SENATE

WEDNESDAY, MARCH 10, 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 God our refuge and strength, whose compassion encompasses all Thy children and whose mercy faileth never: Thou hast called us to be partners with Thee in Thy redeeming purposes for this earth which is our home. We are humbly conscious that the only greatness we can ever know is to be linked with Thy transforming might.

Help us to make it our ruling passion in these days of daring challenge that we fail not man nor Thee. As before our eyes nature's darkness and deadness gives way to lengthening daylight, the pulsing of springtide and the flowered robe of verdure, may our hearts respond as, filled with life anew and with hope aflame, we hear the voice of one at whose touch the barren wilderness blossoms as the rose and who declares: "I am the resurrection and the life." We ask it in the ever-blessed name of Him whose right it is to reign and of whom the prophets declared, "The government shall be upon His shoulders." Amen.

THE JOURNAL

On request of Mr. KNOWLAND, and by unanimous consent, the reading of the Journal of the proceedings of Tuesday, March 9, 1954, was dispensed with.

MESSAGES FROM THE PRESIDENT

Messages in writing from the President of the United States submitting nominations were communicated to the Senate by Mr. Tribbe, 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. 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, in which it requested the concurrence of the Senate.

COMMITTEE MEETINGS DURING SENATE SESSION

On request of Mr. KNOWLAND, and by unanimous consent, the Finance Committee and the Permanent Subcommittee on Investigations were authorized to meet today during the session of the Senate.

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 VICE PRESIDENT. Without objection, it is so ordered.

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

The VICE PRESIDENT. The Secretary 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 VICE PRESIDENT. Without objection, it is so ordered.

RULES AND POLICIES OF INVESTIGATING COMMITTEES

Mr. KNOWLAND. Mr. President, I ask unanimous consent to have printed in the body of the RECORD a letter which was sent by the Senator from Michigan [Mr. FERGUSON], chairman of the Republican policy committee, to all Senate committee chairmen today, together with suggestions for inclusion in the rules and policies of Senate investigating committees and subcommittees.

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

SENATE OFFICE BUILDING,
March 10, 1954.

DEAR SENATOR: You will recall that the policy committee on Friday, February 26, 1954, adopted unanimously a motion which read as follows:

"Moved, that the chairman of the policy committee initiate steps for a study of rules and of policies with respect to investigations for general guidance of committee and subcommittee procedure with recommendations for the chairmen to set before their respective committees."

At the policy committee meeting on Tuesday, March 2, 1954, it was agreed that the chairman and other committee members whom he designated should meet with chairmen of standing and other committees of the Senate to seek their views and obtain their suggestions on such rules and policies.

Meetings were held with committee chairmen who were available on Wednesday and Thursday, March 3 and 4, 1954, respectively, and a number of suggestions were received.

The policy committee, at its meeting yesterday, considered the various suggestions received and selected seven which were regarded as the minimum rules and policies dealing with investigations. As chairman I was authorized to transmit these suggested minimum rules and policies to all Senate committee chairmen with the request that their respective committees give these suggestions their earnest consideration.

It should be pointed out, however, that a number of committees and subcommittees have heretofore adopted these rules and policies and others but the practice has not been universal.

The suggestions for inclusion in the rules and policies of Senate investigating committees and subcommittees are attached.

Sincerely,

HOMER FERGUSON,
Chairman, Senate Republican Policy Committee.

SUGGESTIONS FOR INCLUSION IN THE RULES AND POLICIES OF SENATE INVESTIGATING COMMITTEES AND SUBCOMMITTEES

1. An investigating subcommittee of any committee may be authorized only by the action of a majority of the committee.

2. No investigating committee or subcommittee is authorized to hold a hearing to hear subpenaed witnesses or take sworn testimony unless a majority of the members of the committee or subcommittee are present: *Provided, however,* That the committee may authorize the presence of a majority and a minority member to constitute a quorum.

3. An investigating committee or subcommittee may not delegate its authority to issue subpenas except by a vote of the committee or subcommittee.

4. No hearing shall be initiated unless the investigating committee or subcommittee has specifically authorized such hearing.

5. No hearing of an investigating committee or subcommittee shall be scheduled outside the District of Columbia except by the majority vote of the committee or subcommittee.

6. No confidential testimony taken or confidential material presented in an executive hearing of an investigating committee or subcommittee or any report of the proceedings of such an executive hearing shall be made public, either in whole or in part or by way of summary, unless authorized by a majority of the members of the committee or subcommittee.

7. Any witness summoned to a public or executive hearing may be accompanied by counsel of his own choosing who shall be permitted while the witness is testifying to advise him of his legal rights.

EXECUTIVE COMMUNICATIONS, ETC.

The VICE PRESIDENT laid before the Senate the following letters, which were referred as indicated:

AMENDMENT OF DOCTORS' DRAFT ACT

A letter from the Assistant Secretary of Defense, transmitting a draft of proposed 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 Forces of physicians, dentists, or those in an allied specialist category (with an accompanying paper); to the Committee on Armed Services.

CREDITING OF CERTAIN SERVICE TOWARD RETIREMENT OF RESERVE PERSONNEL

A letter from the Secretary of the Navy, transmitting a draft of proposed legislation to provide for the crediting of certain service toward retirement of Reserve personnel (with an accompany paper); to the Committee on Armed Services.

AMENDMENT TO SECTION 14 (b) OF FEDERAL RESERVE ACT

A letter from the Secretary of the Treasury, transmitting a draft of proposed legislation to amend section 14 (b) of the Federal Reserve Act, as amended (with accompanying papers); to the Committee on Banking and Currency.

AUDIT REPORT ON RAILROAD RETIREMENT BOARD

A letter from the Comptroller General of the United States, transmitting, pursuant to law, an audit report on the Railroad Retirement Board, for the fiscal year ended June 30, 1952 (with an accompanying report); to the Committee on Government Operations.

PROPOSED RENEWAL OF CONCESSION PERMIT, PAINTED DESERT INN, PETRIFIED FOREST NATIONAL MONUMENT, ARIZ.

A letter from the Assistant Secretary of the Interior, transmitting, pursuant to law, a copy of a letter proposing a renewal of a concession permit to operate the Painted Desert Inn, Petrified Forest National Monument, Ariz. (with accompanying papers); to

AUTHENTICATED U.S. GOVERNMENT INFORMATION GPO

the Committee on Interior and Insular Affairs.

LIMITATION OF UNITED STATES CODE AND REVISED STATUTES RELATING TO EMPLOYMENT OF COUNSEL IN A CERTAIN CASE

A letter from the Attorney General, transmitting a draft of proposed legislation to limit the operation of sections 281 and 283 of title 18, United States Code, and section 190 of the Revised Statutes of the United States (5 U. S. C. 99) with respect to counsel in a certain case (with an accompanying paper); to the Committee on the Judiciary.

