority views, the minority views to accompany the majority report.

The SPEAKER. Is there objection to the request of the gentleman from New York?

There was no objection.

SPECIAL ORDERS GRANTED

Mr. JAVITS asked and was given permission to address the House for 5 minutes today, following any special orders heretofore entered.

Mr. O'HARA of Illinois asked and was given permission to address the House for 1 hour on April 13, the occasion of the birth anniversary of the first President of the United States in Congress assembled.

COMMITTEE ON PUBLIC WORKS

Mr. DONDERO. Mr. Speaker, I ask unanimous consent that the Subcommittee on Rivers and Harbors of the Committee on Public Works of the House may have permission to sit during general debate today.

The SPEAKER. Is there objection to the request of the gentleman from Michigan?

There was no objection.

MEDICAL FACILITIES SURVEY AND CONSTRUCTION ACT OF 1954

Mr. BROWN of Ohio. Mr. Speaker, by direction of the Committee on Rules, I call up House Resolution 461 and ask for its immediate consideration.

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 bill (H. R. 8149) to amend the hospital survey and construction provisions of the Public Health Service Act to provide assistance to the States for surveying the need for diagnostic or treatment centers, for hospitals for the chronically ill and impaired, for rehabilitation facilities, and for nursing homes, and to provide assistance in the construction of such facilities through grants to public and nonprofit agencies, and for other purposes. After general debate, which shall be confined to the bill, and shall continue not to exceed 3 hours, to be equally divided and controlled by the chairman and ranking minority member of the Committee on Interstate and Foreign Commerce, the bill shall be read for amendment under the 5-minute rule. At the conclusion of the consideration of the bill for amendment, the Committee shall rise and report the bill to the House with such amendments as may have been adopted, and the previous question shall be considered as ordered on the bill and amendments thereto to final passage without intervening motion except one motion to recommit.

Mr. BROWN of Ohio. Mr. Speaker, I yield 30 minutes to the gentleman from Texas [Mr. LYLE], and at this time yield 5 minutes to the gentleman from Oregon [Mr. ELLSWORTH].

Mr. ELLSWORTH. Mr. Speaker, this resolution makes in order consideration of a bill known as a bill to amend the hospital survey and construction provisions of the Public Health Service Act to provide assistance to the States for surveying the need for diagnostic or treatment centers, for hospitals for the chronically ill and impaired, for rehabilitation facilities, and for nursing homes, and to provide assistance in the construction of such facilities through grants to public and nonprofit agencies.

Mr. Speaker, the bill is in effect an extension of the various provisions of the legislation known as the Hill-Burton Act which provides grants for hospital construction. We all know, I am sure, that the Hill-Burton Hospital Construction Act has been the basis for the construction of well over 1,000 nonprofit hospitals in this country. It is, in my opinion, quite evident that this badly needed hospital construction probably never could have been accomplished, and certainly would not have been accomplished so rapidly, had it not been for enactment of the Hill-Burton Act and the participation in these local projects by the Federal Government. Such participation carries with it no supervision and no control. The construction is merely done with the aid of the Federal Government. The communities run their own hospitals.

This bill which will be before us if the pending resolution is adopted merely extends the principles of the Hill-Burton Act to the construction of certain other types of medical-care hospitals. The rule should be adopted and the legislation itself should prevail.

Mr. Speaker, I yield 3 minutes to the gentleman from Illinois [Mr. SPRINGER].

Mr. SPRINGER. Mr. Speaker, I believe the rule should be adopted and H. R. 8149 should be heard.

All of the Members of this House have been cognizant of progress that has been made under the hospital survey and construction program since the inauguration of the Hill-Burton Act. This bill will amend and expand that entire program.

Whereas funds under the Hill-Burton Act have largely been devoted to the construction of general hospitals, this bill will provide a major emphasis upon a program to meet special needs. These needs will cover four major categories: First, diagnostic or treatment centers; second, hospitals for the chronically ill; third, rehabilitation centers, and, fourth, nursing homes.

It will be recalled that title VI does not authorize the construction of diagnostic or treatment centers, or rehabilitation facilities separate and apart from hospitals. In addition, nursing homes are not covered by the present program at all. This program will go a long way toward providing the health services for ambulatory patients and for those who are chronically ill. Many of the beds now being used in general hospitals for these patients would be relieved for the use of general hospital patients.

The real surprise to the Interstate and Foreign Commerce Committee was testimony by the Department of Health, Welfare, and Education that only 12 percent of the national need is met for beds in chronic disease hospitals. This means that 88 percent of the patients in these categories do not have proper facilities for their treatment and care. Chronic disease hospitals are more economical to build and maintain than are general operating hospitals. This lower cost of construction and maintenance would reduce the financial burden of the chronically ill patients who are usually confined for considerable periods of time. There is hardly a community in the United States that has not undergone a tremendous increase in its population above 65 years of age. Although the national population has only doubled in the last 50 years, the number reaching 65 years of age has almost quadrupled. In addition, those above 65 years of age require almost twice as much hospital care each year as do persons under 65 years of age.

I would like to emphasize that the present authorization for an appropriation on this bill will help the States to survey the facilities they have on hand and assist the States in getting State plans under way. All of us, I am sure, recognize the importance of making a preliminary survey and planning, as was done under the title VI of the Public Health Service Act. This assures that the expenditures authorized will be made in an economical and orderly manner in order that we may have the best use of the funds.

This bill is one which is necessary to progressively meet the problem of particular groups of people in this country who need special care and treatment. It is both complementary and supplementary to legislation previously enacted by this Congress.

Mr. Speaker, I trust the rule will be adopted and H. R. 8149 will be approved by this body.

Mr. LYLE. Mr. Speaker, the bill which this resolution makes in order, H. R. 8149, has great personal and political appeal for it deals with the care of the sick and the aged, a problem close to the hearts of all of us. Notwithstanding this appeal, however, we must be conscious that consideration of this measure at this time raises fundamental questions. I believe it my duty to the House to discuss some of the principles involved and to suggest that the best procedure would dictate a consideration of this bill at a later date.

The chairman of the Committee on Interstate and Foreign Commerce, a fine and able gentleman from New Jersey [Mr. WOLVERTON], and the able members of his committee may well be proud of the high praise that is due them for their laborious work, for the sincere and honest investigation they have made into the health needs of the Nation. Unquestionably, their enthusiastic endeavor will stimulate great interest in the problems of health of our people throughout the Nation as it rightfully should. They have performed a good work.

Nevertheless, Congress itself cannot or should not overlook the principles involved in this measure. What is the Federal Government's rightful place in

providing facilities within the various States and local subdivisions not having to do with strictly governmental operations? It is not an easy question to answer. Perhaps it is not possible to define the scope of our proper place. The answer must come after extensive and exhaustive research, discussion, and consideration. I believe that the history of our Government will show that heretofore many of us have expressed personal ideas and that political parties have expressed general ideas, but that we have tried to formulate no policy by which we could judge our actions and our proposed actions. Last year at the suggestion of the President of the United States, and with the leadership of the distinguished majority leader, Mr. HALLECK, of Indiana, the Congress authorized a commission called the Commission on Intergovernmental Relations, to make extensive studies and to report to the President and the Congress its findings. If we have forgotten why the Commission was established in the first place, may I recall the purpose to your minds by reading from the report submitted by the Senate Committee on Governmental Operations last spring:

SECTION 1. Because any existing confusion and wasteful duplication of functions and administration pose a threat to the objectives of programs of the Federal Government shared in by the States, including their political subdivisions, because the activity of the Federal Government has been extended into many fields which, under our constitutional system, may be the primary interest and obligation of the several States and the subdivisions thereof, and because of the resulting complexity to intergovernmental relations, it is necessary to study the proper role of the Federal Government in relation to the States and their political subdivisions, with respect to such fields, to the end that these relations may be clearly defined and the functions concerned may be allocated to their proper jurisdiction. It is further necessary that intergovernmental fiscal relations be so adjusted that each level of government discharges the functions which belong within its jurisdiction in a sound and effective manner.

You will recall also that when the President appointed this distinguished Commission, including several of the able Members of this body, he stated:

Completion today of membership of the Commission on Intergovernmental Relations marks the commencement of an historic undertaking: the elimination of frictions, duplications, and waste from Federal-State relations; the clear definition of lines of governmental authority in our Nation; the increase in efficiency in a multitude of governmental programs vital to the welfare of all Americans.

I greeted the suggestion of the President and the distinguished majority leader with enthusiasm. I was convinced that it was a sensible proposal and I was impressed by the need of a studied criteria by which the Congress could determine services the Federal Government might properly be able to render to the States and local subdivisions. The Congress appropriated $500,000 for the Commission's use and last week we reaffirmed our faith in the Commission and extended its life until March 1955. To date, no report has been filed by the Commission. It is assumed that they have not had sufficient time to make such reports. That is, I assume so. Consideration of this measure at this time, I fear, assumes that the reports will be of no consequence and will be given no consideration.

Mr. Speaker, do we not appear hasty if not ridiculous at this time to pass a measure or even to consider a measure which places the Federal Government in an entirely new field of endeavor—a field heretofore thought to be the sole province of the States and local subdivisions without benefit of advice and help that we said last year and again this year we needed? Do we not admit that we are not serious about the Commission and that it was purely a gesture and that we didn't intend to pay any attention to it in the first place? If so, it was an expensive gesture and will probably cost the people more than a million dollars—a gesture that will consume the minds and time of distinguished Americans in and out of Government. There is no logical explanation for the situation in which we find ourselves today. There is no need for hurry; there is no reason why we cannot properly wait for a report of our Commission, the one we brought into life, the one we are supporting, the one we acclaim. If we consider this measure today we are in effect saying to the distinguished people serving on this Commission: "Proceed; spend the hundreds of thousands of dollars that we have appropriated for your use; investigate all you please; file all the reports you wish; we didn't want your advice in the first place. We were only bluffing."

I do not want to be found in this position. I want information and advice. I am conscious of the tremendous growth and expansion of Federal participation in State problems and I am willing to wait a few weeks or months until we may have the benefit of our Commission's advice.

Another fundamental problem arises if we consider this measure at this time. Tomorrow and next week we have scheduled for consideration, and we are told certain passage, two revenue measures from the Committee on Ways and Means. These measures propose to take away several billion dollars from the present income of the Federal Government. I believe it proper to reduce taxes at this time, for the American people have carried a tremendous burden for the past few years—a burden of taxation which must be charged to the war. We cannot, however, sensibly extend the functions of the Federal Government and its expenditures into new and unexplored fields and at the same time take away revenues from the Government—that is, we cannot do so with good sense and good judgment. The Government is operating today, that is the Federal Government, in the red. We are already spending more than we are taking in and at best, guesses are that the budget will not be balanced for several years. Our Federal debt has reached its legal limit, or practically so. Simple arithmetic should compel all of us to forego either additional expenditures or reduction of taxes. There is only one place that the Government may get money to spend and that is by taxing the people. If the proposed program is carried out effectively, its cost may well run into billions. Unquestionably, it will open up new fields of Federal activity and new obligations for Federal spending.

Mr. Speaker, so that the House may have a summary of Federal aid programs, for 1953, as well as a short history of Federal aid, I ask unanimous consent that it may be printed at the conclusion of my remarks in the RECORD.

The SPEAKER. Is there any objection to the request of the gentleman from Texas?

There was no objection.

Mr. DOLLIVER. Mr. Speaker, will the gentleman yield?

Mr. LYLE. I yield to the gentleman from Iowa.

Mr. DOLLIVER. The gentleman has referred, I believe, to the Commission on Intergovernmental Relations.

Mr. LYLE. Yes.

Mr. DOLLIVER. The subject to which the gentleman alluded a moment ago has been the subject of discussion in the Commission, and that Commission has recognized, I believe not formally but informally, that this function is not a legislative function but is an investigatory and reporting function.

Mr. LYLE. I look forward to a report from the Commission. I am pleased that my distinguished friend from Iowa is a member of the Commission. We came to the Congress together and I have developed a great admiration and respect for him. I know that his contribution to the Commission will be considerable. It is because of the stature of the Commission that I look forward to its report.

Mr. Speaker, if this bill is but a gesture, then it is a cruel gesture, for it might very well stimulate hopes that are unfounded. The amount of money authorized although considerable, is by no means adequate to provide facilities throughout the Nation. If it is intended to be a WPA-type project, then it should be designated as such, for I am sure that the Congress would want to have more information concerning the present economic situation before it would authorize Federal spending to stimulate the economy. I am surprised at the haste with which the Republicans are pushing through measures heretofore thought to be purely democratic policies. It was suggested to me, in jest I am sure, recently, that the Republican Party was in the position of being "secondhand dealers" this year, that is, that they were selling used legislation heretofore handled by the so-called Fair and New Deal. Unquestionably, legislation previously handled by a Democratic Congress and recommended by a Democratic President in large measure met with great public approval, but I am not able to understand the basic arithmetic of the present administration which seems to be trying to outdo the Democratic Party in the enactment and reenactment of legislation which will cost billions and at the same time advocate drastic reductions in the Government's revenues. News reports indicate that the President is not in favor of the tax bill which we will pass tomorrow, but he has decided

to permit it to pass the House and to try to change it in the other body. Other press reports of even date quote the distinguished majority leader, Mr. HALLECK, as saying that it is part of the President's program. Of course, you and I realize how hard it is to have a program that shows any resemblance to promises made in the heat of a political campaign, particularly when those promises lead people to believe that the Republican Party they elected would institute an entirely new program. So we will not attempt to hold the Republican administration to political promises. We do have a duty, however, to insist that new programs costing hundreds of millions of dollars be held in abeyance until proper financing is in sight.

There are thousands of projects and hundreds of ways in which we may spend the funds of the Federal Government that would bring benefit and joy to the American people. Most of them, though, are not rightful and proper functions of our Federal Government, nor do we have the billions of dollars available for expenditure, and the only way we can get them is to tax the people. We cannot cut taxes and increase Federal spending at one and the same time; that is, we cannot do so with good conscience, good sense, and good judgment. This bill comes before us at an inopportune time. If this program had been proposed during the administration of either Mr. Roosevelt or Mr. Truman there would have been loud and anguished cries from all sides of "socialized medicine" and "creeping socialism." Actually, I think the cries would have been "galloping socialism." We cannot inaugurate this program without subjecting the Federal Government to the pleas for aid in many other fields in which the State and local governments are deficient. Shall we help build institutions for the insane? Have we fully discharged our responsibilities to the veterans? Rarely a day passes but that someone calls me about a veteran who has lost his sense of reason and is necessarily incarcerated in a jail because the veterans hospitals have no bed available. Mr. Speaker, if we seek ways to spend money, there are thousands of appealing projects. This bill makes good political sense, but it does not make for good government. Its present consideration violates fundamental principles.

Mr. Speaker, I reserve the balance of my time.

A SUMMARY HISTORY OF FEDERAL AID

(Prepared by the staff of the Commission on Intergovernmental Relations)

SUMMARY

1. Federal spending for the purpose of aiding States and localities is divided into three categories: Grant-in-aid, shared revenues, and loans and repayable advances. Spending for the latter two is minor in comparison with grant-in-aid spending. Eighty-two percent of the total grant-in-aid expenditure is devoted to six programs.

2. The history of Federal aid falls into three periods on the basis of the dominant object of Federal expenditure. During the first period—from 1785 to World War I—education and agriculture were dominant; from World War I to the depression—highway construction; from the depression to the present day—welfare.

3. The modern grant-in-aid system developed in the late 19th and the early 20th century. Grants-in-aid evolved from land grants to cash grants, from "single shot" to annual payments. Federal control was increased, and financial participation by the States through matching formulae emerged.

4. Federal-aid spending increased substantially during three periods in the present century: The period of the First World War, the depression, and the postwar years since 1946. Only during World War II was there any substantial reversal of the general trend toward rising expenditures for Federal aid.

In the pages which follow, the concept of Federal aid to States and localities employed by the Bureau of the Budget has been adopted. The Bureau regards as Federal aid any outlays by the National Government made to the States or localities on programs which are administered by these units, as well as outlays made on programs in which the cost is shared by Federal and State or local governments. Outlays include either a donation or a loan of money, or a donation of goods, but exclude the rendering of services. Some programs in which the National Government makes payments to State agencies and to private organizations on the same terms are included, such as the hospital survey and construction program and the school-lunch program, in both of which administration of Federal aid rests generally with State authorities. Other programs involving payments to State agencies are excluded on the ground that the Federal payment constitutes compensation for services rendered to the National Government.

Among payments excluded for this reason are grants for research to State agencies, payments for housing Federal prisoners, and payments for the schooling of veterans of World War II and the Korean conflict.

The Bureau of the Budget divides Federal aid into three categories: Grants-in-aid, shared revenues, and loans and repayable advances. Of the three, grants-in-aid in 1952 absorbed $2,392,957,000; shared revenue, $38,104,000, and net loans and repayable advances, $172,659,000. (The Bureau of the Budget regards as aid only the excess of loans over repayments in any given year. Gross loans for 1952 totaled $664,563,000.)

Major grant-in-aid items: The following six programs represented 82 percent of the total national expenditure classified as grant-in-aid spending in 1952:

	Percent
Public assistance	45
Highways	17
Unemployment compensation	8
Hospital construction	5
School construction and operation in defense-affected areas	4
School lunch program	3

Major shared revenues: Under only three of the programs classified as shared revenues did the National Government make payments in excess of $1 million to States and localities in 1952: The Mineral Leasing Act, the national forests fund, the land-grant fund payments to the counties of California and Oregon.

Loans and repayable advances: $622 million of the $664 million of gross loans and advances in 1952 were made under the United States Housing Act. The second largest item in the classification of loans was $25 million expended by the civil defense agency procurement fund.

FEDERAL AID TO STATES DOWN TO THE PERIOD OF WORLD WAR I

Although the modern system of Federal aid to the States did not evolve fully until the period of the First World War, national assistance to the States goes back to the years when our Federal system rested upon the shaky foundation of the Articles of Confederation. In 1785 the Congress laid down the policy of granting federally owned land to each State admitted to the Union for the purpose of establishing and maintaining an educational system. Throughout the 19th century this policy constituted the most enduring feature of the spasmodic program of Federal aid. From the time of the admission of Ohio in 1802, each new State received its grant of the public domain for the support of its school system.

Education was not the only State activity which benefited from Federal assistance in our early history. As the 19th century wore on, grants were made for internal improvements—for the construction of means of communication, such as canals, wagon roads, and, later, railroads, and for flood control and reclamation.

On occasion the Federal Government made cash grants to the States. The largest such grant was carried out under the Surplus Distribution Act of 1836 in a transaction which transferred $28 million from National to State treasuries. Ostensibly, these transfers were loans, but, even at the time of the distribution, there was no expectation that the loans would ever be repaid. Beginning in 1808 the Congress made a small appropriation for the purpose of arming and equipping the militia of the several States.

An indirect but highly important form of Federal aid at the very beginning of our national history, was the assumption by the Federal Government of the debts contracted by the States as a consequence of the prosecution of the Revolutionary War. The National Government took upon itself liability for more than $18 million of existing State debt, thereby swelling its total indebtedness to $75 million. The burden that this debt assumption entailed can be gaged by the fact that annual Federal revenues at the time were approximately $4½ million. The State debt which was transferred, then, was four times the annual income of the National Government.

Beginnings of the modern grant-in-aid

The Morrill Act of 1862 foreshadowed the modern grant-in-aid system. By its terms, each State received 30,000 acres of the public domain for each Senator and Representative which it sent to Congress—an endowment to be used for the support of the State's college of agricultural and mechanical arts. Unlike earlier examples of national financial aid to States, this legislation laid down several controls relating to the use to be made of the gift. The law provided that only the interest derived from funds realized through the sale of the land might be spent. It required the submission of annual reports by the States to appropriate Federal officers regarding the use of the funds and the progress of the educational institutions supported by these funds. The law further stipulated that money realized through these grants could not be spent for buildings, thereby assuring complementary expenditure by the States in order to provide the needed structures.

Down to the close of the 19th-century grants of the public domain to the States constituted the usual form of Federal aid. In all, the National Government conferred upon the States approximately 15 percent of its total land holdings. Any precise calculation of the financial value of these grants is impossible. Although the data are somewhat incomplete, it is clear that the lion's share of Federal aid through the 19th century was devoted to the field of education. Of 230 million acres of public land granted to the States by the National Government, over 130 million were earmarked for the support of common schools in the States which received the donations.

The policy of making annual cash payments to States, rather than lump-sum grants of land, begun with the Hatch Act of 1887 extending aid for agricultural experiment stations, was firmly established in 1890 with the passage of the second Morrill Act.

By this law, Congress began to make available an annual payment to the States for instructional purposes in the land-grant colleges. This act tightened Federal control over State activity to some degree by specifically authorizing Federal officials to withhold the payments it authorized when State authorities failed to make proper use of the Federal funds.

The Morrill Act may be regarded as aid for agriculture as well as for education. To qualify for the Federal donation offered by this law, a State was required to maintain a college pursuing as its "leading objects * * * such branches of learning as are related to agriculture and the mechanic arts." In a sense the act inaugurated a period of Federal aid in which agriculture became the dominant object. It was followed by the Hatch Act of 1887 providing Federal funds for the establishment of agricultural experiment stations in connection with State agricultural colleges. A further major step in the history of Federal aid came with the passage of the Smith-Lever Act in 1914 under which the National Government began to share the cost of the far-flung program of agricultural extension work.

Further development of the grant-in-aid

On the eve of World War I the characteristics of the modern grant-in-aid system emerged clearly in two pieces of legislation: one, the Weeks Act of 1911, offering Federal assistance to States for the purpose of fire protection of certain forested areas, was relatively unimportant because of the restricted scope and small expenditure involved. It contained, however, requirements that later became standard features of grant-in-aid legislation, providing for a matching of Federal dollars with dollars from State treasuries and requiring Federal approval of State projects to which Federal funds would be devoted. The Smith-Lever Act contains provisions analogous to those of the Weeks Act and established, in addition, a formula based on rural population by which Federal funds were to be allotted to the individual States. Although later years were to bring some refinement of techniques in the grant-in-aid programs, the essential elements of the present-day system are found in these two laws.

In summary, down to the time of the First World War, the program of Federal aid developed in many respects. Land grants were replaced by cash grants. Continuing programs of Federal assistance tended to replace the "single shot" type of Federal aid that prevailed before the enactment of the Hatch Act in 1887. Federal control over the use of Federal funds was tightened, first by more definite specification of the object for which the funds were to be spent and later by a measure of Federal surveillance of State projects supported by the grants. The financing of federally aided projects became a cooperative enterprise after the National Government began to require that the States match its contributions with appropriations from their own revenues. Finally, formulae were developed, generally related to population, by which a State's relative part of the Federal funds was determined.

The whole period from 1785 to World War I can be lumped together as a single era in the history of Federal aid to States because the dominant objects of Federal assistance remained the same: education and agriculture.

FEDERAL AID BETWEEN WORLD WAR I AND THE DEPRESSION

The enactment of the Federal Aid Road Act in 1916 signaled the beginning of a new era in the history of Federal assistance to States. From this time on, the volume of assistance granted for highway construction far exceeded that extended for other purposes. Further, with this legislation (particularly with the amendments made to it in 1921), the Federal Government began to apply more careful and thorough-going scrutiny to the projects on which grant-in-aid funds were applied. One author has written, "The highway grants were, indeed, the first sort of Federal aid to be thoroughly supervised and administered. Advance examination of projects, detailed progress reports, audit of expenditures, careful examination of the finished work to ensure that plans had been followed and that there was proper maintenance—all the techniques of good administration were utilized." (James A. Maxwell, The Fiscal Impact of Federalism in the United States, p. 187.)

Every year between 1916 and 1921 except one brought the adoption of legislation extending Federal aid to new fields of activity. In 1917, the Smith-Hughes Act provided assistance to States in paying the salaries of teachers of vocational education; 1918 brought aid for programs to combat venereal disease; 1920, for the rehabilitation of persons injured in industrial accidents; and 1921, for maternal and child health.

In general, the decade of the 1920's saw a stabilization of the grant-in-aid system. After 1921 no new programs of importance were introduced. The established aid programs, other than highways, showed only minor variations in the amount of assistance appropriated. During the latter half of the decade, expenditures on grants-in-aid diminished moderately, from $113 million in 1925 to $109 million in 1929. This decrease resulted from a curtailment of aid for highways and public health. Although grants to alleviate the chronic troubles of the farmer were augmented during these years, this increase was more than offset by the reduction in expenditure for highways, venereal disease control, and maternal and child health.

Depression first made its imprint on the grant-in-aid program in the fiscal year of 1931 when the total volume of Federal aid increased greatly in relation to any previous level. The fiscal year of 1931 registered a 50-percent increase in Federal-aid spending over the level of 1930, attributable almost exclusively to more generous grants for highways. In order that the highway construction program made possible by higher Federal appropriations might not be jeopardized by the matching requirement, the National Government authorized loans of approximately $200 million (chiefly from the funds of the Reconstruction Finance Corporation) to the States for the purpose of matching the Federal grants. These loans, never repaid, were the harbinger of the relaxation of the matching requirement and the assumption by the Federal Government of a greater share of financial responsibility in its aid program than had been its habit in more prosperous times.

FEDERAL AID FROM THE DEPRESSION TO DATE

The past 20 years constitute one epoch in the history of Federal aid inasmuch as during these years welfare expenditures have consistently comprised the major object of the Federal aid programs.

Grants for welfare, health, and security—almost nonexistent until the period of World War I—remained below $2 million annually throughout the 1920's. In fiscal 1931 an abrupt increase in welfare grants appeared. Those for 1931 were treble those of 1930; those of 1932 in turn trebled those of 1931. Such advances are minor, however, in comparison with the increases that were to follow. Fiscal 1934 brought Federal grants for welfare, health, and security 30 times greater than those of the preceding year. At the threshold of this 20-year era from 1933, the National Government expended $63 million in grants of this type; by 1952 such grants aggregated $1½ billion after receding from their high point of $2½ billion in 1939.

Although constituting one period from the point of view of the dominant object of Federal aid, the past 20 years can be subdivided if the grant program is considered from other points of view. In order to put in relief some of the important changes witnessed during this span of years, we can divide the period into three parts: (1) The depression years, 1933 to 1941; (2) the war years, 1941 to 1946; (3) the postwar years, 1946 to the present.

The depression years, 1933 to 1941

The principal concern of the Federal Government in the formulation of its aid program during this time was providing relief for the distress resulting from economic depression. The National Government provided funds on a scale heretofore unparalleled to furnish both work relief and direct relief to the unemployed. Throughout this period the proportion of Federal expenditure devoted to grants to State and local governments exceeded by far the proportion attained in any earlier period of our history. Each year between 1933 and 1939, over 10 percent of the funds spent by the National Government were employed on grants-in-aid programs. In 1935 better than one-third of the total Federal expenditure was allotted to such programs.

A new type of grant-in-aid system sprang into existence during the depression. Temporary laws were enacted authorizing the expenditure of vast sums to provide relief through, or in conjunction with, State and local governments on terms that permitted great administrative flexibility. Matching requirements became vaguer and more often left for determination to the discretion of the Federal administrative agency concerned. Under these laws the National Government often made grants directly to cities and other subdivisions of the States without any participation by State agencies in the bargain.

During the early part of this period the grant-in-aid programs established prior to the depression almost disappeared in the flurry of the temporary and emergency programs that were hastily improvised. Between 1933 and 1937 Federal expenditure for emergency grant programs was well in excess of that for the permanent programs. In 1933, 72 percent of Federal grant-in-aid spending was accomplished under the laws providing for emergency grants; in 1935 this percentage rose to 98 percent.

In 1935, however, the most significant piece of legislation in the whole field of Federal aid was passed—the Social Security Act. It defined the field of responsibility which the National Government henceforth was to assume in the work of alleviating distress by means of financial assistance to State governments. In all of its coverages, except the old age and survivors' insurance program, the Social Security Act relies on the grant-in-aid device, matching Federal money with State appropriations and prescribing Federal control and supervision of State-administered programs.

In terms of volume of expenditure, the public assistance feature of the Social Security Act far outweighs its other programs. In the category of public assistance the law provided originally for old-age assistance, aid to the blind, and aid to dependent children; by amendments tacked on to the law in 1950 a fourth type of public assistance was added—aid to the permanently and totally disabled. The Social Security Act further established programs for assistance for crippled children, for child welfare, and laid the basis for the cooperative Federal-State undertaking in the field of unemployment compensation.

Down to the outbreak of World War II, no important additions to the program of Federal aid were made. By piecemeal legislation, however, the Federal Government began to provide more substantial assistance for a number of the preexisting programs, notably vocational rehabilitation, forest-fire

protection and reforestation, and vocational education.

The war years, 1941 to 1946

The most significant development during this time was the tapering off of Federal expenditure under grant-in-aid programs. The total expenditure, which reached its high-water mark of $2,900,000,000 in 1939, ebbed away to $2,400,000,000 in 1940, $2,100,000,000 in 1941, and finally down to $900 million in 1946—its lowest point since 1933.

In major part, this reduction must be attributed to the frantic level of economic activity engendered by the war. To some small degree the reduction was the result of the assumption by the Federal Government of sole responsibility for functions discharged in cooperation with the States under peacetime conditions.

The exigencies of war called for the establishment of certain new temporary-grant programs, chiefly for the purpose of assuring an adequate supply of labor ready to take up a job when it was needed and where it was needed. With this objective, the Federal Government offered aid for the construction of war housing and for the training of industrial workers, and for the transportation of agricultural labor to areas in which it was needed. The highway program took on a new aspect as Federal spending for this purpose was governed almost exclusively by requirements of national defense.

The postwar years, 1946 to the present

A steep climb has taken place in the volume of Federal grants since the end of World War II. From $900 million in 1946, Federal spending under the grant-in-aid program had increased to $2,400,000,000 by 1952.

The closing stages of the war and the postwar period witnessed the establishment of several additional grant-in-aid programs. Of 51 grant-in-aid programs listed in a compilation prepared by the Library of Congress in 1952, 29 had been set in motion since 1944. Most of these new programs involve relatively minor expenditure. A few, however, notably the school-lunch program, contributions for school construction in federally affected areas, the grants for hospital survey and construction, involve rather substantial spending. In addition to these programs the Federal Government, in the postwar period, has launched upon an expanded program of grants for public health, for the abatement of water pollution, protection against shore erosion, for civil defense, among others.

The increase in Federal-aid spending is due chiefly to increased appropriations for public assistance and for highway construction. Expenditures in 1952 for grants-in-aid were $1½ billion greater than those of 1946; two-thirds of this increase, $1 billion, lies in the larger appropriation for public assistance. The Federal Government has assumed a proportionately greater financial burden in providing public assistance by virtue of changes in the formulas by which public assistance grants to the States are governed, and in lesser degree, by virtue of the incorporation of a fourth type of program in the public-assistance category in 1950.

THE SHIFT OF EMPHASIS IN FEDERAL AID

Down to the time of World War I, the dominant objects of Federal aid were education and agriculture. After the passage of the second Morrill Act in 1890, the largest single Federal expenditure for aid programs (omitting the annual contribution for the District of Columbia) was devoted to land-grant colleges. In 1902 land-grant colleges and agricultural experiment stations together received two-thirds of the Federal money expended on programs of this character (again disregarding the contributions for the District of Columbia) and by 1912 their share had risen almost to four-fifths of the total of such expenditures.

Between 1920 and 1933 aid to highways absorbed at least 50 percent of Federal grant-in-aid money for each year for which data are available. During most of this period the share allotted to highways ranged from 60 percent to 75 percent of the total. In 1933 the regular Federal grants for highways amounted to 50 percent. If we add to these regular grants, highway expenditures of an emergency nature—chiefly loans to States which were never repaid—the total becomes 75 percent.

From 1934 on, grant-in-aid expenditure becomes predominantly expenditure for health and welfare. Between 1935 and 1939, the percentages of total grant-in-aid spending devoted to these objects hovered around 90 percent. It declined thereafter, ranging from 80 to 90 percent from 1939 to 1941, receded to approximately 60 percent in 1945 and to 50 percent in 1947. Thereafter it rose to approximately 60 percent—the level at which it has remained in the years down to the present.

THE GROWTH OF FEDERAL-AID SPENDING

The last 50 years have witnessed an increase of 360 times in the dollar volume of Federal grants-in-aid to States and localities. In 1902 the National Treasury paid out some $7 million in aid; by 1952 expenditures in this category had reached $2,600,000,000. Total Federal expenditure for all purposes has increased approximately 116 times during this period, or at one-third the rate of growth registered by grant-in-aid spending.

The growth has not been steady. There have been three periods of substantial increase in Federal-air spending. The aftermath of World War I saw a level of spending 10 times greater than that of the pre-war period. The depression was the second period of substantial increase, reaching its apogee in 1939. After the reduction in Federal-air spending in World War II came the third notable increase, a trebling of expenditures in the period between 1946–52.

At the present time, Federal-aid spending has again reached the high point of the depression era attained in 1939. The relative share of Federal money devoted to the respective objects of Federal aid is, however, significantly different from the pattern of 1939. Of the five major categories into which Federal-aid spending falls, only welfare expenditures are today substantially below the 1939 level. Grants-in-aid for agriculture are at about the same amount as in the prewar era. Grants for highways and for labor have increased 3 times; grants for education, 5 times. Welfare expenditures which amounted to $2½ billion in 1939 stood at $1½ billion in 1952. In 1939 they constituted approximately 80 percent of the total volume of Federal-aid spending; in 1952, they made up 50 percent.

If we leave out of consideration the temporary and emergency grants established to cope with the problems of depression and war and look only at the permanent grants-in-aid program, we find a pattern of growth somewhat different from that discerned in the grants-in-aid program as a whole. The permanent grants have been subject to less frequent and less violent fluctuation. Greater stability is found among them. The regular grants-in-aid program evidences the post-World War I increase already noted. (Until the 1930's the total grants-in-aid program and the permanent grants-in-aid program were the same. Emergency grants first appeared on a substantial scale in the depression years.) Throughout the 1920's and the first half of the thirties, it shows great stability except for 2 years in which appropriations under the permanent grants-in-aid program were replaced almost completely by emergency grants. An increase in expenditure under the regular program began in 1937, when the Social Security Act first showed its effects and continued steadily until America became involved in World War II. The war years brought only a mild dip in spending under the permanent programs in contrast to the sharp decline in emergency grants. Their upward climb was resumed in 1946 and has continued steadily since that time.

REVISED LIST OF ALL FEDERAL-AID PROGRAMS, FISCAL YEAR ENDING JUNE 30, 1953, PREPARED BY COMMISSION ON INTERGOVERNMENTAL RELATIONS FROM THE RECORDS OF THE UNITED STATES BUREAU OF THE BUDGET

GRANTS-IN-AID

A. Veterans' services and benefits

1. VA: Aid to State homes.
2. VA: State supervision of schools and training establishments.
3. VA: Administration of unemployment and self-employment benefits.

Total expenditures, $6,326,000.

B. Social security, welfare, and health

4. HEW: Public assistance.
5. HEW: Vocational rehabilitation.
6. HEW: Hospital construction (portion to private nonprofit institutions).
7. HEW: Surveys and programs for hospital construction.
8. HEW: Assistance to States, general public health.
9. HEW: Control of venereal diseases.
10. HEW: Control of tuberculosis.
11. HEW: Mental-health activities.
12. HEW: National Heart Institute.
13. HEW: National Cancer Institute.
14. HEW: Maternal and child welfare.
15. HEW: Disease and sanitation control, Alaska.
16. HEW: Water-pollution control.
17. HEW: Defense community facilities and services.
18. HEW–Agriculture: National school-lunch program.

Total expenditures, $1,608,966,539.

C. Housing and community development

19. President: Disaster relief.
20. H and HFA: Low-rent housing program annual contributions.
21. H and HFA: Veterans reuse housing.
22. H and HFA: Slum clearance and urban redevelopment-capital grant.
23. H and HFA: Defense community facilities and services.
24. H and HFA–GSA: Defense public works, community facilities.
25. H and HFA–Interior: Virgin Islands public works.
26. H and HFA–Interior: Alaska public works.
27. H and HFA–FCDA: Federal contributions.

Total expenditures, $66,481,081.

D. Education and general research

28. HEW: Assistance for school construction and operation in federally affected areas—maintenance and operation of schools.
29. HEW: School construction.
30. HEW: Vocational education.
31. HEW: Colleges for agriculture and the mechanic arts.
32. HEW: Education of the blind.

Total expenditures, $230,958,725.

E. Agriculture and agricultural resources

33. Agr.: Removal of surplus agricultural commodities.
34. Agr.: Cooperative agricultural extension work.
35. Agr.: Agricultural experiment stations.
36. Agricultural Marketing Act: cooperative projects in marketing.

Total expenditures, $97,336,506.

F. Natural resources

37. Agr.: State and private forestry cooperation.
38. Int.: Wildlife restoration.

39. Int.: Fish restoration and management.

Total expenditures, $22,771,000.

G. Transportation and communication

40. Comm.: State Marine schools.

41. Comm.: Postwar Federal-aid highways.

42. Comm.: Prior Federal-aid highways laws.

43. Comm.: War and emergency damage, roads, Hawaii.

44. Comm.: Federal-aid airport program.

Total expenditures, $527,903,428.

H. Labor

45. Labor: Unemployment compensation and employment-service administration.

Total expenditures, $202,170,388.

I. General Government (not assigned)

46. Int.: Grants to American Samoa, Guam, and Trust Territories.

47. Int.: District of Columbia Federal contributions.

Total expenditures, $18,161,000.

Total grants-in-aid, $2,781,074,667.

SHARED REVENUES

A. Agriculture and agricultural resources

48. Agr.: Submarginal land program.

Total expenditures, $448,452.

B. Natural resources

49. FPC: Federal Power Act.

50. Int.: Grazing receipts to the States.

51. Int.: Proceeds, to States, sales of public lands and materials.

52. Int.: Alaska school lands, income and proceeds.

53. Int.: Boulder Canyon Project, payments to Arizona and Nevada.

54. Int.: Oregon and California land-grant fund, to counties.

55. Int.: Deficiency payments to counties, Oregon and California.

56. Int.: Payments to Coos and Douglas Counties, Oregon, on Coos Bay Wagon Road grant lands.

57. Int.: Payments to Oklahoma from oil and gas royalties.

58. Int.: Mineral Leasing Act, to States.

59. Int.: Payment to Wyoming in lieu of taxes, public parks.

60. Int.: Migratory Bird Conservation Act, to counties.

61. Agr.: National forests fund, to States for counties.

62. Agr.: National forest receipts to Arizona and New Mexico for schools.

63. Defense: Flood control act of 1938, to States for counties.

64. TVA: Payments in lieu of taxes.

Total expenditures, $50,369,854.

Total shared revenues, $50,817,906.

LOANS AND REPAYABLE ADVANCES

Gross loans and repayable advances:

A. Housing and community development

65. H and HFA: United States Housing Act.

66. H and HFA: Advance planning of non-Federal public works.

67. H and HFA: Defense community facilities and services.

68. H and HFA: Slum clearance and urban redevelopment.

69. Treas. (RFC): Provision of community facilities.

70. FCDA: Procurement fund.

71. Int.: Alaska public works.

B. General Government

72. H and HFA: D. C. water system loans.

Collections credited against expenditures:

73. H and HFA: United States Housing Act.

74. H and HFA: Advance planning of non-Federal public works.

75. H and HFA: Defense community facilities and services.

76. H. and HFA: Slum clearance and urban redevelopment.

77. Treas. (RFC): Provision of community facilities.

78. FCDA: Procurement fund.

Net budget expenditures for loans and repayable advances, $25,402,519.

Grand total, grants-in-aid, shared revenues, loans and repayable advances, $2,857,295,092.

Source: United States Bureau of the Budget, Executive Office of the President. All figures shown are actual for the fiscal year ending June 30, 1953. Administrative expenses in the handling of grants, etc., are excluded.

CODE

Agr.: Department of Agriculture.

Comm.: Department of Commerce.

Def.: Department of Defense.

FPC: Federal Power Commission.

GSA: General Services Administration.

HEW: Department of Health, Education, and Welfare.

HEW-Agr.: Department of Health, Education and Welfare and Department of Agriculture.

HEW-GSA: Department of Health, Education, and Welfare and General Services Administration.

H and HFA: Housing and Home Finance Agency.

H and HFA-FCDA: Housing and Home Finance Agency and Federal Civil Defense Administration.

H and HFA-GSA: Housing and Home Finance Agency and General Services Administration.

H and HFA-Int.: Housing and Home Finance Agency and Department of Interior.

Labor: Department of Labor.

Pres.: Executive Office of the President.

Treas. (RFC): Treasury (Reconstruction Finance Corporation).

TVA: Tennessee Valley Authority.

VA: Veterans' Administration.

VA-GSA: Veterans' Administration and General Services Administration.

Mr. ELLSWORTH. Mr. Speaker, I yield such time as he may desire to the gentleman from Missouri [Mr. CURTIS].

Mr. CURTIS of Missouri. Mr. Speaker, I want to quote an editorial appearing in the St. Louis Globe-Democrat on the subject of public housing:

WHERE FAULT LIES

When Albert Cole spoke here on public housing the other day, the moral of his speech could be summed up in a few wise words. Namely, that an ounce of prevention is worth a pound of cure.

Washington realizes, he said, that it must step into the battle to save our cities from slums. And the administration knows, he added, that it must help pay for low-cost public housing to shelter families who are made homeless when city slums are torn down.

At the same time, he stated bluntly that American cities are breeding new slum areas as fast as the old are cleared out. And he put the blame where it belongs—on the cities themselves.

St. Louis offers an excellent case history. In 1946 veterans of World War II erected a pup tent on the lawn of the city hall. Johnny is marching home, they said, but he has no home to march to. The pup tent, they added, is a symbol of the kind of sleazy quarters that veterans might then expect to get in St. Louis.

Under pressure, the board of aldermen enacted an emergency housing act that opened the city's residential areas to roomers. But the ordinance was passed only after many St. Louisans warned that it held great danger to the city.

Thus, Harland Bartholomew, the dean of city planners, cautioned the aldermen that the enforcement problem would be beyond anything you realize. And Attorney Thomas W. White predicted that the bill would create new blighted areas worse than the disease it hopes to cure. Furthermore, he added, it will undermine property values, and it will be virtually impossible to stamp out roominghouse operations, once the city lets the bars down.

Men like Bartholomew and White were right. Today there are whole areas of St. Louis in which the FHA won't insure a home mortgage, and the banks won't write one. The reason is that the neighborhoods have been invaded by lodginghouses. Prudent investors know that this is one of the unmistakable signs that a residential district is on the skids.