JUDICIAL REVIEW OF DEPORTATION ORDERS

A letter from the Attorney General, transmitting a draft of proposed legislation to amend the act of June 27, 1952, to provide for judicial review of deportation orders under the immigration laws, and for other purposes (with an accompanying paper); to the Committee on the Judiciary.

PETITIONS AND MEMORIALS

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

By the VICE PRESIDENT:

A resolution of the Assembly of the State of New York; to the Committee on the Judiciary:

"Resolution of the assembly to condemn the act of terrorism which took place in the House of Representatives on March 1, 1954, and to express confidence in the loyalty of the people of the Commonwealth of Puerto Rico

"Whereas from the report of the press, certain acts of terrorism took place on March 1, 1954, in the House of Representatives, Washington, D. C.; and

"Whereas such acts of terrorism were carried out by alleged Puerto Rican nationalists who from the gallery of the House of Representatives shot down on Members of Congress while the House was in session; and

"Whereas as a result of the foresaid criminal acts, five Congressmen were injured, to wit: Hon. ALVIN M. BENTLEY, Hon. BEN F. JENSEN, Hon. CLIFFORD DAVIS, Hon. GEORGE H. FALLON, Hon. KENNETH A. ROBERTS; and

"Whereas such tragedy has shocked our Nation and tends to reflect on the good name of the people of the Commonwealth of Puerto Rico: Now, therefore, be it

"Resolved, That this assembly does hereby condemn such acts of terrorism as being contrary to the democratic process, and does hereby express its sympathy for those Members of Congress who were injured and wish them a prompt recovery;

"Resolved, That this assembly is of the opinion that the perpetrators of such criminal acts do not represent the people of the Commonwealth of Puerto Rico, but act only for themselves in carrying out their acts of terrorism;

"Resolved, That this assembly is of the opinion that the people of Puerto Rico are peace-loving American citizens who believe in law and order and who are justly proud of their association with the United States, the greatest democracy of all, and this assembly does hereby take this opportunity to express its confidence in the loyalty of the people of the Commonwealth of Puerto Rico;

"Resolved, That a copy of this resolution be transmitted to the President of the United States, to the Speaker of the House of Representatives, to the President of the Senate and to each of the Congressmen who were injured; and, also, to the Governor, to the President of the Senate and to the Speaker of the House of Representatives of the Commonwealth of Puerto Rico.

"By order of the assembly:

"ANSLEY B. BORKOWSKI,
"Clerk."

A joint resolution of the Legislature of the State of Virginia; to the Committee on Government Operations:

"Senate Joint Resolution 19

"Joint resolution requesting the Congress of the United States to compensate local governments for lands acquired for Federal purposes

"Whereas the Federal Government and agencies thereof have acquired considerable property for various purposes throughout this Commonwealth; and

"Whereas the acquisition of this property by the Federal Government and its agencies has diminished the tax base available to the local governments in which these properties are located; and

"Whereas the local governments which have suffered these losses must still provide the same services as heretofore and, in some instances, have had to increase their services due to the activities of the Federal Government on the property held by it; and

"Whereas it is only just that the Federal Government should make payments to the appropriate local governments involved in lieu of the taxes on such property which would be payable were it privately held: Now, therefore, be it

"Resolved by the senate (the house of delegates concurring), That it is the sense of the General Assembly of the Commonwealth of Virginia that the Congress of the United States should make payments to the local governments involved in amounts commensurate with the taxes that would be payable on federally owned property were such property in private hands, such payments being only just, since the local governments involved are still required to provide at least the same level of services as they were providing prior to the acquisition of such property.

"Resolved, further, That the clerk of the house of delegates is directed to transmit a duly authenticated copy of this resolution to the Congress of the United States.

"A true copy.

"E. GRIFFITH DODSON,
"Clerk of the House of Delegates."

A concurrent resolution of the Legislature of Arizona, relative to retaining the present formula in allocating Federal aid funds to the national system of interstate highways; to the Committee on Public Works.

(See concurrent resolution printed in full when presented by Mr. GOLDWATER on March 9, 1954, p. 2877, CONGRESSIONAL RECORD.)

A concurrent resolution of the Legislature of the State of Arizona, relative to increasing Federal aid allocations for the highways of the Nation; to the Committee on Public Works.

(See concurrent resolution printed in full when presented by Mr. GOLDWATER on March 9, 1954, p. 2878, CONGRESSIONAL RECORD.)

A resolution adopted by the Florida State Townsend Council, at Daytona Beach, Fla., favoring the enactment of legislation providing pay-as-you-go Federal social security for all; to the Committee on Finance.

A resolution adopted by the Agua Caliente Band of Mission Indians, Palm Springs, Calif., relating to the imposition of a tax on income of American Indians from trust property; to the Committee on Finance.

A resolution adopted by the Military Intelligence Service Veterans, Honolulu, T. H., favoring the admission of Hawaii into the Union as a State; ordered to lie on the table.

A resolution adopted by the roads and highways committee of the State legislative council, Oklahoma City, Okla., relating to an amendment to the Federal Aid Highway Act of 1952; to the Committee on Public Works.

A letter in the nature of a petition from the California branch, Veteran Corps, 131st Infantry, 33d Division, Los Angeles, Calif., signed by G. E. Heber, commander, embodying a resolution adopted by that organization, relating to increased pensions for widows of Spanish War Veterans; to the Committee on Finance.

A letter from the coordinator, office of civil defense, Commonwealth of Virginia, Richmond, Va., transmitting certified copies of civil-defense compacts entered into between the State of Virginia and the States of Alabama, Florida, Oklahoma, and Tennessee (with accompanying papers); to the Committee on Armed Services.

A resolution adopted by the City Council of the City of North Sacramento, Calif., relating to the selection of a site for the proposed Air Force Academy; to the Committee on Armed Services.

A resolution adopted by Local 356, Operative Plasterers' & Cement Masons' International Association, San Diego, Calif., relating to the use of plaster in the construction of Federal Housing Administration housing programs; to the Committee on Banking and Currency.

A resolution adopted by the City Council of the City of Chula Vista, Calif., relating to increased pay for members of the armed services; to the Committee on Armed Services.

A telegram in the nature of a petition from the Hui Makaala, Honolulu, T. H., signed by George Arakaki, president, favoring the enactment of legislation granting statehood to Hawaii; ordered to lie on the table.