When the emergency housing act was passed, it was supposed to expire in June 1947. But board of aldermen has extended it every year. It is still on the books.

The aldermen and the voters who elect them have also played fast and loose with St. Louis' model zoning law.

Just last week these guardians of the city's welfare overrode the mayor's veto of two spot zoning bills. The present board is setting a new high for this kind of legislation that caters to special interests.

Yet the chairman of the city plan commission, who is a veteran St. Louis real-estate man, warned them of this folly.

"As a realtor," Chairman Saul Dubinsky said, "I can tell you that spot zoning does depreciate adjoining property values, does demoralize the surrounding neighborhood, and will have an adverse effect on the economic stability of our community." His warning fell on deaf ears.

When cities, including St. Louis, run to Washington for a Federal handout, they should remember the Biblical admonition: Physician, heal thyself.

POSTAL RATE INCREASES

Mr. ELLSWORTH. Mr. Speaker, I yield to the gentleman from California [Mr. HINSHAW] for a unanimous-consent request.

Mr. HINSHAW. Mr. Speaker, I ask unanimous consent to extend my 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. HINSHAW. Mr. Speaker, the Post Office Department's experimental program authorizing the certificated scheduled airlines to fly first-class mail between certain cities in the United States has now entered its sixth month. This expedited mail service, initiated in the public interest, represents a milestone in the Postmaster General's current program to improve the postal services. The realism of this approach to the postal problem was recognized 7 years ago by the Congressional Aviation Policy Board, of which I had the honor of serving as Vice Chairman. Established in July of 1947, the Board urged the Congress to give early consideration to the transport of all first-class mail by air. We maintained that the carriage of long-haul, first-class mail by air would substantially benefit the Nation's convenience, commerce, national security, and service to the public as a whole. We emphasized then, as I do now, that improved, accelerated communications increase the tempo of business and add to the integration of our total economy. From the standpoint of national security, we pointed out that an increased fleet of air transports in being would stem from the transference of long-haul, first-class mail to the air

carriers. To the extent that this air-transport reserve would thus be supported by mail revenue, the overall defense costs of the Nation would be reduced.

It is interesting to note that the following year, in 1948, a report was issued by the President's Air Policy Committee, known as the Finletter report, which stated that the test as to what first-class mail shall move by air should be the best possible mail service to the public. The Committee recommended that Congress give most serious consideration to the air carriage of all first-class mail which could be expedited thereby.

I endorse these sentiments now as I endorsed them then. And in so doing I would like to pay tribute to the gentlemen from the Senate, and especially to my own distinguished colleagues—Representatives WOLVERTON, of New Jersey; KILDAY, of Texas; and the late honored gentlemen from Nebraska and North Carolina, respectively, Congressmen Stefan and Bulwinkle—who served so ably on the Aviation Policy Board and who contributed to the formulation of what I believe to be a most realistic report.

It is significant that a Republican administration has put this thinking into practice. Not only is the Postmaster General's very commendable current mail experiment bringing improved service to the public, but it is proving to be a deficit-reducer for the Post Office Department as well. For example, the run between New York and Chicago alone is realizing revenues for the Post Office Department, after payment to the carriers, of more than $2,000 per ton of mail flown. Specifically, the Department is realizing $2,314 a ton, of which $134.66 is paid to the airlines for services rendered. This means that the airlines receive only 5.8 percent of the postal revenues for flying the New York-Chicago mail, and the remaining 94.2 percent, or $2,175.34 on each ton, is retained by the Post Office to pay ground expenses.

This expedited and profitable service is also operating between Washington and Chicago, as well as between the following points: Washington-Jacksonville, Washington-Tampa, Washington-Miami, New York-Jacksonville, New York-Tampa, New York-Miami, Chicago-Jacksonville, Chicago-Tampa, Chicago-Miami. In addition to bringing improved mail service to some of the larger United States cities, the scheduled airlines have proved that first-class mail can be flown to small-town America without costing the Government a single penny. In fact, the scheduled airlines have proved that this service makes money for the Government.

I speak of the more than 350 United States cities which were served by the 14 local service airlines—on the expedited first-class-mail basis—for a week just before Christmas. A substantial number of these cities have populations of as few as 3,000 people. For serving these points, the local service airlines received less than $15,000, while they generated revenues for the Post Office, after payments to themselves, amounting to more than $500,000. In other words, the scheduled airlines have demonstrated—and are currently demonstrating—that they are capable of bringing greatly improved mail service—at the lowest postage rates in airmail history—to the country as a whole and at the same time make money for the Post Office Department.

In view of the substantial dividends which the current expedited mail experiment is returning to the Nation—in revenues to the Post Office Department and in improved service to the public—I find the pending bills in the House and Senate to raise the airmail postage rate from 6 cents to 7 cents inconsistent. Based on past postal-rate experience, such an increase would result in depressing airmail volume, thereby negating the very benefits which expedited mail is providing. In other words, the Post Office appears to be giving with one hand and taking away with the other.

Let us examine the record:

On July 1, 1932, airmail rates were increased from 5 cents for the first ounce and 10 cents for each additional ounce to 8 cents and 13 cents respectively. The increased rates were followed by a 33-percent decline in airmail volume within 1 year. And while the revenue per piece was thereby increased, the expense per piece increased by a larger amount. The increase in postal rates in 1933, rather than reducing the deficit per piece, actually increased the deficit—from 20 cents in 1932 to 28 cents in 1933.

Following this experience, significant reductions in the average deficit per piece appeared within the first fiscal year after Congress had reduced airmail rates to 6 cents an ounce on July 1, 1934. The average revenue per piece declined a little but the expense per piece, influenced by a 36-percent increase in volume during 1935, dropped by a large amount. The net effect was to reduce the average deficit per piece. Thereafter, under the 6-cent rate, the volume of airmail continued to rise and the cost per piece continued to decline. The lower rates had generated a large increase in the volume of airmail, but, what is more important, the increased volume resulted in reducing the cost of providing airmail service.

The same set of circumstances occurred during World War II. It is true that the war years returned substantial profits to the Post Office on its airmail operations. However, this was due to the abnormal amount of mail generated by military personnel and their families and friends, thus creating a false sense of security with respect to the relationship between airmail rates and airmail volume. The precipitous decline in the volume of airmail to service personnel after the war, coupled with the steady decline in the volume of ordinary domestic airmail, was such that the average cost per piece would have exceeded the average revenue received under the wartime 8-cent rate had a drop to 5 cents not been effected on October 1, 1946. Thereafter, the volume of airmail immediately began to rise.

Since then, every airmail postage increase has indicated that first, the Post Office deficit is not reduced by increasing the air postal rates; second, airmail rate reduction creates substantial increases in the volume of airmail; third, increased volume effects substantial reduction in the unit cost of airmail.

In view of the foregoing airmail rate axioms, and in view of the success of the current expedited first-class mail-by-air experiment, I recommend the following alternative to the proposal to increase airmail postage from 6 cents to 7 cents:

I recommend that 6-cent airmail be eliminated and that a new class of priority first-class mail be established. This class of mail would include all present first-class plus airmail, and would be carried at a uniform postage rate. It would be the responsibility of the Post Office Department to dispatch all mail in this new class by the most expeditious transportation medium available. The benefits to the Nation of such a priority or all-up mail program would be, in essence, twofold:

First. The public—by which I mean all the public and not only those who pay the current 6-cent airmail rate—would receive the best mail service possible with existing transportation media.

Second. The increased mail revenue accruing to the Post Office Department would go a long way toward enabling the Postmaster General to realize his goal of a greatly reduced postal deficit.

It is obvious that certain increased expenses would be incurred if all first-class mail were sent by air when such means proved the most expeditious. To absorb this cost, it is the consensus of those who have studied the possibilities of this all-up program that the most realistic rate would be 5 cents an ounce. Under a 5-cent rate, net revenue increases to the Post Office probably would range between $302 million and $316 million. This range is based on the fiscal data contained in the 1952 Cost Ascertainment Report, the most recent year for which such information is available. It is generally believed that higher postal profits will be registered when the Post Office figures for later fiscal years are available.

The 1952 total postal deficit amounted to $727 million. Had the all-up program—at the 5-cent rate—been in existence during that year, the net postal deficit would have been reduced to somewhere between $391 million and $425 million. This represents a profit to the Post Office and a tax savings to the public. However, savings to the public would be reflected not only in terms of dollars and cents but in time.

Mr. ELLSWORTH. Mr. Speaker, I yield such time as he may desire to the gentleman from New York [Mr. JAVITS].

Mr. JAVITS. Mr. Speaker, I am strongly in favor of this bill. It implements part of the President's program and is most desirable, and therefore should be enacted in its entirety. The bill before us today had a precursor in bills in the 81st and 83d Congresses.

Early in this Congress, in March 1953, together with the senior Senators from New York and Vermont in the other body and Mr. HALE, of Maine and Mr. SCOTT, of Pennsylvania, I introduced the

National Health Act of 1953, the successor to the health measure introduced in 1949, the National Health Act of 1949, sponsored by 2 Republican Members of the other body and 8 Republican Members of the House of Representatives.

The voluntary health and medical-service program embodied in that bill basically calls for Federal-State financial assistance to voluntary, nonprofit, prepayment health plans. Primary responsibility for the development of adequate health services is placed in the States and local communities and in nonprofit cooperatives and group-practice units with the fullest encouragement to local initiative. The people are thus offered the maximum in health assistance with the minimum of Government control. Local people are to determine the yardstick of medical care which community medical resources make possible. The plan is based on a fee of a percentage of income by those who elect to use it. No one is compelled to join, but nonjoiners lose the benefit of the public support for the health plans. In addition to provisions analogous to those before us today that bill would also provide assistance in maintaining and increasing the number of those trained annually in the fields of medicine and nursing. It provides, too, for assistance to States for the development and maintenance of local public-health units organized to provide basic full-time public-health services in all areas of the Nation and for the training of all types of personnel for public-health unit work.

The need for such a program is great. The time for such a program is now.

This proposal is entirely consistent with Republican philosophy.

President Eisenhower, in a campaign address at Los Angeles, Calif., on October 10, 1952, stated:

> [It is] a sound investment in a sounder America to see to it that adequate medical care is made accessible and brought within the means of all our people. * * * The answer is to build on the system of voluntary, nonprofit health-insurance plans which our people have already developed at an amazing rate.

He continued in his address with the following:

> The usefulness of Federal loans or other aid to local health plans should be explored.

SPECIAL ORDER VACATED

Mr. JAVITS. Mr. Speaker, I ask unanimous consent that the special order granted me for today be vacated.

The SPEAKER. Is there objection to the request of the gentleman from New York?

There was no objection.

MEDICAL FACILITIES SURVEY AND CONSTRUCTION ACT OF 1954

Mr. LYLE. Mr. Speaker, I yield 10 minutes to the gentleman from Massachusetts [Mr. McCORMACK].

Mr. McCORMACK. Mr. Speaker, of course I am for this rule and I am for the bill. I am very glad to note that one of the first bills coming up in this session is a bill extending a measure that was passed while the Democrats were in control in a past Congress. I commend my Republican friends for realizing that they cannot depart from the policies of the Democratic Party of the last 20 years. They recognize that the wisdom of the last 20 years was in the best interests of the people of our country.

This bill is simply evidence of that fact, and other bills that will follow will simply strengthen the statement that I have just made.

I was interested the other day to read that my distinguished friend from Indiana [Mr. HALLECK] said that legislative history will be made this week. I assume by that he meant the passage of the bill we had yesterday, Federal aid to roads; the bill we are considering today, and the tax bill we shall consider tomorrow.

As a matter of fact, when we Democrats were in control we would have passed the 3 bills in 1 day.

We hear a lot of talk about unemployment and certainly there is plenty of unemployment. We hear a lot of talk, and properly so, that we shall never have another depression. That is due to the cushions that exist in the present law. I cannot disagree with those who make that statement because, again, the cushions in the present law were put in by the Democrats. And most of them were put in over the violent objections of the great majority of my Republican friends; old-age pensions, unemployment compensation, guaranty of deposits under the Federal Deposit Insurance Act, minimum wages, elimination of child labor, development of natural resources, not permitting them to go to waste; public power, protecting the lives and property of people throughout the country in the building of dams, conservation, farm legislation. These are only some of the cushions that exist under the present law which, fortunately, would prevent any recurrence of the dreadful conditions of 1930, 1931, and 1932. So the cushions exist because of Democratic leadership. That is some of the treason we committed during the last 20 years, strengthening the family life of America, making our country stronger.

We Democrats have a record of which we can well be proud. There is no reason we should be on the defensive. We can go forth to the people of the country, all sections of the country, letting them know the great things the Democratic Party did for the people and the fact that the Republican Party under the present administration is in the main following the leadership of the Democratic Party of the last 20 years.

Reference has been made to the tax bills and one of them comes up tomorrow. I intend to make a motion to recommit that bill for the purpose of extending the temporary taxes that expire on April 1, extending them 1 year rather than let them become permanent as provided for in the bill reported out by the 15 Republican members of the Committee on Ways and Means; also to include in it something for the small moving-picture houses and other recreational activities in your community and in the small communities of the country, to provide an exemption up to and including 50 cents of the admission price.

The Republicans have decided that there can be tax reduction; the Republicans have made that decision, and we Democrats are going to try, in the light of the decision made by the Republicans, to see that the reductions in taxes are fair and equitable.

The temporary taxes that expire April 1 were imposed in connection with the Korean conflict, to help meet the expenses of the Korean conflict. We provided a termination date of April 1, 1954.

The bill reported out that will come up tomorrow makes them permanent just the same as the 80th Congress made certain temporary taxes at that time permanent, despite the fact that President Truman recommended their extension for only 1 year, and we Democrats tried to carry that out. Temporary taxes expiring at that time were made permanent and they are now on the statute books as permanent legislation.

What we are going to try to do is to keep the promise we made to the automobile industry that bears a tax of somewhere around 8 percent on the sale of automobiles with the result that they are in today from a business angle. The Republicans have decided to extend that tax permanently. We Democrats say—at least I take the position and I hope my Democratic colleagues will follow it, and I hope enough Republicans, that it will prevail—to extend them for 1 year and to extend the other temporary taxes that expire April 1 for 1 year.

Furthermore, the bill that comes to you later will provide for an extension of the temporary increase in corporation taxes for 1 year. They do not make that permanent legislation, and I am in agreement with that; I think they should be extended for only 1 year, the corporation tax, the five-point increase that we made back a few years ago to try and raise revenue to help pay the expense of the Korean conflict. I believe the corporation tax is the only thing to be extended 1 year and yet they want to make permanent the temporary taxes that expire April 1 of this year and which will be in the bill that will come up tomorrow.

So that is the recommittal motion that will be made by me tomorrow. It seems to me that is a fair one and an equitable one; it is a just one, and it is one that is consistent with the promise this Congress made when they put those temporary increases into operation.

So this bill is before us today, and I am glad to see it here. I respect the views of my friend, the gentleman from Texas [Mr. LYLE], there is something to what he said, but, viewing the overall picture, there is a need. This is good for the country, this is good democratic legislation, and I am glad to see my Republican colleagues recognize that fact, as they will, in conection with other measures that will come up in this body and in the other body during the remainder of the session.

I also think that the Republican Members should help us Democrats keep the promise that we made to business, already suffering terribly, by extending the temporary taxes that expire on April 1

for 1 year rather than making them permanent propositions.

Mr. ELLSWORTH. Mr. Speaker, I yield 1 minute to the gentleman from New York [Mr. REED].

Mr. REED of New York. Mr. Speaker, the bill (H. R. 8224) does not provide that this new extension of rates will expire after 1 year. No termination date is provided in the bill. Instead, our committee report makes clear our intention to take another look at these rates next year. Placing an excise termination date into the law only serves to create anxiety and uncertainty among the public as the termination date approaches. We have today the unfortunate fact that automobile dealers have organized to stop accepting deliveries from manufacturers simply because the tax was scheduled to go down April 1. Thus, the use of an excise termination date serves no useful purpose and can have only one significant result—it is an open invitation to a buyer's strike, a most disastrous injury to the business affected.

Mr. LYLE. Mr. Speaker, I yield myself 1 minute.

Mr. Speaker, the only reason that taxation properly comes up in this discussion is to point out the ridiculous position that many of us are in. As I recall, in the 80th Congress, we made taxes permanent with the promise that we would look into them, with the hope of revising them. I believe the Republicans were then in control of the Congress. As far as I know, no further effort was made to look into the matter.

We are going to have another look, I do not know when, but I hope it will be before this session is over.

Mr. Speaker, we cannot escape the soundness of this proposition: We cannot give to the American people everything we would like for them to have, everything they would like to have and at the same time on the next day, the next week, or the next month, cut taxes. It is not realistic. It does not make sense. We cannot appoint commissions and brag about the great work they are going to do, and then make their decisions and recommendations moot because we move out long before we have any recommendations to work on. We must be realistic. We cannot be forever political and forever seeking to perpetuate ourselves in office. Of course, it is desirable to build the hospitals and the homes that this bill provides; of course, it is desirable. However, the Government can get money from only one place, the people of America through a tax system. Promising year after year to look into the revision of taxes to make them fair, then to come here year after year with a purely arbitrary decision as to the amount of money we need, without regard to whether the taxes are fairly distributed or not, just does not make for fairness.

You cannot, Mr. Speaker, I emphasize again, promise and deliver to the American people everything they want and cut their taxes. It just will not work, sir. It violates, and not without impunity, basic arithmetic.

Mr. ELLSWORTH. Mr. Speaker, I move the previous question on the resolution.

The previous question was ordered.

The resolution was agreed to.

Mr. WOLVERTON. 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. 8149) to amend the hospital survey and construction provisions of the Public Health Service Act to provide assistance to the States for surveying the need for diagnostic or treatment centers, for hospitals for the chronically ill and impaired, for rehabilitation facilities, and for nursing homes, and to provide assistance in the construction of such facilities through grants to public and nonprofit agencies, 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. 8149, with Mr. Bow in the Chair.

The Clerk read the title of the bill.

By unanimous consent, the first reading of the bill was dispensed with.

Mr. WOLVERTON. Mr. Chairman, I yield myself 25 minutes.

Mr. Chairman, the bill now before us for consideration, H. R. 8149, is the first in a series of bills to effectuate the health program of the President.

MESSAGES OF PRESIDENT INDICATING NECESSITY OF HEALTH PROGRAM

In his address to a joint session of the two Houses of Congress on January 7 of this year, President Eisenhower expressed the intention of submitting to Congress at a later date a health program for the people of the Nation. In that address on the state of the Union, the President said:

I am flatly opposed to the socialization of medicine. The great need for hospital and medical services can best be met by the initiative of private plans. But it is unfortunately a fact that medical costs are rising and already impose severe hardships on many families. The Federal Government can do many helpful things and still avoid the socialization of medicine.

The Federal Government should encourage medical research in its battle with such mortal diseases as cancer and heart ailments, and should continue to help the States in their health and rehabilitation programs. The present Hospital Survey and Construction Act should be broadened in order to assist in the development of adequate facilities for the chronically ill. Moreover we should encourage the construction of diagnostic centers, rehabilitation facilities, and nursing homes. The war on disease also needs a better working relationship between Government and private initiative. Private and nonprofit hospital and medical insurance plans are already in the field, soundly based on the experience and initiative of the people in their various communities. A limited Government reinsurance service would permit the private and nonprofit insurance companies to offer broader protection to more of the many families which want and should have it. On January 18, I shall forward to the Congress a special message presenting this administration's health program in detail.

It was very gratifying to those who have given the health needs of the Nation their careful study and consideration, to hear the President give recognition to the importance of having an overall health program to meet the medical care of our people, the rising cost of medical and hospital treatment, and provide the necessary facilities.

On January 18 of this year the President, in fulfillment of the intention he expressed in his state of the Union message, sent to the Congress a special message submitting a health program for the Nation. In presenting his recommendations to Congress on the subject of health, the President took occasion to again express his strong conviction as to the duty we owe to the people of the Nation in this respect. The message is entitled to have the serious consideration of all who think in terms of the welfare of our people. It is not my intention to give in full all of the worthwhile statements made by the President in this memorable message, but I strongly suggest that the message in its entirety be read and reread by the membership of this House and the Senate—House Document No. 298. However, while I do not intend to read the message in full at this time, as the available time would not permit, yet, there are a few parts of it to which I do wish to direct particular attention, to wit:

I submit herewith for the consideration of the Congress recommendations to improve the health of the American people.

Among the concerns of our Government for the human problems of our citizens, the subject of health ranks high. For only as our citizens enjoy good physical and mental health can they win for themselves the satisfactions of a fully productive, useful life.

The progress of our people toward better health has been rapid. Fifty years ago their average life span was 49 years; today it is 68 years.

This rapid progress toward better health has been the result of many particular efforts, and of one general effort. The general effort is the partnership and teamwork of private physicians and dentists and of those engaged in public health, with research scientists, sanitary engineers, the nursing profession, and the many auxiliary professions related to health protection and care in illness. To all these dedicated people, America owes most of its recent progress toward better health.

Yet much remains to be done. Approximately 224,000 of our people died of cancer last year. This means that cancer will claim the lives of 25 million of our 160 million people unless the present cancer mortality rate is lowered. Diseases of the heart and blood vessels alone now take over 817,000 lives annually. Over 7 million Americans are estimated to suffer from arthritis and rheumatic diseases. Twenty-two thousand lose their sight each year. Diabetes annually adds 100,000 to its roll of sufferers. Two million of our fellow citizens now handicapped by physical disabilities could be, but are not, rehabilitated to lead full and productive lives. Ten million among our people will at some time in their lives be hospitalized with mental illness.

There exist in our Nation the knowledge and skill to reduce these figures, to give us all still greater health protection and still longer life. But this knowledge and skill are not always available to all our people where and when they are needed. Two of the key problems in the field of health today are the distribution of medical facilities and the costs of medical care.

Not all Americans can enjoy the best in medical care—because not always are the requisite facilities and professional personnel so distributed as to be available to them, particularly in our poorer communities and rural sections.

Even where the best in medical care is available, its costs are often a serious burden. Major, long-term illness can become a financial catastrophe for a normal American family. Ten percent of American families are spending today more than $500 a year for medical care. Of our people reporting incomes under $3,000, about 6 percent spend almost a fifth of their gross income for medical and dental care. The total private medical bill of the Nation now exceeds $9 billion a year—an average of nearly $200 a family—and it is rising. This illustrates the seriousness of the problem of medical costs.

We must, therefore, take further action on the problems of distribution of medical facilities and the costs of medical care, but we must be careful and farsighted in the action that we take. Freedom, consent, and individual responsibility are fundamental to our system. In the field of medical care, this means that the traditional relationship of the physician and his patient, and the right of the individual to elect freely the manner of his care in illness, must be preserved.

In adhering to this principle, and rejecting the socialization of medicine, we can still confidently commit ourselves to certain national health goals.

One such goal is that the means for achieving good health should be accessible to all. A person's location, occupation, age, race, creed, or financial status should not bar him from enjoying this access.

Second, the results of our vast scientific research, which is constantly advancing our knowledge of better health protection and better care in illness, should be broadly applied for the benefit of every citizen. There must be the fullest cooperation among the individual citizen, his personal physician, and research scientists, the schools of professional education, and our private and public institutions and services—local, State, and Federal.

Following these general thoughts, that emphasize the importance and necessity of a health program for our people, the President set forth in detail his specific recommendations with reference to the following:

I present four proposals to expand or extend the present program:

First. Added assistance in the construction of nonprofit hospitals for the care of the chronically ill. These would be of a type more economical to build and operate than general hospitals.

Second. Assistance in the construction of nonprofit medically supervised nursing and convalescent homes.

Third. Assistance in the construction of nonprofit rehabilitation facilities for the disabled.

Fourth. Assistance in the construction of nonprofit diagnostic treatment centers for ambulatory patients.

Finally, I recommend that in order to provide a sound basis for Federal assistance in such an expanded program, special funds be made available to the States to help pay for surveys of their needs. This is the procedure that the Congress wisely required in connection with Federal assistance in the construction of hospitals under the original act. We should also continue to observe the principle of State and local determination of their needs without Federal interference.

These recommendations are needed forward steps in the development of a sound program for improving the health of our people. No nation and no administration can ever afford to be complacent about the health of its citizens. While continuing to reject Government regimentation of medicine, we shall with vigor and imagination continuously search out by appropriate means, recommend, and put into effect new methods of achieving better health for all of our people. We shall not relax in the struggle against disease. The health of our people is the very essence of our vitality, our strength, and our progress as a nation.

I urge that the Congress give early and favorable consideration to the recommendations I have herein submitted.

This message by the President is timely and noteworthy. It leaves no doubt that the President recognizes that improving the health of our people is one of the major problems facing us today. And I am certain that the Congress will do something about it as requested by the President.

COMMITTEE ON INTERSTATE AND FOREIGN COMMERCE HAS MADE A COMPLETE AND CAREFUL STUDY OF THE NEED AND IS PREPARED TO OFFER LEGISLATION THAT WILL BE HELPFUL

The House Committee on Interstate and Foreign Commerce has already worked diligently on this matter.

Last fall, after the Congress had adjourned, the members of the committee returned to Washington for extensive hearings on the status of the Nation's health, in which inquiry was made into what is known to medical science, today, with respect to the causes, control, and treatment of the principal diseases of mankind, such as heart, cancer, polio, arthritis, rheumatism, mental, metabolic diseases, and the like, altogether some 14 or 15 specific diseases. The committee was concerned specifically with finding out just what has been accomplished, how it has been accomplished, what the present-day problems are, what promise the future holds, and what additional steps might be taken by way of research or other measures, to hasten relief from these dreadful diseases, mitigate human suffering, and curtail the losses which disease inflicts upon our national economy.

DISTINGUISHED PHYSICIANS, SCIENTISTS, AND LAYMEN TESTIFY

Some 95 distinguished physicians, scientists, and laymen participated in the series of discussions which we had, coming to Washington voluntarily and at their own expense to advise the members of our committee on the current status of knowledge in specific fields, to document the extent of public and private efforts to find the causes of and to control disease, and to highlight the health problems and health needs of the Nation today.

Their testimony presented a dismal catalog of the magnitude of the disease problem. Disease by disease the witnesses enumerated the number of people afflicted, the number of premature deaths, the number of people crippled, the cost of illness to the individual and his family, and the cost of the disease to the Nation in terms of lost production, lost manpower, and the tax burden for medical care.

The problems of long-term illness and chronic illness that are with us today have been brought about primarily by the tremendous increase in the old-age group of our population in relation to the rest of the population. The national population has doubled from 1900 to 1950. During the same period, however, there has been a fourfold increase in the number of people aged 65 years or over—from 3 million to 12 million persons. This increased number of aged persons has contributed greatly to the incidence of chronic disease, such as cancer, heart disease, arthritis, and rheumatism, and mental illnesses. Testimony before your committee brought out the fact that some 10 million of our people now suffer from heart disease. A large percentage of all persons hospitalized annually in the United States suffer from chronic heart disease.

We were told that heart disease is the leading cause of death in the United States, causing more than 1 out of every 2 deaths each year, and exacts a toll from every age group.

At the rate at which we are acquiring cancer, 50 million of the present population of the United States probably will acquire cancer, and about 25 million of them will die from that disease.

The number of mentally ill patients in the United States exceeds the number of patients suffering from any other type of diseases, approximately half—662,500 out of 1,425,000 hospital beds in the United States are needed and used for this group of illnesses.

Cerebral vascular disease, while causing some 160,000 deaths yearly, is more serious as a permanent crippler, leaving 1,800,000 now alive and crippled, paralyzing the body, or seriously limiting the powers of movement, speech, and vision. The other neurological and sensory disorders, similarly affecting the brain or spinal cord, are responsible for the disablement of another 8,200,000 persons.

There are 300,000 men, women and children in the United States who are totally blind, and 300,000 more have visual defects so serious as to create partial or almost total disability.

Arthritis, with a total of 10 million victims today, with over 1 million permanently disabled, afflicts more people, cripples and disables more people, and brings more pain to more people than any other chronic disease.

There at at least 1 million known diabetics in the country today.

Last year more than 250,000 Americans of working age alone were unable to work because of active tuberculosis.

During the years 1938–52, 302,677 cases of poliomyelitis were reported in the United States and its Territories. During the same years 20,916 deaths were caused by this disease. The estimate for 1953 is 35,000 cases.

And, if time permitted I could add to this list many, many more diseases and similarly discouraging facts and figures relating to such.

However, the testimony of these witnesses was not all gloom. They also outlined for us the tremendous progress which has been made in reducing the illness and death rate from certain diseases, particularly those of infectious nature. Infectious diseases have diminished as a national problem, for with the identification of the causes of these diseases, it has been possible to develop

means of prevention, control, and, when the diseases occur, their prompt and adequate treatment.

In the case of noninfectious diseases, improvement has not been so marked. There has been an actual increase in the incident of and death rate from these, especially those classed as chronic. One of the principal difficulties is lack of knowledge, knowledge about the causes of these principal diseases from which mankind suffer today. Without such knowledge, the prevention, control, or cure of many diseases is impossible.

From the testimony before this committee, it does not seem that adequate treatment is available for such afflictions as heart disease, cancer, arthritis and rheumatic disorders, cerebral palsy and muscular dystrophy and many others that create long-term illness. For example we were told, the physician knows that after an attack of coronary thrombosis or a cerebral hemorrhage, he can aid the patient by treating symptoms, but he cannot prevent or cure the disorder. He does not fully understand the underlying cause of these ailments and is therefore not able to eliminate them. Similarly, he may completely remove a malignant growth by surgery, or slow its growth by X-ray treatment. But if these treatments are not completely successful, as is too frequently the case, the physician is unable to do much more than to provide palliative treatment. He does not know the causes of tumor growth and is thus unable truly to conquer it.

While it is obvious that in some of these fields we do not yet know how we may provide a complete cure, nor, in others do we know just what we are fighting, research activities already have produced marvelous results in the prevention and treatment of some of them, and we may be well along the road to a solution in some of them.

I would not in any way wish to disparage the great progress that has been made, nor discourage, nor fail to support to the utmost, even greater research into the causes and prevention of these diseases of mankind.

Yet, it is all too evident that at the present time these diseases continue to be, and probably will continue to be for some time, a tremendous burden upon the families of our Nation as they attempt to meet the costs of providing the medical care which long-continued illness places upon them. Indeed, the very fact that we are now able in some degree to treat many of these diseases and prolong human lives but increases the problem of providing adequate care and meeting the rising cost of hospitalization. Extended hospitalization and medical attention prove exceedingly costly, and such costs are mounting.

What families today—with one of their number suddenly stricken—can afford from their own resources to pay an average of $4,380 involved in the hospitalization of a chronic heart patient for 1 year—or the monthly cost at a cerebral-palsy center offering the full range of medical, psychological, and social services, averaging as much as $750 per child—or the heavy cost per year in keeping a seriously involved polio case in an iron lung?

Or if from their own resources, and those of relatives, they can meet the costs of such illness, at what cost to them in financial readjustment, lowered standard of living, interrupted schooling, uprooted children, loss of lay-away for old age, or assumption of the breadwinner's role by someone else?

STUDY OF HOW TO MEET THE COST OF MEDICAL AND HOSPITAL CARE

With such background, as I have set forth, the committee next undertook as part of its inquiry, the study of just what protection against these costs are now available to the individual family in our Nation. Last October we heard from various insurance companies which write insurance on an individual or group basis. Last January we heard from the sponsors and administrators of many group plans, from labor unions, from private clinics, from the Blue Cross, Blue Shield, New York health plan, the St. Louis Institute, the Kaiser Foundation, Group Health Association, and others. In addition, we have heard various proposals as to what can or should be done by members of health commissions, foundations, and others.

It has seemed to me, however, that no one should be in a better position to set forth for us a concrete proposal of just what can be done to provide a real and adequate protection against these costs than the medical profession itself, as represented in its official organization, the American Medical Association. This is an association that comprises many thousands of men who have dedicated their lives to the mitigation of human suffering—men devoted to making available the best of medical care to all of our people, regardless of their economic status. The committee looks hopefully and expectantly to all our devoted men and women who, by profession and study, are so well qualified to assist us in this great undertaking, whether they be members, or not, of the AMA or any other similar organization.

BILL, H. R. 8149, NOW UNDER CONSIDERATION IS A SUBSTITUTE FOR H. R. 7141 AND EMBODIES THE COMMITTEE AMENDMENTS TO THE LATTER—IT IS THE FIRST OF THE BILLS TO EFFECTUATE THE PRESIDENT'S HEALTH PROGRAM

As already stated, the bill now before us for consideration (H. R. 8149) is the first of a series of bills designed to make effective the recommendations made by the President in his special health message to Congress.

It was reported unanimously by the Committee on Interstate and Foreign Commerce and, in that connection, I wish to take this opportunity as chairman of the committee to express my very great appreciation to the members of the committee, both minority and majority, for the wholehearted and sincere consideration they gave to this bill, and, the conscientious effort they made to make this proposed legislation a worthwhile solution to that part of the overall problem that confronts us.

The total absence of any partisan consideration is not only most gratifying with respect to this particular piece of legislation, but, it is also characteristic of the fine spirit of public service, free of partianship, that has always actuated the membership of this important committee in fulfilling its varied and numerous responsibilities.

BILL AMENDS HILL-BURTON HOSPITAL CONSTRUCTION ACT

The bill comes before us as an amendment to the hospital survey and construction provisions of the Public Health Service Act, widely known as the Hill-Burton Act. This original act carries the names of two distinguished Senators as coauthors of the bill. Without any thought of disparaging in the slightest degree the fine work that was done by Senators HILL and Burton in the original enactment of the legislation and with which I am very familiar, yet it is not amiss that I should call attention likewise to the fine and constructive part that was taken by our colleague the gentleman from Tennessee [Mr. PRIEST] in connection with the introduction and enactment of that fine piece of legislation. And, in my opinion, the bill should have likewise carried his name in due recognition of the keen interest he took in the legislation by introducing the original bill and working zealously until it was finally adopted.

I am certain it must be very gratifying to the gentleman from Tennessee [Mr. PRIEST], who had such an important part, as it is to those of us who had a lesser part, to realize that with the passing of the intervening years, since its adoption in 1946 and the present time, it has been so unanimously conceded to have been one of the finest pieces of legislation this Congress has passed and, particularly so with respect to the formula adopted, as a basis for the extension of Federal aid and State participation.

Because of the exceedingly favorable attitude toward the provisions of that bill and the fine results of State participation under its wise and equitable provisions, it was natural and appropriate that the committee should adopt the same policy and principles that are part of the Hill-Burton Act to be likewise the basic policy and principles of this proposed legislation (H. R. 8149) as it seeks to expand and extend the original act to cover the facilities provided for in this bill now before us.

PURPOSE OF PENDING BILL

This bill seeks to amend title VI of the Hill-Burton Act by, first, authorizing appropriations for grants to the States for surveying the need for hospitals for the chronically ill and impaired, nursing homes, diagnostic or treatment centers, and rehabilitation facilities, and for developing State programs to meet that need; second, authorizing appropriations for grants to assist in paying part of the cost of construction by public and other nonprofit agencies of needed facilities.

It is pleasing to note that President Eisenhower in his message to Congress on the health needs of the Nation has called the attention of the Congress and the people of the Nation to the serious problem with which H. R. 8149 is intended to cope, namely, providing additional facilities for the diagnosis, treatment, nursing care, and rehabilitation of chronic and other diseases.

The vehicle by which these additional facilities are to be built is an expansion of the hospital construction program under the Hill-Burton law, which has proved so successful since its inception in 1946. Since that date approximately 2,200 construction projects have been approved under that law, utilizing $600 million of Federal funds and more than $1¼ billion of State, local, and other funds. Thus two non-Federal dollars have been spent for every Federal dollar made available for hospital-construction purposes under that act.

A total of 106,000 hospital beds have been constructed or have been approved for construction. In addition, 446 public-health centers and many facilities related to hospitals, such as nurses' homes, treatment facilities, and laboratories have been constructed or approved for construction.

The major emphasis, however, in the program thus far has been placed on the construction of general hospital beds used for general medical and surgical patients. Of the 106,000 beds which have been provided with Federal aid, 86,000 beds have been of this general character. Of the remainder, 11,000 have been mental, 6,000 have been tuberculosis, and only 3,000 have been chronic-disease beds.

Current State plans prepared as required by the Hill-Burton Act indicate that at the present time about 70 percent of our national need for general hospital beds has been met, both through construction under title VI of the Hill-Burton Act and through private construction undertaken without the assistance of Federal funds.

NEED EXISTS FOR FACILITIES BEYOND GENERAL HOSPITALS

However, the tremendous need for other types of facilities now authorized under title VI of that act, namely chronic-disease hospitals, outpatient departments in hospitals for diagnosis and treatment of ambulatory patients, and rehabilitation facilities for the physically handicapped, has not been similarly met. Furthermore, title VI of the present Hill-Burton Survey and Construction Act does not authorize the construction of diagnostic or treatment centers and rehabilitation facilities separate and apart from hospitals, and nursing homes are not covered at all by the present program.

Your committee felt that from the testimony presented before it, the Hill-Burton Act should be expanded to cover the needs I have mentioned. Consequently, it considered and reported H. R. 8149, which will materially assist in providing the badly needed facilities for diagnosis and treatment of ambulatory patients and appropriate nursing care for those who are chronically ill and rehabilitation for those impaired.

As I have stated, several of the types of facilities covered by the new part G which would be added to existing law by H. R. 8149 are not new to the hospital survey and construction program. Rehabilitation facilities and diagnostic or treatment facilities, where part of a hospital, and chronic-disease hospitals are now eligible under the existing program. However, each of these, with the exception of chronic hospitals, were required to be constructed in connection with a hospital. Thus, the purpose of including these types of facilities under the new part G is to provide a greater stimulus for their construction, either separate from or in connection with a hospital, by specifically earmarking funds for that purpose and permitting a higher rate of participation in Federal funds.

APPROPRIATIONS AUTHORIZED

First. For inpatient care:

H. R. 8149 would authorize for each of the three remaining fiscal years of the present program, which ends June 30, 1957, an appropriation of $20 million specifically for grants for the construction of public and other nonprofit hospitals for the chronically ill and impaired. The bill would also authorize the appropriation for the same 3-year period of $10 million annually for grants for the construction of public and other nonprofit nursing homes in which patient care is under medical supervision.

Chronic-disease hospitals and nursing homes together would provide additional beds for the increasing number of persons with long-term illnesses who require bed care but who do not need care and facilities as expensive to construct and operate as general hospitals or who can be taken care of in nursing-home beds because they do not require the intensive medical and nursing care provided in hospitals.

Second. For outpatient care:

In addition to the above authorization for the construction of facilities for inpatient care, H. R. 8149 authorizes the appropriation for the same 3-year period of $20 million annually for grants for the construction of public and other nonprofit diagnostic or treatment facilities. Under the bill, applicants for such facilities must be public or nonprofit hospitals or a State, political subdivision, or public agency. Because such diagnostic or treatment facilities are designed to serve ambulatory or outpatients by providing preventive health services, they help to decrease the need for expensive inpatient care.

Finally, the bill contains an authorization for the appropriation within the same 3-year period of $10 million annually for grants for the construction of public and other nonprofit rehabilitation faciilties. It is hoped that the services provided in such facilities will make many handicapped and impaired persons self-supporting and thus remove them from the public-assistance rolls on which many of them have been carried over long periods of time.

Third. To assist States in making survey of needs:

Following the precedent of the Hill-Burton Act as originally enacted, H. R. 8149 authorizes an appropriation for grants to assist the States in surveying the existing facilities in the four categories covered by the bill, which I have just discussed, and in developing revised State plans and construction programs. The aggregate amount so authorized to be appropriated is $2 million, and any amount appropriated would remain available until expended. The amounts appropriated would be allotted among the States on a population basis, but the minimum allotment for any State would be $25,000. The State would be required to match these funds on a dollar-for-dollar basis.

The importance of this survey and planning provision cannot be too strongly emphasized. The surveys made under the present law have contributed greatly to the success of the program.

In recommending this authorization for grants to assist the States in making these surveys, your committee recognizes the significance of this aspect of the program and the fact that such surveys and plans serve as a firm foundation for the wise expenditure of the construction grants authorized in the bill.

POLICY OF HILL-BURTON ACT WITH RESPECT TO CONSTRUCTION GRANTS CARRIED INTO NEW BILL

Mr. Chairman, now let me explain at this point very briefly the philosophy and operation of the Hill-Burton law. The philosophy of that act is that the Federal, the State, and the local governments all have a concern in the health of our people. The Hill-Burton Act, therefore, provides for a cooperative program involving all levels of government and nonprofit organizations concerned with health problems. This program has been pointed out as a model for joint participation by Federal, State, and local community groups. Under this program the Federal Government provides matching funds to the States to keep current surveys of their existing hospital and related facilities in five major categories—general hospitals, mental hospitals, chronic disease hospitals and tuberculosis hospitals, and public health centers, and to plan for meeting these needs with new construction.

The act then provides additional funds for construction grants to the States in order to stimulate such new construction as the States determine to be necessary and which have secured approval of the Surgeon General under the provisions of the Hill-Burton Act and regulations issued thereunder.

The Federal money appropriated under the Hill-Burton Act is distributed among the States in accordance with a formula—sections 624 and 631 (a)—which takes into consideration population and the annual average income of the State in relation to the annual national income. This formula, to the working out of which the late Senator Robert A. Taft contributed greatly, constitutes a living monument to sound reason and healthy compromise. This formula has worked out so successfully that other bills now pending before this and other committees of the House seek to make this formula the basis for other Federal grant-in-aid programs.

On the basis of this formula, the State allotment is determined annually of funds appropriated under the Hill-Burton program. It is left to the option of the States within certain limits provided under the law what the Federal share for hospital construction projects shall be for particular projects within the State. In other words, the Federal share determines how much of particular construction projects is to be paid for by

the Federal Government out of the State allotment and how much by the sponsor of the project, which may be a State or local subdivision or a nonprofit organization.

Under the present law, the States have the following options with regard to the use to be made of the State allotments. A State may either vary within the State the Federal share within the range of one-third to two-thirds of the total construction cost of the project or the State may provide that the Federal share shall be a flat percentage within the range from one-third to two-thirds of the total project cost, but not in excess of the State's allotment percentage.

With respect to the four categories of facilities covered by the new part added by H. R. 8149, another alternative would be afforded to the States—that of choosing a flat Federal share of one-half of the cost of construction.

REASON FOR EXPANDING HILL-BURTON TO THE FOUR CATEGORIES UNDER PART G OF BILL

Let me now, Mr. Chairman, after discussing in general terms the provisions of H. R. 8149, briefly turn to each of the four categories provided for under this bill.