Telegrams, letters, and petitions from sundry organizations and citizens of Puerto Rico, condemning the action of certain persons in attempting to assassinate Members of the House of Representatives; to the Committee on the Judiciary.

REDUCTION OF EXCISE TAXES—LETTER FROM WISCONSIN RETAIL JEWELERS ASSOCIATION, MILWAUKEE, WIS.

Mr. WILEY. Mr. President, the Nation is eagerly following progress on the excise tax relief bill expected to be approved in the House of Representatives today.

In this connection, I have received a message from B. W. Heald, secretary of the Wisconsin Retail Jewelers Association, one of the many groups in my State which has been extremely hard hit by the ruinous level of present excises.

I ask unanimous consent that Mr. Heald's letter urging necessary relief be printed in the RECORD, and be thereafter referred to the Senate Finance Committee.

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

WISCONSIN RETAIL JEWELERS
ASSOCIATION, INC.,
Milwaukee, Wis., March 8, 1954.

The Honorable ALEXANDER WILEY,
United States Senator from Wisconsin,
Senate Office Building,
Washington, D. C.

DEAR SENATOR WILEY: This is written in behalf of the jewelers of Wisconsin who are encouraged by the prospects in the present session of the Congress for relief from the discriminatory 20-percent retail excise tax on silverware, watches, and jewelry.

For the first time since the months preceding Korea, Congress is giving serious consideration to the necessity for granting relief from the wartime-imposed excise, which was never intended to be permanent and which has proved such an obstacle to the sale

of our products and the growth of our industry.

The jewelers of Wisconsin respectfully request your support of efforts to obtain relief from this discriminatory tax in the current session as embodied in H. R. 8150.

Very truly yours,

B. W. HEALD.

PRINTING OF HEARINGS OF COMMISSION ON JUDICIAL AND CONGRESSIONAL SALARIES

Mr. JENNER. Mr. President, from the Committee on Rules and Administration I report favorably, with an amendment, Senate Resolution 201, providing for the printing of hearings of the Commission on Judicial and Congressional Salaries, and I ask unanimous consent for its present consideration.

The VICE PRESIDENT. Is there objection to the present consideration of the resolution?

There being no objection, the Senate proceeded to consider the resolution, which had been submitted by Mr. MCCARRAN on January 26, 1954.

The VICE PRESIDENT. The amendment will be stated.

The amendment of the Committee on Rules and Administration was, on page 1, line 5, after the word "that", to insert "1,000", so as to make the resolution read:

Resolved, That the hearings held before the Commission on Judicial and Congressional Salaries, pursuant to Public Law 220, 83d Congress, together with certain matter pertaining thereto, be printed as a Senate document, with illustrations, and that 1,000 additional copies shall be printed for the use of the Senate Committee on the Judiciary.

The amendment was agreed to.

The resolution, as amended, was agreed to.

EXTENSION OF AUTHORITY OF COMMITTEE ON AGRICULTURE AND FORESTRY TO INVESTIGATE THE IMPORTATION OF WHEAT CLASSIFIED AS UNFIT FOR HUMAN CONSUMPTION

Mr. JENNER. Mr. President, from the Committee on Rules and Administration, I report favorably, with an amendment, Senate Resolution 218, extending the authority of the Committee on Agriculture and Forestry to investigate the importation of wheat classified as unfit for human consumption, with an amendment, and I submit a report, No. 1062, thereon. I ask unanimous consent for the present consideration of the resolution.

The VICE PRESIDENT. Is there objection to the present consideration of the resolution?

There being no objection, the Senate proceeded to consider the resolution, which had been reported by Mr. AIKEN from the Committee on Agriculture and Forestry on March 3, 1954.

The VICE PRESIDENT. The committee amendment will be stated.

The amendment of the Committee on Rules and Administration was, on page 1, line 7, after the word "continued", to insert "from February 1, 1954", so as to make the resolution read:

Resolved, That the authority of the Committee on Agriculture and Forestry, or any duly authorized subcommittee thereof, under Senate Resolution 127, 83d Congress, agreed to July 10, 1953 (providing for an investigation with respect to the importation of wheat classified as unfit for human consumption and other matters relating to agricultural programs and price levels), is hereby continued from February 1, 1954, until January 31, 1955.

The amendment was agreed to.

The resolution, as amended, was agreed to.

PRINTING OF BILL ENTITLED "INTERNAL REVENUE CODE OF 1954"

Mr. JENNER. Mr. President, from the Committee on Rules and Administration I report favorably, without amendment, House Concurrent Resolution 204, and ask unanimous consent for its present consideration.

The VICE PRESIDENT. Is there objection to the present consideration of the resolution?

There being no objection, the concurrent resolution (H. Con. Res. 204) was considered and agreed to, as follows:

Resolved by the House of Representatives (the Senate concurring), That there be printed a total of 20,000 copies of the bill entitled "Internal Revenue Code of 1954" for the use of the following: House Document Room, 13,000 copies; Senate Document Room, 500 copies; House Committee on Ways and Means, 6,450 copies; Senate Committee on Finance, 50 copies; and that there be printed a total of 20,000 copies of the report thereon submitted by the Committee on Ways and Means for the use of the following: House Document Room, 13,000 copies; Senate Document Room, 1,700 copies; House Committee on Ways and Means, 5,000 copies; Senate Committee on Finance, 300 copies.

PRINTING OF 36TH ANNUAL REPORT OF CONVENTION OF AMERICAN INSTRUCTORS OF THE DEAF—REPORT OF A COMMITTEE (S. DOC. NO. 103)

Mr. JENNER, from the Committee on Rules and Administration, reported an original resolution (S. Res. 219) to print the 36th annual report of the Convention of American Instructors of the Deaf, which was considered by unanimous consent, and agreed to, as follows:

Resolved, That the report of the proceedings of the 36th meeting of the Convention of American Instructors of the Deaf, held at Vancouver, Wash., June 29, to July 3, 1953, be printed, with illustrations, as a Senate document.

ADDITIONAL REPORT OF JOINT COMMITTEE ON REDUCTION OF NONESSENTIAL FEDERAL EXPENDITURES—CIVILIAN EMPLOYMENT IN EXECUTIVE BRANCH

Mr. BYRD. Mr. President, as chairman of the Joint Committee on Reduction of Nonessential Federal Expenditures, I submit an additional report on civilian employment in the executive branch of the Federal Government for the month of January 1954, and, in accordance with the practice of several years' standing, I request that it be printed in the body of the RECORD as a part of my remarks, together with a statement by me.