CHRONIC DISEASE BEDS AND NURSING HOMES

I mentioned earlier in my statement the great demand for facilities for the chronically ill which has been brought about by the tremendous increase in the old-age group of our population in relation to the rest of the population. This increase in the number of aged persons has contributed to the incidence of chronic diseases and long-term illness. Beds for the chronically ill may be made available either in chronic disease hospitals or in nursing homes, depending upon the degree of medical and nursing care required by the patients. To date only 12 percent of the national need has been met for beds in chronic disease hospitals and, as already pointed out, the present program under the Hill-Burton Act does not cover nursing homes. Information as to the extent of the need for nursing-home facilities in each area and community in the country will be developed by the surveys to be conducted pursuant to this legislation.

As I have already mentioned, the hospital construction program under existing law has satisfied approximately 70 percent of our national need for general hospital beds. The availability of additional chronic disease beds and of nursing-home beds would not only help to meet the great need for these beds on the part of the chronically ill, but would also tend to make more readily available, for acute-patient care, beds in general hospitals now occupied by chronically ill or long-term patients. Therefore, a stimulus to the construction of chronic disease hospitals and nursing homes will also improve our national situation with regard to general hospital beds.

The emphasis on the construction of chronic disease hospitals and nursing homes is also a matter of economy. It is important to note that beds in chronic disease hospitals and in nursing homes are less expensive to build than general hospital beds. Thus, with such Federal funds as will be available, more chronic disease and nursing-home beds can be constructed for every dollar expended than is the case with general hospital beds.

Furthermore—and this is of great importance to our States and local communities—the cost of maintenance and operation of chronic disease hospitals and nursing homes is considerably lower than the cost of maintaining and operating general hospitals. Many communities are unable to support general hospitals because of the high cost of maintenance and operation. As a rule of thumb, the Public Health Service estimates that the annual cost of operating and maintaining a general hospital amounts to one-third of the cost of construction of such general hospital. In other words, assuming that a community builds a small hospital which costs $750,000, the estimated cost of operation and maintenance is $250,000 annually, so that every 3 years the community will spend in cost and maintenance the equivalent of the total cost of construction of that hospital.

Compare with this the cost of maintaining and operating chronic disease hospitals. Testimony before the committee indicates that long-term patient care in chronic disease hospitals averages $6.63 per patient-day as compared with the average operating cost of $18.35 per patient-day in general hospitals. This lower cost of operation and maintenance of chronic disease hospitals, and, even less for nursing homes would reduce considerably the financial burden borne not only by chronically ill patients but also by States and local governments and nonprofit organizations to the extent that they, rather than the patients, must bear the cost of operation and maintenance of facilities for long-term patient care.

FACILITIES FOR AMBULATORY PATIENTS

Under the existing Hill-Burton program, relatively little attention in the aggregate has been given to out-patient departments of hospitals and to other types of facilities for the diagnosis and treatment of ambulatory patients not requiring bed care. Such diagnostic and treatment clinics are essential to a complete medical service in the community.

By emphasizing the preventive aspect of modern medicine, this type of facility helps to decrease the need for the much more expensive in-patient hospital bed care.

There are communities, moreover, which presently do not have hospitals and where the likelihood of hospitals being constructed is remote, because the communities in question are financially unable to build and maintain hospitals. It is expected that in those communities the construction of diagnostic or treatment centers will make more readily available health services that otherwise would be available only in urban centers far removed from such communities.

REHABILITATION FACILITIES

As I have stated, rehabilitation facilities which are a part of the hospital are now included among the facilities authorized under the existing Hill-Burton program. However, rehabilitation facilities separate and apart from hospitals are not included in the existing Hill-Burton Act. Your committee believes that additional rehabilitation facilities are needed. The testimony received by your committee greatly underlines the need for additional rehabilitation facilities, and your committee believes that such additional facilities should be provided through the mechanism of the Hill-Burton program in the manner provided by the bill now before us. In the first place, services provided in a rehabilitation facility are in many respects an extension of the treatment and the services provided in a hospital. Secondly, it is both logical and economical to utilize the established administrative machinery and experience of the Public Health Service and of the State agencies now administering the Hill-Burton program. Third, rehabilitation facilities have many construction features and render some services comparable to those of hospitals and related health facilities. Fourth, the construction of additional rehabilitation facilities is a factor which will tend to reduce the demand for hospital and nursing home beds.

Rehabilitation of disabled individuals is important, not only because of humanitarian considerations, but also because of the resulting economic benefits. Rehabilitation of an individual to the point where he can at least care for himself is an important step in relieving the economic burden on families and the patient load in hospitals and nursing homes. Rehabilitation for employment has a direct effect in reducing governmental relief expenditures in those instances where disabled persons have been carried on the public assistance rolls. Furthermore, disabled persons returning to work contribute to the support of Federal, State, and local government through the payment of taxes.

In connection with the provisions for rehabilitation facilities contained in House bill 8149, I would like to call attention to a provision contained in the bill which may be of particular importance in connection with the construction of a regional rehabilitation center instead of several smaller State rehabilitation centers. This provision, which is likewise applicable in the case of other facilities authorized under part G, is contained in section 654 (b). This provision recognizes that there may be instances where 2 or more States would be interested in the construction of a project which would serve population groups in a region not limited to a single State and that it is desirable to permit 2 or more States to act jointly to that end. Therefore, section 654 (b) provides that a State may file a request with the Surgeon General that a specified portion of any allotment to it under the new part G for any type of facility be added to the corresponding allotment of another State. This addition to the allotment of another State or several other States could be used to meet a portion of the Federal share of the cost of construction of a facility of that type in another State.

SUMMARY AND CONCLUSION

This completes my discussion of the principal provisions of House bill 8149.

The Committee on Interstate and Foreign Commerce gave most careful consideration to this legislation. Originally, immediately following President Eisenhower's message on health, I introduced House bill 7341, which was referred to our committee, and hearings were held on that bill. The Secretary of Health, Education, and Welfare, in whose Department the bill had been drafted, and numerous other witnesses testified or presented information for the record in support of the bill. After the conclusion of the hearings, your committee considered the bill in executive sessions, and a number of amendments were adopted, which clarify or implement the objectives sought to be attained but which in no way are in conflict with the basic objectives of the bill as introduced. Rather than report a bill with amendments, it was decided that a new bill should be introduced embodying the provisions of the original bill, together with the amendments, and it is this new bill, H. R. 8149, that the committee has reported to the House, and which is now before us for consideration.

As I have stated, the bill was reported unanimously. The present bill, H. R. 8149, as well as the extensions of the original Hill-Burton Act by the 81st Congress in 1949 and by this Congress in 1953, constitute a reaffirmation of the soundness of the original program. The committee is now recommending to the House an expansion of the program. This expansion incorporates the basic features of the original program, but makes possible the construction of health facilities which are urgently needed by this Nation.

The original Hill-Burton Act has proven to be an outstanding success. There is no reason to believe that the expansion of the original Hill-Burton program recommended by this committee in House bill 8149 should not be similarly successful. Certainly, the need for the additional facilities provided for in House bill 8149 is just as great, if not greater, than was the need for hospital beds provided for in the original categories included in the Hill-Burton program.

In conclusion, I emphasize again the need for all the facilities that this bill provides for, namely: First, diagnostic and treatment centers; second, hospitals for the chronically ill; third, nursing homes for the aged and convalescents; and, fourth, rehabilitation centers. Each of these will tend to relieve our over crowded hospital facilities and provide a means not only of more adequately caring for the ill and aged, but also diminish the burdensome cost of medical and hospital attention.

This bill deserves, and I hope it will receive, the favorable consideration of Congress and thereby assure our people of a congressional desire to provide medical facilities that will promote the health and welfare of our people, mitigate suffering, and lessen the burden of long-term illness.

I consider it a great privilege to recommend to this House the adoption of this measure, which has the approval and active support of the Secretary of Health, Education, and Welfare and which is designed to carry out one phase of President Eisenhower's health program, and which, if adopted, will undoubtedly be of great benefit to your people.

Mr. SEELY-BROWN. Mr. Chairman, will the gentleman yield?

Mr. WOLVERTON. I yield to the gentleman from Connecticut.

Mr. SEELY-BROWN. Could the gentleman advise us as to whether or not there is contained in the bill any legal language defining what is meant by the term "nonprofit"?

Mr. WOLVERTON. Yes. There is no doubt about that.

Mr. SEELY-BROWN. I thank the gentleman.

Mr. CRETELLA. Mr. Chairman, will the gentleman yield?

Mr. WOLVERTON. I yield to the gentleman from Connecticut.

Mr. CRETELLA. I want to compliment the gentleman for the very fine presentation he gave. I would like to ask the gentleman a question dealing with nonprofit agencies and I also want to ask one dealing with nursing homes. In our State of Connecticut nursing homes are licensed by the State, and inquiries have been directed to me as to whether or not they come within the purview of this act and be recipients of benefits under the act.

Mr. WOLVERTON. Unless nursing homes are operated on a nonprofit basis they would not come within the purview of the act.

Mr. CRETELLA. They are privately owned and maintained and do take care of many of the chronically ill. The gentleman's answer is that they do not come within the act?

Mr. WOLVERTON. That is true.

Mr. FRELINGHUYSEN. Mr. Chairman, will the gentleman yield?

Mr. WOLVERTON. I yield to the gentleman from New Jersey.

Mr. FRELINGHUYSEN. I, too, would like to congratulate the gentleman on his presentation of this bill, the general purposes of which there is no argument about, I feel sure. I should like to ask him why it is that hospitals for the chronically ill should not include treatment for the mentally ill or tubercular patients. Would the gentleman care to comment on why those groups are excluded?

Mr. WOLVERTON. In the first place, there is provision under the original Hill-Burton Act for the construction of hospitals of the character that the gentleman has mentioned. In the second place, it was recognized by the committee that in all States and in many communities the importance of mental hospitals and tuberculosis hospitals has been well recognized. Therefore, there was not that immediate need that they should be included in this particular part. We selected only those instances where there was a lack and therefore the necessity for a more extensive construction program.

Mr. FRELINGHUYSEN. I thank the gentleman.

Mr. CRETELLA. Mr. Chairman, will the gentleman yield further?

Mr. WOLVERTON. I yield.

Mr. CRETELLA. Again, coming back to this nursing home question, on page 7, am I correct in assuming that a State desiring to take advantage of this particular act may include private nursing homes under the scope of the act if action is taken by the State?

Mr. WOLVERTON. No. The intention is "nonprofit" entirely under the act with reference to nursing homes. I might say there is other legislation to follow that could prove beneficial to private nursing homes in the event the committee reported it favorably and it is adopted by the House. I refer to H. R. 7700.

Mr. DURHAM. Mr. Chairman, will the gentleman yield?

Mr. WOLVERTON. I yield to the gentleman from North Carolina.

Mr. DURHAM. I, too, would like to congratulate the gentleman from New Jersey, for he usually brings out very sound legislation here on the floor of the House, and I concur in his viewpoint that this legislation should be adopted. There is one question that troubles me somewhat and that is as to whether or not the committee endeavored to define the word "facilities." What I am asking is whether or not the committee decided to try to in any way define the word "facilities," and as to how far that extended, because I notice that you carry that term in all of your categories here. So that there would be no confusion as to a cooperative program, may I ask whether or not that would include an X-ray machine or whether or not it would include some other facility, and as to how far that extends in this bill?

Mr. WOLVERTON. If the gentleman will examine the definitions that are given in the bill with reference to the different types of projects that are mentioned—I was about to term them "facilities"—such as diagnostic and treatment centers, and so forth, the definitions that are made in the bill are very complete, in my opinion. Speaking for myself, I think I am justified in saying that it would include the equipment of these hospitals.

Mr. DURHAM. As ordinarily used in a diagnostic clinic?

Mr. WOLVERTON. That is my opinion.

Mr. DURHAM. I think it should be well understood, that it is not just a four-wall thing given to the community without any facilities whatever.

Mr. WOLVERTON. I agree with the thought you have just expressed.

Mr. HINSHAW. Mr. Chairman, I yield 5 minutes to the very distinguished gentleman from Pennsylvania [Mr. SCOTT], formerly a member of this committee.

Mr. SCOTT. Mr. Chairman, the major factor which leads to this legislation, as I see it, is the tremendous increase in the population of our senior citizens, who have increased their numbers in the period from 1900 to 1950 from 3 million to 12 million persons, while at the same time the general population has only doubled. This has contributed to the incidence of chronic diseases, to the growth of such diseases as cancer and heart disease, and is affected by the fact that the medical and hospital care

required for persons over the age of 65 is on the average twice as much as that required for persons under that age.

The purpose of the new emphasis in this bill, as the committee report states, is to stimulate and accelerate the construction among other things of hospital beds for the increasing number of persons with long-term illnesses who require hospitalization but who do not need care in facilities as expensive to construct and operate as general hospitals.

The estimated per-bed construction cost, for example, of a general hospital is $16,000, for a chronic disease treatment hospital $13,000 per bed, and for nursing homes $8,000 per bed. The funds authorized in this bill will provide 2,770 beds for chronic patients, 2,260 general, and in nursing homes 2,250 for nursing patients and 1,125 general. Because some of these facilities are designed to serve ambulatory or outpatients and to provide preventive health services, they help to decrease the need for in-patient care.

Diagnostic or treatment facilities operated in connection with hospitals are now covered as out-patient departments of hospitals under title VI. However, the provisions of the bill represent an expansion of the present program insofar as they provide for eligibility of diagnostic or treatment facilities not connected with hospitals. Under the bill an applicant for a diagnostic or treatment center must be either a State, political subdivision, or public agency, or a corporation or association which owns and operates a nonprofit hospital.

Mr. Chairman, the program of this administration has been well stated to be, in relation to the problems that affect human beings, liberal, and in relation to economic matters, conservative. The program as represented in the President's state of the Union message, and this is the first bill under the health section, well meets the President's own definition of the program of his administration.

This bill is progressive legislation, in that it seeks to deal adequately with the growing and increasingly serious problem of chronic diseases, and with the human challenges which are brought about by the increasing number of our senior citizens. It is conservative in that, as I read to you in one particular, for example, features of this bill would tend to decrease the need for inpatient care, would tend to decrease the number of illnesses affecting our citizens, particularly our senior citizens, would conserve the health of the Nation, and in so doing—since so much time and employment and property is lost through illness—it would conserve the economy of the Nation and the tax dollar of the individual. This bill therefore is in the liberal tradition in its method of meeting human concerns. It is conservative in that it will strengthen the economy, ultimately increase the economic product of healthier citizens and therefore increase the revenue to the Nation.

Mr. JAVITS. Mr. Chairman, will the gentleman yield?

Mr. SCOTT. I yield to the gentleman from New York.

Mr. JAVITS. I think the record should show that our colleague who is speaking was one the sponsors of the national health program which originated in the 81st Congress. That program was the precursor of this legislation, and of the administration's health program. It was sponsored by the following Republican Members of the House in the 81st Congress by our colleague Mr. Auchincloss, of New Jersey, our former colleague, Mr. Case, also of New Jersey; Mr. Fulton, of Pennsylvania; Mr. Hale, of Maine; and now Governor Herter, of Massachusetts; Mr. Morton, of Kentucky, who is now Assistant Secretary of State; Vice President Nixon and myself; and in the 83d Congress by myself and Mr. Hale and the Member now speaking, Mr. Scott, of Pennsylvania.

Mr. SCOTT. I thank the gentleman. It demonstrates that the members of the Republican Party have been foresighted for quite a long time.

Mrs. FRANCES P. BOLTON. Mr. Chairman, will the gentleman yield?

Mr. SCOTT. I yield.

Mrs. FRANCES P. BOLTON. Has the committee made any study at all of the fact that the Blue Cross does not support the specialized hospitals?

Mr. SCOTT. I would prefer that the gentlewoman from Ohio ask that question of a member of the committee.

Mrs. FRANCES P. BOLTON. I shall be very happy to. I thank the gentleman.

Mr. SCOTT. I am not a member of the committee which brings in this bill.

Mr. CROSSER. Mr. Chairman, I yield 15 minutes to the gentleman from Tennessee [Mr. PRIEST].

Mr. PRIEST. Mr. Chairman, I am very happy to join the distinguished chairman of my committee in presenting this legislation to the House today, and in urging its passage. I would be less than human if I did not express to my chairman my personal appreciation for the kind remarks he made in connection with my part in the development of the original legislation. No one has worked more deligently in this field than the gentleman from New Jersey [Mr. WOLVERTON]. My thoughts returned to the summer of 1946 when the Committee on Interstate and Foreign Commerce reported and the House passed two extremely important pieces of legislation. In July of that year, the committee reported and the House passed the Mental Health Act, which I think has perhaps in the long run accomplished more for the amount of money appropriated than any other act in the health field. In August of that same year, 1946, the committee reported and the House passed the Hospital Construction Act, a program based on an authorization of $150 million a year for a 5-year period. That act has subsequently been amended in some minor matters and has been extended beyond the date of its original expiration. The committee presents today a bill which will in some respects expand the provisions of the original Hospital Construction Act. I think it would be fair, however, to state to the House that it is not an entirely new program that we bring before the House today. The able chairman of the committee has very well explained the four categories with which the bill deals.

When the President's health message was read in this Chamber, I stated at the time that I could give it my indorsement because in the main it was an approval of the program inaugurated and passed by the Democratic administration, and one with which I had been very closely identified as chairman of the subcommittee in the past.

I think it should be pointed out at this time, and made a part of the RECORD, that three of these categories are included in the original Hospital Construction Act, but they are not in that connection as flexible as the provisions are in the bill we are now considering. For example, the original Hospital Construction Act does provide for the construction of diagnostic or treatment centers. It provides for the construction of chronic disease hospitals, and it provides for the construction of rehabilitation centers. But it requires in each case that these facilities be constructed in connection with a hospital. A great many Members, knowing that situation and realizing that those categories are authorized in the original act, have questioned as to why it was necessary to bring in a new act. The difference, in that respect, in the pending bill, is that these facilities, under the provisions of this bill, may be constructed, without being necessarily related to a hospital.

If a community, where the need is shown and where finances are available, desires to construct a home for chronic disease patients, whether there is a regular hospital in that community or not, that community, if the State agency approves, may construct, or may obtain matching funds under this proposal for construction of such a hospital, or for a diagnostic or treatment center, although it may not be in connection with a general hospital. Those provisions are expanded in the pending legislation.

The chairman has already explained the appropriations that would be made available. There are $2 million authorized for a survey of the needs in these new categories. This survey would follow in general the type of survey that has been made under the original act for general hospitals. It would enable the States to determine those communities in which there is an inadequacy in these particular fields, and to develop a State plan for presenting to the Surgeon General and the Secretary of the Department of Health, Education, and Welfare.

The administrative procedure under this legislation is very similar to that under the original Hospital Construction Act. Most of the responsibility is placed at the State level, as was true in that act, and the State agencies in charge must develop a plan. They must submit that plan and that plan must, of course, meet certain minimum standards set forth in the original act and standards under regulations issued by the Surgeon General and the Secretary pursuant to the act.

The formula for the allocation of funds in the present bill is the same

formula that has proved to be so very successful in the Hill-Burton Hospital Construction Act.

Mr. JONAS of Illinois. Mr. Chairman, will the gentleman yield?

Mr. PRIEST. I yield to the gentleman.

Mr. JONAS of Illinois. Will the gentleman be good enough to explain briefly what he understands to be the significance in the language in paragraph 1, page 5, line 21, where it says, "$20 million for grants for the construction of public and other nonprofit diagnostic or treatment centers"?

Before the gentleman answers, may I ask, Is this designed to build clinics in connection with existing hospitals, or may they be constructed as original projects, and is it also designed to enlarge upon a number of these cancer clinics that we have now that are so valuable in research work?

Mr. PRIEST. May I say to the gentleman that I am glad he asked that question. It is in line with some of the things I intended to explain concerning the provisions in the bill. This $20 million for grants for the construction of public and other nonprofit diagnostic or treatment centers is primarily for the construction of such centers, not in connection with hospitals, although because of the provisions in the original act which also authorized diagnostic or treatment centers, it may be possible that some of the funds could be used in that connection if it is an addition to an existing hospital.

This is primarily an additional authorization for an additional amount of $20 million to be used for the construction of diagnostic and treatment centers primarily not in connection with a hospital because those in connection with hospitals are already authorized under the original act. We authorized the expenditure of $150 million annually, although I regret to say that the Bureau of the Budget for this year has recommended an appropriation of only $50 million.

Mr. JONAS of Illinois. Mr. Speaker, if the gentleman is short of time, I will be glad to yield him my 5 minutes if he will yield for a question or two.

Mr. PRIEST. I shall be glad to yield to the gentleman from Illinois.

Mr. JONAS of Illinois. I want to say, if I have not already said so, that I thank the gentleman from Tennessee for this very specific and timely explanation he has made; but I want him, if he will, to direct his attention to the second item, the $20 million for grants for the extension of private and nonprofit hospitals for the chronically ill.

I am wondering whether the Members here have taken into consideration or have any conception of what is meant by the phrase "chronically ill." Those are in many instances, I understand, cases that are mobile, that are still able to be around, but they are afflicted with a long, progressive disease such as arthritis, heart conditions, nephritis, and so on; they are not sick enough to be on their back all the time but still are too sick to be left without some kind of care. This item is $20 million granted for that, but is this money to be made available to institutions that are already in existence in connection with hospitals, or is it to be used to build private institutions for the care of the chronically ill?

Mr. PRIEST. It may be available for both or either. It is available, for instance, if you have in your area a general hospital and the State agency in charge of the administration of the program at the State level, and the sponsoring agencies within a community, desire to add a new wing to a hospital and call it a hospital for the chronically ill, they may do so.

Mr. JONAS of Illinois. May I pursue the subject matter further with an additional question?

Mr. PRIEST. Certainly.

Mr. JONAS of Illinois. I wish to call attention to that section of the bill which provides for the construction of private and nonprivate nursing homes. I think this is in a state of confusion and it is hard to tell just what is meant. It does not mean nurses' homes that are affiliated with hospitals for the residence of nurses in training.

Mr. PRIEST. No.

Mr. JONAS of Illinois. It has reference to institutions such as we are familiar with and know as private nursing homes or convalescent nursing homes generally operated by private enterprise and not always nonprofit.

Mr. PRIEST. If they are not in the category of nonprofit homes they would not be eligible to be included in a State plan requesting aid.

If they are privately owned but are nonprofit they would meet the conditions set forth.

We must bear in mind the fact that it is but a small amount of money, $10 million, to be matched in the 48 States. When it is spread over that many States on a matching basis it is not going very far, and we might just as well recognize that fact. But I think it may serve as an impetus to States to develop some nonprofit public nursing homes where there is a need. The need question, of course, must first be determined. If a survey is made and in a particular community the State agency making the survey finds that there are adequate nursing homes there privately operated then that community would not be eligible, for it must be shown that there is an inadequacy that cannot be reasonbly expected to be met in the near future.

Mr. JONAS of Illinois. What confuses me is this: If it is a nonprofit organization or has not affiliated with an organization that operates for profit, as so many nursing homes do, this nonprofit organization as contemplated under this section of the bill it would have to originate in the city, county, township, or State, would it not?

Mr. PRIEST. Not necessarily. It might be a church group, for example, just as they operate hospitals. In my hometown, two of the largest hospitals are operated by religious groups. It might be that sort of a corporation.

Mr. JONAS of Illinois. A religious group could make the application, but if they did and they received Government funds, they would be responsible for the cost of operating and maintenance?

Mr. PRIEST. That is correct.

Mr. JONAS of Illinois. And the Government would merely contribute money for construction?

Mr. PRIEST. Yes. There are no funds provided here for maintenance and operation.

Mr. JONAS of Illinois. I thank the gentleman. I am for this bill. I appreciate the information the gentleman has given me.

Mr. BATES. Mr. Chairman, will the gentleman yield?

Mr. PRIEST. I yield to the gentleman from Massachusetts.

Mr. BATES. Will the gentleman state to the committee whether it is contemplated utilizing the revised split project technique in this proposal as used currently under the Hill-Burton Act?

Mr. PRIEST. I did not understand the gentleman.

Mr. BATES. Is the gentleman familiar with the new split project technique?

Mr. PRIEST. Does the gentleman mean by "split project technique" the variable formula?

Mr. BATES. I mean specifically this: At the present time when the State distributes funds it will say: "We will give you half this year, then in the event of the Congress next year appropriating the money, we will give you the rest of it" which sets up a contingent liability as far as the municipality or private concern is concerned.

Mr. PRIEST. I yield to the gentleman from Arkansas [Mr. HARRIS] to answer that question.

Mr. HARRIS. I think what the gentleman refers to is what has been followed as a practice in the Public Health Service with reference to split projects, which means that a project for hospital construction would be approved within a given State, so much money is made available for that project this year, of course anticipating additional funds being made available next year. Is that what the gentleman has in mind?

Mr. BATES. That is precisely it.

Mr. HARRIS. As of November last year, in view of language in the Appropriations Committee report for this fiscal year, 1954, the Public Health Service ceased approving any more split projects within States.

Mr. BATES. As of when?

Mr. HARRIS. Last November.

Mr. BATES. As a matter of fact, during the last 2 or 3 months I have had an instance come to my attention where a municipality wanted to get a hospital established that was on the revised split-project technique. The difficulty encountered was this: They could not commit a future town meeting to a contingent liability, therefore they could not take advantage of the funds.

Mr. HARRIS. The procedure has been in effect for several years, but there has been some objection on the part of certain Members of Congress, particularly of the Appropriations Subcommittee. In view of that objection and in view of the controversy that we have had over it for the last year or so, the Public

Health Service advised our committee only recently that as of November they were not approving any more projects.

Mr. BATES. Then under the present regulations the State in many cases will allocate merely a portion of the funds that they expect to get from the Federal Government. The difficulty arises in this respect: They only give half of it this year and they say next year if the Congress appropriates the money they will give you the rest of it. Now, the municipalities cannot operate in a manner like that.

Mr. PRIEST. Insofar as any addition to the act is concerned, there is no change. There is nothing written into the law on that subject. It has been largely a question of policy in the States and with the Department of Health, Education, and Welfare. I agree with the gentleman from Arkansas that we had understood that the split-project procedure had been abandoned. Of course, what the State agency does insofar as allocating funds to a project which has been approved in the State, there is no control that we can have over that in this particular legislation. Nor can the State always anticipate what the appropriation each year will be. That is particularly important, I think, where the State may be the sponsor of a project and in which its own appropriations are on a biennial basis rather than on an annual basis.

Mr. BATES. What the gentleman says is correct, that the old split-project technique is no longer employed.

Mr. PRIEST. That is correct.

Mr. BATES. However, they still split the projects half this year and half the next year, which means that the local municipality has a contingent liability if they go ahead and start a hospital.

Mr. PRIEST. That is true.

Mr. BATES. But under the laws of many States, they are not permitted to assume a contingent liability.

Mr. PRIEST. There is nothing in this legislation nor in the original act, so far as I know—and I think I am fairly well acquainted with it—that would deal with that particular situation. It arises out of a question of policy and a question of local laws. For instance, one township cannot commit another township to action at a later date, and that is the difficulty. I do not know of any way we can handle it in this legislation. I would like to study it with the gentleman to see if it can be developed, but as it stands I do not know of any approach we can make to that in this particular legislation. I think it must be in the administrative field.

Mr. BATES. I do not want to take any more of the gentleman's time, he has been very kind, but I would like to discuss this matter over with him.

Mr. PRIEST. I shall be happy to.

Mr. BATES. But, as I see it, it is quite impossible for a municipality today to get any money under the Hill-Burton Act.

Mr. PRIEST. I appreciate that, and I shall be happy to discuss it with the gentleman.

Mr. LUCAS. Mr. Chairman, will the gentleman yield?

Mr. PRIEST. I yield to the gentleman from Texas.

Mr. LUCAS. I have enjoyed very much the remarks that the gentleman from Tennessee has made about this proposed legislation, and I want to compliment him on his understanding of the provisions of the act. May I ask the gentleman from Tennessee this question: In the attempt of the committee to preserve State control of all these operations and to keep the hands of the Federal Government out of the standards, and so forth, as set up in the act, did you purposely omit providing that the Davis-Bacon Act, providing Federal construction aid, shall apply?

Mr. PRIEST. Was it omitted?

Mr. LUCAS. Purposely omitted that it should apply.

Mr. PRIEST. I will say this to the gentleman that that particular question had not come to my attention in connection with the legislation, but the committee has been very diligent in their consideration of the legislation to preserve the local level control and administration insofar as possible.

Mr. LUCAS. It was not the intention of the committee the gentleman now serves on to provide that the Federal Government shall set standards of construction?

Mr. PRIEST. There are certain minimum requirements that are carried in the act, but it has never been the purpose of the committee that the Federal Government should set up standards of construction that are not covered in the minimum criteria set up by regulations promulgated pursuant to the act.

Mr. LUCAS. It is determined by the State?

Mr. PRIEST. There would have to be certain specifications where Federal money is allocated and expended. There must be certain standards, but I think they have proved in the original act to be very considerate, and no States have objected, so far as I know, and no local communities. I think the gentleman will agree that where Federal funds are allocated and expended, whether it is for a road program or whatever it might be, there must be certain minimum requirements, standards, or criteria. The committee has followed that viewpoint rather than the Federal Government dominating the whole picture.

Mr. Chairman, the question of the availability of adequate medical care for which the average family can pay is one of the country's top economic problems. This bill, I believe, will help to some extent in continuing the effort to solve this problem.

Mr. CROSSER. Mr. Chairman, I yield such time as he may desire to the gentleman from Alabama [Mr. JONES].

Mr. JONES of Alabama. Mr. Chairman, the measure before us today acclaims and seeks to carry forward the objectives of one of the finest and most beneficial programs in the history of our Nation—the program for the building of hospitals, health centers, and other health facilities under the Hill-Burton Hospital Survey and Construction Act.

I want to congratulate the chairman and the members of the Committee on Interstate and Foreign Commerce on their labors in bringing this legislation before the House.

I also want to say a word of tribute to my distinguished and honored colleague and fellow Alabamian, Senator LISTER HILL, for his authorship of the act. But for his vision, his leadership, an his indefatigable labors, we would not have this measure before us today.

For a full appreciation of the extent of the contribution which the hospital-construction program has made to the strengthening of the health resources of our Nation and the improvement of the health of our people, we must realize that in 1946, when Senator HILL and his colleague, Harold Burton, of Ohio, soon to be elevated to the United States Supreme Court, first introduced the bill, the Nation had only about one-half the hospital beds needed. The shortage of hospital facilities was severest in the South. Rural areas had practically no hospitals at all.

Recognition of this fact and of the tremendous contribution which the hospital construction program has made to the building of hospitals, public health centers, and other hospital facilities in rural areas led the Progressive Farmer magazine, the leading farm journal in 14 Southern States, to name Senator HILL as "man of the year in service to southern agriculture, as the man who has done more than any other southerner to help farm people get hospitals."

The actual building of hospitals and health facilities has been going on less than 7 years. Over 2,000 hospitals, public health centers, and related facilities have been approved. Well over half are completed, open, and rendering a community service. The others are under construction or in the drawing-board stage. These projects are adding 109,000 hospital beds and 464 public health centers to our Nation's resources.

Of 900 completely new general hospitals being built under the program, more than half are located in communities that had no hospital of any kind and many are located in communities where the only hospital was substandard and not acceptable.

Well over half of the new facilities are being built in small communities to serve rural people.

The larger projects have provided teaching facilities like those that have been constructed at university medical centers in my own State of Alabama, in Arkansas, Florida, Georgia, Maryland, Mississippi, North Carolina, South Carolina, Texas, Virginia, and in other States. The larger institutions play the vital role of training physicians, nurses, and other medical personnel for use in staffing the small community hospitals and health centers.

The hospital beds added to the Nation's supply have served to reduce from five million to one and one-half million the number of southerners without hospital facilities. I am proud of the contribution which the program has made to the building of hundreds of public health centers in the South, where public health centers were fewest.

All over the South shabby county health offices in courthouse basements are giving way to new and attractive

public health centers and clinics, and southern communities have a new feeling of pride in preventing illness.

What the hospital program has accomplished in Alabama can perhaps best be described by the words of the editor of the Alabama Hospital News, official organ of the Alabama Hospital Association. The editor writes:

In 1947, when the curtain rang up on the Hill-Burton Act in Alabama, the hospital scene was dismal. Based on estimated need in relation to population, Alabama's existing hospitals provided 1 bed where 3 were needed. Even this does not give a true picture, for hospital distribution provided adequate care in some areas, and no facilities at all in others.

The story of the Hill-Burton hospital program in Alabama reads like a fairy story. Perhaps it is. It's the story of joint cooperation—Federal, State, and local, and the waving of a magic wand over the State. And lo, where there was nothing—a miracle appeared in the form of glistening new hospitals—as beauitful as the finest hotels; as modern as medical research.

Of the program in Alabama, President William B. McGehee, of the Alabama Hospital Association, has declared:

No one can question the worth of the Hill-Burton program in Alabama. The Alabama Hospital Association has endorsed it in the past, and continues to do so. It has permitted the creation of health facilities in Alabama and the South which could not have been done in any other way. Many areas, previously lacking in hospital accessibility, now have good medical facilities. The foresightedness of the program is grand.

Upon admitting Senator HILL to honorary membership in the American Hospital Association, sponsor of the program, the association declared:

Your vigorous enthusiasm, your untiring efforts, and your wise guidance contributed beyond measure to the final enactment of a law which will be of lasting benefit to your fellow citizens.

Based on a recent national survey, the American Hospital Association reports that the Nation has derived these benefits from the program:

For the first time in our history there has been statewide hospital planning. Assistance has been provided to many communities that would not otherwise have a hospital. The program is helping to overcome the shortage of doctors in rural communities. A great contribution has been made to the quality of patient care, with improved physical health and higher standards of health care in the community. The program has enabled early diagnosis of disease and much better preventive medicine for the people.

The new hospitals are training large numbers of new hospital personnel and helping to relieve the shortages of doctors, nurses, and other health personnel. The existence of the program is insurance against the socialization of medicine and of health services.

The construction of the hospitals has greatly stimulated enrollment in voluntary health insurance plans, such as Blue Cross and Blue Shield.

I salute the senior Senator from Alabama, Senator HILL, statesman, and humanitarian. He has done more than anyone else to bring hospitals and the opportunity for good health to the American people, and in doing so he has contributed mightily to the building of the strength and security of our country.

Mr. CROSSER. Mr. Chairman, I yield 27 minutes to the gentleman from Arkansas [Mr. HARRIS].

Mr. LUCAS. Mr. Chairman, will the gentleman yield?

Mr. HARRIS. I yield to the gentleman from Texas.

Mr. LUCAS. I was attempting to learn from the gentleman from Tennessee whether or not the Davis-Bacon Federal Construction Act would apply in cases of hospital construction by these nonprofit institutions.

Mr. HARRIS. The language of this bill does not in any way change existing provisions of the Davis-Bacon Act.

Mr. LUCAS. Does it apply the Davis-Bacon Act to this construction?

Mr. HARRIS. If the Davis-Bacon Act applies to such Federal construction then it would apply here. This does not in any way affect present law with reference to the Davis-Bacon Act.

Mr. LUCAS. I understand that, but if grants are made to the States for the construction of these nursing homes, will the Secretary of Labor step in and set the prevailing wage scale in the community for this construction?

Mr. HARRIS. Insofar as I know, it has never been done with Hill-Burton construction.

Mr. LUCAS. Is it the intention that it be done here?

Mr. HARRIS. The gentleman mentioned a moment ago, I believe, that it is his understanding that it had been applied in some instances. Is that right?

Mr. LUCAS. Yes.

Mr. HARRIS. If it has been applied in some instances in the past, it may be done, because this does not change existing law whatsoever in that regard.

Mr. JONAS of Illinois. Mr. Chairman, will the gentleman yield?

Mr. HARRIS. I yield.

Mr. JONAS of Illinois. Is there any change in procedure under the bill that is now under debate here, that we are contemplating passing, from that which was provided for construction purposes in the allocation of the funds under the Hill-Burton law? In other words, under the Hill-Burton law it was provided that certain funds be allocated to a State. The State set up its own machinery through its director of health as to how that fund was to be allocated and to whom it was to be given. Then the State and the private nonprofit corporation made their own bargain and disposed of the amount of money allowed to the institution. Is there any change in that proceeding under this law?

Mr. HARRIS. Insofar as the authority of the State is concerned, is that what the gentleman has in mind?

Mr. JONAS of Illinois. And the Government. The Government agrees to that procedure, as it did before?

Mr. HARRIS. This does not change existing law in that regard. This proposes to expand what is generally referred to as the Hill-Burton Construction Act, which originally applied to the construction of what is referred to as general hospitals, tuberculosis, chronic disease, rehabilitation, and public health centers. This would expand the program to provide diagnostic treatments not only in hospitals but separate from hospitals constructed under the program, chronic disease hospitals, rehabilitation facilities, in and out of existing hospitals, and nursing homes.

Mr. JONAS of Illinois. I understand that.

Mr. HARRIS. It does not change the law whatsoever or the provision with reference to the authority of the States. If, for example, $50 million has been recommended in the budget for hospital construction under the original act, then the State would be required to allocate the allocation it received for that purpose. If $20 million was appropriated under this expansion program for diagnostic centers, then the States would have to apply such funds to the diagnostic centers. It could not be applied to general hospital construction.

Mr. JONAS of Illinois. I understand. I just will say to the gentleman that I have experienced two instances where funds were allocated to the State of Illinois under the Hill-Burton Act, and all there was to it was that the Government asked the director of health in Illinois how much they wanted, and that was deposited with the State. Then the State set up its own investigating board and they made inquiries of the various nonprofit hospitals as to whether they wanted any funds for improving their hospitals and to carry on certain work. Of course, they had to match that, I think it was one-third and two-thirds. Under this $20-million provision that you have in this bill, it is noted that is for the purpose of building hospitals to take care of chronic diseases and those who are chronically ill, and so on. Is the procedure to obtain that money under this bill any different than the procedure which was applied when you obtained funds under the existing, or what is known as the Hill-Burton Act?

Mr. HARRIS. There is no difference with the exception as to the formula which may be used within the State. There is a change in these additional categories in one respect which was not and has not been made applicable to the Hill-Burton program, and that is with reference to the option of the minimum 50-percent Federal contribution.

Mr. JONAS of Illinois. I thank the gentleman.

Mr. ROGERS of Florida. Mr. Chairman, will the gentleman yield?

Mr. HARRIS. I yield.

Mr. ROGERS of Florida. Before the gentleman continues with his speech, which I know he is anxious to do, would he define for the House what an ambulatory patient is?

Mr. HARRIS. I shall be glad to try to comply with the gentleman's request.

An ambulatory patient, as of course the gentleman knows, is a person who is able to get around by himself, a man who is not confined to bed all the time.

Mr. Chairman, I realize the importance of this proposed legislation. I am not opposed to the bill. I voted to report it out of committee. The committee gave many days and hours of most careful consideration to this problem.

This is an administration bill. It is recommended by the administration as the distinguished chairman of the committee, the gentleman from New Jersey [Mr. WOLVERTON], advised us a moment ago when he read the statement of the President of the United States. So it is a program which is before us with the recommendation of the administration. I emphasize that because I want to refer to it later on.

I want to compliment the chairman of our committee. Out of my experience of some 14 years of service in this great body, I do not believe I have observed anyone who has given more time, earnest and serious consideration to the problems of health and welfare of the American people than our great chairman, CHARLIE WOLVERTON. He has worked hard and diligently. He has had an objective in mind which he has brought to our committee, and the committee, after considering this expansion program, presents it to the House for its consideration.

There have been many claims made by our Republican friends about what they are doing and what they propose to do. Even on the tax question, we have heard so many comments about what they have done by reducing taxes on January 1. In fact, the statement has been made so many times I think some people are probably beginning to believe that the Republican administration has actually reduced taxes, since a reduction became effective January 1, when we know that that was part of the legislation passed in a Democratic administration in 1950.

Now we have another tax bill coming before us. Were it not for that, the additional taxes which were provided in 1950 because of the Korean war, this greater burden of taxation on the American people would automatically expire April 1.

We have seen statements in the last few days that this is going to be a week in which legislative history will be made; great accomplishments for the American people. We did have a bill in this House yesterday to provide for an additional road program. The Federal road program was adopted as far back as 1934, I believe. There have been extensions from time to time. In the last bill the Congress provided $550 million for road purposes without linkage or other such conditions. That amount was authorized. Yesterday we had another extension of this worthwhile program in the House. But tied to this expansion of our road-construction program was a requirement for a permanent 2-cent Federal tax on gasoline. Without such requirement, the American people will not have this expansion program.

In this same announcement about the great accomplishments of this week there was included the tax bill which will come before us tomorrow. The third one mentioned is the program we have here today, a program to provide additional facilities for the health and welfare of the American people.

Our committee reported this bill unanimously. Certainly, who is he that is not for a program which will provide for the health and welfare of our people? Who is there who would not support any program to bring relief to suffering humanity? Consequently, if this may be interpreted as that kind of a program, our committee unanimously reported it and we have it before us today.

Mr. FORAND. Mr. Chairman, will the gentleman yield?

Mr. HARRIS. I yield to the gentleman from Rhode Island.

Mr. FORAND. I have received a number of communications from people operating convalescent and nursing homes who are very fearful that this bill would put them out of business. I wish the gentleman would elaborate a little on that so that I may be able to give my constituents an intelligent answer.

Mr. HARRIS. Would the gentleman mind if I took that up just a little bit later?

Mr. FORAND. Any time in the course of the gentleman's remarks.

Mr. HARRIS. I shall be glad to do that.

This program we have here today is a bipartisan program. There is no partisan element in connection with this and there never has been. There is none intended today. But I do want to make some observations concerning what I think will be the result of this action.

Under the original Hill-Burton program an authorization of $75 million was provided. It provided a Federal-aid program to the States and Territories for general hospital construction, for mental health, tuberculosis, chronic disease hospitals, rehabilitation facilities in hospitals, public health centers, et cetera.

In 1949 the program was revised and extended. The Congress increased the authorization to $150 million annually. Last year we extended the program for another 2 years through 1957.

I asked the Secretary of the Department of Health, Education, and Welfare if, under the present law, almost everything she asked for could not be provided for. It developed in the course of the hearings that the only additional authorization that is not now authorized is for diagnostic or treatment centers, which are separate from hospitals; rehabilitation facilities, which are separate from hospitals; and nursing homes. Yet we here would authorize an additional $60 million for the next 3 years for these purposes, when under existing law there is $150 million authorization for this program on an annual basis. We cannot get one-half that amount appropriated. Only one-third is recommended by the budget for the next fiscal year.