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

FEDERAL PERSONNEL IN EXECUTIVE BRANCH, DECEMBER 1953–JANUARY 1954, AND PAY, NOVEMBER–DECEMBER 1953

PERSONNEL AND PAY SUMMARY [1]

(See table I)

According to monthly personnel reports for January 1954 submitted to the Joint Committee on Reduction of Nonessential Federal Expenditures:

[1] Exclusive of foreign nations shown in table VI.

Department or agency	Civilian personnel in executive branch			Payroll (in thousands) in executive branch		
	In January numbered—	In December numbered—	Increase (+) or decrease (−)	In December was—	In November was—	Increase (+) or decrease (−)
Total	2,348,457	2,357,294	−8,837	$874,352	$757,788	+$116,564
1. Agencies exclusive of Department of Defense	1,173,405	1,177,760	−4,355	476,860	390,958	+85,902
2. Department of Defense	1,175,052	1,179,534	−4,482	397,492	366,830	+30,662
Within the Department of Defense:						
Office of the Secretary of Defense	1,818	1,834	−16	1,009	912	+97
Department of the Army	455,728	459,389	−3,661	137,829	129,339	+8,490
Department of the Air Force	288,913	288,919	−6	99,544	90,742	+8,802
Department of the Navy	428,593	429,392	−799	159,110	145,837	+13,273

TABLE I.—*Consolidated table of Federal personnel inside and outside continental United States employed by the executive agencies during January 1954, and comparison with December 1953, and pay for December 1953, and comparison with November 1953*

Department or agency	Pay (in thousands of dollars)				Personnel			
	November	December	Increase	Decrease	December	January	Increase	Decrease
Executive departments (except Department of Defense):								
Agriculture	23,143	23,561	418		67,610	66,897		713
Commerce [1] [2]	17,388	18,921	1,533		44,203	42,831		1,372
Health, Education, and Welfare	12,330	13,275	945		36,247	36,200		47
Interior	18,680	20,015	1,335		51,769	51,317		452
Justice	12,121	13,454	1,333		29,944	29,904		40
Labor	2,087	2,260	173		5,176	5,137		39
Post Office	161,533	229,815	68,282		507,645	506,781		864
State	6,610	6,850	240		20,106	20,054		52
Treasury	29,933	32,921	2,988		80,873	80,713		160
Executive Office of the President:								
White House Office	122	130	8		249	254	5	
Bureau of the Budget	242	264	22		417	420	3	
Council of Economic Advisers	17	20	3		28	26		2
Executive Mansion and Grounds	25	26	1		128	126		2
National Security Council [3]	16	17	1		28	26		2
Office of Defense Mobilization	176	195	19		386	377		9
President's Advisory Committee on Government Organization					3	3		
Emergency agencies:								
Defense Transport Administration	19	20	1		36	35		1
Federal Civil Defense Administration	372	405	33		693	684		9
Foreign Operations Administration	2,173	[4] 2,173			6,691	[4] 6,622		69
National Security Training Commission	6	5		1	10	8		2
Renegotiation Board	393	416	23		712	712		
Small Defense Plants Administration	153			153				
Subversive Activities Control Board	18	19	1		31	32	1	
Postwar agencies:								
War Claims Commission	58	67	9		157	154		3
Indepednent agencies:								
American Battle Monuments Commission	93	88		5	452	449		3
Atomic Energy Commission	2,862	3,190	328		6,371	6,367		4
Board of Governors of the Federal Reserve System	246	266	20		583	576		7
Civil Aeronautics Board	261	288	27		541	542	1	
Civil Service Commission	1,696	1,903	207		4,477	4,463		14
Commission on Foreign Economic Policy	13	38	25		47	41		6
Commission on Intergovernmental Relations	2	9	7		20	31	11	
Committee on Retirement Policy for Federal Personnel	7	7			17	15		2
Export-Import Bank of Washington	68	73	5		127	130	3	
Farm Credit Administration		321	321		786	781		5
Federal Coal Mine Safety Board of Review	4	4			8	8		
Federal Communications Commission	509	567	58		1,126	1,136	10	
Federal Deposit Insurance Corporation	431	473	42		1,029	1,025		4
Federal Mediation and Conciliation Service	222	234	12		358	353		5
Federal Power Commission	308	343	35		663	668	5	
Federal Trade Commission	291	312	21		576	576		
General Accounting Office	2,344	2,536	192		5,927	5,881		46
General Services Administration	8,403	8,998	595		27,622	27,337		5
Government Contract Committee	2	3	1		13	16	3	
Government Printing Office	2,684	2,910	226		7,073	7,085	12	
Housing and Home Finance Agency	4,479	4,828	349		11,041	10,840		201
Indian Claims Commission	9	9			14	14		
Interstate Commerce Commission	810	891	81		1,826	1,836	10	
National Advisory Committee for Aeronautics	2,829	3,210	381		7,264	7,267	3	
National Capital Housing Authority	106	116	10		335	334		1
National Capital Planning Commission	9	10	1		20	20		
National Gallery of Art	94	100	6		317	315		2
National Labor Relations Board	587	642	55		1,250	1,249		1
National Mediation Board	74	75	1		110	116	6	
National Science Foundation	73	79	6		200	176		24
Panama Canal	3,459	3,559	100		16,944	16,707		237
Railroad Retirement Board	711	800	89		2,114	2,206	92	
Reconstruction Finance Corporation	599	611	12		1,214	1,177		37
Rubber Producing Facilities Disposal Commission	4	10	6		20	23	3	
Securities and Exchange Commission	372	411	39		727	729	2	
Selective Service System	1,573	1,732	159		7,327	7,296		31
Small Business Administration	101	226	125		415	460	45	
Smithsonian Institution	172	191	19		500	502	2	
Soldiers' Home	149	166	17		777	786	9	
Tariff Commission	100	107	7		193	193		
Tax Court of the United States	67	72	5		136	138	2	
Tennessee Valley Authority	9,048	[5] 9,709	661		22,796	22,890	94	
United States Information Agency	2,510	2,151		359	9,351	9,200		151
Veterans' Administration	54,962	59,763	4,801		181,911	182,138	227	
Total, excluding Department of Defense	390,958	476,860	86,420	518	1,177,760	1,173,405	549	4,904
Net change, excluding Department of Defense			85,902				4,355	
Department of Defense:								
Office of the Secretary of Defense [6]	912	1,009	97		1,834	1,818		16
Department of the Army:								
Inside continental United States	116,016	124,328	8,312		409,742	405,695		4,047
Outside continental United States	13,323	13,501	178		49,647	50,033	386	
Department of the Air Force:								
Inside continental United States	82,765	90,851	8,086		253,085	252,520		565
Outside continental United States	7,977	8,693	716		35,834	36,393	559	
Department of Navy:								
Inside continental United States	137,314	149,500	12,186		399,003	398,089		914
Outside continental United States	8,523	9,610	1,087		30,389	30,504	115	
Total, Department of Defense	366,830	397,492	30,662		1,179,534	1,175,052	1,060	5,542
Net change, Department of Defense			30,662				4,482	
Grand total, including Department of Defense	757,788	874,352	117,082	518	2,357,294	2,348,457	1,609	10,446
Net change, including Department of Defense			116,564				8,837	

[1] January figure includes 864 employees of the Business and Defense Services Administration, a decrease of 3 from the December figure of 867.