Under existing law diagnostic and treatment centers connected with hospitals can be provided. Under existing law chronic disease hospitals can be constructed, rehabilitation facilities in hospitals can be constructed, yet when we get the budget for the fiscal year 1955 under this existing authorization of $150 million, what do we get? We get one-third of it, we get $50 million.

So we have a program here in which there is additional authorization of $60 million. On the one hand the administration says, as in this case, to the American people, they are going to do great things for them in the field of public health, yet we are reducing the appropriation to provide these facilities under existing law for this coming fiscal year by $15 million. Can you say honestly on the one hand to the American people that you are going to give them something needed for their health, and then on the other hand reduce the funds? We cannot work both sides of the street, or talk out of both sides of the mouth.

Mr. FORAND. Mr. Chairman, will the gentleman yield?

Mr. HARRIS. I yield.

Mr. FORAND. Is not this a repetition of what happened in the 80th Congress? Then, if the gentleman will recall, in an attempt to present an appropriation showing a great reduction, $50 million was deleted which was for hospital construction, and contractual authorization was given that they go ahead and put up the $150 million authorization.

Mr. HARRIS. The gentleman has made a very interesting point there. But it is even worse now because of the changing conditions and existing circumstances.

Mr. FORAND. This was in the 80th Congress, the Republican 80th Congress. Remember? They were elected to take control in the 1946 election. It was far ahead of the Korean war. They were making an attempt to present to the people the idea that they were cutting down the expenditures, and at the same time, if you remember, they also cut out an item of $800 million for the payment of refund of taxes—the Republicans. How can we get away from refunding taxes when the refunds are due the people?

Mr. HARRIS. Yes; the gentleman is quite right, that was 3 years prior to the Korean war.

The point I want to make and which I want to emphasize, as I indicated at the outset, is that this is an administration bill. If the administration wants to provide extended health facilities to the American people, as contained in this bill, how can it justify a continual reduction in the budget? It was reduced a year ago from $75 million for the fiscal year 1953 to a revised budget request of the administration to $60 million for this fiscal year 1954. The Congress finally approved $65 million for this year. Now we get a budget request on our hospital-construction program of $50 million, another reduction in this program which they tell us, and with which I agree, is so vital and so important to the people of the United States of America.

Now let us see if there is justification for reducing this program in the field of general hospital beds or for tuberculosis, or for mental hospitals. What do we find the need to be? There are approved 2,200 projects under the Hill-Burton construction program. One hundred and six thousand beds have been added, $600 million of Federal funds have been joined with $1,250,000,000 of non-Federal funds for hospital construction.

We have in this country 496,565 acceptable hospital beds. That is, general hospital beds. Even though 106,000 beds have been provided under this program, there is additional need for 219,038 beds. We find the need much greater in the

hospital program for mental patients. In fact, I am including the table as supplied for the committee showing the hospital situation, including existing beds and additional beds needed throughout the country, as follows:

HOSPITAL BEDS IN THE UNITED STATES, AS OF JUNE 30, 1953

According to State hospital plans approved under the Hill-Burton Act (Public Health Service Act, title VI, as amended), beds in Federal facilities not included [1]

General summary—United States and Territories

Type of service	Existing beds			Additional beds needed		Total beds needed [3]
	Total	Acceptable	Non-acceptable [2]	Number	Rate per 1,000 population	
Hospitals:						
All categories	1,220,385	1,059,816	160,569	848,678	5.5	1,902,089
General	573,663	496,565	77,098	219,038	1.4	715,665
Mental	491,481	432,443	59,038	336,334	2.2	767,557
Tuberculosis	100,144	86,646	13,498	30,781	.2	112,180
Chronic	55,097	44,162	10,935	262,525	1.7	306,687
Public health centers:	*Units*			*Units*		*Units*
Primary	714			1,518		2,232
Auxiliary	987			1,353		2,340

[1] Beds in operation for civilians in Federal facilities of the Veterans' Administration, Indian Service, and Public Health Service were last reported as follows: General, 46,672; mental, 49,752; tuberculosis, 15,906; chronic, 6,712=total, 119,042.

[2] As classified by the State agencies, on the basis of fire and health hazards.

[3] According to ratios prescribed in the Public Health Service Act, as follows: General—4.5 beds per 1,000 population (except 5.0 and 5.5 where State population density is from 6 to 12 per square mile or below 6 per square mile). Mental—5 beds per 1,000 population. Tuberculosis—2.5 beds per average annual death, for latest 5-year period. Chronic—2 beds per 1,000 population. Health center—not to exceed 1 primary center per 30,000 population (or 1 per 20,000 population when State population density is below 12 per square mile).

There can be no justification then insofar as need is concerned, for reducing this program which is so vital to the future health of our people.

I inquired of Mrs. Hobby, the Secretary, about this. You will find it in the hearings. I understood from what she said that they were recommending in the budget $112 million this year, $50 million for the hospital construction program under the old act and $62 million under this program. But it develops that $50 million is all the administration is recommending. They say that in the supplemental, somewhere down the line, if this authorization is provided it is their intention to come back and ask the Congress for this additional amount. It is only an announcement that the administration, if this goes through, may come back and ask for additional funds. Let me read the colloquy between the Secretary, Mrs. Hobby, and myself on this question. Mrs. Hobby had earlier in the day given me the impression that the budget contained a request for $112 million for hospital construction for the next fiscal year. I thought it should be cleared up. I read from the hearings, page 71, as follows:

Mr. HARRIS. Mrs. Hobby, I should like to go back to our discussion this morning with reference to the budget. As I understand your response to the questions that I asked, you replied that the budget has requested $112 million for the 1955 program.

Secretary HOBBY. I cannot tell you exactly what I said, Mr. HARRIS. I can tell you exactly what the President has requested in the field of health, and that was $50 million for the old Hospital Survey and Construction Act, and $62 million in this area, which is a total of $112 million.

Mr. HARRIS. Both approaches are very important, but the first approach cannot be effectuated unless the second approach is carried out. In other words, the authorization is necessary.

Secretary HOBBY. Yes, sir.

Mr. HARRIS. But unless we get the appropriation following the authorization, then we have not gotten anywhere, have we?

Secretary HOBBY. That is correct.

Mr. HARRIS. I bring this up again simply to clarify in my own mind what I believe is in the record, and that is the impression that there actually is a request to the Congress, through this budget, for $112 million. The Appropriations Committee will of course consider the budget as requested, together with whatever clarification you and your associates make when you appear there.

I find on page 667 of the budget, appropriated 1954, $65 million. That is for the fiscal year. Estimate, which is request, for 1955, $50 million grants for hospital construction under the Public Health Service.

Secretary HOBBY. That is correct.

Mr. HARRIS. That is a direct request of the Congress for that money.

Secretary HOBBY. That is correct.

Mr. HARRIS. On page 706, I find this in the budget: Proposed for later transmission, proposed expansion for grants for hospital construction program. In other words, that is a proposal in the budget for general information that, should this authorization be provided, later an actual request would be made. It that true?

Secretary HOBBY. You have the book before you, and, as I recall it, it is true. It is correct.

Mr. HARRIS. It is the budget that comes from your Department, and that is the reason I am trying to clarify what is meant.

Secretary HOBBY. Mr. HARRIS, I am trying to be as helpful as I know how. You have the advantage of having the book before you, and I have not.

Mr. HARRIS. I would be glad to provide it to you.

Secretary HOBBY. Let me finish. As I recall, that is exactly the situation. That is the reason I tried to answer you so carefully this morning, to tell you that there was in the budget $50 million for the Hospital Survey and Construction Act, and a request for an authorization of $62 million under this proposed legislation.

Mr. HARRIS. That would be perfectly correct, but I understood it was a request for an appropriation of $112 million.

Secretary HOBBY. If I misled you, I did so inadvertently.

Mr. HARRIS. I know that.

Secretary HOBBY. I thought I made it perfectly clear.

Mr. PERKINS. Mr. Chairman, will the gentleman yield?

Mr. HARRIS. I yield to the gentleman from Kentucky.

Mr. PERKINS. I would like to ask the gentleman from Arkansas just what percentage of necessary hospital beds his own State now has along with the other States.

Mr. HARRIS. I have already included the information in the hospital summary in categories authorized under the original hospital program. I shall be glad to include with my statement a table giving a breakdown of all categories by States and regions.

Mr. PERKINS. I thank the gentleman.

Mr. HARRIS. Mr. Chairman, I bring this to the attention of the House in order to show that we are saying here by this legislation that there is need for expansion of this program and subsequently actually reduce it. It is not a consistent approach. As the Secretary said, the reason that she is making this approach and coming to us with it is to emphasize more these particular categories. Frankly, although I am supporting this legislation, I have some serious reservations in my own mind as to whether or not in many instances we are going to have any takers in this field.

We have had very few projects approved under existing law for diagnostic centers, for chronic disease hospitals or for rehabilitation facilities. Whether or not there will be sponsors for the program, realizing their need, is something that will have to be determined by the local authorities within the States.

Now, as to nursing homes. We are getting into the field of nursing homes. This is the only controversial feature of the bill. It is the new feature of the program. The people operating nursing homes throughout the country are fearful that this will put the Government or the localities, nonprofit institutions and associations, in competition with them. Frankly, if private nursing homes can provide the need, I would much rather see the program expanded by them. There is some justification for their fear. Private enterprise cannot compete with a Government program and exist.

I do not think, however, the fear will be as great as some think now. Need must be shown in the locality. Sponsors must be available, provide its share of cost of any such nonprofit project. Surveys must be made by State agency and plans must be approved by States as well as the Public Health Service. However, we are advised that there are many existing nursing homes in the country that are simply not for the interest and the welfare of the general public. We have had brought to our attention nursing homes in the country that certainly should not be permitted to exist; nursing homes which create hazards, actual fire hazards, and other conditions that do not lend themselves to the best interests of mankind.

Now, if this measure will emphasize this needed program, if it will give to the American people what they should have in this field, then I say we have brought to this Congress and we have brought to the American people an additional type of facility toward relieving suffering humanity. So, with changes that have been made to preserve the Hill-Burton Act as was originally adopted and later revised and extended, and since we have made it certain that this does not affect or alter that program at all, I am for the bill. My particular and special interest has been in seeing that the original Hill-Burton hospital-construction program is not interfered with. I am fearful that by bringing this program here at this time the result is going to be to reduce the emphasis in these fields that are needed most.

The information and table above referred to and requested is as follows:

TABLE I.—*All categories—Showing population basis, existing beds, additional need and total need, by States and regions*

State and socioeconomic region	Civilian population per plan [1]		Existing beds			Additional beds		Total beds needed [3]
	Date	Number	Total	Acceptable	Nonacceptable [2]	Needed	Rate per 1,000 population	
United States and Territories		153,478,630	1,220,385	1,059,816	160,569	848,678	5.5	1,902,089
United States		150,646,487	1,200,422	1,044,178	156,244	820,549	5.4	1,859,131
New England		9,311,261	91,434	81,683	9,751	35,003	3.8	115,479
Connecticut	July 1951	2,026,000	21,093	18,757	2,336	6,524	3.2	24,586
Maine*	April 1950	912,000	6,490	6,490		4,616	5.1	11,106
Massachusetts	do	[4] 4,690,514	48,549	42,563	5,986	17,116	3.6	59,167
New Hampshire	July 1951	531,000	4,574	4,316	258	2,209	4.2	6,525
Rhode Island	April 1950	774,000	7,346	6,832	514	2,698	3.5	9,530
Vermont	do	[4] 377,747	3,382	2,725	657	1,840	4.9	4,565
Middle East		36,128,206	339,287	287,075	52,212	160,172	4.4	445,702
Delaware	July 1951	[4] 329,000	3,456	2,762	694	1,264	3.8	4,026
District of Columbia	April 1950	769,000	10,564	8,803	1,761	2,434	3.2	10,017
Maryland	do	2,306,000	23,424	18,604	4,820	10,608	4.6	28,887
New Jersey	July 1951	[4] 4,972,000	39,895	36,910	2,985	24,414	4.9	61,324
New York	July 1952	[5] 15,267,206	164,192	136,956	27,236	49,779	3.3	186,735
Pennsylvania	April 1950	10,480,000	85,314	73,184	12,130	56,901	5.4	130,085
West Virginia	do	2,005,000	12,442	9,856	2,586	14,772	7.4	24,628
Southeast	April 1950	31.471,541	201,010	177,086	23,924	213,590	6.8	390,461
Alabama	do	3,053,000	12,865	12,065	800	25,347	8.3	37,412
Arkansas	do	1,908,000	12,477	8,541	3,936	14,461	7.6	22,951
Florida	do	2,729,000	19,709	17,455	2,254	15,872	5.8	33,197
Georgia	July 1950	3,418,000	25,049	22,626	2,423	19,125	5.6	41,751
Kentucky	April 1950	2,913,000	16,823	16,097	726	20,812	7.1	36,909
Louisiana	do	2,670,000	21,772	17,659	4,113	16,721	6.2	34,380
Mississippi	July 1950	2,169,541	12,212	8,612	3,600	18,093	8.3	26,705
North Carolina	April 1950	4,014,000	25,608	25,331	277	25,132	6.3	50,429
South Carolina	do	2,096,000	11,269	10,918	351	14,717	7.0	25,635
Tennessee	do	3,281,000	21,141	20,913	228	20,360	6.2	41,273
Virginia	do	3,220,000	22,085	16,869	5,216	22,950	7.1	39,819
Southwest		11,246,872	75,924	70,288	5,636	70,933	6.3	141,221
Arizona	July 1951	776,872	5,991	4,926	1,065	6,052	7.8	10,978
New Mexico	April 1950	668,000	4,343	4,117	226	5,408	8.1	9,525
Oklahoma	do	2,218,000	19,404	16,414	2,990	10,903	4.9	27,317
Texas	do	7,584,000	46,186	44,831	1,355	48,570	6.4	93,401
Central		40,056,058	303,290	256,570	46,720	232,132	5.8	487,054
Illinois	do	8,672,000	70,651	58,504	12,147	48,235	5.6	106,739
Indiana	do	3,932,000	25,539	19,607	5,932	27,964	7.1	47,571
Iowa	do	2,621,000	19,435	13,621	5,814	17,189	6.6	30,810
Michigan	July 1951	6,524,000	48,070	36,181	11,889	43,567	6.7	79,166
Minnesota	April 1950	[4] 2,982,483	24,985	22,501	2,484	13,944	4.7	35,630
Missouri	do	3,952,000	32,259	31,234	1,025	18,291	4.6	49,525
Ohio	do	7,938,000	54,349	49,271	5,078	46,936	5.9	96,207
Wisconsin	do	[4] 3,434,575	28,002	25,651	2,351	16,006	4.7	41,406
Northwest		7,983,549	68,002	60,218	7,784	40,355	5.1	100,364
Colorado	July 1951	1,334,000	13,981	12,496	1,485	4,750	3.6	17,246
Idaho	do	588,000	3,722	3,352	370	3,834	6.5	7,186
Kansas	April 1950	[4] 1,905,299	14,006	10,550	3,456	11,896	6.2	22,446
Montana*	do	589,000	6,141	5,758	383	2,604	4.4	8,309
Nebraska	do	[4] 1,325,510	12,388	11,522	866	4,683	3.5	16,205
North Dakota*	do	620,000	6,167	6,120	47	3,026	4.9	8,990
South Dakota*	do	[4] 652,740	5,280	4,522	758	3,446	5.3	7,968
Utah	do	687,000	3,934	3,793	141	4,604	6.7	8,397
Wyoming	do	282,000	2,383	2,105	278	1,512	5.4	3,617
Far West		14,449,000	121,475	111,258	10,217	68,364	4.7	178,850
California	July 1950	10,421,000	92,368	84,978	7,390	45,379	4.4	130,424
Nevada	July 1951	166,000	1,246	1,130	116	1,080	6.5	2,210
Oregon	April 1950	1,519,000	9,946	9,441	505	8,698	5.7	18,137
Washington	July 1951	2,343,000	17,915	15,709	2,206	13,209	5.6	28,079
Territories		2,832,143	19,963	15,638	4,325	28,129	9.9	42,958
Alaska	April 1950	[4] 128,643	2,017	1,248	769	971	7.5	2,281
Hawaii	July 1950	474,000	5,288	3,789	1,499	2,881	6.1	5,799
Puerto Rico	April 1950	2,203,000	12,466	10,409	2,057	24,119	10.9	34,528
Virgin Islands*	July 1950	26,500	192	192		158	6.0	350

[1] All plans for fiscal year (1953) except for States shown with an asterisk.
[2] As classified by the State agencies, on the basis of fire and health hazards.
[3] According to ratios prescribed in the Public Health Service Act, as follows: General—4.5 beds per 1,000 population (except 5.0 and 5.5 where State population density is from 6 to 12 per square mile or below 6 per square mile). Mental—5 beds per 1,000 population. Tuberculosis—2.5 beds per average annual death, for latest 5-year period. Chronic—2 beds per 1,000 population. Health center—not to exceed 1 primary center per 30,000 population (or 1 per 20,000 population when State population density is below 12 per square mile).
[4] Total population.
[5] As adjusted by State.

Mr. HINSHAW. Mr. Chairman, I yield 5 minutes to the gentleman from Maine [Mr. HALE].

Mr. HALE. Mr. Chairman, I am in favor of this legislation and I urge its passage. I hope it will have the unanimous support of this House.

Mr. Chairman, I have listened with great interest and attention to the remarks of the very able gentleman who has just addressed the committee, and I have listened to other remarks emphasizing more or less partisan features or supposed partisan features of this and other bills. I cannot be very much interested in those phases of this legislation.

I do not think that this is a uniquely humanitarian piece of legislation. I voted for some excellent measures which originated over on the other side of the House in the last 12 years, although I do not think it would be quite fair to say that the original Hill-Burton Hospital Construction Act was a purely Democratic measure. But, I am not interested in all those claims of partisan advantage.

Mr. Chairman, this is a piece of legislation designed for the public welfare and I believe it will tend to operate in the public welfare. It is simply an extension to four other types of construction of the provisions of the Hill-Burton law. The Hill-Burton law has been, I believe, as nearly as I can tell and from all the information that has ever come to me, a distinctly successful piece of legislation. Under it many hospitals have been built which presumably would not otherwise have been built. On the other hand, it has done nothing to deter the construction of hospitals which would otherwise have been built. If I had supposed that this piece of legislation now before us would discourage the building of hospitals under the Hill-Burton Act, I should certainly not have voted for it in the committee, and I should not be on the floor this morning advocating its passage.

Mr. CANFIELD. Mr. Chairman, I wonder if the gentleman would yield to me at this point to make a correction about what the 80th Congress did with respect to appropriations for hospitals.

Mr. HALE. I should be happy to yield to the gentleman.

Mr. CANFIELD. I have just checked with the House Committee on Appropriations and I find that for the fiscal year 1948 the Truman administration requested $50 million and the Republican Congress voted $75 million. For the fiscal year 1949 the Truman administration requested $75 million and the Republican 80th Congress voted $75 million.

Mr. HALE. That is very interesting information which the gentleman from New Jersey has just given us, and I am happy to have it in the RECORD.

However, I would like to emphasize, in view of what has been said by speakers preceding me, that the legislation now before us is not an appropriation bill and still less, of course, is it a tax bill. When the question of excise taxes or other taxes comes before the House tomorrow, the Members will vote as they see fit. They will vote as they see fit on appropiation bills which will come before the House on the question of public health.

I do not suppose that budget requests are determinative of what we may wish to appropriate for public health. This is simply an authorization bill that authorizes expenditures up to $62,500,000 for the particular types of institutions mentioned in the bill.

The only sensible course seems to me to pass the bill and see if it does not accomplish the good that it is designed to accomplish. I favor the bill, not because the President has asked for it, not because it will help our party, but because I think the country will benefit from its enactment.

Mr. HINSHAW. Mr. Chairman, I yield 5 minutes to the gentleman from Iowa [Mr. DOLLIVER].

Mr. DOLLIVER. Mr. Chairman, obviously in the 5 minutes which have been allotted to me I cannot discuss all the details of this bill. There are only two aspects which I wish to call to your attention.

The first is that this program is essentially under the control of the States. I think that is an objective which ought to be kept in mind. It is the provision of the bill which is of utmost importance. Traditionally the care of the health of our people has been a local and State function.

For example, the licensing of practitioners of the healing arts has always been a function of the State government and has never been gone into by the Federal Government. So it is with this program.

Before any of this Federal money is spent, an agreeable arrangement must be made between the State and Federal authorities in the field of health setting up a program which is acceptable, not only to the Federal standard but also is acceptable within the State that is involved. It is most important that we do not lose sight of that.

There is one phase of the program which is of extreme interest to me personally and which I think ought to be emphasized in this discussion, and that is the rehabilitation program which is involved in the pending legislation. Most of us understand what is meant by rehabilitation of the disabled.

There is a rehabilitation program for example, in the Veterans' Administration, designed to enable a veteran who has been disabled by combat or by other cause in the service, to regain his useful place in society. The rehabilitation provisions of this bill are designed to do that for people who do not have the advantages that come to them through the Veterans' Administration. That is to say, the general public.

Some of us may not realize the extreme importance of rehabilitation, not only from the standpoint of the individual, but from a social standpoint. For example, here is an individual who may suffer the loss of a limb in an industrial accident or in a home accident. Unless he can be retrained, perhaps to another occupation, he becomes totally dependent upon his family, upon his friends, upon society. But if by proper training, both physical and mental, he can be rehabilitated so he can take a new position and become selfsupporting, he regains a place in society where he can become self sufficient and responsible. It takes a load off the backs of the taxpayers, either locally or on the State level. So that instead of being a burden on society that individual is able to contribute something to the body politic.

In considering this legislation in all of its aspects, it is well to emphasize the fact that here is a program which permits the Federal and State governments together to study this rehabilitation program, along with the others, and determine upon the program within the State that is acceptable both on the Federal and the State level, and then to try to undertake to help these people who need help, to the end that they may become self-supporting and self-sufficient in their communities.

The CHAIRMAN. The time of the gentleman from Iowa [Mr. DOLLIVER] has expired.

Mr. HINSHAW. Mr. Chairman, I yield the gentleman 1 additional minute.

Mr. HARRIS. Mr. Chairman, will the gentleman yield?

Mr. DOLLIVER. I yield.

Mr. HARRIS. The chairman has asked if this in any way would interfere with the vocational rehabilitation program which, as you know, is provided by authorization from another committee. As I understand, this has no relation whatsoever to vocational education.

Mr. DOLLIVER. No, it has not. This is a physical and therapeutic rehabilitation program, and in no way interferes with any other program.

The CHAIRMAN. The time of the gentleman from Iowa has again expired.

Mr. WOLVERTON. Mr. Chairman, I yield 5 minutes to the gentlewoman from Ohio [Mrs. FRANCES P. BOLTON].

Mrs. FRANCES P. BOLTON. Mr. Chairman, I want to take this opportunity to congratulate and thank the distinguished chairman of the Committee on Interstate and Foreign Commerce, Mr. WOLVERTON, for the consecrated work he has done in conducting so broad an inquiry into the health situation.

During the recess last fall the gentleman from New Jersey [Mr. WOLVERTON] and two other members of the committee—Mr. SPRINGER and Mr. HOFFMAN of Illinois—made a trip to Europe and other parts of the world to get the benefit of the experience of other governments, private agencies, and diversified groups in establishing programs for alleviating the high cost of health preventative measures, and health treatment.

It has been helpful to those of us who have spent many years both in and out of Congress trying to improve the health situation in America, to have had read into the RECORD the exceedingly useful testimony which has been given before the committee. May I express my keen appreciation to the distinguished gentleman from New Jersey [Mr. WOLVERTON] for making it so readily available to all of us.

We who are and must be deeply and increasingly concerned with the health of the United States are heartily in favor of the health program which was submitted by the President, and which is being carried out by the Committee on

Interstate and Foreign Commerce bit by bit. But while being strongly in support of measures to assist where needed the construction of additional hospital facilities, I am increasingly troubled over the fact that no provision has so far been suggested even for the training of additional nursing personnel to staff these new facilities. I appreciate very well that there is going to be a shortage of medical staff, of the various technicians, and so forth. But a hospital is better able to do without some of these than without nurses of some grade of training.

As I reported to the House in my Survey of the Health Care Situation in America on February 25, there is unquestionably an acute shortage of nurses in this Nation. In many areas of the country whole hospital wards are being closed because there are no nurses to staff them. Just how do we propose to staff these additional facilities to be constructed under the Hospital Survey and Construction program?

I am wondering, Mr. Chairman, whether it would not be possible for the committee in its survey, for which we are to appropriate funds, to include in that survey a very clear presentation of the number of additional nursing personnel that will be needed. It would be most helpful to those of us who are planning ahead and attempting to do something about stimulating the girls to go into nursing and also doing the very serious job of increasing the number of teachers and instructors of nursing.

May I say, also, Mr. Chairman, that on yesterday I called our State director of health, Dr. Porterfield, and asked him whether he had anything to suggest or propose or add. He was very much interested that there would be $82,469 possible for Ohio. He felt this would make it possible to include a survey of the health needs of the rural areas, a very important area of need.

One of the problems that he brought to me was this. In Miami County, half way between Piqua and Troy, there has been built a very wonderful memorial hospital for chronic patients, with private funds. There are 140 beds. During the first 2 months of the life of that hospital only 7 patients were admitted. The reason he gave me was that the Blue Cross in Ohio—and I do not know what the Blue Cross organizations may do in other States—but the Blue Cross in Ohio does not pay for patients in specialized hospitals.

The CHAIRMAN. The time of the gentlewoman from Ohio has expired.

Mr. WOLVERTON. Mr. Chairman, I yield 2 additional minutes to the distinguished lady, and take advantage of the opportunity to say that I greatly appreciate the fine things she has said about the chairman of our committee. I also want the House to know that the matter to which the lady has referred, namely, the necessity of additional doctors and nurses, and particularly the latter, is a matter of extreme importance. I am well aware of the very careful study and consideration that the lady has given to that particular subject, and I am hopeful that our committee, before we adjourn this session, will be able to give her an opportunity to present the facts to our committee in support of the nurses training bill that she has so ably and zealously advocated over a period of years.

Mrs. FRANCES P. BOLTON. I thank the gentleman very much.

May I simply add this, to finish the sentence I had started, that the Blue Cross in Ohio does not pay for patients in specialized hospitals. Therefore, this very fine memorial hospital in the true spirit of service has added those facilities necessary to a general hospital, and within a very short time added 40 patients to the list.

In the matter of nursing, Mr. Chairman, I am continuing, as you know, the very careful study of the whole situation in nursing, the best way to secure students and the best way to teach them. It may be that I shall not be ready to present to this Congress any really organized legislation in this session, should adjournment come as early as seems to be anticipated.

Mr. PRIEST. Mr. Chairman, will the gentlewoman yield?

Mrs. FRANCES P. BOLTON. I yield.

Mr. PRIEST. I asked the gentlewoman to yield because I want to join the chairman of our committee in expressing a very sincere appreciation for the effort that has been put forth by the gentlewoman from Ohio in this particular field, and the great help that she has been to our committee in the past in this and related health subjects.

Mrs. FRANCES P. BOLTON. I thank the gentleman very much.

Mr. HINSHAW. Mr. Chairman, I yield 5 minutes to the gentleman from Indiana [Mr. BEAMER].

Mr. BEAMER. Mr. Chairman, H. R. 8149, the bill presently before the Committee of the Whole House, is one of the important measures to be considered in this session of the 83d Congress. Briefly, it amends the hospital and construction provisions of the Public Health Service Act.

President Eisenhower in his message to the Congress on January 18 recommended the encouragement of the Hospital Survey and Construction Act, and the House Interstate and Foreign Commerce Committee has given very serious consideration and extended hearings were held in behalf of this bill.

First of all, it is an amendment to the Hospital Survey and Construction Act of 1946 which is known as the Hill-Burton Act. This legislation was amended by the 81st Congress and also by the 1st session of this 83d Congress. Thus, the Congress twice has reaffirmed the soundness of the program. This Hospital Extension Act and the program which it embraced apparently has met with general approval by all groups.

First of all, H. R. 8149 provides and assists the States by providing funds for surveying the need for (a) diagnostic or treatment centers; (b) hospitalization for chronically ill and impaired; (c) rehabilitation facilities; (d) nursing homes; and, to provide for the construction of special facilities as may be determined advisable or needed by the respective States.

In the years since the original Hospital Survey and Construction Act was approved by the Congress and signed by the President, approximately 2,200 construction projects have been approved. Federal expenditures for these projects amounted to approximately $600 million, and more than $1¼ billion of this total expenditure was provided by State, local, and other funds. Thus, the $1 that was expended by the Federal Government was met by and even, perhaps, inspired or encouraged by the spending of $2 by non-Federal groups.

These 2,200 construction projects have provided 106,000 additional beds. Of these, 6,000 were general—medical and surgical—11,000 were for mental cases, 6,000 for tuberculosis cases, and 3,000 for those afflicted with chronic diseases. This shows remarkable progress and most apparently was appreciated by all of the communities, especially when it is noted that such a large cross section of communities in the United States applied for and received these benefits which they otherwise could not have secured. However, the total number of beds are still short of the actual need. For example, approximately 70 percent of the need has been supplied in the field of general beds—medical and surgical—and only 12 percent of the need has been provided in the case of chronic diseases. The advancement of medical science has made it possible to overcome certain categories of illnesses and human illnesses with the result that the needs vary from time to time in these various fields.

This new bill, H. R. 8149, briefly, provides the following:

Two million dollars for survey of needs within the State with a minimum allotment of $25,000 to any one State;

Twenty million dollars for the construction of hospital facilities for the chronically ill and impaired;

Twenty million dollars for the construction of diagnostic or treatment facilities;

Ten million dollars for the construction of rehabilitation facilities; and

Ten million dollars for the construction of nursing homes.

All four of these categories will be eligible only and if they are for public or nonprofit purposes.

Practically all of this type of assistance to the sick and needy has been not only under consideration but also in actual operation from a public and nonprofit point of view with the exception of nursing homes. Naturally, this raised a point in question on the part of the various associations of licensed nursing homes in a number of States. It was an expression of a fear that, perhaps, this was a means of setting up State-owned and operated nursing homes in competition with privately owned and State-licensed nursing homes. The committee felt that safeguards were made in the legislation and also in the committee report that would protect these various groups that have been operating nursing homes and similar facilities, from any such competition. In fact, it was pointed out that the recognition of the nursing home as one of the important adjuncts to the Hospital

Survey and Construction Act would further the cause of the private nursing home.

This proposal further represents an auxiliary approach to the provision of beds for patients with chronic illnesses and impairment who are not in need of the intensive medical and nursing care that generally is provided in hospitals. It also should be pointed out that not only the hearings in the committee but also the report emphasizes the fact that individuals may not secure any of these funds in the expectation or hope of building any of these facilities for their own personal or private gain.

There are two very important points to this legislation. First of all, the President has expressed himself in absolute opposition to socialized medicine. I heartily commend and join him in this declaration. I also join him and all others who have done so much to turn back the socialistic trend that was apparent in many fields of endeavor, and most especially that was being advocated in the field of medicine. The operation of the Hospital Survey and Construction Act has been an encouragement to the private practice of medicine instead of the State-control of medical services. This amendment to that act further strengthens that conviction.

The second important point is the fact that this act provides assistance to the States. It is a further important part of the much-longed-for desire to return the proper authority to the States as is provided in our Constitution.

Special reference is made to section 635, page 18, of the printed bill:

SEC. 635. Except as otherwise specifically provided, nothing in this title shall be construed as conferring on any Federal officer or employee the right to exercise any supervision or control over the administration, personnel, maintenance, or operation of any hospital, diagnostic or treatment center, rehabilitation facility, or nursing home with respect to which any funds have been or may be expended under this title.

This emphasizes the fact that this authority will be left with the States for the determination of their needs.

A further conclusion that makes this legislation especially worthy is the fact that it distinguishes between social service and socialistic practices. In other words, the Federal Government does not ask to own nor to control any of the health facilities but it leaves that control to the States, local communities, and other nonprofit groups. The intent, of course, is to secure and encourage a broadening of these facilities for the many people who need medical attention, and to assist the medical profession in the furtherance of their worthy desire to continue to be of greater service.

Mr. CROSSER. Mr. Chairman, I yield 1 minute to the gentleman from New York [Mr. KLEIN].

Mr. KLEIN. Mr. Chairman, I take the floor at this time to make just one brief observation. I understand the gentleman from Indiana [Mr. BEAMER] made some reference to politics in connection with this legislation. I want to state as emphatically as I know how that there is no partisanship in connection with this issue. As a matter of fact, there has been very, very little partisanship during the time I have served on this committee.

I want to commend our chairman, the gentleman from New Jersey [Mr. WOLVERTON], as well as our former chairman, the gentleman from Ohio [Mr. CROSSER]. One of the things we pride ourselves about in our committee is that there is so little, if any, partisanship, and any bills coming out of the committee are reported for the good of the entire Nation and without regard to political consequences.

Mr. CROSSER. Mr. Chairman, I yield 9 minutes to the gentleman from Rhode Island [Mr. FOGARTY].

Mr. FOGARTY. Mr. Chairman, I listened to my friend from New Jersey a few moments ago tell the House that the 80th Congress, under control of the Republican Party, as I remember it, appropriated $75 million for hospital construction under the Hill-Burton Act in 1948 and that the Truman administration only asked for $50 million and that in 1949 the 80th Congress appropriated $75 million. I do not remember what was asked by the Bureau of the Budget.

I was a member of the Committee on Appropriations at the time that the first appropriation was made under the leadership of Frank Keefe, of Wisconsin, who was a great advocate of this program. The fiscal year 1948 was the first year that this Congress was called on to appropriate any money. It did not appropriate anything in 1948. What we did was give contract authority for $75 million, but did not appropriate a dime.

In 1949 we appropriated $15 million and authorized for contract authority $75 million.

In 1950 after the act had been amended and changed by unanimous vote in this House, and I believe in the Senate, by your votes, those of you who were here in 1950, you authorized an annual expenditure of $150 million. That was the first year it went from $75 to $150 million. So we gave contract authority for $150 million in 1950, but we still only appropriated $40 million in that year.

In 1951 the Bureau of the Budget again authorized $150 million, but we only appropriated $85 million. The House, I think, that year appropriated $75 million and the Senate added on $10 million more, and as a consequence we appropriated in 1951 $85 million.

In 1952 we got out of the contract authority stage then. It was then decided by the Bureau of the Budget that there shall be no more contract authority, that is, binding future Congresses to appropriate so much money. We got out of the contract authority business in 1952, and we appropriated then $82.5 million.

In 1953 we dropped back to $75 million, even though we still had an authorization of $150 million. The bill was extended against last year for another 2 years, as I understand, by unanimous vote of this body, authorizing the expenditure of $150 million.

For fiscal 1954 the Bureau of the Budget allowed $75 million of the $150 million authorized, but the committee of which I am a member cut it from $75 million last year down to $50 million, and by a rollcall vote last May in this Chamber this House refused by 6 votes to go from $50 million to $75 million to be expended in 1954. I do not remember how much the Senate raised the figure of $50 million, but we came out of the conference with $65 million for the fiscal year that we are operating in at the present time. So we have gone down $10 million since fiscal 1953 to $65 million in fiscal 1954.

Now, what is the Bureau of the Budget asking for this year for hospital construction under the Hill-Burton law which you men and women voted to extend last year with authorization of $150 million? Your administration this year is requesting of this Congress $50 million for hospital construction or $100 million less than the Congress by unanimous vote authorized last year for fiscal 1955 starting July 1 of this fiscal year. This despite the fact that I do not know how many thousand additional beds are needed at the present time. Despite the fact that, in my opinion, this has been one of the best run governmental programs of any kind. There has been no politics in this program at all. It did not make any difference what State you came from or what congressional district you came from, these projects were allocated with no regard for politics. In fact, the States themselves, under the medical committees set up in the various States, were the ones who selected the projects and selected the percentage of grant that they would take under this program and the percentage that the State or the local community would put up to pay its share of these particular projects.

Mr. HARRIS. Mr. Chairman, will the gentleman yield?

Mr. FOGARTY. I yield to the gentleman from Arkansas.

Mr. HARRIS. I ask the gentleman to yield for the purpose of filling in the information he alluded to a moment ago with reference to the need for additional hospital beds. As of June 30, 1953, in the categories authorized under the Hill-Burton Act, that is, general, mental, tuberculosis, and chronic, there is need for 846,678 additional beds in the United States and Territories.

Mr. FOGARTY. I thought it was in the neighborhood of 800,000 but I was not sure.

There is one thing I want to make sure of before I sit down, and that is that I did not offend my good friend from New Jersey, because I remember in the fiscal year 1948–49, when the 80th Congress had control of this bill, that he was one of the prime supporters of this bill originally and always supported the appropriations. I mean no reflection on the gentleman at all, but I do know there was some mix-up in what was considered appropriations and what was considered contract authority at that time. We are no longer considering anything like contract authority in the budgets that we have before us at the present time.

Mr. CANFIELD. Mr. Chairman, will the gentleman yield?

Mr. FOGARTY. I yield to the gentleman from New Jersey.

Mr. CANFIELD. As one who follows the philosophy of the gentleman from Rhode Island in his approach to this

subject, I rise now to ask him this question: Is it not true that during the 8 years we have been appropriating funds to carry out the purposes of the Hill-Burton Act only once during those 8 years has any administration asked for the full amount of $150 million authorized by the legislative enactment?

Mr. FOGARTY. The gentleman is correct. In 1950 the budget called for an appropriation of $75 million and we raised that to $150 million in contract authority and in fiscal 1951 the budget was for $150 million and that was granted.

Mr. CANFIELD. $85 million?

Mr. FOGARTY. No; we gave contract authority for $150 million. That was the last year of contract authority, if the gentleman will remember. Does the gentleman recall that omnibus appropriation bill we had at that time? We worked on it for 2 years. One of the tail-end amendments that was adopted by the House was to put in reserve 10 percent or some percentage of the funds. It was then that $75 million was withheld, after we had authorized $150 million. Then $10 million was appropriated in a deficiency bill, which makes the total of $85 million referred to by the gentleman.

Mr. HINSHAW. Mr. Chairman, I yield 5 minutes to the gentleman from Illinois [Mr. BUSBEY].

Mr. BUSBEY. Mr. Chairman, I have asked for this time just to clear up one or two points; not that I am in opposition to the work the Committee on Interstate and Foreign Commerce has done, because I had the honor of serving on that committee at one time and the chairman of the committee is one of my dear friends. I have no higher regard for any Member of the House than for the gentleman from New Jersey [Mr. WOLVERTON].

However, on pages 5 and 6, under "Part G—Construction of Diagnostic or Treatment Centers, Chronic Disease Hospitals, Rehabilitation Facilities, and Nursing Homes," I notice that we have a proposed total authorization of $60 million for what could properly be called categorical grants. I sometimes wonder about the advisability of legislation containing categorical grants. Programs develop and categories allow for requests for larger and larger sums each year; and it never is possible to retrench. But the question is, Why authorize $60 million for construction, when the existing act contains $100 million above the 1955 budget request? In other words, as my good friend, who served on the Committee on Appropriations with me and has served so admirably for 11 years, the gengentleman from Rhode Island [Mr. FOGARTY] pointed out, there is already authorization for $150 million in this construction program. It does seem to me it would be a little better if we made a shift in the program—to have it done by a change in the language, rather than to have this categorical grant. I am sure the committee must have had some good reason for doing that, and I would be very happy if the chairman or the gentleman from Arkansas [Mr. HARRIS], who introduced the bill to extend the law 2 years ago, would give me the reasoning back of that.

Mr. WOLVERTON. The reasoning back of the categorical manner of approach was in order that there would be an incentive given to the building of those facilities which the evidence showed were so necessary. The testimony demonstrated that so long as they were made a part of the original Hill-Burton Act there had not been that recognition of the necessity, which in the opinion of those who were best informed, thought there should have been. Consequently, by making it a categorical reference, as we have done under title G, the purpose we sought to serve was that attention would be directed to it, and that it would give recognition to the importance of it, and encourage the building of those special facilities which, as you know, with one exception, could not be built under the Hill-Burton Act except in connection with a hospital. Those were made on the basis that they could be constructed without regard to connection with a hospital, to the end that communities that had no hospital could have the benefit of those different facilities.

Mr. BUSBEY. I thank the gentleman for the explanation, but my question is still unanswered as to why this could not be done by a change in the language of the act, rather than by categorical grants.

Mr. WOLVERTON. Do I understand the gentleman is opposed to it in principle, or opposed to the draftsmanship or the manner of approach?

Mr. BUSBEY. No. It is fear on my part that, after we get into these categorical grants, they will be built up next year, and built up and built up, like a great many other things are.

The CHAIRMAN. The time of the gentleman from Illinois [Mr. BUSBEY] has expired.

Mr. WOLVERTON. Mr. Chairman, I yield the gentleman 3 additional minutes.

I would say in answer to that that I do not have the fear which the gentleman expresses for this reason, but if it should be possible in the future to build up, build up, as the gentleman has indicated, it would be very gratifying to me for the reason that I do not know of anything I would rather see built up than the appropriations to take care of the ill and those who are handicapped in life.

Mr. BUSBEY. I agree in that, but let me read you the language on page 60 of a booklet published by the United States Department of Health, Education, and Welfare, on general hospital beds. It says:

> The dangers of encouraging overbuilding, the great potentialities of home-care programs for reducing the need for hospital care, and the incompleteness of the data on which decisions must be based, all point toward the idea of conservatism in making estimates for bed needs.

That is from their own booklet—from the organization that administers this program.

There are a few questions that come to my mind which I believe should be resolved before we think of authorizing another $60 million for categorical grants.

Should we continue approving additional authorizations, when we find existing facilities with such low occupancy that they are on the verge of closing, or must increase their charges; thus aggravating the situation?

In a review of the 1954 budget requests, we found that 47 percent of the facilities in 8 sampled States had less than what the Commission on Hospital Care said were low-occupancy rates.

What is going to happen to the present low-occupancy rates of existing hospitals if patients are placed elsewhere?

If Public Health Service reports hospital beds now used when not needed, and if we still have low occupancy, why not attack the problem of proper utilization by doctors and hospital administrators; thus making available more beds, if they are really needed?

Does anyone consider the report made in September 1953 by Public Health Service that "The scale of present construction has led some to question whether the country is not overbuilding its hospital plant"?

If the program has been so satisfactory, and in 7½ years provided 29 times as many general beds as chronic-disease beds, how can we expect States and communities to build chronic-disease beds to the extent of about half of all beds built hereafter?