[2] January figure includes 1,726 seamen on the rolls of the Maritime Administration and their pay.

[3] Exclusive of personnel and pay of the Central Intelligence Agency.

[4] Subject to revision.

[5] Includes $11,150 retroactive pay increases paid in December.

[6] Includes 255 employees assigned to the Cataloging, Standardization, and Inspection Agency and 44 employees assigned to the North Atlantic Treaty Organization.

TABLE II.—*Federal personnel inside continental United States employed by executive agencies during January 1954, and comparison with December 1953*

Department or agency	December	January	Increase	Decrease
Executive departments (except Department of Defense):				
Agriculture	66,118	65,365		753
Commerce [1] [2]	41,119	39,811		1,308
Health, Education and Welfare	35,699	35,648		51
Interior	45,867	45,523		344
Justice	29,427	29,392		35
Labor	5,069	5,029		40
Post Office	505,296	504,428		868
State	6,004	5,940		64
Treasury	79,872	79,712		160
Executive Office of the President:				
White House Office	249	254	5	
Bureau of the Budget	417	420	3	
Council of Economic Advisers	28	26		2
Executive Mansion and Grounds	128	126		2
National Security Council [3]	28	26		2
Office of Defense Mobilization	386	377		9
President's Advisory Committee on Government Organization	3	3		
Emergency agencies:				
Defense Transport Administration	36	35		1
Federal Civil Defense Administration	693	684		9
Foreign Operations Administration	1,429	[4] 1,454	25	
National Security Training Commission	10	8		2
Renegotiation Board	712	712		
Subversive Activities Control Board	31	32	1	
Postwar agencies:				
War Claims Commission	157	154		3
Independent agencies:				
American Battle Monuments Commission	15	15		
Atomic Energy Commission	6,358	6,352		6
Board of Governors of the Federal Reserve System	583	576		7
Civil Aeronautics Board	534	535	1	
Civil Service Commission	4,460	4,451		9
Commission on Foreign Economic Policy	47	41		6
Commission on Intergovernmental Relations	20	31	11	
Committee on Retirement Policy for Federal Personnel	17	15		2
Export-Import Bank of Washington	127	130	3	
Farm Credit Administration	775	772		3
Federal Coal Mine Safety Board of Review	8	8		
Federal Communications Commission	1,100	1,110	10	
Federal Deposit Insurance Corporation	1,028	1,024		4
Federal Mediation and Conciliation Service	358	353		5
Federal Power Commission	663	668	5	
Federal Trade Commission	576	576		
Independent agencies—Con.				
General Accounting Office	5,888	5,838		50
General Services Administration	27,519	27,217		302
Government Contract Committee	13	16	3	
Government Printing Office	7,073	7,085	12	
Housing and Home Finance Agency	10,907	10,711		196
Indian Claims Commission	14	14		
Interstate Commerce Commission	1,826	1,836	10	
National Advisory Committee for Aeronautics	7,264	7,267	3	
National Capital Housing Authority	335	334		1
National Capital Planning Commission	20	20		
National Gallery of Art	317	315		2
National Labor Relations Board	1,229	1,228		1
National Mediation Board	110	116	6	
National Science Foundation	200	176		24
Panama Canal	533	535	2	
Railroad Retirement Board	2,114	2,206	92	
Reconstruction Finance Corporation	1,208	1,171		37
Rubber Producing Facilities Disposal Commission	20	23	3	
Securities and Exchange Commission	727	729	2	
Selective Service System	7,120	7,091		29
Small Business Administration	415	460	45	
Smithsonian Institution	498	500	2	
Soldiers' Home	777	786	9	
Tariff Commission	193	193		
Tax Court of the United States	136	138	2	
Tennessee Valley Authority	22,796	22,890	94	
United States Information Agency	2,087	2,097	10	
Veterans' Administration	180,691	180,907	216	
Total, excluding Department of Defense	1,117,477	1,113,715	575	4,337
Net decrease, excluding Department of Defense			3,762	
Department of Defense:				
Office of the Secretary of Defense	1,778	1,762		16
Department of the Army	409,742	405,695		4,047
Department of the Air Force	253,085	252,520		565
Department of the Navy	399,003	398,089		914
Total, Department of Defense	1,063,608	1,058,066		5,542
Net decrease, Department of Defense			5,542	
Grand total, including Department of Defense	2,181,085	2,171,781	575	9,879
Net decrease, including Department of Defense			9,304	

[1] January figure includes 864 employees of the Business and Defense Services Administration, a decrease of 3 from the December figure of 867.
[2] January figure includes 1,726 seamen on the rolls of the Maritime Administration.
[3] Exclusive of personnel of the Central Intelligence Agency.
[4] Subject to revision.

TABLE III.—*Federal personnel outside continental United States employed by the executive agencies during January 1954, and comparison with December 1953*

Department or agency	December	January	Increase	Decrease
Executive departments (except Department of Defense):				
Agriculture	1,492	1,532	40	
Commerce	3,084	3,020		64
Health, Education, and Welfare	548	552	4	
Interior	5,902	5,794		108
Justice	517	512		5
Labor	107	108	1	
Post Office	2,349	2,353	4	
State	14,102	14,114	12	
Treasury	1,001	1,001		
Emergency agencies:				
Foreign Operations Administration	5,262	[1] 5,168		94
Independent agencies:				
American Battle Monuments Commission	437	434		3
Atomic Energy Commission	13	15	2	
Civil Aeronautics Board	7	7		
Civil Service Commission	17	12		5
Farm Credit Administration	11	9		2
Federal Communications Commission	26	26		
Federal Deposit Insurance Corporation	1	1		
General Accounting Office	39	43	4	
General Services Administration	103	120	17	
Housing and Home Finance Agency	134	129		5
National Labor Relations Board	21	21		
Independent agencies—Continued				
Panama Canal	16,411	16,172		239
Reconstruction Finance Corporation	6	6		
Selective Service System	207	205		2
Smithsonian Institution	2	2		
United States Information Agency	7,264	7,094		170
Veterans' Administration	1,220	1,231	11	
Total, excluding Department of Defense	60,283	59,681	95	697
Net decrease, excluding Department of Defense			602	
Department of Defense:				
Office of the Secretary of Defense	56	56		
Department of the Army	49,647	50,033	386	
Department of the Air Force	35,834	36,393	559	
Department of the Navy	30,389	30,504	115	
Total, Department of Defense	115,926	116,986	1,060	
Net increase, Department of Defense			1,060	
Grand total, including Department of Defense	176,209	176,667	1,155	697
Net increase, including Department of Defense			458	

[1] Subject to revision.

TABLE IV.—*Industrial employees of the Federal Government inside and outside continental United States employed by executive agencies during January 1954, and comparison with December 1953*

Department or agency	December	January	Increase	Decrease
Executive departments (except Department of Defense):				
Commerce	479	406		73
Interior	2,177	2,126		51
State	130	140	10	
Treasury	7,010	6,825		185
Independent agencies:				
Atomic Energy Commission	108	111	3	
Panama Canal	1,372	1,372		
Tennessee Valley Authority	14,068	14,221	153	
Total, excluding Department of Defense	25,344	25,201	166	309
Net decrease, excluding Department of Defense			143	
Department of Defense:				
Department of the Army:				
Inside continental United States	198,813	195,986		2,827
Outside continental United States	31,126	31,575	449	
Department of the Air Force:				
Inside continental United States	144,148	143,798		350
Outside continental United States	[1] 20,998	21,479	481	
Department of the Navy:				
Inside continental United States	260,523	259,486		1,037
Outside continental United States	22,107	22,143	36	
Total, Department of Defense	677,715	674,467	966	4,214
Net decrease, Department of Defense			3,248	
Grand total, including Department Defense	703,059	699,668	1,132	4,523
Net decrease, including Department of Defense			3,391	

[1] Revised on basis of later information.

TABLE V.—*Federal employees assigned to Mutual Defense Assistance Program*

Department or agency	Payroll (in thousands)			Civilian personnel		
	In November was—	In December was—	Increase (+) or decrease (−)	In December numbered—	In January numbered—	Increase (+) or decrease (−)
Total	$6,314	$6,718	+$404	24,014	24,466	+452
State Department	85	108	+23	1,014	1,019	+5
Office of the Secretary of Defense	67	76	+9	149	144	−5
Department of the Army	[1] 4,468	[2] 4,468		[1] 16,327	[2] 16,327	
Department of the Air Force	987	1,134	+147	2,966	3,161	+195
Department of the Navy	707	932	+225	3,558	3,815	+257

[1] Revised on basis of later information. [2] Subject to revision.

TABLE VI.—*Foreign nationals working under United States agencies overseas, excluded from usual Federal personnel reporting because of the nature of their work or the source of the funds from which they are paid, as of January 1954, and comparison with December 1953 (not included elsewhere in this report)*

Country	Total		Army		Navy		Air Force	
	December	January	December	January	December	January	December	January
Austria	(1)						(1)	
England	(1)						(1)	
France	(1)						(1)	
Germany	117,037	117,992	96,346	97,206	1,838	1,920	18,853	18,866
Japan	178,526	174,901	119,406	115,226	17,166	18,374	41,954	41,301
Korea	106,431	105,893	[2] 96,476	[2] [3] 96,574			9,955	9,319
Liberia		199						199
Libya	822						822	
Ryukyus	14,697	14,683	10,884	11,083			3,813	3,600
Saudi Arabia		395						395
Total	417,513	414,063	323,112	320,089	19,004	20,294	75,397	73,680

[1] Revised on basis of later information.
[2] Includes 38,408 members of the Korean Service Corps in January as compared with 37,036 in December. [3] Subject to revision.

NOTE.—The Germans are paid from funds provided by German governments. Ryukyuans reported by the Army are paid from funds appropriated for personal service. All others are paid from funds appropriated for other contractual services.

STATEMENT BY SENATOR BYRD

Executive agencies of the Federal Government reported regular civilian employment in the month of January totaling 2,348,457. This was a net reduction of 8,837 as compared with employment reported for the preceding month of December.

Civilian employment as reported by employing agencies of the Federal Government by months in the current fiscal year 1954, which began July 1, follows:

Month	Employment	Decrease
July	2,454,714	−14,920
August	2,431,430	−23,284
September	2,401,810	−29,620
October	2,372,745	−29,065
November	2,367,330	−5,415
December	2,357,294	−10,036
January	2,348,457	−8,837

These figures show that during the 7 months of fiscal year 1954 civilian employment was reduced by 121,183. January was the 18th consecutive month in which net reductions were reported.

Civilian employment by the Defense Department continued to decrease during January, dropping 4,482 to a total of 1,175,052. And employment by civilian agencies decreased during the month from 1,177,760 in December to 1,173,405 in January—a decrease of 4,355.

Major decreases were reported by the Department of the Army with 3,661, Department of Commerce with 1,372, Post Office Department with 864, Agriculture Department with 713, Interior Department with 452, Department of the Navy with 799. The only major increase was reported by the Veterans' Administration with 227. Although the three military departments, Army, Navy, and Air Force, showed net decreases, each of them reported considerable increases in civilian employment outside continental United States.

These figures are from reports certified by the Agencies as compiled today by the Joint Committee on Reduction of Nonessential Federal Expenditures.

FOREIGN NATIONALS

The total of 2,348,457 civilian employees certified to the committee by executive agencies in their regular monthly personnel reports included some foreign nationals employed in United States Government activities abroad, but in addition to these there were 414,063 foreign nationals working for United States military agencies overseas during the month of January who were not counted in the usual personnel reports.

Country	Total		Army		Navy		Air Force	
	December	January	December	January	December	January	December	January
Germany	117,037	117,992	96,346	97,206	1,838	1,920	18,853	18,866
Japan	178,526	174,901	119,406	115,226	17,166	18,374	41,954	41,301
Korea	106,431	105,893	96,476	96,574			9,955	9,319
Liberia		199						199
Lybia	822						822	
Ryukyus	14,697	14,683	10,884	11,083			3,813	3,600
Saudi Arabia		395						395
Total	417,513	414,063	323,112	320,089	19,004	20,294	75,397	73,680

PAYROLL

Expenditure figures in the committee's report compiled today were for the month of December when the civilian employment totaled 2,357,294. The payroll for the month of December totaled $874,352,000.

During the first 6 months of the fiscal year, from July to December, the payroll totaled $4,846,910,000, as compared with $5,000,910,000 for the same period a year ago.

Civilian employment by the Military Establishment from July through December cost $2,355,916,000 according to reports certified to the committee. The cost for the same period a year ago was $2,461,036,000.