How are sponsors going to qualify now for these facilities, when they did not in the past 7½ years? The committee reports that only 1 of 8 chronic-disease beds needed has been built to date.

Why do we not recognize that separate facilities for chronic disease may not be the answer, as the Public Health Service reports:

> There are many who believe that all, or a substantial portion, of chronic long-term patients should be cared for in general hospitals.

There is one other point that I would like cleared up on page 13 of the committee report. I was puzzled about the definition of "transportation facilities" in the report.

Mr. WOLVERTON. I can answer the question if you wish me to do so. The reference to which you have made is in the bill, and it was due to the fact that we had found by experience in some States that it would be necessary to have ambulance service in connection with the hospitals, and it was for that purpose that we made certain that it would be covered in the language of the bill.

Mr. BUSBEY. I thank the gentleman.

Mr. O'HARA of Minnesota. Mr. Chairman, will the gentleman yield?

Mr. BUSBEY. I yield to the gentleman from Minnesota.

Mr. O'HARA of Minnesota. I wonder if the gentleman could answer this question, as he serves on the Appropriations Committee and is, I believe, chairman of the subcommittee which deals with this subject. That is, as to what the gentleman's attitude as to categorical grants and the general grants under the Hill-Burton Act; because we had some differences of opinion here on the floor last

year over the amount granted under the Hill-Burton Act.

Mr. BUSBEY. In reply to the gentleman from Minnesota, I must admit I was, unfortunately, not here during all of the general debate, because our subcommittee conducted hearings from 9:30 this morning straight through until 1 o'clock. I have expressed my ideas and, without going into the matter in too much detail, I would like to see this condition taken care of by a language change in the present law.

Mr. CROSSER. Mr. Chairman, I yield 7 minutes to the gentleman from Florida [Mr. ROGERS].

Mr. ROGERS of Florida. Mr. Chairman, I want to preface my remarks by saying that I favor the provisions of this bill. There is one amendment I think would help the bill, clarify it to some extent. As a matter of fact, I discussed this amendment with the office of Mrs. Hobby, the Secretary of Health, Education, and Welfare, and they said that they would not object to this amendment which I am going to offer at the proper time.

Mr. WOLVERTON. Mr. Chairman, will the gentleman yield?

Mr. ROGERS of Florida. I yield to my distinguished chairman.

Mr. WOLVERTON. I assume the gentleman is referring to the insertion of the words "or surgery" on page 14, line 24; the same on page 15, line 14; and on page 15, line 24.

Mr. ROGERS of Florida. Those are the words of my amendment.

Mr. WOLVERTON. So far as I have been able to ascertain, there is no objection on this side of the aisle to the inclusion of that amendment. I should be glad to hear from the gentlemen on the other side of the aisle as to their attitude.

Mr. HARRIS. Mr. Chairman, will the gentleman yield?

Mr. ROGERS of Florida. I yield tc the distinguished gentleman from Arkansas.

Mr. HARRIS. I should like to hear the gentleman's explanation of his proposed amendment. At this time I would want to reserve an opinion on it until after I have heard the gentleman's explanation of what it will do.

Mr. ROGERS of Florida. I shall be very glad, for the accommodation of my distinguished and able colleague from Arkansas, to explain the provisions of this amendment that I intend to offer.

If the gentleman will refer to pages 2 and 3 of the House report, he will see this language used:

> The bill, in addition, authorizes assistance in the construction of certain types of facilities not now covered by the hospital survey and construction program, namely, rehabilitation facilities and diagnostic or treatment facilities when not part of a hospital, and nursing homes.

To be eligible for Federal assistance, these facilities must show that all patient care is under the direction of persons licensed to practice medicine in the State.

Here is what I am trying to do with my proposed amendment: to provide not only that they shall be licensed to practice medicine, but to provide that if the States license them to practice surgery they are entitled to the benefits of this bill. If we did not have that amendment, do you know how many States would be discriminated against from the standpoint of Federal assistance? Twenty-one States; by that I mean that there are 21 States, including the District of Columbia and Hawaii, where osteopathic graduates are licensed to practice surgery and not to practice medicine; because they are not expressly licensed to practice medicine the applicant facility might not use their professional services in a diagnostic or treatment center, or rehabilitation facility or nursing home. Whereas there are 15 States where osteopathic graduates are expressly licensed to practice medicine.

Mr. HARRIS. Mr. Chairman, will the gentleman yield at that point?

Mr. ROGERS of Florida. I yield to the gentleman from Arkansas.

Mr. HARRIS. I think it is pertinent to the explanation the gentleman is making. Does the gentleman mean to say that in some States they license a person to practice medicine who is not permitted to practice surgery?

Mr. ROGERS of Florida. Answering that I will state there are 15 States where they expressly license osteopaths to practice medicine. There are 21 States where they license them not to practice medicine but to practice osteopathy and surgery. The word "surgery" inserted here would do away with that discrimination. My State of Florida would be discriminated against unless my amendment were adopted.

For the information of some of the gentlemen who may lean away somewhat from what I am trying to do here, I will say that the Congress on two former occasions adopted the policy incorporated in my amendment. Public Law 558, 75th Congress, amended section 40 of the United States Employees Compensation Act to read as follows:

> The term "physician" includes surgeons and osteopathic practitioners within the scope of their practice as defined by State law.
>
> The term "medical, surgical, and hospital services and supplies" includes services and supplies by osteopathic practitioners and hospitals within the scope of their practice as defined by State law.

You recognize this same principle, and this is what a great number of you did. A lot of us were not here in the 75th Congress, but we spoke out again in the Social Security Amendments Act of 1950, and here is what is included in that act:

> When used in this act * * * (7) the terms "physician" and "medical care" and "hospitalization" include osteopathic practitioners or the services of osteopathic practitioners and hospitals within the scope of their practice as defined by State law.

That is all my amendment is; it is a simple amendment, very simple. I do not believe any Member present does not want to take care of a State that licenses a person to practice surgery instead of medicine; I do not believe you want such a State shut out. What we are trying to do is preserve the principle and policy adopted by the 75th Congress, and also the 81st Congress. I hope that when I offer this amendment—I am quite sure that the gentleman from New Jersey, my distinguished chairman, will accept it—and when I say distinguished and hardworking, Mr. Chairman, I mean it—one of the hardest-working men in this Congress, as well as one of the ablest. I have never served under a chairman more conscientious, energetic, and fairer than CHARLIE WOLVERTON.

Mr. WOLVERTON. Mr. Chairman, I yield 5 minutes to the gentleman from Ohio [Mr. SCHENCK].

Mr. SCHENCK. Mr. Chairman, it is a great honor and a real privilege to serve on the Committee on Interstate and Foreign Commerce and I would be remiss if I did not call attention of the House to some of the aspects of our committee. First, our chairman, the gentleman from New Jersey is an indefatigable worker who plans the work of the committee with great care and who invites witnesses to testify from all points of view on pending legislation so that members of the committee hear all shades of opinion and are given ample opportunity to pursue such questions as may occur to them. All of us members of the committee and the Members of the House owe a debt of gratitude for this fine and able leadership of our capable chairman, the Honorable CHARLES A. WOLVERTON. Secondly, the members of the committee representing both major political parties are very well qualified and are deeply conscious of their responsibilities, and third, while there are at times natural differences of opinion on certain aspects and points of consideration, political party lines are not in evidence as a part of such differences of opinion and points of view are resolved entirely in the public interest.

We are here today considering H. R. 8149, to which I have personally given careful consideration and study. It is a good bill and I trust will be promptly approved both here by the House and in the other body.

It is a temptation always, of course, to discuss the overall and specific merits of a bill at a time like this and no doubt the bill will have ample discussion of its particular benefits.

To me one phase of the bill has particular significance and I refer to that section which has to do with the method of making the allotments to the States.

The committee heard with deep interest and very careful attention a detailed explanation as to how these allotments are determined. Well qualified officials of the Department explained fully how these allotments are based on a consideration of the 3-year average of the per capita income of residents of each State compared to a similar 3-year average per capita income for the United States. Further, they explained how these results are then related to the population of each State, the unmet need for hospital beds in each State and that as a final result a percentage figure is obtained which is completely fair to each State and also the United States. Also that this final percentage figure can be justifiably used in each of the special categories of hospital needs in relation to the amount of money finally appropriated by Congress under this authorization. As a member of this committee, I

was highly pleased with the very apparent fairness of the complicated formula. I was also especially pleased and felt understandably proud when one of these highly trained and able witnesses said, when asked who developed this excellent formula, "Senator Taft did a very great part of the work in developing this splendid formula." I am sure you will agree with me, my colleagues, that this is but another example of the great understanding, grasp, and ability of our mutual friend, the late Senator Taft, with whom I had the privilege to work for many years and whose home was located about 50 miles south of my home in the 3d District of Ohio. Ohio and the Nation lost a great man and a great American statesman when Senator Taft passed away, but his work and ability like that of all truly great men, lives on and benefits all of us.

Mr. Chairman, H. R. 8149 is a good bill and I trust the House will approve it promptly.

Mr. PRIEST. Mr. Chairman, will the gentleman yield?

Mr. SCHENCK. I yield to the gentleman from Tennessee.

Mr. PRIEST. I simply want at this point to go on record as concurring fully in what the gentleman said about the distinguished late Senator Taft of Ohio. He, the gentleman from Minnesota [Mr. O'HARA], I, and others on the subcommittee worked for many, many days in conference on the development of this formula. Much of the good work that was done on this formula was done in conference. Senator Taft made a great contribution to what has proven to be one of the most successful formulas in any grant-in-aid program ever enacted by the Congress. I want to pay that tribute to the contribution made by a very great man.

Mr. SCHENCK. I thank the gentleman.

Mr. CROSSER. Mr. Chairman, I yield 12 minutes to the gentleman from Virginia [Mr. HARRISON].

Mr. HARRISON of Virginia. Mr. Chairman, I ask unanimous consent to speak out of order.

The CHAIRMAN. Is there objection to the request of the gentleman from Virginia?

There was no objection.

Mr. HARRISON of Virginia. Mr. Chairman, I want to address myself to a matter that is of very grave concern to the rural people of our country, a matter of great injustice to them, being carried on by the administrators of the Post Office Department.

The postal deficit for the fiscal year 1953 was $662,851,000. A very small part of that—about 3½ percent of it—might be traced directly to the operation of rural post offices, fourth class, throughout the United States. If all of those post offices were discontinued, every one of them closed down, and the people now receiving service therefrom were given no service whatsoever, the postal deficit this past fiscal year would still have been approximately $640 million.

Now, I favor, and I think the rural people all over the United States favor, any measures, however small, which result in economy in the operation of the postal department and which will not incur interruption of service. I do not think the administrators of the Post Office Department would find any objection from any rural area to the discontinuance of any post office where such discontinuance would result in economies without impairment of service.

When this matter first came up, I sought and obtained from the Postmaster General personal assurances that, in the making of these decisions on rural postal service, there would be no political consideration whatsoever; that the matter would be determined in each individual case on the outcome of nonpartisan investigations made by the field officials of the Post Office Department, and that no consideration would be given whatever to any partisan advantage. Now, I was not satisfied with that, Mr. Chairman. I wrote and asked for written assurances, and I received a letter from our distinguished former colleague, the Honorable Ben Guill—executive assistant to the Postmaster General—in which he said, first, "that the decision in regard to fourth-class post offices will be entirely nonpolitical"; second, "they will be based primarily on the objective reports of inspectors in the field;" third, they "will be made only after consultation with the Members of Congress involved;" fourth, "in short," he said, "any investigation and action undertaken will be done so with the full understanding that the postal service is the possession of all the people of the United States and not of any one political party."

Now, I have no doubt that Mr. Guill meant what he said and intended to be entirely truthful, but he reckoned not on the effect of the political pressure from patronage-hungry local political organizations on his superiors.

Despite the assurance referred to as No. 3 that the decisions "will be made only after consultation with the Congressman involved," I was amazed to read in the newspaper an announcement from the State chairman of a political party of the projected discontinuance of post offices in my district of which I had no previous knowledge.

The chairman referred to was the chairman of the Republican Party. But that is beside the point. It would be just as improper for these decisions to be funneled through the chairman of any other political party. Postal service is, in the language of Mr. Guill, "the possession of all the people of the United States and not of any one party."

I immediately wrote a letter of protest to the Postmaster General, and, although I have never received any answer to that, I was answered in the public press by the State chairman referred to.

In this statement, he made no contention that the decisions were nonpolitical or that they were not being funneled through him. He said:

> I admit I am not infallible, but I refuse to admit that I haven't done my best to serve all the people in these matters.

He further said:

> I have never had any suggestions, as I remember, from Representative HARRISON about any of these matters. If I had, I would certainly have appreciated them.

Now, Mr. Chairman, that is a pretty how-do-you-do. After being assured by the Postmaster General that no decision would be based on the recommendation of a political committee, and that, as a Representative of the people, I would be informed of all contemplated decisions, I am criticized because I did not appeal to the political committee.

In his letter, Mr. Guill said that the decisions would be based on the objective reports of the inspectors in the field. Apparently, the local politicians have learned how to produce an objective report from the inspector in the field.

I hold in my hand a statement from the chairman of the Virginia Seventh District Republican Committee made to the public press. With reference to one small community, he says: "I am happy to be able to assure the citizens" that the office will not be discontinued.

How can he assure them?

He tells us in a public statement:

> Both the postal inspector for this area and I are in complete agreement that the office is needed.

The inspector and I.

That is a nonpolitical decision.

That is the way to get an objective report.

That is showing full understanding that the postal service belongs to all the people and not to one political party.

In another county, the original announcement called for the discontinuance of 7 post offices. Later, this number was reduced to 5, and this same political chairman announced in the public press that "This decision to continue the 2 post offices is in keeping with the recommendations" of the local Republican committee.

Mr. Chairman, again I say that I would have no criticism of a policy to discontinue an office where nonpartisan investigation shows that such action would result in economy without impairment of service.

But these political committees are not deciding this public question on the basis of economy to the taxpayer. Neither are they deciding them on the basis of efficient service to the public.

They are saving a few in communities where the public protest is such that it becomes politically expedient so to do.

In other communities, the decision seems to be based on the question of where a postmaster of one political party can be replaced by a rural carrier of another, and these decisions are made without regard to economy or efficiency but solely with regard to whether or not it is of benefit to patronage-hungry political organizations.

I would like simply to ask what we are heading into in the administration of the Post Office Department. We have at the present time by and large a loyal army of postal employees appointed under civil-service regulations after civil-service examinations. Under the Hatch Act they are not engaged in any politics whatsoever and may not engage in politics under penalty of violation of the law.

I was very much surprised the other day to read a statement by our distinguished majority leader made in the atmosphere of the chicken dinner at a local arena on Lincoln's Birthday. He

is quoted in the Washington Star as saying:

Representative HALLECK said he personally would like to remove civil-service protection from all postmasters so that those appointed during Democratic administrations could be replaced by Republicans. He said present civil-service protection was phony.

Mr. BROWNSON. Mr. Chairman, will the gentleman yield?

Mr. HARRISON of Virginia. I yield to the gentleman from Indiana.

Mr. BROWNSON. In my area it is rather the opposite. Every fourth-class post office that has been consolidated has placed one of the few Republican postmasters on the unemployed list. Would it be possible that it might be because any consolidation in the gentleman's district would naturally place Democratic postmasters on the unemployed list?

Mr. HARRISON of Virginia. That is not correct. In one county they do eliminate 16 post offices, but you get 4 rural carriers in place of them. I maintain that this service should be considered only from the public viewpoint and not from the political viewpoint.

Mrs. ST. GEORGE. Mr. Chairman, will the gentleman yield?

Mr. HARRISON of Virginia. I yield to the gentlewoman from New York.

Mrs. ST. GEORGE. I have great sympathy for the gentleman, but I would like to tell him that I also represent a rural area in the great State of New York and that many of my fourth-class post offices have been eliminated. They have been consolidated in most instances under Democratic postmasters who are still in office. My complaint is that quite a few whom I consider very worthy Republicans are being thrown out of jobs, and these little offices are being consolidated under a Democratic postmaster. So you see we all have the same complaint, depending on whose ox is being gored.

Mr. HARRISON of Virginia. May I ask the distinguished gentlewoman a question? Does she agree with the majority leader that the civil-service laws should be repealed and that all present postmasters should be discharged?

Mrs. ST. GEORGE. I do not think the distinguished majority leader made that statement.

Mr. HARRISON of Virginia. I can show the gentlewoman the quotation.

Mr. PRICE. Mr. Chairman, will the gentleman yield?

Mr. HARRISON of Virginia. I yield to the gentleman from Illinois.

Mr. PRICE. I think the statement of the gentlewoman from New York points up the fact that the Democratic administration evidently must have adhered to civil service if so many Republicans have been put out of jobs by consolidation.

Mr. HARRISON of Virginia. I have here an article which apparently shows what we may expect. This is an article by that budding leader, Clarence Budington Kelland, appearing in the American Magazine, and reprinted fully as policy in the U. S. News & World Report. It is headed "A Republican's Advice to Ike." This article purports to set forth the policy that must be followed by the Eisenhower administration to "save its own neck."

This is an illuminating article, and I recommend its study by the Congress.

Mr. Kelland says, and I quote him:

The unhappy fact is that the rank and file of party workers are discontented and disgruntled.

What are they discontented and disgruntled about?

Mr. Kelland proceeds to tell us that they are disgruntled because of:

This threat to the very life of a republican form of government as guaranteed to us by the Constitution, the octopus of civil service.

He says further:

Civil service is the Old Man of the Sea riding the shoulders and shutting off the breath of this Eisenhower administration.

Mr. Kelland summarizes that:

Our form of government is being threatened by an entrenched civil service.

So, Mr. Chairman, we sum it up. Since the days of Grover Cleveland down through the administration of Woodrow Wilson, our country has made enormous progress in eliminating the spoils system in the operation of our Government.

But now we see the postal service to our rural citizens throughout the country being determined, not through nonpartisan decisions of the duly constituted civil-service officials, but by political committees whose members, not public officials, are able, nevertheless, to manipulate postal service to all the people in the interest of jobs under the spoils system.

And, then, we have the open threat from responsible leaders to do away with the civil-service system throughout the Government and replace it with the spoils system.

Mr. HALLECK, in his statement which I have referred to earlier, is also quoted by the Washington Star as saying that, while he advocated a change in the law to remove the civil service protection of postmasters, he had to face up to the fact that there were not enough votes in Congress to enact such a law now.

Mr. Chairman, this is a great tribute to the present membership of Congress.

The CHAIRMAN. The time of the gentleman from Virginia [Mr. HARRISON] has expired.

Mr. HINSHAW. Mr. Chairman, I yield 2 minutes to the gentleman from Washington [Mr. PELLY].

Mr. PELLY. Mr. Chairman, I will now address myself to the matter of the health of the American people rather than to the health of certain postmasters.

Any disagreement across the aisle this afternoon or any partisan discussions only emphasize the widespread support that this legislation enjoys. Every attempt to claim credit for past attitudes in support of Hill-Burton appropriations is an eloquent argument for the bill.

In the limited time available, I will confine my comments to part G, section 651 (4) of H. R. 8149 which deals with grants for construction of public and nonprofit nursing homes. One of the objectives of extending the scope of the Hill-Burton Act, according to the Secretary of Health, Education, and Welfare, is to release hospital beds. In other words, the aged and incapacitated who do not require hospital and costly medical services would have other less expensive facilities available to them. As the chairman of the committee stated, the average cost of a hospital bed is $18.35 a day, whereas, in a nursing home adequate care would be available at a cost of from $2 to $6 a day, if such beds in nursing homes were available.

Mrs. Hobby stated that matching grants to non-profit and public agencies would not adversely affect present private enterprise licensed nursing homes. I must confess that I had some concern in this score. I know that in my own State of Washington we have at present 8,400 beds with some vacancies in nursing homes. In addition, a canvass of one-half of the State indicated that 2,000 adtional beds were being provided under present or proposed construction and that more would be built if the threat of State competition were removed. In my State, private nursing homes take care of 65 percent of the indigent patients for which the State pays from $3 to $6 a day. I was concerned that if Federal grants were available, it might give some public ownership exponents the idea of having the States go into the nursing-home business.

Dr. Cronin, of the Department of Health, Education, and Welfare, assured me that in our State of Washington, a good job is being done by private enterprise and, normally, I would not have been favorable to inclusion of nursing homes in this legislation. However, the fact remains that the States themselves under this legislation must survey their needs and if a good job is being done, I must assume that no nonprofit or State institutions will be established.

In other words, in approving this bill in committee—and I voted to report it favorably—I referred to the need of other States which, I am told, do not adequately meet the nursing-home needs of their citizens.

This legislation puts the whole matter up to the individual States. It does not put the Federal Government in the nursing-home business. Later on, our committee hopes to report legislation which will assist private licensed nursing homes with their long time financing problems. Thus, in supporting this bill, I hope that private enterprise will be given first opportunity to meet the needs of their communities and States.

It should be noted, too, that the American Medical Association supports this bill in principle as does the hospital association in my State of Washington. On this basis, I will vote for this bill as reported.

Mr. HINSHAW. Mr. Chairman, I yield 2 minutes to the gentleman from Indiana [Mr. BROWNSON].

Mr. BROWNSON. Mr. Chairman, in involved discussions, such as this debate today, where we are concerned entirely with the techniques and implementation of Federal aid programs, we sometimes are inclined to forget that there is still another way of improving our hospital and other community facilities—a way, not born in ever continuing emergency, not dependent on the whims of Congress or the Executive or even of the States

but a way with its roots deep in American community tradition.

Getting things done for their home community is just what the average man or woman expects of responsible citizens under real leadership and it is just what the community fathers do in Indianapolis. Our citizens work together to make this constantly a better community. They believe that this involves a host of things. All of them add to our general welfare and prosperity—better schools, adequate hospitals, safer, freer movement of traffic, cleaner air, efficient government, growing industries, and steady development of new industries to give a growing population better employment and business opportunities.

The people of Indiana and their capital city of Indianapolis hold to a basic philosophy while they pursue all these worthy aims, including the building of hospitals. In the past decade they have often given expression, officially through their legislature and individually as citizens, to the conviction that freedom is nurtured best by holding government to the minimum and keeping it essentially local, close to the people who consent to be governed. They have sought to repel the encroachment of centralized national government, to reverse the trend toward dependence upon a distant Federal Treasury and acceptance of Federal controls. They prefer to be self-reliant.

And all of this has not been mere talk, mere repetition of noble sentiment. For in Indiana and in Indianapolis, repeatedly the citizens have given abundant proof of the depth of their convictions, by assuming and discharging their responsibilities as citizens.

Most noteworthy of this past year in Indianapolis was the successful completion of the unprecedented $12 million voluntary fund for hospital construction for private patients. It was record-breaking in many ways.

It is the most significant event in all the long history of civic progress in Indianapolis.

This $12 million plus is many times over the largest sum ever raised in our community for a single enterprise by voluntary action from 110,000 donors. Not one penny of Government money was sought for a needed purpose, for which most communities seem to feel they must depend upon taxation. No Federal aid of any kind was requested. No other community of which we have knowledge has ever raised so large a fund in so short a time. Only one other united hospital construction fund has ever exceeded the total raised here. In that community, many times larger than Indianapolis, the job required more than 4 years, as against 13½ months here, which was the time we allotted ourselves to do the job. No other large fund drive of which we have knowledge was ever so generously supported by employee giving. Here $3¼ million was pledged, mostly on payroll deductions by employees of our business firms and public offices.

And so, Indianapolis will soon see the start of construction of an entirely new general hospital on the east side, of a new and larger private hospital for treatment of mental illness, and of additions to two major general hospitals. All this will be a net addition of 628 beds for private patients, and thus meet a need which has accumulated over the past 25 years of community growth and rapid expansion of hospital insurance.

All this, the Indianapolis Medical Society informed the community 4 years ago, had made the need for these beds most acute. It was the sober appraisal of our needs by the medical society and the formal request of that body to the Indianapolis Chamber of Commerce which started the ball rolling.

Directors of the Indianapolis Chamber of Commerce, after investigation by a specially appointed committee, were the first to say, "This is a local need, which we can meet if we will but accept the responsibility." Then followed formation of the Indianapolis Hospital Development Association, Inc., raising of a survey fund of $25,000 to which the chamber contributed $5,000 out of reserve funds, and employment of competent hospital authorities to make a close survey of our needs. Then came the dedication to the task at hand, the raising of $12 million estimated to be needed for 728 new hospital beds.

In the association leadership and in the campaign organization, the officers, directors, members, and staff of the Indianapolis Chamber of Commerce have played a very large part. This whole structure of hospital-campaign leadership has been to a very large extent comprised of men who are or have been officers, directors, and committee members of the chamber joined by leaders of labor, the church, and the medical profession.

Raising such a huge unprecedented sum in Indianapolis, of course, appeared from the very outset to be a monumental task. Every leader, however, proceeded into the task with faith and determination.

Once more, as in now almost a score of important incidents, Indianapolis has shown to the rest of the country that it truly is self-reliant; that it places no dependence upon some other distant source; that it does not, as said the editors of the Saturday Evening Post, want Uncle's money, knowing that such dependence in the long run is costly both of money and freedom.

To all those who have contributed so much to the success of this campaign, our body of citizens expresses its warmest thanks. But to four especially whose faith was strongest, whose determination was never shaken, whose leadership was superb, go our very special appreciation. They are Willis B. Conner, Jr., general campaign chairman; George A. Kuhn, past president of the chamber and chairman of the board of directors of the Hospital Development Association; Edward F. Gallahue, president of the association; and Charles J. Lynn, honorary campaign chairman.

What follows in brick and mortar, and in the healing process of these new and larger hospital facilities, will be their special monument, tangible evidence of their devotion to civic welfare.

Mr. BUSBEY. Mr. Chairman, will the gentleman yield?

Mr. BROWNSON. I yield.

Mr. BUSBEY. I want to compliment the gentleman from Indiana and the fine community he represents, in great contrast to the $1,500,000 which the Federal Government put in under the Hill-Burton Act to build a big plush student building out in the medical center.

Mr. BROWNSON. I thank the distinguished gentleman from Illinois, chairman of the subcommittee of the House Committee on Appropriations concerned with such matters. I can assure him that the $12 million we raised locally for hospital beds is more representative of the sentiment of the citizens of our district than the Federal-aid financing of the restaurant and residence facilities of the Indiana University service center building although, in a sense, a case has been made that the service center also helps to relieve space in crowded hospitals for patient use.

The President of the United States recognized the self-reliance of the people in my district when he wrote:

THE WHITE HOUSE,
Washington, December 15, 1953.

Mr. WILLIS B. CONNER, Jr.,
General Campaign Chairman, Indianapolis Hospital Development Association, Inc., Indianapolis, Ind.

DEAR MR. CONNER: I am delighted to send heartiest congratulations to you and to your colleagues, Mr. Edward A. Gallahue, Mr. George A. Kuhn, and Mr. Charles J. Lynn. All of you have earned high commendation for your leadership in an extremely significant civic campaign.

The success of the $12 million subscription campaign of the Indianapolis Hospital Development Association is a tribute to excellent organization, rare diligence, and warmly responsive citizenry in your community.

This success is evidence, furthermore, of a most commendable spirit of self-reliance in your community. Accomplished without the participation of Federal or local government, this campaign is a stirring example to all citizens, everywhere, who are striving for the improvement of their respective communities.

You, your colleagues, and the 110,000 individual donors, have every reason to take great personal satisfaction in this outstanding accomplishment.

Sincerely,

DWIGHT D. EISENHOWER.

Mr. Conner replied to the President's gracious congratulatory letter:

MERCHANT'S NATIONAL BANK & TRUST CO.,
Indianapolis, Ind., December 22, 1953.

President DWIGHT D. EISENHOWER,
The White House, Washington, D. C.

DEAR PRESIDENT EISENHOWER: Last Thursday, December 17, was a red-letter day for our community. We oversubscribed our $12 million hospital campaign in a record 13½ months.

Congressman CHARLES B. BROWNSON, whom we all love and admire so much, presented to me, as the general campaign chairman, your wonderful letter of December 15. On behalf of my colleagues, the entire board of the Indianapolis Hospital Development Association, Inc., and the citizens of Indianapolis, I want to say "thanks." Your letter was not only timely but a most thrilling and fitting climax to a glorious venture in civic responsibility.

We in Indiana are selfishly proud of our spirit of self-reliance. We have demonstrated on several previous occasions this attitude and we truly believe that the success of our hospital campaign is another demonstration of this spirit.

Our greatest civic endeavor is giving to Indianapolis the finest Christmas present

she ever had. Your letter of congratulation has added much to our joy. Again, hearty thanks and best wishes from all of us Hoosiers for a very Merry Christmas and a continuance of the fine work you are doing.

Respectfully yours,

WILLIS B. CONNER, Jr.,
General Campaign Chairman.

Believing that the only wealth of our country exists in our home communities, the resourceful people I am so proud to represent have solved a major problem without recourse to Federal aid in any form. They have learned that there is no magic source of money in Washington—that Congress can distribute only what it takes away from the citizens of all the communities in taxes.

Having achieved it, the citizens of my district hope their example of Indianapolis' finest hour is worthy of emulation. I hope that other communities will note the worth of this civic project and carefully evaluate their own potential resources before they turn to the Federal-aid funds provided by this bill for hospital and allied construction.

Mr. HINSHAW. Mr. Chairman, I yield 2 minutes to the gentleman from West Virginia [Mr. NEAL].

Mr. NEAL. Mr. Chairman, I have been very much interested in the discussion of this whole measure. I have been especially interested in some of the remarks that have been made in regard to the great need in these United States for improved health conditions. I think all of us admit that there is not any place in the world that has better health or where the people enjoy more in the way of health provisions than in this country of ours. We do recognize the fact, however, that if that is an accepted fact, we want to keep it so.

The Hill-Burton measure, as I see it, has done a great deal of good, in that it has enabled certain areas that were unable to provide full funds to build their own hospital facilities to give to the people the hospital facilities that they needed.

There is one thing about the matter of hospitals that we must recognize. Just as long as we have prepaid insurance for the people in this country, our hospitals are going to be overcrowded, and no matter how much in Federal or local funds are raised, if we increase our hospital facilities double what they are we are going to have double the demand for them. I believe this is because there are a great many of our people, I am sorry to say, who like to use a hospital as a place for vacation. If they have the hospitalization already paid for, they are willing to take it. That naturally crowds out a certain class of people who actually deserve hospitalization, but, by reason of the fact that the hospitals are overcrowded, are unable to get accommodations. This bill providing for facilities to take care of the aged and the chronically ill, in my opinion, is a very, very splendid measure.

Mr. CROSSER. Mr. Chairman, I yield such time as he may desire to the gentleman from California [Mr. DOYLE].

Mr. DOYLE. Mr. Chairman, I am strongly in support of this bill and I wish to compliment the committee on bringing it out. However, knowing what I know about health conditions in my native State of California and in the Nation, I regret very much that the Bureau of the Budget is limiting the appropriations under the hospitalization provision this year to as little as $50 million when it appears crystal clear that as much as 150 million dollars is already authorized by congressional enactment in prior administration. I think it is not good in the interest of our national security or our national prosperity to spend so little when there is so much need. Good health and good food are two absolute necessities of decent human existence.

For instance, if you will refer to the committee's report now before you—I should here like to call attention only to my own State—where, on page 64, it indicates the additional beds needed; general hospital beds in California officially reported as needed in this current report of our congressional committee; to-wit, 15,348. On page 65 of the same report, the number of mental hospital beds needed in California alone is 14,344; and, according to the same report, on page 68, chronic disease hospital beds needed, 15,784, and so on.

While it is true that the report shows more beds needed in California than in most States, according to the table, nevertheless, if there is anything that affects the health and prosperity and happiness of an individual, his homelife and community life more than the health of that individual, or that community, I ask you, Mr. Chairman, what it is.

There are two things that determine the destiny of an individual; and I mean the destiny of an individual. First is whether or not he is hungry, second, whether or not he is healthy. Therefore, ordinary commonsense and everyday reasoning should dictate that neither mass hunger nor mass illness or poor health can safely be tolerated or permitted by the American people. Furthermore, in the experience of American families either hunger or ill health endangers family happiness and solidarity and paves the way for misunderstandings and lack of appreciation of one another.

Mr. WOLVERTON. Mr. Chairman, will the gentleman yield?

Mr. DOYLE. I yield to the gentleman from New Jersey, and wish to add my compliments to those already so appropriately paid him for the great work that he has done, as chairman of this committee.

Mr. WOLVERTON. Of course, I did not ask the gentleman to yield for the purpose of making that statement.

Mr. DOYLE. I know the gentleman did not, but I intended to compliment him personally.

Mr. WOLVERTON. I asked the gentleman to yield in order that I might state that I am in full accord with the views he has expressed. Whatever effort is made in this House—and I hope that effort will be made—to increase the amount which the budget has agreed to, the gentleman will certainly find me on the side of those seeking to approve that increase, for I am of the opinion that while the balancing of the budget may be an important matter, it should not be done at the expense of people who are in need of medical and hospital attention.

Mr. DOYLE. I thank the gentleman for saying that, and I might state that one reason I am so vigorously in support of this bill and an increase in the appropriation is that a few years ago we made a nationwide survey of hospitalization in the Armed Services Committee. Our primary study was military hospitals, but in connection with it we saw the general hospital conditions also. The printed record does not reveal that we are meeting this dire need as promptly as should be. A sickly people is not a safe people. A sickly people is a liability at all events.

In connection with this survey our committee acquired personal knowledge of great and dangerous shortages in civilian hospitals to meet their respective community needs. This shocking and dangerous shortage of hospital needs in many sizable American communities was specifically called to our attention by some of the most distinguished men in American medicine. The processes of these funds through established functioning State agencies and committees is logical and efficient. Certainly the Federal Government should not undertake to enter into the administration of these moneys, nor undertake to determine State hospitalization policies or procedures. I think it is well known that while I have always strongly favored adequate, available, and reasonable cost hospitalization for the civilian people and also for veterans' needs, and for the medical care and treatment of veterans' dependents and families, I nevertheless have not and do not favor a policy of so-called socialized medicine.

But in making this statement I do not discount by one iota my strong favoring of practical aid and assistance to needy and deserving States who will match Federal funds in vigilantly and more adequately meeting the needs of our civilian populations. For, gentlemen, a nation that is limited by ill health in any large segment of its population is a nation which cannot readily and efficiently respond to needs of its national security in times of war and national defense emergencies.

I am sure you agree with me that entirely too large a percentage of the young men who appeared before our draft boards, in the First World War, the Second World War, or even the Korean campaign, failed to pass the military examination. This should not be so. It should not be permitted any longer. The level of literacy within our Nation, and the level of ill health in our Nation, each determine the direction in which our Nation is traveling when it comes to matters of the welfare, health, and happiness of the individuals of our Nation and our national security. And, of course, Mr. Chairman, if individuals in our Nation are limited and restricted by illiteracy or by ill health, so the family circle from which these individuals suffering these dangerous limitations come, is also limited in its usefulness to our Nation, and likewise limited in its ability to live happily and constructively as a family unit. So, since I believe the provisions of this bill before us are in whole or in part a definite contribution to the

national consciousness that we must do more toward this problem, I am for the bill. Not least of all I am for it because of its emphasis upon, and recommendation of the entitlement of the elderly citizens of our Nation who suffer from chronic illness. I am glad to see that the committee seeks authorization of $20 million for grants for the construction of facilities for chronically ill and impaired persons. But, Mr. Chairman, let us no longer neglect to promptly and adequately consider and act upon the already great need of these thousands of hospital beds in the various States of our beloved Nation. The splendid committee report identifies the number of beds in each State needed. The Hill-Burton Act, passed in the 79th Congress, I believe, is the already existing and authorized and functioning channel through which this need can and should be met. Since this sum in this bill is the best that can now be had through this Congress, I am for the bill. But, gentlemen, I am not proud that we continue to neglect such important and human necessity so long.

Mr. REAMS. Mr. Chairman, I ask unanimous consent to extend my remarks at this point in the RECORD.

The CHAIRMAN. Is there objection to the request of the gentleman from Ohio?

There was no objection.

Mr. REAMS. Mr. Chairman, this bill to provide assistance to the States for surveying the need for diagnostic and treatment centers; for hospitals for the chronically ill and for rehabilitation facilities and nursing homes appears to me as being most worthy of our support. I also favor the provision for assistance in the construction of such facilities through grants to public and nonprofit agencies.

Our veterans' hospitals today are so filled with aging and chronically ill veterans that sometimes the veterans' cases requiring speedy treatment have been delayed because of want of beds.

Our States, counties, and cities have an increasingly heavy number of senile and chronically ill who are indigent and have no other place to look for their care than public facilities.

I am enthusiastically for this program and believe that it is necessary and proper not only for these unfortunate people but to maintain the self-respect of our citizens.

I do hope, however, that in the administration of this act when it is passed, there will be due care taken to guard against encouraging families to feel that this means that their aging members are no longer their private responsibility. It would be a national calamity of great magnitude should a generation grow up believing that it is a public responsibility to care for everyone who has become incapacitated because of age or disability. This bill does not in itself encourage such a feeling and when it has become law it should not be administered in a way to suggest or encourage such a practice or course of action.

Mr. HINSHAW. Mr. Chairman, may I inquire if there are any further requests for time on the other side?

Mr. CROSSER. Mr. Chairman, I have no further requests for time.

Mr. HINSHAW. Mr. Chairman, I yield 3 minutes to the gentleman from California [Mr. YOUNGER] to conclude the debate.

Mr. YOUNGER. Mr. Chairman, we are confronted with a very unusual condition here today in which we have had probably more fear expressed this afternoon than was expressed a week ago last Monday. We started in with our colleague the gentleman from Texas [Mr. LYLE] expressing the fear that we should not bring up this bill at this time. Then we entered into the fear on the part of our good friend and colleague from Arkansas, a member of the committee, that we will not be able to accomplish the purpose for which the bill is intended. Then we ran the gamut of all the other fears. The gentleman from Massachusetts devoted considerable time to expressing the fear that we may pass a wrong tax bill; and then the fear was expressed by the gentleman from Virginia that possibly some of the Democratic postmasters might lose their jobs.

This all points up to just one fact: Our colleagues on the right have no objection to the bill before us today, and it is only natural that they should use their time for political purposes.

This bill comes from the committee with a unanimous report. It is a good bill. It is the extension of the Hill-Burton Act. As a new Member of Congress I may say it is one act about which I have heard nothing but a unanimous recommendation.

I just want to address myself to one feature, and that is the formula that has been worked out whereby the funds are allocated to the States, because it takes into account not only the population of the State but it also takes into account the need of the State for the particular facility. In addition to that it takes into consideration the per capita income within that State; in other words, the ability of that State to meet its needs. The funds are thus allocated so that the larger share of the funds goes to the State that has the greater need and the lesser ability to meet that need.

I think this is a good bill, and the best recommendation that could be made for it is that our friends on the right have raised no objection but have had a field day in politics.

The CHAIRMAN. The Clerk will read.

Mr. HINSHAW. Mr. Chairman, I ask unanimous consent that the bill may be considered as read, printed in the RECORD, and open to amendment at any point.

The CHAIRMAN. Is there objection to the request of the gentleman from California?

There was no objection.

The bill reads as follows:

Be it enacted, etc., That this act may be cited as the "Medical Facilities Survey and Construction Act of 1954."

SEC. 2. Title VI of the Public Health Service Act is amended by adding immediately after part D thereof the following new parts:

"PART E—DECLARATION OF PURPOSE WITH RESPECT TO DIAGNOSTIC OR TREATMENT CENTERS, CHRONIC DISEASE HOSPITALS, REHABILITATION FACILITIES, AND NURSING HOMES

"SEC. 641. The purpose of parts F and G of this title is—

"(a) to assist the several States (1) to inventory their existing diagnostic or treatment centers, hospitals for the chronically ill and impaired, rehabilitation facilities, and nursing homes, (2) to survey the need for the construction of facilities of the types referred to in clause (1), and (3) to develop programs or the construction of such public and other nonprofit facilities of the types referred to in clause (1) as will, in conjunction with existing facilities, afford the necessary physical facilities for furnishing to all their people adequate services of the kinds which may be supplied for facilities of the types referred to in clause (1); and

"(b) to assist in the construction, in accordance with such programs, of public and other nonprofit facilities of the types referred to in subsection (a).

"PART F—SURVEYS AND PLANNING WITH RESPECT TO DIAGNOSTIC OR TREATMENT CENTERS, CHRONIC-DISEASE HOSPITALS, REHABILITATION FACILITIES, AND NURSING HOMES

"Authorization of appropriation

"SEC. 646. In order to assist the States in carrying out the purposes of section 641 (a), there is hereby authorized to be appropriated the sum of $2 million, to remain available until expended. The sums appropriated under this section shall be used for making payments to States which have submitted, and had approved by the Surgeon General, State applications for funds for carrying out such purposes.

"State applications

"SEC. 647. The Surgeon General shall approve a State application for funds for carrying out the purposes of section 641 (a), which—

"(1) designates as the sole agency for carrying out such purposes, or for supervising the carrying out of such purposes, the State agency designated in accordance with section 623 (a) (1);

"(2) provides for the utilization of the State advisory council provided in section 623 (a) (3), and if such council does not include representatives of nongovernment organizations or groups, or State agencies, concerned with rehabilitation, provides for consultation with organizations, groups, and State agencies so concerned; and

"(3) provides for making an inventory and survey containing all information required by the Surgeon General and for developing a construction program in accordance with section 653.

"Allotments to States

"SEC. 648. Each State shall be entitled to an allotment of such proportion of any appropriation made pursuant to section 646 as its population bears to the population of all the States, and within such allotment shall be entitled to receive 50 percent of its expenditures in carrying out the purposes of section 641 (a) in accordance with its application: *Provided,* That no such allotment to any State shall be less than $25,000. The Surgeon General shall from time to time estimate the sum to which each State will be entitled under this section, during such ensuing period as he may determine, and shall thereupon certify to the Secretary of the Treasury the amount so estimated, reduced or increased, as the case may be, by any sum by which the Surgeon General finds that his estimate for any prior period was greater or less than the amount to which the State was entitled for such period. The Secretary of the Treasury shall thereupon, prior to audit or settlement by the General Accounting Office, pay to the State, at the time or times fixed by the Surgeon General, the amounts so certified.

"(b) Any funds paid to a State under this section and not expended for the purposes for which paid shall be repaid to the Treasury of the United States."