Employment by civilian agencies of the Government from July through December cost $2,490,994,000, as compared with $2,539,874,000 a year ago.

BILLS INTRODUCED

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

By Mr. GILLETTE:

S. 3098. A bill for the relief of A. T. Bennett Haines and Dagny Adele Haines (nee Ahrman); to the Committee on the Judiciary.

By Mr. PURTELL:

S. 3099. A bill for the relief of Dr. and Mrs. Henri Revilliod; to the Committee on the Judiciary.

By Mr. LANGER:

S. 3100. A bill to amend sections 1, 3, and 4 of the Foreign Agents Registration Act of 1938, as amended;

S. 3101. A bill to amend section 490 of title 14, United States Code, entitled "Coast Guard," and for other purposes;

S. 3102. A bill for the relief of Mr. William Henry Diment, Mrs. Mary Ellen Diment, and Mrs. Gladys Everingham;

S. 3103. A bill to amend the act of January 12, 1951, as amended, to continue in effect the provisions of title II of the First War Powers Act, 1941;

S. 3104. A bill for the relief of Theodore J. Harris;

S. 3105. A bill for the relief of Stanley Rydzon and Alexander F. Anderson; and

S. 3106. A bill for the relief of Mrs. Esther Chan Lee (Eta Lee); to the Committee on the Judiciary.

(See the remarks of Mr. LANGER when he introduced the first six of the above bills, which appear under separate headings.)

By Mr. BEALL:

S. 3107. A bill to transfer ownership to Allegany County, Md., of a bridge loaned to such county by the Bureau of Public Roads; to the Committee on Public Works.

By Mr. THYE:

S. 3108. A bill to modify the act of October 8, 1940 (54 Stat. 1020) and the act of July 24, 1947 (61 Stat. 418) with respect to the recoupment of certain public school construction costs in Minnesota; to the Committee on Interior and Insular Affairs.

By Mr. IVES (for himself, Mr. BRICKER, and Mr. JACKSON):

S. 3109. A bill to authorize the Public Health Service to admit to its hospitals persons addicted to the use of habit-forming narcotic drugs who are duly committed to the care of the Service by a court of any State, and for other purposes; to the Committee on Labor and Public Welfare.

By Mr. BRICKER:

S. 3110. A bill for the relief of the Portsmouth Sand & Gravel Co.; to the Committee on the Judiciary.

By Mr. BRICKER (for himself, Mr. JOHNSON of Colorado, Mr. ELLENDER, Mr. SCHOEPPEL, Mr. JENNER, Mr. CAPEHART, Mr. HENNINGS, and Mr. MARTIN):

S. 3111. A bill to amend part III of the Interstate Commerce Act in order to remove the bulk commodity exemption with respect to certain water carriers; to the Committee on Interstate and Foreign Commerce.

AMENDMENT OF FOREIGN AGENTS REGISTRATION ACT OF 1938

Mr. LANGER. Mr. President, I introduce for appropriate reference a bill to amend sections 1, 3, and 4 of the Foreign Agents Registration Act of 1938, as amended. This bill is recommended by the Attorney General to cover agents of any organization directed, controlled, or financed by a foreign government or foreign political party, and is approved by the staff of the Committee on the Judiciary.

The VICE PRESIDENT. The bill will be received and appropriately referred.

The bill (S. 3100) to amend sections 1, 3, and 4 of the Foreign Agents Registration Act of 1938, as amended, introduced by Mr. LANGER, was received, read twice by its title, and referred to the Committee on the Judiciary.

AMENDMENT OF SECTION 490 OF TITLE 14, UNITED STATES CODE, ENTITLED "COAST GUARD," RELATING TO SETTLEMENT OF CLAIMS

Mr. LANGER. Mr. President, I introduce for appropriate reference a bill to amend section 490 of title 14, United States Code, entitled "Coast Guard," and for other purposes. This is a proposal by the Secretary of the Treasury, which would give to the Coast Guard the same authority to settle property claims as is enjoyed by other branches of the armed services, and is approved by the staff of the Committee on the Judiciary.

The VICE PRESIDENT. The bill will be received and appropriately referred.

The bill (S. 3101) to amend section 490 of title 14, United States Code, entitled "Coast Guard," and for other purposes, introduced by Mr. LANGER, was received, read twice by its title, and referred to the Committee on the Judiciary.

MR. WILLIAM HENRY DIMENT, MRS. MARY ELLEN DIMENT, AND MRS. GLADYS EVERINGHAM

Mr. LANGER. Mr. President, I introduce for appropriate reference a bill for the relief of Mr. William Henry Diment, Mrs. Mary Ellen Diment, and Mrs. Gladys Everingham. This is a private relief bill suggested by the Department of the Army, and is approved by the staff of the Committee on the Judiciary.

The VICE PRESIDENT. The bill will be received and appropriately referred.

The bill (S. 3102) for the relief of Mr. William Henry Diment, Mrs. Ellen Diment, and Mrs. Gladys Everingham, introduced by Mr. LANGER, was received, read twice by its title, and referred to the Committee on the Judiciary.

CONTINUATION OF PROVISIONS OF TITLE II, FIRST WAR POWERS ACT, 1941

Mr. LANGER. Mr. President, I introduce for appropriate reference a bill to amend the act of January 12, 1951, as amended, to continue in effect the provisions of title II of the First War Powers Act, 1941. This is a proposal by the Department of the Navy extending the effective date of title II of the First War Powers Act until June 30, 1954, and is approved by the staff of the Committee on the Judiciary.

The VICE PRESIDENT. The bill will be received and appropriately referred.

The bill (S. 3103) to amend the act of January 12, 1951, as amended, to continue in effect the provisions of title II of the First War Powers Act, 1941, introduced by Mr. LANGER, was received, read twice by its title, and referred to the Committee on the Judiciary.

THEODORE J. HARRIS

Mr. LANGER. Mr. President, I introduce for appropriate reference a bill for the relief of Theodore J. Harris. This is a private relief bill submitted by the Acting Postmaster General, and is approved by the staff of the Committee on the Judiciary.

The VICE PRESIDENT. The bill will be received and appropriately referred.

The bill (S. 3104) for the relief of Theodore J. Harris, introduced by Mr. LANGER, was received, read twice by its title, and referred to the Committee on the Judiciary.

STANLEY RYDSON AND ALEXANDER F. ANDERSON

Mr. LANGER. Mr. President, I introduce for appropriate reference a bill for the relief of Stanley Rydson and Alexander F. Anderson. This is a private relief proposal by the Acting Postmaster General, and is approved by the staff of the Committee on the Judiciary.