SEC. 3. Title VI of the Public Health Service Act is further amended by adding a new part G to read as follows:

"PART G—CONSTRUCTION OF DIAGNOSTIC OR TREATMENT CENTERS, CHRONIC-DISEASE HOSPITALS, REHABILITATION FACILITIES, AND NURSING HOMES

"Authorization of appropriation

"SEC. 651. In order to assist the States in carrying out the purposes of section 641 (b), there is hereby authorized to be appropriated for the fiscal year ending June 30, 1955, and for each of the two succeeding fiscal years—

"(1) $20 million for grants for the construction of public and other nonprofit diagnostic or treatment centers;

"(2) $20,000,000 for grants for the construction of public and other nonprofit hospitals for the chronically ill and impaired;

"(3) $10,000,000 for grants for the construction of public and other nonprofit rehabilitation facilities; and

"(4) $10,000,000 for grants for the construction of public and other nonprofit nursing homes.

"Allotments to States

"SEC. 652. Each State shall be entitled for each fiscal year to an allotment of a sum bearing the same ratio to the sums appropriated for such year pursuant to paragraphs (1), (2), (3), and (4), respectively, of section 651, as the product of (a) the population of such State and (b) the square of its allotment percentage (as defined in section 631 (a)) bears to the sum of the corresponding products for all of the States: *Provided*, That no such allotment to any State for the purposes of paragraph (1) or (2) of section 651 shall be less than $100,000 and no such allotment for the purpose of paragraph (3) or (4) shall be less than $50,000. Sums allotted to a State for a fiscal year and remaining unobligated at the end of such year shall remain available to such State for the same purpose for the next fiscal year (and for such year only) in addition to the sums allotted to such State for such next fiscal year.

"Regulations and approval of State plans

"SEC. 653. (a) Within 6 months after this part becomes effective, the Surgeon General, with the approval of the Federal Hospital Council and the Secretary of Health, Education, and Welfare (hereinafter referred to as the 'Secretary'), shall revise and supplement the regulations issued under section 622 to provide general standards of construction and equipment, general standards of adequacy and priority, and requirements comparable to those provided in such regulations as to nondiscrimination and persons unable to pay, and as to general methods of administration of the State plan, for facilities for which payments are authorized under this part. After such regulations have been issued, any State desiring to take advantage of this part may submit, as a revision of, or supplement to, its plan under section 623, a plan for a construction program for diagnostic or treatment centers, hospitals for the chronically ill and impaired, rehabilitation facilities, and nursing homes. The Surgeon General shall approve any such revision of, or supplement to, the State plan which is based upon a statewide inventory of existing facilities available for such purposes and which—

"(1) meets the requirements of paragraphs (1), (2), (3), (6), (8), and (9) of section 623 (a): *Provided*, That if the designated advisory council does not include representatives of nongovernmental organizations or groups, or State agencies, concerned with rehabilitation, the plan shall provide for consultation with organizations, groups, and State agencies so concerned;

"(2) conforms with the regulations prescribed under section 622 as revised and supplemented for the purposes of this part;

"(3) sets forth, with respect to each type of facility, the relative need determined in accordance with such revised regulations, and provides for the construction, insofar as financial resources available therefor and for maintenance and operation make possible, of such facilities in the order of such relative needs; and

"(4) provides that the State agency will from time to time review its construction program for such facilities as a part of its State plan and submit to the Surgeon General any modifications thereof which it considers necessary.

"(b) The provisions of subsections (b) and (c) of section 623 shall be applicable to State plans with respect to projects for construction under this part. Except with respect to hospitals, the provisions of subsection (d) of such section shall not be applicable to State plans with respect to projects for construction under this part.

"Approval of projects and payments—Federal share

"SEC. 654. (a) Applications under this part by States, political subdivisions, or public or other nonprofit agencies for (1) public or other nonprofit diagnostic or treatment centers, (2) public or other nonprofit hospitals for the chronically ill and impaired, (3) public or other nonprofit rehabilitation facilities, or (4) public or other nonprofit nursing homes shall be submitted, and shall be approved by the Surgeon General (subject also, in the case of rehabilitation facilities, to the approval of the Secretary) if sufficient funds are available from the State's allotment under this part for such type of facility, in accordance with the procedures and subject to the conditions prescribed in subsection (a) of section 625 and the regulations issued under section 622 as revised and supplemented for the purposes of this part: *Provided, however*, That (except with respect to hospitals) the assurances required for compliance with State standards for operation and maintenance shall be limited to such standards, if any, as the State may prescribe. Approved applications shall be subject to amendment as provided in subsection (c) of section 625.

"(b) In accordance with regulations, any State may file with the Surgeon General a request that a specified portion of an allotment to it under this part for any type of facility be added to the corresponding allotment of another State for the purpose of meeting a portion of the Federal share of the cost of a project for the construction of a facility of that type in such other State. If it is found by the Surgeon General (or, in the case of a rehabilitation facility, by the Surgeon General and the Secretary) that construction of the facility with respect to which the request is made would meet needs of the State making the request and that use of the specified portion of such State's allotment, as requested by it, would assist in carrying out the purposes of this part, such portion of such State's allotment shall be added to the corresponding allotment of the other State, to be used for the purpose referred to above.

"(c) Procedures and conditions for payments under this part shall be in accord with the provisions of subsection (b) of section 625.

"(d) Notwithstanding subsection (a) of this section, no application for a diagnostic or treatment center shall be approved under such subsection unless the applicant is (1) a State, political subdivision, or public agency, or (2) a corporation or association which owns and operates a nonprofit hospital (as defined in sec. 631 (g))."

AMENDMENT OF PARTS A, C, AND D OF TITLE VI

SEC. 4. (a) That part of section 601 of the Public Health Service Act which precedes paragraph (a) is amended by striking out "purpose of this title" and inserting in lieu thereof "purpose of parts B through D of this title."

(b) Subsection (e) of section 625 of the Public Health Service Act is hereby amended to read:

"(e) If any hospital, diagnostic or treatment center, rehabilitation facility, or nursing home for which funds have been paid under this section or under section 654 shall, at any time after the completion of construction, (A) be sold or transferred to any person, agency, or organization, (1) which is not qualified to file an application under this section, or (2) which is not approved as a transferee by the State agency designated pursuant to section 623 (a) (1), or its successor, or (B) cease to be a nonprofit hospital, nonprofit diagnostic or treatment center, nonprofit rehabilitation facility, or nonprofit nursing home as defined in section 631 (g), the United States shall be entitled to recover from either the transferor or the transferee (or, in the case of a hospital, diagnostic or treatment center, rehabilitation facility, or nursing home, which has ceased to be nonprofit, from the owners thereof) an amount bearing the same ratio to the then value (as determined by agreement of the parties or by action brought in the district court of the United States for the district in which such hospital, center, facility, or nursing home is situated) of so much of the hospital, center, facility, or nursing home as constituted an approved project or projects, as the amount of the Federal participation bore to the cost of the construction of such project or projects."

(c) Subsection (g) of section 631 is amended to read:

"(g) The terms 'nonprofit hospital', 'nonprofit diagnostic or treatment center', 'nonprofit rehabilitation facility', and 'nonprofit nursing home' mean any hospital, diagnostic or treatment center, rehabilitation facility, and nursing home, as the case may be, which is owned and operated by one or more nonprofit corporations or associations no part of the net earnings of which inures, or may lawfully inure, to the benefit of any private shareholder or individual;".

(d) Subsection (h) of section 631 is amended to read:

"(h) The term 'construction' includes construction of new buildings, expansion, remodeling, and alteration of existing buildings, and initial equipment of any such buildings (including medical transportation facilities); including architects' fees, but excluding the cost of off-site improvements and, except with respect to public health centers, the cost of the acquisition of land;".

(e) Subsection (k) of section 631 is amended to read:

"(k) (1) The term 'Federal share' with respect to any project means the proportion of the cost of construction of such project to be paid by the Federal Government. In the case of any project approved prior to October 25, 1949, the Federal share shall be 33⅓ percent of the cost of construction of such project. In the case of any project approved on or after October 25, 1949, the Federal share, except as otherwise provided in paragraph (2) of this subsection, shall be determined as follows—

"(A) if the State plan, as of the date of approval of the project application, contains standards approved by the Surgeon General pursuant to section 623 (e), the Federal share with respect to such project shall be determined by the State agency in accordance with such standards;

"(B) if the State plan does not contain such standards, the Federal share shall be the amount (not less than 33⅓ percent and not more than either 66⅔ percent or the State's allotment percentage, whichever is the lower) established by the State agency for all projects in the State: *Provided*, That prior to the approval of the first project in the State during any fiscal year, the State agency shall give to the Surgeon General written notification of the Federal share established under this subparagraph for

projects in such State to be approved by the Surgeon General during such fiscal year, and the Federal share for projects in such State approved during such fiscal year shall not be changed after such approval.

"(2) In the case of projects eligible for approval under part G and approved after the effective date of that part, the Federal share shall be determined as provided in paragraph (1) of this subsection, or, if the State so elects, shall be 50 percent of the cost of construction of the project: *Provided*, That prior to the approval of the first such project in the State during any fiscal year, the State agency shall give to the Surgeon General written notification of such election; and such election shall not be subject to change during such fiscal year after such approval."

(f) Section 631 of the Public Health Service Act is further amended by the addition of the following subsections:

"(l) The term 'diagnostic or treatment center' means a facility for the diagnosis or treatment, or both, of ambulatory patients—

"(1) which is operated in connection with a hospital, or

"(2) in which patient care is under the professional supervision of persons licensed to practice medicine in the State.

"(m) The term 'hospital for the chronically ill and impaired' shall not include any hospital primarily for the care and treatment of mentally ill or tuberculous patients.

"(n) The term 'rehabilitation facility' means a facility which is operated for the primary purpose of assisting in the rehabilitation of disabled persons through an integrated program of medical, psychological, social, and vocational evaluation and services under competent professional supervision, and in the case of which—

"(1) the major portion of such evaluation and services is furnished within the facility; and

"(2) either (A) the facility is operated in connection with a hospital, or (B) all medical and related health services are prescribed by, or are under the general direction of, persons licensed to practice medicine in the State.

"(o) The term 'nursing home' means a facility for the accommodation of convalescents or other persons who are not acutely ill and not in need of hospital care, but who require skilled nursing care and related medical services—

"(1) which is operated in connection with a hospital, or

"(2) in which such nursing care and medical services are prescribed by, or are performed under the general direction of, persons licensed to practice medicine in the State."

(g) Subsection (a) and subsection (b), paragraph (1), of section 632 are hereby amended to read:

"SEC. 632. (a) Whenever the Surgeon General, after reasonable notice and opportunity for hearing to the State agency designated in accordance with section 612 (a) (1) or section 647 (1) finds that the State agency is not complying substantially with the provisions required by section 612 (a) or section 647 to be contained in its application for funds under part B or part F, as the case may be, or after reasonable notice and opportunity for hearing to the State agency designated in accordance with section 623 (a) (1) or section 647 (1) finds (1) that the State agency is not complying substantially with the provisions required by section 623 (a), or by regulations prescribed pursuant to section 622, or with the provisions required by section 647, or by regulations prescribed pursuant to section 653, to be contained in its plan submitted under section 623 (a) or section 653, as the case may be, or (2) that any funds have been diverted from the purposes for which they have been allotted or paid, or (3) that any assurance given in an application filed under section 625 or section 654, as the case may be, is not being or cannot be carried out, or (4) that there is a substantial failure to carry out plans and specifications approved by the Surgeon General under section 625 or section 654, as the case may be, or (5) that adequate State funds are not being provided annually for the direct administration of the State plan, the Surgeon General may forthwith notify the Secretary of the Treasury and the State agency that no further certification will be made under part B, part C, part F, or part G, as the case may be, or that no further certification will be made for any project or projects designated by the Surgeon General as being affected by the default, as the Surgeon General may determine to be appropriate under the circumstances; and, except with regard to any project for which the application has already been approved and which is not directly affected by such default, he may withhold further certifications until there is no longer any failure to comply, or, if compliance is impossible, until the State repays or arranges for the repayment of Federal moneys which have been diverted or improperly expended.

"(b) (1) If the Surgeon General refuses to approve any application under section 625 or section 654, the State agency through which the application was submitted, or if any State is dissatisfied with the Surgeon General's action under subsection (a) of this section, such State may appeal to the United States circuit court of appeals for the circuit in which such State is located. The summons and notice of appeal may be served at any place in the United States. The Surgeon General shall forthwith certify and file in the court the transcript of the proceedings and the record on which he based his action."

(h) Section 635 is hereby amended to read:

"State control of operations

"SEC. 635. Except as otherwise specifically provided, nothing in this title shall be construed as conferring on any Federal officer or employee the right to exercise any supervision or control over the administration, personnel, maintenance, or operation of any hospital, diagnostic or treatment center, rehabilitation facility, or nursing home with respect to which any funds have been or may be expended under this title."

The CHAIRMAN. Are there amendments?

Mr. ROGERS of Florida. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. ROGERS of Florida:

Page 14, line 24, after the word "medicine", insert the words "or surgery."

Page 15, line 14, after the word "medicine", insert the words "or surgery."

Page 15, line 24, after the word "medicine", insert the words "or surgery."

Mr. WOLVERTON. Mr. Chairman, will the gentleman yield?

Mr. ROGERS of Florida. I yield to the gentleman from New Jersey.

Mr. WOLVERTON. I would like to inform the gentleman that so far as the membership of the committee on this side of the aisle is concerned, we have no objection to the amendment that has just been offered.

Mr. HARRIS. Mr. Chairman, will the gentleman yield?

Mr. ROGERS of Florida. I yield to the gentleman from Arkansas.

Mr. HARRIS. I think it should be clearly understood just what the amendment covers here and just what is involved. As the bill was originally presented, we had the impression, and it was the intention, that the existing law would not in any way be changed; that is, with reference to the original Hill-Burton construction program. We found out that the language under the definition in about four instances would have the effect of changing the definition of "hospitals" under existing law. The osteopathic hospitals came into that discussion and our colleagues on the committee will recall some of us were concerned about changing the provisions of existing law because it had worked so well. In view of that, language was substituted in which it made it unnecessary to change the provisions of the definition of "hospitals" under existing law. The language which we refer to applies to facilities for these additional categories under this new part G of the act; is that not true?

Mr. ROGERS of Florida. That is right.

Mr. HARRIS. In other words, this language applies to the definition which relates only to paragraph G under the Public Health Service Act as it is being amended by this bill today.

Mr. ROGERS of Florida. I do not know whether I can restrict it to that or not, because the amendment I have offered applies to the provision as set forth on page 14, line 24, page 15, line 24. It also refers further to line 24, page 15, "are prescribed by, or are under the general direction of, persons licensed to practice medicine in the State." That is the other thing it applies to. The last one is on page 15, line 24, "in which such nursing care and medical services are prescribed by, or are performed under the general direction of, persons licensed to practice medicine in the State."

The amendment that I offer extends that to those who may practice surgery. In other words, there are 15 States in this Union at the present time that grant to osteopaths the right to practice medicine. There are 21 States that do not license osteopaths to practice medicine but do license them to practice osteopathy and surgery. My amendment puts it within the province of osteopaths under the State law—they must have a license under the State law—to practice surgery; therefore, they could come in and when their services were asked by a patient he can get it. If this amendment is not adopted and their services were requested, he could not get it.

Mr. HARRIS. The question I ask the gentleman is whether or not his amendment to this bill would in any way affect the original Hill-Burton hospital construction program which has been in effect for several years.

Mr. ROGERS of Florida. Not at all. In other words, anything that is done with respect to the hospitals under the Hill-Burton Act they are licensed to do, and they have cooperated in every quarter where they possibly have an opportunity to do so.

Mr. HARRIS. I think it should be particularly understood that this is rather technical, that is, the provisions which we have here before us. If the gentleman will recall, it was necessary

to change the original language that was presented because it did change the language of the original Hill-Burton Act. When that was brought out in the committee, the language was changed whereby under the original hospital-construction program osteopathic hospitals as well as other hospitals were authorized, and there were some 15 or 16 osteopathic hospitals under the original program; is that not true?

Mr. ROGERS of Florida. That is true, and this amendment does not affect that program at all.

Mr. HARRIS. The result of the language change was to leave the provision of that act just as it is.

Mr. ROGERS of Florida. Absolutely, and the gentleman fostered that verbiage.

Mr. HARRIS. What the gentleman proposes to do here is to include the word "surgery" in the definition of diagnostic centers and so forth, which would apply to this part, which would be part G of the Public Health Act.

Mr. ROGERS of Florida. That is right.

Mr. HARRIS. We provided in the definition that diagnostic centers, and so forth, may be operated in connection with the hospital. Now, that meant that if such a facility was constructed in connection with a hospital, the supervision of persons licensed to practice medicine would actually be available; is that not true?

Mr. ROGERS of Florida. That is true.

Mr. HARRIS. And the committee thought that in these facilities that would not be related to hospitals, that there should be some medical attention available, and that is the reason this definition was provided as it is; is that not true?

Mr. ROGERS of Florida. I do not know whether they intended to restrict it entirely.

Mr. HARRIS. Well, that is what we did, and what the gentleman is doing here is providing that the osteopathic centers in the States may not only get the provisions of the original Hill-Burton Act, but any States where they are licensed to practice osteopathy and surgery.

Mr. ROGERS of Florida. I think that is the intention.

Mr. HARRIS. And that is the intention of the amendment.

Mr. ROGERS of Florida. Yes. Will the gentleman accept it?

Mr. HARRIS. As far as I am concerned, it is perfectly all right.

Mr. ROGERS of Florida. I do not want to take up the time of the House if the gentleman accepts it. I like to speak, but I do not like to speak that much.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Florida [Mr. ROGERS].

The amendment was agreed to.

Mr. WOLVERTON. Mr. Chairman, I offer a committee amendment.

The Clerk read as follows:

Committee amendment offered by Mr. WOLVERTON: On page 2, line 12, strike out "or" and insert "(4)" and in line 17 strike out "for" and insert "(5)."

Mr. WOLVERTON. Mr. Chairman, I think it is readily observable that these are merely typographical errors which we seek to correct.

The CHAIRMAN. The question is on the committee amendment.

The committee amendment was agreed to.

Mr. BUSBEY. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. BUSBEY: On page 5, strike out section 651, beginning in line 17 down to and including line 7 on page 6.

Mr. BUSBEY. Mr. Chairman, there are four divisions of section 651, and I would like to take the time to read them, in order that we will know just exactly what the amendment does.

First, the bill authorizes $20 million for grants for the construction of public and other nonprofit diagnostic or treatment centers;

Second, the bill authorizes $20 million for grants for the construction of public and other nonprofit hospitals for the chronically ill and impaired;

Third, $10 million for grants for the construction of public and other nonprofit facilities; and

Fourth, $10 million for grants for the construction of public and other nonprofit nursing homes.

The original Hill-Burton Act was for the very purpose the sections of this bill are trying to provide for here; only they are put into categories, instead of into the general law. That is why I expressed the fear in the general debate that we will get into difficulty. There is absolutely no necessity for this language in the bill, because there is already authorized by the Congress for construction of hospital facilities $100 million more than is being requested in the appropriation for the fiscal year 1955.

Now you are asking for $60 million more, although you are not even using up the $150 million that is already authorized. I think it is a position that cannot be justified. Instead of putting this language into the bill and putting these four sections into separate categories, it would be very simple to take care of these situations by a little language change in the present law.

No; I am afraid that what they want to do is to get into these categories. If my amendment is not carried, I am warning the Members today, Mr. Chairman, that sometime in the future, I can refer back to this amendment and say: "I admonished you then that that was exactly what would happen."

Here I have the official document of the United States Public Health Service, which administers this particular program. What do they say in this field? On page 60 of their book, they say this:

The dangers of encouraging overbuilding, the great potentialities of home care programs for reducing the need for hospital care, and the incompleteness of the data on which decisions must be based, all point toward the desirability of conservatism in making estimates of bed needs.

It is true they have not been putting these chronic-bed cases in the general hospitals. We have a great deal of unoccupied space in these hospitals, which have already been built with Hill-Burton funds, that could be utilized for this purpose, just as well as not.

Let me quote another section from the Public Health Service book:

There are many who believe that all or a substantial portion of chronic long-term patients should be cared for in general hospitals. To the extent that this occurs, the need for general hospital beds will be increased beyond the estimate indicated above.

There is nothing in the law now that would warrant adding $60 million to the $150 million authorization, and putting it into these special categories; that will eventually lead to building up special pressure groups, in addition to all the pressure groups we have around the country today, to be continually seeking increased appropriations. I think this is an amendment which should really be adopted by the House. If the Subcommittee on Appropriations should not appropriate the full amount that this bill calls for, providing the language should stay in the bill, I do not want anybody to say that there is no money for this item. There is $150 million.

On July 26, 1946, the genial gentleman from Ohio [Mr. BROWN], who is sitting here in the Chamber, said:

Therefore, the question comes as to whether or not we can and will in the future have the courage and fortitude to refuse to continue to extend the program, once the present emergency is over.

Mr. Chairman, I hope the amendment will be adopted.

Mr. McGREGOR. Mr. Chairman, I move to strike out the last word in order to inquire of the members of the committee about the language on page 12, line 21, "including medical transportation facilities." Does that mean ambulances or building of ambulances?

Mr. PRIEST. May I say in reply to the gentleman's question that that matter came up during the hearings and in executive session, and it is fairly well pinned down in the hearings that refers to ambulances.

Mr. McGREGOR. Having been a small contractor, I find sometimes that we build a building and then have the utilities—the extension of the sewerage system from the property line to the city line—to pay for and find they have not been included in the building project plans. Would the gentleman's opinion be that the extension of the necessary sewer systems be considered a part of those projects and included in this legislation as to the cost?

Mr. PRIEST. I am sure that what the gentleman refers to is not included in the cost. As a matter of fact, with the exception of public health centers as authorized in the original bill, there is no provision even for the purchase of a site insofar as matching funds are concerned. That is up to the local community and the sponsoring agency. That would apply also to the utility facilities. They are not covered in the provisions of this bill insofar as matching by Federal funds is concerned.

Mr. McGREGOR. Is the gentleman of the opinion that certainly the extension or the connection of the sewer fa-

cilities would be a part of the hospital project?

Mr. PRIEST. Certainly the hospital project has to have such facilities. There is no question about that. However, I think we must take into consideration that when a hospital is built outside the city limits, and not within the reach of utility connections and at a considerable distance away, sometimes it probably would turn out that the cost of extending such utility facilities would be far out of proportion to the cost of the project itself. The committee has never felt we should go that far in this legislation although I do agree with the gentleman that that is a vital part of a hospital operation.

Mr. McGREGOR. I am glad to hear my friend say that because sewerage is certainly a part of our health program. It is just as vital a part of this program as buying an ambulance. That certainly goes beyond the idea of construction, does it not?

Mr. PRIEST. It is not covered under construction, but it is equipment and it is a rather important part of the equipment of a hospital, if it is to render its best service to the people. Of course, you understand that utility equipment within the hospital itself, of course, is covered, but I understood the gentleman to refer to an extension of a power line or sewer or water main. Those matters are not covered in the legislation.

Mr. McGREGOR. But the gentleman does agree with me it is covered under the terms of construction in section 8, "Medical transportation facilities," which brings that under the term "construction." How can the gentleman arrive at such a decision as that—ambulances under construction description?

Mr. BUSBEY. Mr. Chairman, will the gentleman yield?

Mr. McGREGOR. I yield.

Mr. BUSBEY. The sole trouble with these definitions is not so much the language of the legislative bill, but the regulations and interpretations given by the Department and the trouble is that in the definitions of related facilities they cover everything from plush hotels to cow barns, and when you get down to those who are writing the regulations on what these definitions mean, we have too many people still down there in the Department imbued with the New Deal idea of share the wealth. They are the ones who are writing the regulations for these programs.

Mr. McGREGOR. I want to say that I concur in the statement of my distinguished friend from Tennessee [Mr. PRIEST]. I agree with him that certainly the extension of necessary sewerage facilities should be a part of the project. Perhaps we can get that straightened out in the other body or in conference.

I think we all agree that proper sewerage is most necessary to the health and welfare of our country—it should be recognized and arranged and taken care of in this bill—when we are considering construction of hospitals—and I thank the gentleman from Tennessee [Mr. PRIEST] for his interest and willingness to consider this problem.

Mr. WOLVERTON. Mr. Chairman, I rise in opposition to the amendment offered by the gentleman from Illinois [Mr. BUSBEY].

I have a great deal of respect for the gentleman from Illinois [Mr. BUSBEY]. I am well aware of the time and the attention that he has given to that portion of the Appropriations Committee, of which he is chairman. It has necessitated his making a study of the subject now under consideration. I am thoroughly cognizant of the interest that he has had at all times. When he was a member of the Committee on Interstate and Foreign Commerce he was faithful to a most commendable degree. His interest in the work of our committee never lagged. The same can be said of him in the work of the committee of which he is such an able chairman. I am regretful, however, that I cannot agree with him as to the merit of the amendment he has offered. It would in my opinion have the effect of killing this bill.

He states that there was no reason to set forth categories. The fact is that there was a reason, and the committee found it to be a very definite as well as meritorious reason why categories should be set forth in the way in which they are in this bill. It was because, under the Hill-Burton Act, with probably one exception, these different categories, as he terms them, would have to be constructed in connection with a hospital.

What we are seeking to do under this legislation is to bring the advantages of these categories to communities that do not have a hospital and that could not reasonably expect to have a hospital.

If time permitted I would like to bring to his attention the evidence that came to us from people who have had experience in these out-of-the-way communities, places away from cities, places where they do not have hospitals or medical facilities of any kind whatsoever. It is communities such as these we are seeking to help. So if the amendment he offers is adopted, it will scuttle this bill, and I certainly hope the House is not willing to support an amendment that would have that effect.

Mr. BUSBEY. Mr. Chairman, will the gentleman yield?

Mr. WOLVERTON. I yield.

Mr. BUSBEY. I would like to say to the gentleman, my good friend, under whom I served, that I would be the last one to want to scuttle this bill. I want to improve the bill and protect the categorical grants in the years to come. After they once get their foot in the door under this provision, they will never get out.

Mr. WOLVERTON. I am hopeful it will be recognized that the health of our people is such an important matter in this Nation of ours that there will never be any desire to get out of the business of improving their health and helping them to have the facilities that will prove helpful to them in this respect.

Mr. JONAS of Illinois. Mr. Chairman, I ask unanimous consent that the gentleman from Illinois [Mr. BISHOP] may extend his remarks at this point in the RECORD.

The CHAIRMAN. Is there objection to the request of the gentleman from Illinois?

There was no objection.

Mr. BISHOP. Mr. Chairman, I am introducing today a companion bill, which has been introduced in the other body, to encourage and assist the production of strategic and critical metals, minerals, and materials in the United States, and for other purposes. These materials pertain to national defense, as well as to the peacetime program. In my congressional district are located a large number of fluorspar and coal mines—fluorspar being used in the manufacture of both steel and aluminum. At the present time more than 50 percent of these miners are out of employment as a result of the importation of these strategic materials from foreign fields. To correct situations such as this, I feel that it is absolutely necessary to reestablish a principle in the regulation of import duties on strategic and critical metals, minerals, and materials to provide for fair and reasonable competition between foreign fields and domestic producers. Since it is the policy of the Congress to develop and promote the production of these metals, minerals, and materials within the United States and to relieve the United States from dependency upon foreign areas for such strategic materials, the transportation of which in time of war would be difficult or impossible, it is respectfully requested that favorable consideration be given this legislation.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Illinois [Mr. BUSBEY].

The amendment was rejected.

The CHAIRMAN. Under the rule, the Committee rises.

Accordingly the Committee rose; and the Speaker having resumed the chair, Mr. Bow, Chairman of the Committee of the Whole House on the State of the Union, reported that that Committee, having had under consideration the bill (H. R. 8149) to amend the hospital survey and construction provisions of the Public Health Service Act to provide assistance to the States for surveying the need for diagnostic or treatment centers, for hospitals for the chronically ill and impaired, for rehabilitation facilities, and for nursing homes, and to provide assistance in the construction of such facilities through grants to public and nonprofit agencies, and for other purposes, pursuant to House Resolution 461, he reported the bill back to the House with sundry amendments adopted by the Committee of the Whole.

The SPEAKER. Under the rule, the previous question is ordered.

Is a separate vote demanded on any amendment? If not, the Chair will put them in gross.

The amendments were agreed to.

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.

GENERAL LEAVE TO EXTEND

Mr. HINSHAW. Mr. Speaker, I ask unanimous consent that all Members

who so desire may have 5 legislative days in which to revise and extend their remarks on the bill just passed.

The SPEAKER. Is there objection to the request of the gentleman from California?

There was no objection.

Mr. SMITH of Mississippi. Mr. Speaker, if the proposed reductions in the various programs for assistance to the States in their public-health activities are approved by the Congress, we can expect a sharp setback in the fight against disease in America. Federal grants have provided the incentive, and a major part of the cost, for splendid public-health programs throughout the country. I hope the Congress will provide substantial increases in the recommended budget figures and avert curtailment of this program.

The tuberculosis-prevention program in Mississippi is one of those gravely threatened by the current budget. For a statement of the danger involved here, I include the following letter from the Mississippi Tuberculosis Association:

MISSISSIPPI TUBERCULOSIS ASSOCIATION,
Jackson, Miss., March 2, 1954.

The Honorable FRANK E. SMITH,
United States House of Representatives, Washington, D. C.

DEAR MR. SMITH: At the last board of directors meeting of the Mississippi Tuberculosis Association the major item for discussion was the serious threat to the tuberculosis-control program in Mississippi which is impending if the recommended reductions in the United States Public Health Service, Division of Tuberculosis Control appropriations become effective on July 1, 1954, as scheduled.

Your attention is respectfully called to the enclosed resolution adopted by our board of directors. Supportive information, facts, and figures are contained in the remainder of this letter.

As you probably know, the Mississippi State Board of Health has received a grant-in-aid from the USPHS TB Control Division each year since the fiscal year 1945–46 for the purpose of executing a more intensive program of tuberculosis control. A majority of the money received has been used in operating the vital service of mass X-raying by means of the mobile X-ray buses, case supervision by trained nurses, in the field, operation of a central and county-by-county case register of tuberculosis cases, examination of sputum and other laboratory procedures, and inauguration of home treatment for those who cannot be admitted to the sanatorium.

In recent years, this Federal grant has been continually and drastically reduced and at present the entire control program in Mississippi is in serious jeopardy. The following figures show the dollars-and-cents side of this picture:

1945–46	$113,024
1946–47	206,465
1947–48	191,138
1948–49	187,172
1949–50	191,155
1950–51	164,100
1951–52	139,187
1952–53	120,059
1953–54	88,500
Proposed for 1954–55	[1] 35,300

[1] A 62-percent reduction after having already been reduced over 36 percent in the previous 3 years.

The reduction in the past has meant putting 2 of the 4 mobile X-ray units "on blocks"—one was taken from service on June 1, 1949, and the other was discontinued as of May 1, 1953.

At present there are two mobile units operating in the State. One is being paid for from Federal funds, the other from a surplus fund which was consigned to the operation of this second unit until July 1, 1954. This surplus fund was definitely for an emergency and will not be available in the future.

Now that we have a brief glimpse at the past history, let's look to the future. What will these proposed reductions mean?

First, both of the two remaining mobile X-ray units will have to be discontinued. Second, case supervision will almost be eliminated. Third, case registers can no longer be maintained. Fourth, laboratory services will be discontinued. Fifth, home treatment cannot be continued without the support of the above four activities.

You can certainly understand and appreciate the serious situation which prevails at present and which will come about if these further reductions take place.

Our organization, the Mississippi Tuberculosis Association, as well as our 86 affiliated organizations in every county of the State, have worked long and hard in an attempt to demonstrate and supplement needed programs of tuberculosis control with money donated to us during our annual Christmas seal sale.

We feel that much of our efforts will have been to no avail if tuberculosis control is seriously curtailed in Mississippi. Also, with the limited funds that are contributed each year, it is absolutely impossible for voluntary organizations in this State to make up even the first drop of this financial loss.

Every effort is being made at the present time to restore some of these reductions by means of a special appropriation from the State legislature; however, with the enormous problem of financing the school program, informed sources have told us that such an appropriation during this session doesn't have a ghost of a chance.

Therefore, this urgent appeal is being made to you to do everything possible to prevent a reduction in the tuberculosis-control appropriations for the coming year.

If this is accomplished, our State will then have an opportunity to allocate supplementary funds at some future date in order to maintain the progress we have made in this field.

This problem affects every citizen in the State of Mississippi, and we feel that it is our duty to urgently request your assistance and influence in alleviating this serious threat.

Respectfully yours,
JUDSON M. ALLRED, Jr.,
Executive Secretary.

THE LATE WILL H. HAYS

Mr. BRAY. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentleman from Indiana?

There was no objection.

Mr. BRAY. Mr. Speaker, it is with profound regret that I bring to the attention of this body the passing of one of the great Americans of this age. Will H. Hays died at his home in Sullivan, Ind., Sunday at the age of 74.

For almost a half century he had been a leading figure in State and national affairs. Many Members of this body, I am sure, had occasion to know Will Hays and observe his devotion to the public welfare. He was national chairman of the Republican Party in the election of 1920, and served as Postmaster General of the United States from 1921 to 1922. At that time a new enterprise, the motion-picture industry, was torn with scandal and faced many severe problems. Hays resigned as Postmaster General to become what was later called movie czar. He earned national acclaim in this position, which he held until 1945. During those years his efforts in maintaining high moral standards in an industry which grew to such giant proportions served the public interest certainly as much as his career in government and politics.

Prior to rising to the highest directive position of his party, he served as precinct committeeman, Republican county chairman of Sullivan County, Ind., Republican district chairman of the old Second Indiana District, and Republican State chairman in the election of 1914–16 and 1918. He continued the practice of law and was recognized as one of the outstanding lawyers of the Midwest. At the time of his death he was the senior member of the firm of Hays & Hays, which was founded by his father, John T. Hays.

I will not attempt to list his many political, business, legal, social, religious, educational, and philanthropic activities, except to say that our Nation has lost one of its really great citizens.

I wish to extend my deepest sympathy to the widow, Mrs. Hays, and to his son, a professor at Wabash College, Will H. Hays, Jr. I am sure that their loss is felt by the community and Nation of which he was so devoted a servant.

Mr. HARVEY. Mr. Speaker, will the gentleman yield?

Mr. BRAY. I yield.

Mr. HARVEY. I would like to join with my colleague from Indiana in paying tribute to that great American, Will Hays. He was a credit to his State and to the Nation. He served us well. I note his passing with grief and realize that we have lost a great citizen.

Mr. BRAY. I thank the gentleman.

Mr. BEAMER. Mr. Speaker, will the gentleman yield?

Mr. BRAY. I yield.

Mr. BEAMER. I would like to pay my tribute to the great Hoosier, Will Hays. I knew him well. He was a graduate of my college, Wabash College. He was very keenly interested in its welfare and in the welfare of our country. I join his friends in mourning his passing.

EXTENSION OF REMARKS

By unanimous consent, permission to extend remarks in the RECORD or to revise and extend remarks was granted to:

Mrs. ROGERS of Massachusetts and to include extraneous matter.

Mr. YOUNGER.

Mr. PASSMAN.

Mr. YORTY (at the request of Mr. HAYS of Ohio) in four instances and to include extraneous matter.

Mr. HAYS of Ohio.

Mr. O'HARA of Illinois in five instances and to include extraneous matter.

Mr. KERSTEN of Wisconsin and to include extraneous matter.

Mr. GUBSER (at the request of Mr. HINSHAW).

ADJOURNMENT

Mr. ARENDS. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 3 o'clock and 3 minutes p. m.) the House adjourned until tomorrow, Wednesday, March 10, 1954, at 12 o'clock noon.

EXECUTIVE COMMUNICATIONS, ETC.

Under clause 2 of rule XXIV, executive communications were taken from the Speaker's table and referred as follows:

1338. A letter from the President, Panama Canal Company, transmitting as background material a historical summary of Panama Canal tolls rates and a copy of the present tolls statutes, pursuant to House Report No. 889, 83d Congress; to the Committee on Appropriations.

1339. A letter from the Secretary of the Navy, transmitting a draft of legislation entitled "A bill to provide for the crediting of certain service toward retirement of Reserve personnel"; to the Committee on Armed Services.

1340. A letter from the Assistant Secretary of Defense, transmitting a draft of legislation entitled "A bill to further amend section 4 of the act of September 9, 1950, in relation to the utilization in an enlisted grade or rank in the armed services of physicians, dentists, or those in an allied specialist category"; to the Committee on Armed Services.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of rule XIII, reports of committees were delivered to the Clerk for printing and reference to the proper calendar, as follows:

Mr. CRUMPACKER: Committee on the Judiciary. H. R. 6280. A bill to extend temporarily the rights of priority of nationals of Japan and certain nationals of Germany with respect to applications for patents; without amendment (Rept. No. 1326). Referred to the Committee of the Whole House on the State of the Union.

Mr. TAYLOR: Committee on the Judiciary. House Joint Resolution 347. Joint resolution giving the consent of Congress to an agreement between the State of Alabama and the State of Florida establishing a boundary between such States; without amendment (Rept. No. 1332). Referred to the Committee of the Whole House on the State of the Union.

Mr. McCULLOCH: Committee on the Judiciary. H. R. 7786. A bill to honor veterans on the 11th day of November of each year, a day dedicated to world peace; without amendment (Rept. No. 1333). Referred to the House Calendar.

Mr. HOFFMAN of Michigan: Committee on Government Operations. Tenth intermediate report entitled "Security and Personnel Practices and Procedures of the Department of State"; without amendment (Rept. No. 1334). Referred to the Committee of the Whole House on the State of the Union.

Mr. SHAFER: Committee on Armed Services. S. 1548. An act to provide for the exchange between the United States and the Commonwealth of Puerto Rico of certain lands and interests in lands in Puerto Rico; with amendment (Rept. No. 1335). Referred to the Committee of the Whole House on the State of the Union.

Mr. SHAFER: Committee on Armed Services. S. 1827. An act to authorize the Secretary of the Army to disclaim any interest of the United States in and to certain property located in the State of Washington; without amendment (Rept. No. 1336). Referred to the Committee of the Whole House on the State of the Union.

Mr. REED of New York: Committee on Ways and Means. H. R. 8300. A bill to revise the internal revenue laws of the United States; without amendment (Rept. No. 1337). Referred to the Committee of the Whole House on the State of the Union.

REPORTS OF COMMITTEES ON PRIVATE BILLS AND RESOLUTIONS

Under clause 2 of rule XIII, reports of committees were delivered to the Clerk for printing and reference to the proper calendar, as follows:

Mr. LANE: Committee on the Judiciary. H. R. 1509. A bill for the relief of Sahag Vartanian; without amendment (Rept. No. 1327). Referred to the Committee of the Whole House.

Mr. LANE: Committee on the Judiciary. H. R. 3008. A bill for the relief of Esther Smith; without amendment (Rept. No. 1328). Referred to the Committee of the Whole House.

Mr. FORRESTER: Committee on the Judiciary. H. R. 5933. A bill for the relief of Herschel D. Reagan; without amendment (Rept. No. 1329). Referred to the Committee of the Whole House.

Mr. JONAS of Illinois: Committee on the Judiciary. H. R. 7258. A bill for the relief of the Willmore Engineering Co.; with amendment (Rept. No. 1330). Referred to the Committee of the Whole House.

Mr. LANE: Committee on the Judiciary. H. R. 7753. A bill for the relief of the estate of Carlo de Luca; with amendment (Rept. No. 1331). Referred to the Committee of the Whole House.

PUBLIC BILLS AND RESOLUTIONS

Under clause 4 of rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. BAKER:

H. R. 8288. A bill to amend the Social Security Act and the Internal Revenue Code so as to extend coverage under the old-age and survivors insurance program, increase the benefits payable thereunder, preserve the insurance rights of disabled individuals, and increase the amount of earnings permitted without loss of benefits, and for other purposes; to the Committee on Ways and Means.

By Mr. BISHOP:

H. R. 8289. A bill to encourage and assist the production of strategic and critical metals, minerals, and materials in the United States, and for other purposes; to the Committee on Armed Services.

By Mrs. BUCHANAN:

H. R. 8290. A bill to offset declining employment by providing for Federal assistance to States and local governments in projects of construction, alteration, expansion, or repair of public facilities and improvements; to the Committee on Public Works.

By Mr. BUDGE:

H. R. 8291. A bill to amend the Agricultural Act of 1949 to provide a limitation on the downward adjustment of price supports for milk and butterfat and the products of milk and butterfat; to the Committee on Agriculture.

By Mr. CURTIS of Nebraska:

H. R. 8292. A bill to eliminate farm tractor fuel and certain other liquids from the manufacturers' excise tax on gasoline; to the Committee on Ways and Means.

By Mr. CURTIS of Missouri:

H. R. 8293. A bill to honor veterans on the 11th day of November of each year, a day dedicated to world peace; to the Committee on the Judiciary.

By Mr. GOODWIN:

H. R. 8294. A bill to honor veterans on the 11th day of November of each year, a day dedicated to world peace; to the Committee on the Judiciary.

By Mr. HOLT (by request):

H. R. 8295. A bill to amend the grant provisions of the Vocational Rehabilitation Act; to the Committee on Education and Labor.

By Mr. JENKINS:

H. R. 8296. A bill to honor veterans on the 11th day of November of each year, a day dedicated to world peace; to the Committee on the Judiciary.

By Mr. JONAS of North Carolina:

H. R. 8297. A bill to provide for the issuance of a special postage stamp in commemoration of the 175th anniversary of the Battle of Ramsour's Mill; to the Committee on Post Office and Civil Service.

By Mr. MARTIN of Iowa:

H. R. 8298. A bill to honor veterans on the 11th day of November of each year, a day dedicated to world peace; to the Committee on the Judiciary.

By Mr. SADLAK:

H. R. 8299. A bill to honor veterans on the 11th day of November of each year, a day dedicated to world peace; to the Committee on the Judiciary.

By Mr. REED of New York:

H. R. 8300. A bill to revise the internal revenue laws of the United States; to the Committee on Ways and Means.

By Mr. UTT:

H. R. 8301. A bill to honor veterans on the 11th day of November of each year, a day dedicated to world peace; to the Committee on the Judiciary.

By Mr. DONDERO:

H. R. 8302. A bill to extend the duration of the Water Pollution Control Act; to the Committee on Public Works.

By Mr. SMALL:

H. R. 8303. A bill to remove the limitation upon the pay and allowances of the second leader of the United States Naval Academy Band; to the Committee on Armed Services.

H. R. 8304. A bill to enable certain widows of Foreign Service officers to obtain credit for prior Government service performed by such officers, for the purpose of securing the widow's annuity provided under title VIII of the Foreign Service Act of 1946; to the Committee on Foreign Affairs.

By Mr. WATTS:

H. Con. Res. 206. Concurrent resolution extending best wishes of the Government and people of the United States to Berea College in Berea, Ky.; to the Committee on Education and Labor.

MEMORIALS

Under clause 4 of rule XXII, memorials were presented and referred as follows:

By Mr. HART: Certified copy of resolution adopted by the Senate of the State of New Jersey requesting the dredging and improvement of Barnegat Inlet, in the county of Ocean, N. J.; to the Committee on Public Works.

PRIVATE BILLS AND RESOLUTIONS

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

By Mr. HILLELSON:

H. R. 8305. A bill for the relief of Chaplain (Maj.) James M. Stafford; to the Committee on Armed Services.

H. R. 8306. A bill to authorize the promotion of Chaplain (Maj.) James M. Stafford, United States Army Reserve, to the grade of lieutenant colonel; to the Committee on Armed Services.

By Mr. McMILLAN:

H. R. 8307. A bill for the relief of Virginia Hell; to the Committee on the Judiciary.

By Mr. MERROW:

H. R. 8308. A bill for the relief of Brede Syver Klefos; to the Committee on the Judiciary.

By Mr. ROBESON of Virginia:

H. R. 8309. A bill to confer jurisdiction upon the United States District Court for the Eastern District of Virginia; to the Committee on the Judiciary.

By Mr. SMALL:

H. R. 8310. A bill for the relief of Mr. and Mrs. Gordon C. Brown, Sr. (in behalf of the minor child Robert Gordon Brown); to the Committee on the Judiciary.

EXTENSIONS OF REMARKS

Need for a Strong Merchant Marine

EXTENSION OF REMARKS

OF

HON. SAMUEL W. YORTY

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, March 9, 1954

Mr. YORTY. Mr. Speaker, for nearly 20 years it has been our declared national policy, as stated in the Merchant Marine Act of 1936, to develop and maintain an adequate and well-balanced American merchant marine. A strong merchant marine is there recognized as essential to aid in the defense of our country as well as to promote the interests of our foreign and domestic commerce.

When World War II came upon us there had been little time to carry out the provisions and objectives of the 1936 act. Consequently, we were forced to initiate a large-scale building program under conditions of great urgency, as had previously been done also in World War I. Economy, good design, and high standards were for the most part necessarily sacrificed to immediate need.

It might be expected that this recent experience would have made us thoroughly alert to the indispensability of maintaining at all times a strong merchant marine as an essential nucleus of our security requirements. Yet the unfortunate truth is that the position of our merchant marine is even now seriously threatened and is deteriorating in several important respects. American ship operators and shipbuilders are finding it increasingly difficult to meet foreign competition with its much lower wage and other costs. Our governmental program of extending differential subsidies to equalize costs is inadequate and spasmodic. United States shipyards operate at a low ebb, with few orders on the books and none coming in.

The most competent authorities regard our present merchant fleet as poorly balanced in its composition. Since most of the ships were built during World War II their age distribution is bad; many are already obsolete and others will soon become overage in a concentrated group. There is a serious deficiency of fast passenger ships which could serve as troop carriers, as we have no tankers in emergency reserve, and the inactive reserve of cargo vessels consists almost wholly of the slow and inefficient war-built Liberty ships.

It is abundantly evident, then, that we have no reason to be complacent about the condition and prospects of our highly essential American merchant marine. To the contrary, we must commit ourselves anew to a continuous and stable program and resolutely carry it through.

Retirement of a Great Soldier

EXTENSION OF REMARKS

OF

HON. BARRATT O'HARA

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Tuesday, March 9, 1954

Mr. O'HARA of Illinois. Mr. Speaker, I am voicing, I am sure, the sentiment of my colleagues in the Congress of the United States in joining in the honors and well wishes that were showered on Maj. Gen. George F. Ferry at a dinner last night in the Northwest Armory in the city of Chicago. The guests at that memorable dinner, attended by 400 officers and friends, included Lt. Gens. William B. Kean, Samuel T. Lawton, and Richard Smykal; Maj. Gens. Harry L. Bolen, Robert E. Moffat, and Roy D. Keehn, Jr., and Brig. Gens. Ernest N. Bauman, Richard L. Jones, Julius Klein, William Newhall, Otto McBride, and Otto Kerner, Jr.

Tomorrow, Maj. Gen. Ferry is retiring, with the rank of lieutenant general, as commander of the National Guard of Illinois. Under his leadership the Illinois guard has attained the highest rating in its illustrious history. It has meant much to the members of the guard and the people of Illinois that the great soldier, retiring tomorrow with the highest of honors and the warm affection of his fellow-soldiers and fellow-citizens, joined the guard 35 years ago as a private. By industry, devotion to duty, and the genius of military leadership he attained position of supreme command. In World War II the zone of his service was the Pacific. In 1946 he became chief of staff of the 33d Division.

Illinois forever will remember on the roll of great generals she has given the Nation the name of George F. Ferry. It is fitting that this distinguished body should note his great service to our country. For my colleagues and myself I extend best wishes always to General Ferry and his charming wife.

Military Fringe Benefits and Veterans' Programs a Sound Investment

EXTENSION OF REMARKS

OF

HON. SAMUEL W. YORTY

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, March 9, 1954

Mr. PORTY. Mr. Speaker, short-sighted fiscal programs, confused policies, selfishly inspired propaganda, and apathy toward the problems of service personnel have created a serious manpower problem for all the services. There is a direct relationship between the morale of service personnel and their desire to remain in service after the expiration of their enlistment, or termination of an officer's tour of duty. Readily available statistics are far from encouraging because they clearly indicate a critical trend away from career service.

The Assistant Secretary of Defense for Manpower and Personnel in a radio address several days ago stated that we are having a 60 percent turnover in service personnel. Hanson W. Baldwin in a recent article in the Saturday Evening Post observed that only about 6 percent of the United States Navy's new ensigns are graduates of the Naval Academy, while the percentage of the Military Academy graduates is even less. Both officer and enlisted ranks are being depleted at a dangerous rate. Our national security is being jeopardized by the failure of the services to retain qualified and competent personnel in the various ranks, branches, and specialties. Our military budget is greatly increased by the recurrent expense of training so many men, especially technicians, who thereafter decide not to stay in the service. The Government's investment in a jet pilot averages $50,000. With the regularly increasing complexity of all phases of modern warfare, and its consequent specializations, there is urgent need to make military careers sufficiently attractive to cause our trained personnel to stay in the service.

The Armed Forces are frequently in direct competition with industry and private employment. In many instances the attractions of higher pay and freedom from constant change of duty station are compelling factors in favor of private industry. An Air Force captain receives about half the salary of a commercial airline pilot who flies no combat

missions, and who is not separated from his family for many months at a time.

One way in which we can partially compensate for the disadvantageous position of the services is to steadfastly maintain and even extend the so-called fringe benefits of military personnel. In this respect, Hanson W. Baldwin stated in the same article previously mentioned that "the old line officer and noncom had—as they understood it—hard and fast contracts with the Government which they could depend upon; their quarters were often pleasant, and commissary and post-exchange privileges and other fringe benefits compensated, in part at least, for low pay. But the growth of the Armed Forces, plus public and congressional desire for economy, have forced reductions in standards. Congress was not willing to provide for the many what it had once provided for the few. The trend of service living standards has been down."

Improved and extended fringe benefits will contribute to the solution of our current problem in two distinct ways, as an inducement for men to remain in service, and as an added attraction for others who are in a position to exercise personal option regarding military duty. The quality of Armed Forces personnel is raised when the services can exercise selectivity when considering recruits rather than having to lower standards in order to meet minimum quotas. Shortsighted selfish attacks on military fringe benefits and pennywise budgets for military housing and recreational facilities are actually greatly increasing defense costs.

Another effective way in which we can contribute materially to improved morale of service personnel is to maintain the various services and facilities provided veterans by the Veterans' Administration. There exists a little-understood relation between the treatment of veterans and the morale of those still in service. By our support of the Veterans' Administration program not only do we partially liquidate our heavy obligations to the veterans who were called upon to carry a disproportionate share of the burden of war, but we demonstrate our sincere and earnest efforts to show our appreciation of the sacrifices of military personnel.

We should also bear in mind that by the provision of adequate medical and hospital care through the facilities of the Veterans' Administration, many veterans will be available as members of a potential Armed Forces Reserve, professionally qualified and physically fit, in the event of a national emergency. It is obvious that many veterans who require help in meeting medical problems would not be in such a position, except for long years spent in military service. It is a demonstrable fact that Veterans' Administration is critically short of many needed hospital facilities, particularly facilities for the treatment of mental illness, and yet high-priced propaganda, selfishly inspired, is constantly distorting the facts and trying to picture large numbers of veterans as sponging off of the Veterans' Administration at great cost to the taxpayers. This is simply not the case. In fact, if we should yield to selfish motives and reduce the present services that the veterans receive from the Veterans' Administration, it is certain that the various States and local jurisdictions would have to attempt to close the gap. Yet all informed persons will readily recognize the infeasibility of this because even today State and local authorities are seldom able to cope with their current responsibilities in an adequate fashion.

To sum up, it is my view that the chipping away of military fringe benefits is a program we cannot afford. More such benefits would actually save us money in the long run and give us a sounder, more experienced Defense Establishment. The programs of the Veterans' Administration should be kept intact and permitted to function at a high level of efficiency.

Thirteenth Report on Legislation of the 83d Congress

EXTENSION OF REMARKS

OF

HON. BARRATT O'HARA

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Tuesday, March 9, 1954

Mr. O'HARA of Illinois. Mr. Speaker, I am extending my remarks to include my 13th report on the legislation of the 83d Congress to my constituents in the Second District of Illinois, as follows:

DEAR FRIEND: Here are (1) the laws that have been enacted since my last report to you and (2) an accounting to you of the manner of my thinking and voting as your Representative:

PUBLIC LAW 296 (H. R. 2842). A LAW TO ACCOMMODATE A LAW OF THE TERRITORY OF HAWAII

This concerns a narrow strip of land (9,087 square feet) in the Fort De Russy Military Reservation, located along the Honolulu-Pearl Harbor road, which the United States acquired by condemnation in 1909 for $186.96. In 1950 Hawaii was given an easement in perpetuity for the building of a highway over this $186.96 worth of real estate. The Territorial government was willing to foot the bill for an abutting wall to help hold back the sea from interfering both with travel on the highway and with the military installations. But a provision in the laws of Hawaii passed in 1946 stood in the way. This required all Territorial public highways and property thereon to be held by the government of Hawaii in fee simple. An easement in perpetuity (in practical effect the same) did not meet the Hawaiian requirement. So Congress accommodated with Public Law 296, turning the land over to Hawaii in fee simple. Your vote was cast for holding back the sea at any cost, be it via easement in perpetuity or via title in fee simple.

PUBLIC LAW 297 (H. R. 2839). EXCHANGE OF LANDS BY HAWAIIAN HOMES COMMISSION

The Hawaiian Homes Commission is an agency created by the Federal Government, acting as a trustee, to provide homesites for native Hawaiians. The Commission owns a large number of noncontiguous tracts of land. Public Law 297 permits it to consolidate its holdings in Waimanalo on the island of Oahu by making exchanges of sites under its jurisdiction for similarly located publicly owned lands of equal value. The Department of the Interior approved the measure, the Committee on Interior and Insular Affairs unanimously recommended its passage, and the favorable action of the House was without any dissent.

PUBLIC LAW 298 (H. R. 5379). PUBLICATIONS OF FRATERNAL AND OTHER SOCIETIES

Publishers of periodicals of benevolent and fraternal societies, lodges, and institutions of learning established by State or trade unions or by incorporation, and professional, literary, historical, and scientific societies will be interested in this measure. Existing law requires that these publications to enjoy second-class mail privileges must be printed and mailed at the place of publication. Public Law 298 removes this restriction. Hereafter societies of the nature indicated may have their periodicals printed and mailed at any place they find most convenient and advantageous. The measure was passed without objection. Publications in this class often are small; some (as those of fish and game societies) being no more than bulletins. Nevertheless, they make on the whole a large and helpful contribution to public interest and knowledge.

PUBLIC LAW 299 (H. R. 5861). INCREASES PENSIONS TO NATIVE PANAMA CANAL WORKERS

Employed by the Panama Canal Company and the Canal Zone Government at the present time is a total of 12,762 persons, paid at local native prevailing wage rates. Most are Panamanian citizens. Others are from the West Indies but will remain in Panama after the termination of their employment. Problem is to protect Panama from the burden of carrying them on relief. Inadequate provision on our part has a deteriorating influence on relations between the United States and Panama.

In 1937 our Government undertook to care for employees who were not United States citizens (already covered) and who might become unfit for further useful service because of age or disease. The 1937 act required a minimum of 10 years of service, allowed $1 a year for each year of service, and placed a $25 a month ceiling. Increased living costs since 1937, making the payments inadequate to meet the needs, have shifted increasingly the burden upon the neighboring Republic of Panama to care for the aged and disabled former canal employees. Naturally, this has not contributed to Panamanian cordiality.

Public Law 299 belatedly increases the allotment to $1.50 a year for each year of service and boosts the maximum from $25 to $45 a month.

I am sure that you will approve of my giving your support to this measure as being right and just. It is one piece of legislation where we are accomplishing a good mission without any expenditure of the American taxpayer's money. The expense of the cash relief (totaling about $1,400,000 this year) will come largely from the operating expense of the Panama Canal—which is quite as it should be.

PUBLIC LAW 300 (H. R. 5959). REMOVES DISCRIMINATION IN DUAL COMPENSATION ACT

The Economy Act of 1932 prohibited both military retired pay and pay as a civilian employee of the Government if the combined amount exceeded $3,000 per annum, except in the case of officers with disabilities incurred as a result of (1) combat with an enemy or (2) explosion of an instrumentality of war.

Public Law 300 extends the exception (2) to include all officers with disabilities caused by an instrumentality of war and incurred in line of duty whether or not there was an explosion. Reason: to eliminate the discrimination in the old law.

Example: An Air Force officer retired for disability incurred when his aircraft crashed

and exploded could draw both his disability retired pay and salary as a Federal employee regardless of the combined amount. On the other hand, a brother Air Force officer who is retired for an identical disability incurred when his aircraft crashed but did not explode, could not be paid as a civilian employee of the Federal Government so long as he was receiving retired pay if the combined amount exceeded $3,000 a year.

Public Law 300, which had the support of the vote that I cast for you, puts them both on the same footing.

APPRECIATION

Many thanks to you who telephoned, telegraphed, and wrote me after the shooting from the House gallery on March 1, 1954.

I was seated on the aisle in the second row behind the small table on the Democratic side. Two bullets lodged in the seat directly behind the one I occupied, one bullet almost in the exact center.

Under Secretary of State Bedell Smith had arranged to meet a group of 30 Congressmen protesting King Saud's threats to Israel. The meeting was scheduled in the Capitol at 4 o'clock.

By that time guards were stationed everywhere with instructions to shoot to kill and ask questions afterward. When I attempted to drive into the Capitol Grounds to attend the conference, a guard pulled a pistol on me. He was halted in firing by a scream from his back. The scream was directed at me, a notification that the conference had been called off.

ACTIVITIES

For the last 2 weeks my committee, Banking and Currency, has been holding public hearings on the administration's housing bill. I have attended and participated in all sessions.

I appeared before the Committee on Armed Services in support of my bill to restore the *Olympia*, Dewey's flagship at Manila Bay, and berth her permanently in Chicago waters.

I appeared before the Committee on Post Office and Civil Service in support of wage increases for Federal workers in the humbler places.

It is a busy routine. You give lightness to the day with your letters, and it is a real occasion to all of us in 1420 when you visit Washington and drop in on us.

Cordially and sincerely,

BARRATT O'HARA,
Member of Congress.

The Late Hugh Steel Hersman

EXTENSION OF REMARKS

OF

HON. CHARLES S. GUBSER

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, March 9, 1954

Mr. GUBSER. Mr. Speaker, I rise to offer my respects and pay tribute to the memory of a distinguished former Member of this House, the Honorable Hugh Steel Hersman, who passed to his eternal reward in my home town of Gilroy, Calif., on Sunday, March 7, at the age of 81.

No better can the inexorable progression of time be demonstrated than by the fact that of the 435 Members who assumed their seats in this House upon convention of the 66th Congress on March 4, 1919, only 3 are here today who heard Hugh Hersman take his oath of office. But we, of a younger generation, who knew him later as a distinguished citizen of our community, and as a genial golfing partner, know that he carried out his sworn duties well, and that he gave his all in serving the Nation he so dearly loved.

Hugh Steel Hersman was born in Port Deposit, Cecil County, Md., on July 8, 1872. When still a boy, he accompanied his parents to California where he attended public schools. He graduated from the Southwestern Presbyterian University of Tennessee in 1893, and later took graduate work at my own alma mater, the University of California at Berkeley in 1897 and 1898. At the beginning of the First World War, Mr. Hersman came to my home town of Gilroy, and served as president of the First National Bank there from 1914 to 1918. He also was an officer and director of several corporations.

In the waning days of the great war, Hugh Hersman stood for election to Congress, and was elected as a Democrat to the 66th Congress. While a Member, he served on the House Coinage, Weights, and Measures Committee, and the House Public Lands Committee.

In 1920, Hugh Hersman returned to Gilroy, where he continued his activities as a business and civic leader. His greatest achievement was the respect with which he was held by all who knew him. He served his fellow man sincerely and well. I am proud of being one of his successors in the Congress of the United States.

Fourteenth Report on Legislation of the Eighty-third Congress

EXTENSION OF REMARKS

OF

HON. BARRATT O'HARA

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Tuesday, March 9, 1954

Mr. O'HARA of Illinois. Mr. Speaker, by unanimous consent, I am extending my remarks to include my 14th report to my constituents in the 2d District of Illinois on the bills passed by the Senate and House, later signed by the President, and becoming laws enacted by this Congress. The report follows:

DEAR FRIEND: Here are the new laws of the land that have been enacted since my last report to you:

PUBLIC LAW 301

S. 2689, patrol of highways in Wright-Patterson Air Force Base:

Because the attorney general of Ohio rendered an opinion in 1952 the Congress of the United States 2 years later had to pass a new law. It happened this way: Some 20 years ago the Wright-Patterson Air Force Base was established. Within the boundaries of the base were 18 miles of State and county roads, including 5.7 miles of 4-lane highways heavily traveled by the civilian public. For 20 years the State of Ohio patrolled these roads, enforcing the State's traffic laws. Then suddenly on September 25, 1952, the attorney general of Ohio rendered his opinion that Ohio had no authority to enforce the State traffic laws because the United States had exclusive jurisdiction.

When Ohio ceased patrolling the roads the commanding general of Wright-Patterson had his troubles. Patrolling State roads (including busy four-lane highways) is not a customary military function. The general had insufficient personnel. That was not all. Violators had to be taken before the United States district court at Dayton, converting that dignified branch of the Federal judicial system into a crowded, overtaxed, underrespected minor traffic court.

As your representative I was happy to cast your vote for Public Law 301, giving concurrent jurisdiction to the United States of America and the State of Ohio. The practical effect is that normally the State of Ohio will patrol the highways (on which most of the traffic is civilian) and that the military authorities will be called upon only on occasions of necessity. Just common sense.

PUBLIC LAW 302

H. R. 8069, extends life of Commission on Intergovernmental Relations:

Public Law 109 of the 1st session of the 83d Congress created the Commission on Intergovernmental Relations. (See my 7th report on legislation of the 83d Cong.) The Commission, after a study of the roles of Federal, State, and local governments, was to report its recommendations not later than March 1, 1954, in order that this Congress could act upon them. Public Law 302 extends the date to March 1, 1955. Reason: the Presidential discharge of the Chairman (Dr. Clarence E. Manion, of Notre Dame) left the Commission in too much confusion immediately to get together on a report. It seemed best to start all over again.

The House consented to the arrangement on February 25, no one objecting. Manion's friends in the Senate, angry, held things up until March 1, the very last moment. Senator JOHNSON, minority leader, commented: "We all hoped last year would be a study year and this year we would have a chance to study the studies. While we regret to see a report postponed that long, we are willing to go along because of the unusual circumstances in which the administration finds itself."

PUBLIC LAW 303

S. 2175, adjusts retirement benefits for Members and employees of the legislative branch:

Senator MARGARET CHASE SMITH, of Maine, who herself was a congressional secretary, later a Member of the House, and then a Senator, introduced this measure to bring the legislative retirement system more in line with that in other branches of the Federal Government.

Congressional secretaries (who constitute a specialized profession) and other legislative employees have no certainty of tenure. I think they are entitled to retirement coverage to the same extent as other Federal workers. Public Law 303 provides what the Senate report described as "a sound and adequate retirement formula attuned to circumstances peculiar to their employment status." After 5 years of service and the making of the required retirement payments (6 percent of salary), congressional employees on reaching retirement age are entitled to receive 2½ percent of the average salary during 5 years multiplied by the number of years of service.

Public Law 303 also makes some amendments to the law of 1946 granting retirement benefits to Members of Congress who qualify by paying in 6 percent of their salaries. The formula is followed of multiplying 2½ percent of average salary by the number of years of service (1) in the Congress, and (2) in the armed services in wartime.

PUBLIC LAW 304

H. R. 7996, second supplemental appropriation bill of 1954:

This and other appropriation laws, both first and second sessions, will be covered later in a separate report.

Largest item in these appropriations totaling $27,517,616 (not including $8,120,500 for Coast Guard because this money merely was transferred from previous Air Force appropriations) is $15 million for unemployment compensation for veterans.

I think you will find some interest in the Coast Guard item. This is to complete the construction and outfitting of a chain of three navigational aid (loran) stations in the Arctic. It is in addition to $1,484,675 previously provided for preliminary work, which makes a total of over $9.5 million. These stations, part of an overall plan of the Joint Chiefs of Staff, supplement similar stations already built in Alaska.

Cost of construction in the Arctic is high, three times that in Alaska, which in turn is much higher than in continental United States. The money comes by transfer to the Coast Guard from the 1954 appropriations to the Air Force for maintenance and operations.

PUBLIC LAW 305

H. R. 6130, priorities in Lanham warhousing purchases:

Here is a striking illustration of how far the Government and the Congress of the United States will go to avoid doing an injustice.

At the present time dwellings are being sold under the Lanham War Housing Act. In a few isolated cases (total not to exceed 70) permanent dwellings were already located on the site at the time the Government took over. Public Law 305 gives the former owners of the dwellings priority in purchasing under certain approved conditions. Purpose is to save them from being evicted from old established family seats. The law properly, however, gives no preference to former owners of real estate on which the housing was constructed by the Government.

PUBLIC LAW 306

S. 1160, authorizing exchange of land in Arizona:

In 1905 the United States acquired land in the city of Tucson in Arizona as an agency site for the San Xavier Indian Reservation, which serves the Papago Indians. Cost: $125. Public Law 306 authorizes the Secretary of the Interior to swap the land for another piece of land of about the same value in Pima County, Ariz., and more convenient to the Papago Tribe. The House passed the measure on the Consent Calendar, and I remained silent, thinking you would not wish me to do otherwise. Silence in such instances gives assent.

FIRST CASUALTY TO RETURN

Congressman CLIFFORD DAVIS, of Tennessee, who was 1 of the 5 Members shot on March 1, returned to the floor of the House on March 16. You will like his remarks on page 3350 of the CONGRESSIONAL RECORD of that day.

Cordially and sincerely,

BARRATT O'HARA,
Member of Congress.

Prophets Then and Now

EXTENSION OF REMARKS

OF

HON. WAYNE L. HAYS

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Tuesday, March 9, 1954

Mr. HAYS of Ohio. Mr. Speaker, under leave to extend my remarks, I would like to point out the similarity between the statements of those who said that there was nothing wrong with the economy in 1930 and the statements saying that everything is rosy in 1954.

Ohio State Employment Service, March 1, 1954:

Most [experts] believe the setback will prove fairly moderate in any case, and that 1954 will be the second-best year in history.

Secretary of Commerce, March 3, 1930:

As weather conditions moderate, we are likely to find the country as a whole enjoying its wonted state of prosperity. Business will be normal in 2 months.

Fair Labor Standards Act

EXTENSION OF REMARKS

OF

HON. SAMUEL W. YORTY

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, March 9, 1954

Mr. YORTY. Mr. Speaker, I am today introducing H. R. 8494 to amend the Fair Labor Standards Act to include the following changes:

First. It widens the coverage of the act to include employers engaged in any activity affecting commerce, and also specifically employees in large retail enterprises and hired labor on large factory farms.

Second. It increases the minimum wage from 75 cents to $1.25 per hour on the mainland of the United States.

Third. It increases the minimum wages in Puerto Rico and the Virgin Island by 50 cents per hour above the rates now established by industry committee recommendations in the different industries. Thereafter the minimum wage would be increased annually by one-third of the difference between $1.25 and the augmented industry rate until, after 3 years, the minimum wage of $1.25 per hour would apply to all industries covered by the act in Puerto Rico and the Virgin Islands.

Fourth. It reduces the standard workweek before overtime rates are applicable from 40 hours to 37½ hours during the first 2 years after the effective date of the act and to 35 hours after the expiration of the 4th year.

Fifth. It eliminates the overtime exemption in so-called seasonal industries.

Sixth. It raises the minimum rate which may be paid learners, apprentices, messengers, and the handicapped to no less than $1 per hour.

Seventh. It changes the limitation on the period during which the administrator of the act may bring action to recover unpaid minimum wages or overtime compensation from 2 years to 4 years.

In general, this bill liberalizes the Fair Labor Standards Act in coverage, in inclusiveness, in the reduction of exemptions, and in providing a more adequate minimum wage, as well as a standard workweek more in harmony with what we need and can afford in the second half of the 20th century.

We hear nothing but praise of the principles of the Fair Labor Standards Act and of our successful experience under it. The act protects their fair employer against the unfair competition of sweatshops. President Eisenhower and Secretary of Labor Mitchell have both expressed a desire to widen the coverage of the act. At present only about 24 million workers are covered by the act, or less than half of the Nation's workers. My bill would include a large fraction of the rest, leaving out only those whose activities do not affect commerce and certain special groups like hired workers on family farms and employees in local small retail stores and service establishments. The new wage-and-hour standards included in my bill represent realistic standards based on present higher costs of living, going wage rates, increases in productivity, and the present need to stimulate consumer purchasing power.

Slovak Independence Day

EXTENSION OF REMARKS

OF

HON. BARRATT O'HARA

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Tuesday, March 9, 1954

Mr. O'HARA of Illinois. Mr. Speaker, on Sunday next we observe the Slovak Independence Day, and from Americans everywhere will come a prayer that soon again liberty and the dignity of man will be restored to the brave men and women of the land of the Slovak. I am glad to have the opportunity of joining with other Members of the Congress of the United States in sincere assurance that we are standing by in their time of trial and tribulation and will not desist in our efforts until the people of the once proud Slovak Republic again are free.

It was on March 14, 1939, in the spirit of our own July 4, 1776, the independence of Slovakia was proclaimed. The Slovak Republic came into being before World War II and was recognized by 27 countries.

The Red army occupied the Slovak Republic at the end of World War II, and put an end to the freedom and independence of the Slovak people. Disregarding the right of self-determination and the principles of the Charter of the United Nations, a foreign reign was forced upon this young Republic which in February 1948 was taken over completely by the Communist regime.

From the very beginning the Slovaks took a negative attitude toward communism.

Gen. Milan Rastislov Stefanik, the scientist-astronomer, after completing a trip through Russia in 1919, telegraphed his government:

Say it loudly to everybody: Bolshevism is not only a philosophical ideology but a morbid phenomenon, an apocalyptic chaos, in which the lowest instincts manifest themselves and the Bolshevist leaders are dictators in the most terrible sense of the word. Clad in rags, they seize wealth and in reality

claim privileges. * * * To flirt with bolshevism means to leave the path of honor and of human commonsense. And I tell you out of the depth of my soul: The fight against all phenomena of bolshevism must dominate our policy. Let us act energetically as long as there is time. If we will not decide ourselves to act, bolshevism will weaken small nations and, at the end, will cause their full dissolution.

A prophetic warning.

Today the Slovak people are leading a double fight: the fight against Communist tyranny and against foreign rule. They are fighting heroically for their freedom and independence within a free and united Europe. That fight is marked by martyrs at home and refugees abroad.

On Sunday, March 14, throughout the free world national independence day will be celebrated by the Slovak people, as a signal to Moscow that they have in their minds and hearts two purposes: to free their country from foreign domination and an ideology to which by nature and tradition they are unalterably opposed.

The Lower Mississippi and Its Tributaries Project

EXTENSION OF REMARKS

OF

HON. OTTO E. PASSMAN

OF LOUISIANA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, March 9, 1954

Mr. PASSMAN. Mr. Speaker, under leave to extend my remarks in the RECORD, I include the following statement which I made before the Army Civil Functions Appropriations Subcommittee:

Mr. Chairman and members of the committee, I am grateful for the opportunity to appear before your committee to testify in behalf of the Lower Mississippi and its tributaries project.

I represent the Fifth Congressional District of Louisiana in the Congress and also I am president of the Mississippi Valley Flood Control Association. For the record, may I state that the only compensation I receive for serving the Mississippi Valley Flood Control Association as its president is the great satisfaction of seeing this important project advance toward completion.

This is the 8th year that I have appeared before the Army Civil Functions Appropriations Subcommittee in behalf of the Mississippi River and its tributaries project, so obviously what I say this morning will be somewhat repetitious, but the importance of this great project is such that repetition is in order.

Mr. Chairman, and members of the committee, I would not be honest with the committee if I did not express keen disappointment over the very low amount recommended by the budget for this important project. Those of us present to testify for the Lower Mississippi will testify and, we believe, justify an appropriation of $56,885,000 for the fiscal year 1955. If the committee will consider the facts with respect to this mammoth project and approach the matter on the basis of need and economy, they will approve the amount requested by the witnesses representing the Lower Mississippi and its tributaries.

As a member of the Appropriations Committee, I work very closely with this subcommittee and have been willing to go along with the committee's recommendation, but the many complex problems confronting the people in the Lower Mississippi Valley has convinced me that I would be less than honest not to request an increase over that recommended by the Director of the Budget.

I am fully aware, and our witnesses are equally aware, of the importance of balancing the Federal budget and reducing Federal expenditures whenever and wherever possible, if such reductions can be made without jeopardizing lives and incurring loss of property. However, I am firm in my opinion that any figure less than the amount heretofore referred to would retard the work on the Lower Mississippi and its tributaries to such an extent that in the long run it would take more of the taxpayers' money to complete the project than under a program of adequate annual appropriations.

I should like to direct again to the attention of the committee that when we speak of the Lower Mississippi and its tributaries project, we are speaking of a project covering approximately 1,600 miles of main stem levees and approximately 2,000 miles of levees on off river or tributary projects as well as many other off river projects which are a part of the overall program.

I think it would be proper to state again that the Mississippi River provides drainage for all or part of 30 States, which represents 42 percent of the drainage of the United States.

It was indeed gratifying to have another delegation of this great appropriations subcommittee make an extensive inspection tour of the lower Mississippi and its tributaries during November 1953. These tours give the members firsthand information on the need for adequate funds to complete this all-important project at the quickest possible date so that the benefits expected of the completed project can be realized without any undue delay. With the inspection tour made by Congressman HAND and Congressman CEDERBERG, I believe that all members of this committee have now inspected the valley with the exception of our colleague, Congressman RILEY. I hope that during the present year Congressman RILEY may make the inspection tour.

Mr. Chairman, the Congress in its wisdom passed legislation authorizing an expenditure on the lower Mississippi and its tributaries in the amount of $1,292,748,500. Through fiscal year 1954 the Congress has appropriated $848,770,400 against the authorization, leaving a balance of $443,978,100 to complete the authorization. Obviously, the project is reaching the stage in construction where it would be in the interest of economy to have sufficient funds to complete the project at the quickest possible date.

Parts of the projects are as much as 92-percent complete and on these parts that are so near completion, it is in the interest of economy that sufficient funds be allowed to complete them at the quickest possible date.

I am sure we all agree that a chain is no stronger than its weakest link. This criteria would certainly apply to our levee system on the Mississippi and its tributaries. Therefore, until such time as we have completed the entire project, we cannot derive the benefits that the project was designed to bring to the citizens in the great Mississippi Valley.

It is my understanding that the funds recommended are to continue work already under way and that there are no new starts in the request before you.

Mr. Chairman, so far as I know, there has never been any severe criticism of the Mississippi River Commission or its president and past presidents. I believe that the present committee and the committees of other Congresses are convinced that the great sums expended on the lower Mississippi and its tributaries have been spent wisely and in the interest of all the citizens of the United States.

Mr. Chairman, the long period of freedom from floods in the Mississippi Valley brought about by work accomplished with funds appropriated by the Congress has prevented flood damage in excess of $5 billion. This figure is authoritative and a matter of record. It has been established that the project has returned in excess of $5 in benefits for every $1 in expenditures. This is a most impressive benefit cost ratio and there is evidence that this ratio will increase when the total project has been completed. This evaluation is very much on the conservative side in that in establishing this favorable ratio secondary benefits resulting from prevention of loss of life, improved health conditions, welfare, and general security for tens of millions of our fellow Americans were not taken into consideration.

I am sure the committee has in its possession facts with respect to the great record of accomplishment on the lower Mississippi and its tributaries. This impressive record speaks for itself and has fully justified the funds appropriated for the work. I believe the past record will justify the amount requested, plus the unobligated carryover.

Mr. Chairman, I want to again thank you and members of your committee for your patience in hearing my testimony as well as that of other witnesses present who will also testify in behalf of the lower Mississippi and its tributaries project.

Each witness will testify for a different phase of the overall project so as to omit repetition and, in the limited time allotted, place before you certain valuable facts.

Excise-Tax Reductions

EXTENSION OF REMARKS

OF

HON. J. ARTHUR YOUNGER

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, March 9, 1954

Mr. YOUNGER. Mr. Speaker, the Treasury Department estimates that we are paying taxes totaling $304 million annually just to buy tickets for entertainment, such as movies, fairs, theaters, cabarets, sports, and other events.

By passing the excise-tax bill recommended by the Ways and Means Committee we will reduce this tax burden by $152 million annually, a sum which will benefit the millions who attend one or another form of entertainment weekly. It will, in addition, help several thousand small theaters which are struggling to stay open with reduced attendance. In many of our small towns the movie is the only form of public entertainment available. These theaters serve as a social center and are used for many other activities. It is worth while that we take action to keep these useful landmarks alive and solvent in the country. Entertainment in the form of music and floor shows will be added in many restaurants, thus adding employment possibilities.

The $152 million is a very helpful sum that will be turned loose in our economic life stream and will save 40 cents per week for the family which spends an average of $4 per week for entertainment.

Higher Compensation Necessary for Panama Canal Zone Workers

EXTENSION OF REMARKS

OF

HON. CHARLES J. KERSTEN

OF WISCONSIN

IN THE HOUSE OF REPRESENTATIVES

Tuesday, March 9, 1954

Mr. KERSTEN of Wisconsin. Mr. Speaker, in order to attract competent people to work at the Panama Canal Zone, it will be necessary to increase the compensation of the employees at the Panama Canal. This is indicated by the number of voluntary resignations of employees in the Canal Zone. During the fiscal year ending June 30, 1953, 488 persons resigned of the total of 4,233 employees. This constitutes 11½ percent of the average total working force in the zone, and does not include retirements or involuntary terminations of employment. During fiscal 1952, the figure was 429 resignations of an average aggregate force of 4,261. During fiscal 1951, the total resignations was 766 of an average aggregate force of 4,287, a turnover of 17.8 percent of the total personnel.

During the 10 years preceding World War II the turnover of personnel averaged about 4 to 5 percent, ranging from a low of 3.2 percent turnover in 1933 to a high of 7.1 percent turnover in 1934. In 1933 only 101 persons resigned voluntarily from the Panama Canal Zone employment. In 1940, the highest prewar year in number of resignations, 280 voluntarily resigned.

It should be obvious from these figures of turnover of personnel at the Panama Canal that the Federal Government should pay these employees higher compensation in order to induce them to remain on the job there. It is well known that a high rate of turnover of personnel is very costly for any enterprise. But it is particularly costly for the Panama Canal, since the Government is obliged to pay the transportation of these employees down to the zone and back if they resign after 2 years of employment. It could well be that it would actually cost the Government less in the long run to pay a higher rate of compensation to these employees.

Higher compensation for Panama Canal Zone employees has also been recommended by the management consultant firm of Booz, Allen & Hamilton, which was hired by the Panama Canal Company to make a survey of employment conditions in the zone. The Panama Canal Company was directed to have an outside firm make such a survey by the Senate Appropriations Committee last year when it restored the 25-percent pay differential which had been cut to 10 percent by the House. The Booz, Allen & Hamilton survey stated:

> We conclude that the Panama Canal Company is not compensating its employees adequately for conditions of work in the zone and that it is not meeting the price which an American worker can demand and get in accepting those conditions.

The firm stated that the difference in compensation for zone employees over stateside employees doing similar work should be 42.3 percent rather than the present 25 percent. The firm stated in its report that this 42.3-percent differential could be made up in the following way:

First. Pay employees 25 percent more than they would obtain for similar work here in the United States—same as under present law.

Second. Make this differential tax-free—this is presently taxable.

Third. Reduce rents 50 percent in Company-owned housing. All employees in the Panama Canal Zone are obliged to rent their property from the Panama Canal Zone Company. They cannot own property. Rents in the Panama Canal Zone have increased 82.6 percent since 1946.

Fourth. Provide free transportation to their stateside homes once every 2 years for employees and dependents on leave, and once each year for employees' children in the last 2 years of college in the States—increase from present provision in this regard.

Fifth. Restore medical benefits which were cut out under last year's appropriation bill.

I urge the House of Representatives to consider the recommendations of the Booz, Allen & Hamilton firm with respect to compensation for Panama Canal Companies when the appropriation for civil functions and military construction comes before the House.

I include herewith a letter which I recently received from Mr. Howard E. Munro, of the Central Labor Union and Metal Trades Council of the Panama Canal Zone:

> THE CENTRAL LABOR UNION AND THE METAL TRADES COUNCIL OF THE PANAMA CANAL ZONE,
> *February 23, 1954.*
>
> Hon. CHARLES J. KERSTEN,
> *House of Representatives, House Office Building, Washington, D. C.*
>
> DEAR CONGRESSMAN KERSTEN: On March 9, 1953, I called to your attention certain conditions on the Panama Canal which the American citizen employees believed to be unfair treatment accorded Federal employees.
>
> This unfair treatment appeared to be the result of an effort to maintain the toll rate at the 1937 level by shifting certain parts of the expenses to the employees.
>
> In an effort to determine the propriety of this shifting of costs, along with other contemplated changes, the Committee on Appropriations of the United States Senate directed that an independent and comprehensive study be made of the compensation paid workers in the Canal Zone including all so-called fringe benefits.
>
> This study has been made by the management consultant firm of Booz, Allen & Hamilton. The report of this study has been sent the legislative committees of the Congress as directed.
>
> I would like to direct your attention to the following extracts from their report.
>
> In discussing overseas employment it states:
>
> "But the facts are that, unless he is satisfied he is substantially bettering himself financially, the United States citizen generally won't leave the States to work overseas, won't be happy if he does, and won't work abroad any longer than necessary."
>
> Chapter II shows that the conditions surrounding work in the zone involve discomfort, isolation, confinement, and regimentation, and limitations in community resources which exceed normal stateside conditions, and that hazards to health and well-being are greater in the zone because of high incidence of disease and general ill effects of tropical living.
>
> Under the heading of "Isolation" will be found:
>
> "When he moves to the zone, an employee cuts off himself, his wife, and his children from day-to-day contact with close relatives, from friends, from community life as he knew it in the States, and from job opportunities." This section closes with "The zone employee is, in fact, an exile, and the typical zone employee definitely feels like one."
>
> There also appears this statement that surely contradicts the American tradition of free enterprise:
>
> "Also by regulation—largely to avoid competition with Panamanian businessmen—zone employees are forbidden to augment their incomes by doing odd jobs or carrying on side lines in their spare time."
>
> "Community Resources" heading points out "when critical analyses based on independent observations are brought to bear on the opinions, it appears that current employees are justified in claiming disadvantages in four principal aspects of community resources: Medical care, housekeeping convenience, recreational facilities, and provision of perishable foods. Moreover, zone conditions in education impose a fifth important disadvantage which the large majority of them apparently do not recognize as such."
>
> Under the heading "Hazards to Health and Well-Being" is found this statement:
>
> "Some 14 ailments are reported to be more prevalent in the zone than in the United States and about 8 others are aggravated by residence there. * * * In addition there are, according to zone medical authorities, many cases of illness characterized by fever, malaise, and other symptoms for which no definite cause can be discerned."
>
> Chapters III and IV set out to price the market for employment of United States citizens in tropical climate. It is interesting to note that—
>
> "Since 1946, the cost of living has risen so much faster in the zone than in the States that the average zone worker has seen his advantage over his stateside counterpart decrease from 39.1 percent to 22.7 percent on a net earning basis and to 16.2 percent on the basis of decreased purchasing power. On the latter basis, he is now actually $200 a year worse off than he was in 1946 despite his having had 3 increases in pay.
>
> "From these findings, we conclude that the Panama Canal Company is not compensating its employees adequately for conditions of work in the zone and that it is not meeting the price which an American worker can demand and get for accepting those conditions."
>
> This section includes several charts and comparative figures which are summed up as: Based on a GS-9 position, wages on the Canal Zone have increased 20.1 percent since 1946. In the same period of time rents have increased 82.6 percent; food prices about 56 percent; slight increase for transportation charges to United States, income tax 100 percent; and hospital ward service for employee dependents has increased approximately 100 percent and 30 percent for surgery. The addition of income tax in 1951 to the Canal Zone costs the average employee approximately $966 annually.
>
> In "Conclusion on Competitive Compensation," the report states:
>
> "It is clear from the foregoing that Panama Canal Company occupies a poor competitive position in its labor market. In 6 of 8 basic features of compensation, Panama Canal

Company is at the bottom of the heap or close to it in comparison to 16 other organizations with overseas employees in the tropics."

In chapter V it states:

"We have recommended that the zone employee's extra compensation be increased to the point where his net earnings will exceed those of his stateside counterpart by 42.3 percent. While this will still leave him considerably lower than privately employed persons in the zone area and a shade lower than his neighbor in the Department of State in Panama, the zone employee will, we believe, find the arrangement acceptable.

"To provide this 42.3-percent advantage, we recommend extra compensation consisting of the following 5 features:

"1. Retain the 25-percent differential.

"2. Make the differential tax free.

"3. Effect a rent reduction of 50 percent in Company-owned housing.

"4. Provide free transportation to their stateside Homes once every 2 years for employees and dependents on leave, and once each year for employees' children in their last 2 years of college in the States.

"5. Retain the present status of other fringe benefits."

We appreciate the assistance you have given the United States citizens on the Canal Zone and we are hopeful that the legislative committees will be able to complete their actions on this report this session of Congress.

Sincerely yours,

HOWARD E. MUNRO,
Legislative Representative, A. F. of L. Building, Washington, D. C.

Bankrupting More Farmers Is Not a Solution

EXTENSION OF REMARKS

OF

HON. SAMUEL W. YORTY

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, March 9, 1954

Mr. YORTY. Mr. Speaker, I want to discuss some aspects of what is customarily called our farm problem. Actually it is not just a farm problem. It is a problem of how to apply commonsense to the marketing and utilization of our farm products, the abundance of which is a blessing for which we should be thankful. The so-called farm problem is too often considered to be one caused by too much production, when in reality it is one of too little consumption.

No solution that is worth while can be brought about without some imagination, ingenuity, and effort. Furthermore, there is no one easy solution like, for instance, the present administration's proposal to bankrupt more farmers to reduce production. We should carefully consider every reasonable proposed plan to maintain farm income at a fair level and increase consumption before simply throwing up our hands and resorting to lower support prices. The impressive sounding "flexible" support program simply means lower prices to farmers and a real threat to our entire economy. Certainly this is no time to try that.

First of all, I believe in the principle of price supports for farm production based upon parity—not just for the so-called basic crops but supports for much of the total farm production. Frankly, it is the results obtained by supoprt rather than the method of support which particularly interests me. I was interested in the Brannan plan because it appeared to be adapted to some of our highly specialized farming and to perishable products, and also because it took into consideration the consumer as well as the farmer. Many thought it was not the answer. But there certainly is an answer, and we must be willing to keep trying until we find it. Supporting only basic crops is good as far as it goes, but it is not a complete answer. I am in favor of extending supports to cover other important agricultural commodities. An example is S. 1159, introduced by Senator HUMPHREY, and myself—H. R. 8318. It would provide mandatory price supports through 1957 for dairy products, hogs, cattle, poultry, and eggs, oats, soybeans, rye, flaxseed, barley, grain sorghums, and so forth, at 90 to 100 percent of parity price.

I have introduced this bill and others along this line because I believe that supports are a necessary part of a square deal for the farmer. His contribution to our well-being is vital. He must provide food and fiber for all of society. It is not so much the fact that the farmer, and sometimes his wife and children as well, works long hours in the outdoors which entitles him to our sympathy, support, and best efforts. Those of us who are more or less cooped up might well envy him the opportunity he has of frequent and intimate association with nature in our wondrous California outdoors. Rather, it is the peculiar economic and technological position of the farmer which should cause us all to be concerned about him and help him if necessary. He has to contend with just about all the uncertainties there are, whether natural—as weather, insects—or economic, expressed mostly in high, inflexible costs and low, variable prices for his products. He cannot get in and out of particular types of agricultural production quickly or without heavy costs. He is at the mercy of the changing tastes and variable purchasing power of consumers. He cannot turn agricultural production on and off like a spigot. The number of acres planted is only one of the variables. A planted acre may produce 50 percent, even 100 percent more in one year than in another. Time of ripening is important to favorable marketing, but largely uncontrollable. And so it goes. His capital investment is high in relation to any possible rate of turnover. Certainly he deserves any stability which can be brought into such an unstable but vitally necessary sector of our economy.

Second, I am in favor of fixed price supports rather than flexible ones. In the past I have supported the extension of fixed price supports, and my bill, H. R. 8318, would amend the Agricultural Act of 1949 to continue the price support at 90 percent of parity for each basic agricultural crop through 1957. The same provision is made for other items, some of which are considered to be nonstorable—whole milk, butterfat, and the products of such commodities; also poultry, eggs, hogs, beef cattle, and lambs. It is, of course, perfectly obvious that some of these commodities must be marketed and production payments made to producers selling below the support price. The administration is advocating such a program for wool. It need not be limited to one commodity. Other methods of stimulating consumption must be tried, such as the Aiken bill—S. 2550—which I have introduced in the House—H. R. 8319—providing for a comprehensive food-allotment program to improve nutrition through utilization of our productive capacity. Failure to plan for consumption of a perishable commodity like butter will make fair price supports of the commodity impossible. But we can and should plan for consumption rather than to penalize dairy farmers by suddenly dropping supports to 75 percent of parity just because the Secretary of Agriculture seems unwilling or unable to take the lead in getting any production-for-consumption program underway, except, of course, one that is based solely on lower support prices.

Support of prices at 90 percent of parity are justified because—

First. Fixed supports for the past 10 years or more have been a part of our very productive and responsive agricultural system and have been an important factor in assuring ample supplies at fair prices to consumers here and to our friends abroad. They have been a real contribution to progress and stability at a high-economic level.

Second. Fixed price supports should be maintained to stabilize the income to producers of basic commodities and thus assist in stabilizing the entire economy.

Third. Fixed price supports together with marketing quotas are economically sound. CCC losses on the six basic agricultural commodities have been very low over a 20-year period.

Fourth. Substituting flexible for rigid supports at 90 percent of parity would cure few if any of the present admittedly serious problems of agriculture.

(a) Basic commodities are highly inelastic with respect to both supply and demand. Flexible supports would merely result in lower prices to producers, reductions in supply or increases in consumption would be neglible.

(b) Flexible price supports at this time would not avoid marketing quotas and acreage allotments.

(c) Flexible price supports at this time would not expand the export market for United States products significantly in the face of the present world supply situation and large accumulated reserves, as of wheat in Canada.

We might even go so far as to conclude that the supplies of the two basic crops in which California is especially interested, cotton and rice, are not now so abundant that we have no use for stockpiles in the tough international game we play. Consider what our cotton supply has meant to Japanese recuperation and that an abundant supply of rice can be an important factor in assisting our friends in the Orient. This is presently an area of great uncertainty.

In the case of rice the United States production in each recent year has been at new record levels. We now produce well over twice as much as in the prewar

period. Domestic consumption in all forms takes only about one-half of our production. The other half in recent years has been very, very useful to us overseas. Obviously we need stockpile reserves of this valuable food grain—but we also need continued large exports to avoid excess accumulations. Meanwhile, the world supply situation appears to be currently easing. Prices here have declined from a strong position this time last year to a relatively weak one now. Our prices are still somewhat above the Government loan of $4.84 per hundredweight on the 1953 crop. It is 1954 and thereafter which worries our California producers. The shift from other products to rice production is an expensive one. If rice prices after 1954 are to be supported at 90 percent of parity, it may be worth the capital expense of the shift. If rice supports after the 1954 crop are to be flexible, such an adjustment becomes much more risky.

Meanwhile and third, there are some other matters which must have more adequate attention than they are now receiving. Of course there is the problem of butter. We are going to hear a lot more about it before this summer is over if those who asked for and received responsibility for directing our Department of Agriculture do not end their stagnation and develop a sound program. The drop of supports on butter, cheese, and dry skim milk from 90 percent to 75 percent will reduce the net income of dairy farmers by an estimated 25 percent under 1953, and 1953 was down about 25 percent from 1952. And we can wonder if it solves the problem at all—will butter really become competitive with oleo when supports are reduced to 75 percent of parity? I doubt it. Failure of the Secretary to support a sound plan for use of the butter in conjunction with adequate price supports is a boon to oleo producers but detrimental to everyone else, and a tragedy to many dairy farmers.

I repeat what I have said before—that it is utterly stupid to pile up the best of perishable products and then simply let them spoil. The consumers of the country are paying for that butter—they have some rights, ethical and moral, to have a chance to use that so-called surplus. Why should we not try the approach of S. 2550—AIKEN and HUMPHREY—also H. R. 8319, YORTY, for improved nutrition through a more effective distribution of food supplies by means of a food-allotment program. Briefly, this is a major attempt to make an adequate and well balanced "basic food allotment" available to a part of our population which under existing circumstances does not have an adequate diet, particularly those dependent on public assistance, or in low income and broken family homes. Increased food consumption would be focused, insofar as practicable, upon those foods which are in surplus or upon those foods which are most needed in diets. It should also be noted that on March 1, 1954, Senator HILL and several others introduced S. 3044, to provide adequate diets for the unemployed and their families in distress areas of unemployment. Preparation for delivery, and delivery, to State and local welfare agencies would be provided by the Secretary of Agriculture, thus removing one of the major bottlenecks of the past in getting surplus foods to those injured by industrial shifts, dislocations, and so forth. I believe this is another way to put our so-called surplus food to good use. I have accordingly introduced this bill in the House—H. R. 8321. These bills are in line with the suggestion I made to the House last year, Appendix of the CONGRESSIONAL RECORD, volume 99, part 12, pages A5026–A5027—when I contended these so-called surpluses could be used to feed needy Americans without disrupting normal markets. No matter what approach we decide to try, it is clear that we must not waste these precious surpluses.

In addition to domestic programs, an extra effort, something above and beyond any effort now visible, can be made to use part of our surplus abroad. All avenues must be tried, perhaps even at the risk of putting some slight pressure on the so-called free market. Some surplus might well go as a gift of the American people, processed into a form adapted for wide distribution to the poorest. Though there is something to be said for the United States receiving official credit abroad for its bounty, some of us can see advantages in turning part of the distribution job over to international agencies—to the International Red Cross, to CARE, to the Children's Fund. Some favor setting up an International Food Reserve under the auspices of the United Nations Food and Agriculture Organization, as presently called for in Senate Joint Resolution 56. And I do favor the rather extensive use which has been made of marketing agreements with respect to several of our California specialty crops and the movement of surpluses with school-lunch funds and section 32 funds.

I want now to touch on another aspect of our farm program. Where acreage allotments are required, the base period should be fair to all producers. We just went through quite a battle to try to get California cotton growers a just and equitable adjustment on cotton acreage in keeping with our efficient production. We got only part of what we felt was fair. I feel that a base period of 3 years would be more reasonable. I have joined with Congressman HAGEN of California in introducing legislation to so change the base period—H. R. 5669, HAGEN of California, and H. R. 8322, YORTY.

Now at this point, I want to say that I see no basic conflict of interest between urban consumers and farmers. Each group wants the other treated fairly and each has an equal stake in a stable, prosperous economy. Underpaid farmers provide a poor market for industrial products and idle or underpaid industrial workers provide a poor market for food. Most city workers agree that farm people are not overpaid. In the most recent year, 1953, the per capita income of persons on farms declined to $882 from $905 in 1952. Nonfarm population was somewhat more fortunate—the per capita income rose from $1,842 in 1952 to $1,898 in 1953. (Statistics from the United States Department of Agriculture.)

The fact that unprocessed food prices are now low relative to wages illustrates not only that the farmer has been doing a good job and is entitled to better economic treatment, but also that there is no significant basis of conflict between farmers and consumers.

Largely as a result of the high level of production of United States farmers, workers can now buy substantially more food with an hour's labor than in any earlier period in history. This is a point often overlooked by some people.

An hour of factory labor would buy the following quantities of specific foods in 1929 and December 1953:

		1929	1953	Percent more
Bread	pound	6.4	10.6	66
Steak	do	1.2	2.0	67
Pork chops	do	1.5	2.2	47
Bacon	do	1.3	2.3	77
Milk, delivered	quarts	3.9	7.6	95
Butter	pound	1.0	2.2	120
Cheese	do	1.4	3.0	114
Eggs	dozen	1.1	2.6	136
Potatoes	pound	17.7	39.8	125
Oranges	dozen	1.3	3.6	177
Tomatoes	No. 2 cans	4.4	10.4	136

True, when we, all of us, go to market it seems to cost an awful lot and official figures do show that food expenditures overall are now 26 percent of disposable income, whereas prewar they accounted for only 23 percent. But we are eating better, higher on the hog; the same amounts and types of foods which prewar cost us 23 percent of our disposable income can now be purchased for 18 percent of our disposable income.

In this connection, consider the farmer's share of the food dollar, the part he gets of the retail price.

Farmer's share of consumers' dollar

Food products	April-June 1946	October-December 1953
	Percent	*Percent*
Market basket	52	45
Meat products	78	62
Dairy products	55	49
Poultry and eggs	72	68
Bakery and other cereal products	30	22
All fruits and vegetables	39	28
Fresh fruits and vegetables	49	35
Fresh vegetables	45	33
Processed fruits and vegetables	25	20
Fats and oils	40	34
Miscellaneous	20	18

The decline in farm income and the decline in the farmers' share of the ultimate price of his products is not a healthy sign. We cannot have stability and prosperity unless farm income, production, and purchasing power is maintained. We cannot have prosperity by bankrupting farmers and allowing their products to spoil or be wasted while there exists great need for such products. We need a program that leads to production for consumption, that will take advantage of our ability to produce, and turn it into the asset that it can be. Simply flexing farm prices further downward is certainly no answer at all. What is good for the goose is good for the gander, and what's good for the sheep ought to be good for some other animals too.

The Tax Bill

EXTENSION OF REMARKS

OF

HON. EDITH NOURSE ROGERS

OF MASSACHUSETTS

IN THE HOUSE OF REPRESENTATIVES

Tuesday, March 9, 1954

Mrs. ROGERS of Massachusetts. Mr. Speaker, it is my understanding on Wednesday of this week the new tax bill is scheduled for consideration here in the House. This legislation is of primary interest to every individual in the United States. It has a direct bearing upon the economic and social processes of the country. Whether or not an individual pays taxes, the tax law which is finally enacted by the Congress will touch the life of every one in the Nation.

As have many of my colleagues I have devoted a long time to the study of our tax problems. It is my view that tax legislation must be considered from the point of view of all of the interrelated economic processes involved throughout the whole country. All of the trees in the forest must be considered. Likewise it must be kept in mind that when the fruits of man's labor are largely consumed by his government, his freedom shrinks away until it disappears.

The American taxpayer has earned some relief from the heavy taxes paid over these strenuous years of crisis during which time the American people have shouldered the heavy burden of financing the total bill for the protection of freedom everywhere in the world. It is now proclaimed we are changing as a country from a war economy into a peacetime economy. If this is true then is it not also fair and just to give to the people a relief from the heavy taxation of the war years?

In order to provide a sensible method of giving this tax relief to the people as well as a sensible method of strengthening the country for the future I have recommended that the exemption allowance for dependents in the income-tax law should be increased from $600, the present level, to $1,000. This increase not only would permit families to properly and more adequately care for their children but it would also encourage children. It would strengthen the America of tomorrow.

In support of my bill H. R. 6925 recommending this increase in the exemptions I have analyzed the problem and have given considerable study to all of the difficulties and essentials that must be considered. In the form of a letter to the distinguished chairman of the Ways and Means Committee our very able colleague the Honorable DANIEL REED of New York, I presented an analysis in the hope that the chairman and the distinguished members of his committee would find it possible to include the relief I recommend in the tax bill which they are asking the Congress to enact this week. The committee failed to include any relief in the form of increased exemptions for the millions od taxpayers having the responsibility of dependents. I believe this is a tragic mistake.

In further support for my recommended tax relief I have addressed a letter to the President of the United States appealing to him to give his support to the millions of Americans who need this tax relief so desperately. Among these millions of Americans are young veterans, old in spirit, young in years, who have carried the flag of freedom across Normandy and up and down Heartbreak Ridge. They want a family. They want strong, healthy children. They want to educate their children and make them the kind of Americans of which they can be proud. It is my view they have earned this right. It is my view they should have this tax relief. And it is my view that all other fine, loyal American citizens who have so willingly sacrificed for so long are entitled to tax relief permitting them a chance to care a little bit better for all of those dependent upon them. In many cases these include the parents, relatives, friends, or other human responsibilities which they have so finely and admirably assumed.

In order that all of the distinguished Members of the House who might be interested in the analysis and views I have presented to the chairman of the Ways and Means Committee and to the President of the United States, I include as a part of my remarks at this time, the letters I have sent to these distinguished leaders of our country. I shall greatly appreciate it if many of my colleagues here in the House as well as the Members of the Senate could find the time to read these letters. I believe you will agree with me, I believe you will accept the conclusions of my analysis and I believe you would support my views and the tax relief recommended if you could study the thoughts and conclusions with which I have tried so honestly and so earnestly to bring about this greatly needed tax relief.

The letters follow:

LETTER TO THE CHAIRMAN, COMMITTEE ON WAYS AND MEANS

FEBRUARY 15, 1954.

Hon. DANIEL A. REED,
Member of Congress, Chairman, Committee on Ways and Means, House of Representatives, Washington, D. C.

DEAR MR. CHAIRMAN: Several weeks ago I wrote to you proposing that your committee increase the exemption for dependents in the income-tax law from its present level of $600 to a proposed level of $1,000. In my letter I mentioned several general reasons why I believed this increase was necessary. Your reply to my letter illustrated your broad knowledge and comprehension of the complex problems associated with income-tax inequities. In this letter I have the honor to present to you my views regarding the basic factors involved in relation to the entire economic process together with some general reasons in support of my proposal which require consideration it seems to me, by the Ways and Means Committee and the Congress.

In reply to my letter you stated the following:

"It is not possible to dissent from the persuasive logic that you have presented in support of your proposal. As you know, I have contended for many years that the tax burden imposed on the American citizen is too onerous. * * * It is my hope that we will succeed in reducing expenditures in the very near future so that a tax relief of the type you suggest will become feasible."

In spite of the revenue loss to the Government which you allege would occur if my proposed increase in exemption allowance were to be enacted, the first two sentences of the paragraph quoted above were extremely encouraging. Here you agreed with me and stated it has been your view for several years, the tax load imposed on the American people, particularly the wage earners, has been too oppressive. In the last sentence of the above-quoted paragraph from your letter there is the inference the Committee on Ways and Means possibly would take action to relieve this onerous load as soon as there was a reduction in the expenditures of the Government.

In view of the fact this reduction in the expenditures of the Government has occurred and is continuing to take place, and because I believe this reduction should be reflected in the income-tax law by giving to the people the benefits of certain tax relief and lifting the heavy tax burden of this generation as soon as possible, I introduced a bill at the beginning of this session of Congress to amend the income-tax law by increasing the exemption allowed a taxpayer for a dependent from $600, the present level, to $1,000. This bill is designated H. R. 6925 and has been assigned for consideration to the Ways and Means Committee of which you are the distinguished chairman.

According to my information, the Ways and Means Committee has decided against any increase whatsoever in the exemption allowance for dependents in the committee bill of amendments to the income tax law now being considered and formulated by the Ways and Means Committee. It is my conclusion that this action by the Ways and Means Committee not only is wrong and depressing for the American people but it is also extremely dangerous. It is wrong because this generation of Americans has earned tax relief and because the decision cannot be accurately supported by sound economic analysis taking in consideration all of the factors involved in the whole economic and social processes of the entire country. This decision is dangerous because it strikes a blow at the very heart of America and threatens the health and quality of the future life of the Nation.

An examination of the indexes compiled for the basic factors involved in the cost of living, such as food, clothing, rents, education, transportation, medical and hospital expenses, discloses an astonishing increase in basic living costs during the 8-year period from 1946 to 1954. Wage and pay increases during this period have not equalled the ascending cost of living but rather have failed by a wide margin of bringing income and cost of living into balance. In addition all wage and pay increases subject the taxpayer to a higher tax bracket resulting in more tax income for the Government, leaving a net increase of income to the taxpayer of negligible benefit.

Considering the basic economic factors involved, if $600 represented a fair and feasible exemption allowance for a dependent in 1946 by the Ways and Means Committee, in view of the cost of living indexes at that time, upon what economic factors does the committee conclude this same $600 dependent exemption is fair and just in 1954? Certainly the American people in every city, village and hamlet, regardless of politics would appreciate having this information and explanation.

Some officials of the Government have expressed the view that even an increase of $100 in the amount of exemption permitted for a dependent would cause catastrophic upheaval within our economic system. Those of the timid, no change opinion maintain this economic machine of ours is a delicate instrument and that the slightest zephyr of reform or change might harm the

balance wheel and cause disequilibrium. Strangely, however, the balance wheel of this delicate economic instrument receives no consideration when the wage income of American workers is threatened by unemployment brought about by favoritism and the subjecting of well established American enterprise to competition with cheap, underpaid foreign labor through the avenue of unreciprocal trade agreements.

Those that oppose even this small increase in exemption allowance maintain the primary reason for their opposition is that such an increase would result in the elimination of a large number of taxpayers from paying any taxes and greatly reduce the tax income of the Federal Government. Their expressed position is that every American should help pay for his Government and his security. In reply to this argument I should like to emphasize I believe loyal Americans throughout the country are pleased to do their part and pay their just and fair share of the cost of government. Surely, however, the amount paid in income tax is not the only consideration or the only measure of contribution of an American or an American family to the progress and welfare of his country. Great contributions have been made. The record of performance of the American people is unmatched in kindness, unselfishness and generosity in the world's history. In recent years some of us have observed heroic sacrifices. I believe the building of an American family, the birth of healthy children, their shelter, education and support constitutes a notable contribution to the strength and character that is America. It is my view that the Nation's tax income is dependent upon a number of fundamental factors other than the immediate dollar collections.

For the tax year of 1954 there will be approximately 60 million tax returns filed. By 1960 there will be almost 70 million. According to the Bureau of the Census, there are over 50 million dependent children in the United States as of this year. Of this number approximately 36 million are of school age. According to the United States Office of Education approximately this number of children are enrolled in public and private schools and colleges. These millions of children not only are dependent for their complete support but they represent the America of tomorrow and upon their parents is the heavy responsibility of the Nation's future. The cost to these parents represents not only a large investment in, but also a large contribution to, this country of ours. Those who are responsible for the building and moulding of the Nation's future, certainly are worthy of consideration today. The present $600 level for dependency exemption does not constitute a third of the annual cost per child or dependent. This unfair and unjust exemption allowance, if continued, will leave its mark on the quality of tomorrow's citizens.

Now may I direct your attention to another common situation in our country concerning this present $600 level of exemption for a dependent. Suppose a young lady, earning $3,000 annually, has the responsibility of caring for her dependent invalid mother and father. After deducting Federal income taxes, she has $233 a month to spread over rent, food, clothing, transportation, medical and doctor bills. In addition, there are State, county, municipal, and incidental taxes. Do you believe this young lady can balance her budget and at the same time properly and adequately discharge her responsibilities?

In further reply to the argument this increase in the exemption level for a dependent would result in the barring of a large number of taxpayers from paying any taxes, it is my view the contrary would take place, causing an eventual increase in the number of taxpayers and in the total amount of tax income. The proposed increase in the exemption for dependents would encourage young men and women to be married and have children. This increase in the population eventually not only would provide a stronger America but it would result in more and more income taxes as well as business and luxury taxes. It is my view that this generation of Americans have met and discharged their obligations and responsibilities in an extremely commendable way. Every generation should carry its own load. It is a mistake to charge the American people of today with more than their share of past obligations and add to it some of the responsibility of the future. Weathering through two great world wars, a catastrophic depression and the tragic Korean conflict in addition to the constant struggle against communism is quite enough for this generation of our people. Never in the course of history has there been such an example of stamina and unselfishness.

The decision of the Ways and Means Committee in opposition to any increase in the exemption level for dependents at this time is not only wrong but it is also dangerous. I make this statement after considerable study and thinking in regard to the whole problem. Our free form of government is largely dependent upon balance. In view of the fact that no single operation of government stands alone and independent of the economic processes of the Nation, it is necessary at all times and in every case to weigh the benefits against the detriments in regard to every action taken by the Government. It must never be forgotten that our Government is a government of, by and for the people. In good government, in every decision the benefits must far out-weigh the detriments for an overwhelming majority of the people. In proportion to the degree this balance is ignored the freedom of the people is lost. The survival of freedom is just as much dependent upon the economic processes as it is on military power. Economic bombs can smash the free way of life just as quickly as atomic bombs. In both forces the result is violence and human suffering.

Without question, there are limited benefits for the Federal Government to obtain by maintaining the present exemption level for a dependent. The principal benefit, of course, is the fact the Government during the immediate period will receive a larger sum of gross receipts from individual income taxes. The important question is, however, what is the overall cost to the Nation; what are the detriments involved, in order to receive this extra amount of income. It is the actual net amount of income that is the controlling consideration. If this cost is greater than the specific amount of additional income involved relative to future income receipts, then it would seem to be not only poor business but national foolishness to insist upon continuing a policy which would result in less income to the Government at a greater detriment to the people. To so insist is to burden the great majority of the people with needless detriments affecting the entire economic process. Our country cannot afford the luxury of such foolishness or the danger it threatens to our national well-being. For without question such a policy is dangerous for the whole Nation.

If there were ever a time in our history when it is necessary for our country to be strong, surely that time is now and in the years ahead. To be always strong, the Nation must possess a healthy, constantly increasing family life. Young men and women must be encouraged to make homes and develop a family, rather than discouraged. Any factor of government which operates to discourage the development of our family life operates against the welfare of our country. Strong, healthy children help to make our Nation strong. They not only contribute to the national defense but they contribute to the business and scientific progress of the Nation. There is no better way or more dependable source for enlarging the base for the increase of Federal tax income.

Now the amount of $600 which the Ways and Means Committee has concluded is a fair and just exemption for a dependent child is so completely inadequate it threatens the very future of our country. Completely supported public welfare cases in any State within the Union cost at least $1,200 per case. If the Federal Government had the responsibility of total maintenance of welfare cases, it would discover it to be impossible to feed, clothe, house, and care for a single individual for as little as $1,200 per year. If this condition is true in regard to the Federal Government which has the advantage of surpluses, wholesale purchases and contractual negotiations, how then can the Federal Government expect a taxpayer to do the same job for $600 without any commercial advantages? To expect a taxpayer to completely maintain a dependent for $600 is to force that taxpayer to provide marginal support resulting in malnutrition, improper food, improper living conditions, and improper care in general. By refusing to increase this amount the Government can be accused of forcing the taxpayer to deny food from the mouths of his own children. This is indeed a dangerous policy for America. It not only weakens our future but it causes unrest and discontent. Is this shortsighted policy worth the extremely questionable and doubtful amount of additional net tax income claimed because of the lower exemption level?

It doesn't make sense for the Government to spend billions of dollars of the tax income to purchase and accumulate huge surpluses of butter and eggs in order to support a certain price level for these necessary commodities when there are fifty to sixty million Americans who would purchase these necessary health-giving foods for themselves and their families if they possessed a portion of the billions of tax income the Government uses to accumulate these surpluses in the form of an increase in the exemption for dependents. It is enormously wrong for the Government to withhold purchasing power from the people by failing to increase the exemption level and at the same time use this purchasing power to maintain prices for these commodities beyond the market reach of the same people. If these millions of Americans possessed the purchasing power this surplus of butter and eggs would not exist. These Americans and their children like butter and eggs too.

For several years now, our country has been engaged in a tremendous struggle for survival. We have been fighting for our free way of life against the slave life and confusion of communism. In this struggle, we have learned that communism thrives and nourishes in areas of economically dissatisfied and discouraged people. Within our own country, communism has had its greatest growth and spread among our people who are constantly subjected to economic distress and marginal living. It is very difficult for an individual to approve and endorse a system of life and government which demands so large a portion of his labor that he no longer has enough money to properly take care of his family responsibilities. It is difficult for an individual to approve and endorse a system of government which denies encouragement to the creation of basic family life. It is difficult for an individual to approve and endorse a system of government which prevents the planning of future security. Now there is nothing wrong with the American system of government. This has been well proven over the years. Through excessive taxation, however, our free way of life can be threatened. The Constitution and the Bill of Rights, however, are not protected against unwise policies of taxation. When the fruits of man's labor are mostly

absorbed in the requirements of his government, freedom shrinks away to a form of political control or dictatorship.

At this time, there is no one in government possessing the wisdom to know how long this struggle with communism will continue or when it will end. In this struggle, our country has spent many billions. Tremendous sums have been spent within our own country to prevent the spread and growth of communism. Many billions of our tax income have been spent in many foreign countries to prevent the spread of communism. Is the immediate tax income resulting from the low level exemption for a dependent worth the cost of creating, as it does, the large area of dissatisfied taxpayer citizens? This is an area in which the Federal Government can stamp out the nourishment of communism. Isn't it time we gave attention to our own country? Isn't it time the people of America had the benefit of some of the billions so loosely tossed away to those foreign countries where its effectiveness and value is questioned and doubted? It is said that America is losing the fight against communism. Let us make sure America does not lose this fight within our own national borders. It is my view that the Congress should do everything possible to strengthen national security from within the borders of the country by decreasing the large number of dissatisfied and distressed persons who are the constant targets for subversive propaganda.

It is dangerous to the country as a whole to fail to increase the exemption level for dependents because of the effect such a failure could have on the national economy. One of the most effective methods of interrupting a movement of the economic processes toward a general depression is the increasing of the supply of money in the hands of the people. In this regard, the contrary also is true for the scarcity of purchasing power brings on a period of declining spending causing a recession throughout the whole economic process. Without purchasing power in the hands of a large majority of the people, generally spread over the Nation, business recedes, unemployment increases, the national income greatly declines, throwing the entire Nation into serious trouble. A scarcity of money is a strong factor in the cause of a depression. The proposed increase in the exemption level would result in more purchasing power spread over the national area and 50 million Americans.

In our economy today the Federal policy appears to be concentrated on a withdrawal of money from circulation. This is illustrated by the constant pressure brought to bear upon the citizens of the Nation to purchase Government bonds and securities. Large sums are expended for radio and television advertising programs urging the people to make these purchases. The public is appealed to on the basis of patriotism and loyalty to the country. Not only is this an absurd policy at this time but it is also economically unsound. This policy of withdrawing money from circulation at this time is also illustrated by the huge refinancing of Federal securities reaching maturity by the Department of the Treasury. In other words, instead of paying off these obligations as they become due in cash and thereby adding to the supply of money in circulation, the Treasury is meeting its debt obligations through the process of refinancing with paper having future maturity. By this method the Treasury prevents any additional flow of money supply into the channels of circulation and spending. In fact, this policy actually results in reduced purchasing power, a slowing up of velocity and a decline in total national income. Having a direct bearing on this situation is the fact that in its first year of operation the administration succeeded in reducing Government spending to the extent of approximately $12 billion. This is illustrated by the drastically reduced Federal expenditures for national defense. It is generally alleged also that additional saving in expenditures will amount to approximately $3 billion to $5 billion. In fiscal 1955 the amount of reduced expenditures in billions is already in the process of consideration.

Although I shall not comment upon this policy of the Government, I will emphasize the fact that a reduction of the supply of money to the extent of $15 billion to $18 billion, together with the resulting decrease in velocity, has a tremendous impact upon the entire economic processes of the whole country. Unless this tremendous impact is balanced off by other ways of maintaining the necessary level of money supply in circulation, thereby keeping purchasing power at a normal level and velocity, there can be only one result, and that result is a slowing up of the economic processes to the extent that the whole Nation is engulfed in a period of depression. Now this fact is extremely important. Stated more precisely, it is just this: Unless the large amount of circulating money withdrawn from the economy during a normal period of full employment is balanced by other means of supplying purchasing power to the economic processes, there can be only one result, and that result will be a depression.

At this time it is not my purpose to discuss different methods or procedures through which this balancing process might be accomplished. It is my purpose, however, to point out one way in which it can be largely accomplished. In your letter of December 7, 1953, you stated:

"Unfortunately, for each $100 that personal exemptions are increased there is a resulting revenue loss of approximately $2.5 billion. Thus, the revenue implication of your very meritorious suggestion would involve a loss of approximately $10 billion to the Federal Government."

In accord with this statement it can be assumed that if the exemption for dependents were increased from the present level of $600 to the suggested level of $1,000, there would be a sum of approximately $10 billion available for increased purchasing power in the national economy. This sum would be spread over the whole Nation and concentrated in the hands of taxpayers having the necessity of spending. This sum multiplied by the velocity of turnover would equal the amount of increase in the national income. This increase in the national income would provide a larger base for income-tax purposes, the effect of which would be an increase in total tax income to the Federal Government.

In this analysis I have accepted your figures as accurate. This alleged loss to the Government, however, relates to an immediate gross paper loss of tax income and not to a net result. It is quite obvious there could be a gain in net tax income depending on the velocity of total money transactions and its effect on the sum involved from the viewpoint of increased national income for tax-income purposes.

It is my contention that my proposed increase in the exemption level for a dependent would help tremendously to stabilize normal purchasing power by helping to balance the necessary supply level of money required to maintain a prosperous economy. The immediate effect of this result would be to greatly retard the present movement of recession and possibly prevent the Nation from being overtaken by an ever-deepening depression. In relation to this situation it must be observed that the population of the United States of America, according to the Bureau of the Census, has increased over 20 million since the $600 level for exemptions was established in the income-tax law. Bank clearings have doubled in some of the principal financial centers, and in some cases, they have tripled. Not only have business enterprises tremendously increased, but also the type and kinds of business in operation. During this period, the national income has increased approximately 70 percent, providing a much larger base for income-tax purposes. Taking the figure for the 1954 budget presented to the Congress recently by the President, the Federal expenditures are approximately only 8 percent higher than they were in 1946. These are some of the facts, it seems to me, which must be taken into consideration in regard to the establishment of a just and fair exemption allowance for a dependent.

As I recommended to you in my letter of December 7, 1953, my bill, H. R. 6925, provides that the exemption allowance for a dependent in the income-tax law should be raised from the present level of $600 to the level of $1,000. May I say in support of my proposed bill of amendment that the increase of $400 in the exemption allowance for a dependent to the level of $1,000 was reached after careful study and consideration of the many economic factors involved. Since the year when the $600 present level exemption allowance was established total per capita tax payments have increased approximately 70 percent. Included in this amount is the increase in excise taxes which cover many items that are considered essential today. From 1946 to 1954 there has been an increase in these items of approximately 90 percent. The proposed $400 increase in dependency exemptions represents a 66-percent increase, which is somewhat less by nearly 5 percent than the increase in per capita tax payments for this period. If the $600 exemption level was considered fair and just in 1946, certainly a level of $1,000 must be fair and just for 1954.

Although they are not directly the concern of the Federal Government, it must be remembered also the taxpayer has had to bear considerable increases in State and local taxes. Considering the whole Nation, the percentage of increase in wages and individual income is seriously less than the percentage of increase in the total per capita tax load. From a viewpoint including all the factors involved in the Nation's total economic processes, this factor must be considered. In other words, the proposed level of $1,000 as a fair and just exemption allowance for a dependent was reached after a careful examination of the economic factors and a balancing of the economic interests involved from the viewpoint of the benefits and detriments to the whole country. A larger amount than this would appear to constitute an imbalance of the basic factors, while an amount smaller than the proposed $1,000 is confronted with the same economic arguments subject to degree, as is the amount of the present level of exemption allowance for a dependent.

Having been associated with the affairs of government for a long time as we have, Mr. Chairman, we have enjoyed the unusual opportunity to observe the loyalty, respect, and esteem the American people have for their Government, their country, and the free way of life. Through these eventful years of crises, we have been close to the conscience, the thoughts, the needs, and the hopes of our fellow Americans throughout the Nation. Out of this long experience, I think you will agree with me that we know when government functions largely for the benefit of government rather than for the people it is honorbound to serve, the free way of life suffers and slowly disintegrates until finally it is lost. This we must not permit to happen in our country.

Just as I know you strongly possess, I also have a deep confidence and respect for the loyalty and fairness of the overwhelming majority of the American people for their Government and for all that it stands and represents. They do not want it injured, they do not want it weakened, they do not want it to become something different. They desire to be fair at all times in their appraisal of the issues in which both the Government and the people are directly concerned. At the same time, however, I know you will agree with me that the American people believe their Government should be honest, fair, and just in all of its operations and functions with the people for whom it is designed to serve.

Since I introduced my bill, H. R. 6925, proposing an increase from $600 to $1,000, the income-tax exemption allowed a taxpayer for a dependent, on the 1st day of this 2d session of the 83d Congress, I want you to know, as well as the distinguished Members of Congress on the Ways and Means Committee, that I have received thousands of communications from all sections of the Nation. They have come from lawyers, doctors, teachers, clergymen, businessmen, educators, social-service workers, government employees, and from thousands of mothers and fathers everywhere. In all of these communications, not one has been opposed to this proposed legislation. In many of the letters, the detailed description of personal hardship, personal suffering, and personal sacrifices cut deeply into the heart and spirit and conscience of my daily consideration of duty and responsibility. It is my belief that without question you are touched with the same feelings.

The millions of people this proposed legislation of mine reaches, Mr. Chairman, are loyal Americans who are proud and who hold their heads high because of the fact they are a part of this great free Republic. Never would they permit for one moment any act on their part that could be or might be interpreted as unfair to their Government and their country. Throughout all of these strenuous years they have shown their courage, their stamina of character, and their willingness to cooperate. Never have they turned away from giving a helping hand to the people of friendly nations suffering from distress, the tragedy of war, and other catastrophies. Human endurance often is surprisingly strong, but there comes a time after many years of shouldering many burdens that it needs rest, nourishment, and encouragement. The time has come, Mr. Chairman, when 50 million Americans possessing 1 or more dependents are calling out for a little relief and rest. Long have they carried the financial load required to hold together freedom and the free way of life everywhere. They have earned this tax relief. In all recorded history, there cannot be found a nation's people so noble, so generous, so unselfish, so great.

In conclusion, Mr. Chairman, I give to you my thanks and appreciation for your cooperation, patience, loyalty, and outstanding Americanism. Because well over one-third of the people of our country are involved and the bearing it has on the economic processes of the country, I respectfully urge your distinguished committee to reconsider its conclusions in regard to this proposal of mine to provide relief to so many of our fine citizens by way of this increase in the income-tax exemption allowed for a dependent. In this respect, I request the Ways and Means Committee to consider my bill, H. R. 6925, to which it is referred. Although I do not wish to add to the heavy work of your fine committee, I am confident millions of the American people expect this tax relief action as proposed in my bill during this session of Congress. The appeal of the American people to their Government is not unreasonable. Can their Government afford to be unreasonable with them?

With cordial regards and all best wishes to you, Mr. Chairman, and the distinguished members of your excellent committee, I remain,

Very sincerely yours,

EDITH NOURSE ROGERS,
Member of Congress.

LETTER TO THE PRESIDENT OF THE UNITED STATES

MARCH 13, 1954.

The PRESIDENT OF THE UNITED STATES,
The White House, Washington, D. C.

DEAR MR. PRESIDENT: Thousands of Americans have urged me to write you this letter. Since the first day of this session of Congress, when I introduced by bill, H. R. 6925, to provide an increase in the exemption allowed a taxpayer for a dependent in the income-tax law, this request for your support has grown into a compelling force. I must therefore present it to you for your serious consideration. Never before in my whole career of public service have I known an appeal so honest, so genuine, so completely unorganized coming from so many everywhere.

In every community all over America millions are calling for tax relief of this nature. This increase in the exemption allowance for dependents would permit millions of Americans to better clothe, feed, house, educate their children, and provide a higher standard of family life. It would increase purchasing power in the hands of so many who need it almost desperately. It would stimulate new business and increase employment now when it is needed. It would provide the basis for the building of a stronger, greater, finer America of tomorrow. Knowing its economic soundness, I have vigorously urged the incorporation of my proposal in the tax bill now before the Congress.

Throughout these strenuous years of crisis, the taxpayers of America have carried the financial load necessary to hold together the ramparts of freedoms. Billions from our labor have constituted the bulwark preventing the Communist enslavement of the whole world. In all recorded history there cannot be found a nation's people so generous, so unselfish, so great. It is well to remember, however, that when the fruits of man's labor are largely consumed by government, freedom shrinks away to death. Economic bombs can smash the free way of life just as quickly as atomic bombs. In both forces the result is violence and suffering.

Arguments have been made and recently given wide publication that tax relief for millions of Americans, provided by an increase in the exemption allowance for dependent children, dependent parents, dependent relatives, and other dependent persons, seriously affecting the standard of American family life, cannot be afforded by the Government of the United States. It is argued this relief is more than the budget can stand; that it is not a good way to put purchasing power into the hands of consumers; and that such an increase in the exemption allowance would exempt a large number of Americans from paying any income tax at all which, it is proclaimed, would be a mistake. Based upon sound economic and social thinking, these arguments are wrong, misleading to the public in general, and unjust to the American people as a whole. They cannot be supported by economic fact.

If the budget cannot be balanced, attention should be focused on the core of the problem, namely, the billions of tax income wasted and squandered loosely in areas all over the world. The attack should not be and must not be concentrated on American family life, causing substandard living to the extent of malnutrition for millions of American children and their fathers and mothers, threatening the quality and strength of our Nation's future. There is more, Mr. President, much more, involved in personal contribution to this great Nation of ours than just merely the contribution in tax income. All of the trees in the forest and the soil from which they are nourished must be considered in a relational way, rather than just single trees here and there in the forest, in an economic argument involving the welfare of the whole Nation. If industry can spread financial burden to avoid too heavy concentration at a particular time, it seems to me government has the same privilege and there need be no smokescreen of buget complexities.

Founded in a feeling of respect and admiration for you as a great American and confident of your loyalty and interest in them, these thousands who have expressed their approval for this tax relief trust and believe you will endorse this proposal to do something for them. This faith, this confidence, is so honorable, so fine, so worthy of respect. Surely you agree the American people have earned this tax relief. Their appeal to their Government is not unreasonable. Can their Government afford to be unreasonable with them?

I believe in the right and justice of my proposal to provide tax relief for millions of Americans, to improve their standard of living, to increase the quality and strength of our great country. Toward this objective I shall continue to work with all my strength and energy. With faith in their hearts, these millions, I believe, are confident you will help them secure this tax relief.

With cordial regards and all good wishes, I remain,

Very sincerely yours,

EDITH NOURSE ROGERS,
Member of Congress.

Hungarian Freedom Day

EXTENSION OF REMARKS

OF

HON. BARRATT O'HARA

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Tuesday, March 9, 1954

Mr. O'HARA of Illinois. Mr. Speaker, on the 15th day of March, the freedom day of Hungary, it is fitting and proper that we in free America should send a message of friendship and of hope to those suffering under Soviet tyranny. To the brave people of Hungary we give assurance that there will be no halting of the tireless efforts of the people of the United States to bring to all peoples the sweets of independence and the fruits of freedom.

For Hungary we hold a sentiment of affection and of gratitude. It was Col. Michael Kováts de Fabricy, Hungarian, who 177 years ago, in a dark hour, joined the Army of George Washington. He participated in many an engagement as the second in command of the famous Pulaski Legion. At Charleston, leading his men in attack, he was mortally wounded. The American Hungarian Association with inspiring propriety has adopted as its slogan "Faithful unto death," from the life and service of Colonel Kováts.