The VICE PRESIDENT. The bill will be received and appropriately referred.

The bill (S. 3105) for the relief of Stanley Rydson and Alexander F. Anderson, introduced by Mr. LANGER, was

received, read twice by its title, and referred to the Committee on the Judiciary.

HOUSING ACT OF 1954—AMENDMENT—STATEMENT BY SENATOR MAYBANK

Mr. MAYBANK. Mr. President, I submit for reference to the Committee on Banking and Currency an amendment intended to be proposed by me to the bill (S. 2938) to aid in the provision and improvement of housing, the elimination and prevention of slums, and the conservation and development of urban communities. It is identical with the amendment I submitted yesterday, during the hearings before the Committee on Banking and Currency. I ask unanimous consent that the amendment, together with a statement by me relating thereto, be printed in the RECORD.

The VICE PRESIDENT. The amendment will be received and printed, and will be referred to the Committee on Banking and Currency as requested by the Senator from South Carolina; and, without objection, the amendment and statement will be printed in the RECORD.

The amendment and statement are as follows:

AMENDMENT BY MR. MAYBANK TO S. 2938

On page 94, after line 11, insert the following new section:

"SEC. 506. The third sentence of subsection (e) of section 10 of the United States Housing Act of 1937, as amended, is hereby amended by striking out the period at the end thereof and inserting a colon and the following new proviso: '*And provided further*, That, notwithstanding any other provisions of law except provisions hereafter enacted expressly in limitation hereof, the provisions of this subsection and of section 10 shall be in full force and effect, and, insofar as the provisions of any other act are inconsistent with the provisions of this subsection or of said section 10, the provisions of this subsection and of said section 10 shall be controlling.'"

STATEMENT BY SENATOR MAYBANK

I have submitted an amendment to S. 2938, on which bill hearings are being held by the Committee on Banking and Currency.

Last year the President appointed a commission which was directed to review the housing laws and the housing needs of the country. This commission made its report to the President earlier this year. On the report of the commission the President, in turn, made legislative recommendations to the Congress. Those recommendations in the main are embodied in S. 2938, the Housing Act of 1954.

One appalling fact has come to light with the introduction of the administration's legislative recommendations for changes in the housing laws. There is not one word to be found on public housing in the 107 pages of this comprehensive bill. If for no other reason than for the sheer preservation of the legislative processes, I think it is important that particular attention be drawn to this omission.

Insofar as public housing is concerned, the basic statute lies in the Housing Act of 1949. That act provided an authorization for public housing starts up to 135,000 units annually. Now that did not mean that construction starts were directed for 135,000 units each and every year. It meant simply that the President, through the Housing and Home Finance Agency and the Bureau of the Budget, should recommend to the Appropriations Committees an amount of money which would be sufficient for the number of construction starts thought to be necessary for the next fiscal year. That is the way the Housing Act of 1949 was written, and that is why the provisions for public housing starts were so drawn.

Now, what is the history of appropriations for public housing since 1949? That history is one which may no longer go unchallenged. It is a history among other things of direct contravention of the Reorganization Act. It is the history of legislation on appropriations bills; a history, if you please, of changing a basic statute by bobtailing appropriations.

Each year the independent offices appropriations bill has whittled the recommendations for public housing, both for planning and for construction starts. Last year, not content with reducing the starts to 20,000 units in 1954, the appropriations bill provided that no additional planning might be done during 1954 and that no other starts might be made after 1954 except as might be specifically provided by the Congress.

I intend to see that that specific provision shall be made.

I intend to see that it shall be made properly by the standing committee which has the express jurisdiction in this field. It is not for an Appropriations Committee to legislate on housing. It is the duty of the Banking and Currency Committee to retain unto itself the whole jurisdiction over housing and not allow it to be spread to other committees. For these reasons I have introduced an amendment to S. 2938.

A vote for my amendment is not a vote for or against public housing. It is a vote for proper legislative processes. It formally puts before the Banking and Currency Committee the question of public housing which was omitted from the bill now being considered.

If there is to be no public housing under this administration, then let the attack be made directly. It is important enough to be considered by the Congress in its own right.

The question has been faced squarely and honestly in the past by such stalwarts as Senator Taft, Senator Wagner, and many others. In 1949, with the tremendous assistance of Senator Taft, a well-formulated program was adopted by the Congress. If that program is to be terminated, then let it be done openly and on the issue.

REQUESTS OF COMMON CARRIERS FOR INCREASED TRANSPORTATION RATES — AMENDMENT — STATEMENT BY SENATOR BRICKER

Mr. BRICKER. Mr. President, on behalf of myself, the Senator from Colorado [Mr. JOHNSON], and the Senator from Indiana [Mr. CAPEHART], I submit an amendment in the nature of a substitute, intended to be proposed by us, jointly, to the bill (S. 1461) to amend the Interstate Commerce Act, as amended, concerning requests of common carriers for increased transportation rates.

I ask unanimous consent that a statement by me concerning the amendment be printed in the RECORD.

The VICE PRESIDENT. The amendment will be received, and printed, and will lie on the table; and, without objection, the statement will be printed in the RECORD.

The statement by Senator BRICKER is as follows:

STATEMENT BY SENATOR BRICKER

I have today submitted an amendment which will be offered in the nature of a substitute to S. 1461, a bill introduced during the first session of this Congress by Senator JOHNSON of Colorado (for himself, Senator CAPEHART, and me).

S. 1461 is designed to lessen the time-lag involved when common carriers subject to the Interstate Commerce Act are subjected to such substantial increases in the wages they pay, and the prices of materials they buy that corresponding adjustments in their price structures are necessary.

The need for remedial legislation of this character has been clearly and repeatedly demonstrated. In the inflationary period following World War II, it has been estimated that the railroads alone have been deprived of more than a billion dollars of added revenues because the regulatory processes in major revenue cases consumed more than the 60-day period which this bill would prescribe. The result has been that in the postwar years of great business activity and general prosperity, the railroads have earned an average rate of return of only 3.74 percent. This is obviously inadequate and inconsistent with the public interest in a strong national transportation system.

The Committee on Interstate and Foreign Commerce reported S. 1461 favorably last June, and it is now on the calendar. I am told that it may be reached at an early date.

The proponents of the bill will not object to this amendment in the nature of a substitute, which is intended to meet all substantial objections to the bill that have been advanced, and which is believed to remove whatever substantial cause for objection may heretofore have existed.

This amended version of the bill incorporates all of the committee amendments and, more important, goes much further in satisfying the various objections that have been made to the proposed legislation.

Perhaps most important, there are being omitted from the amended bill certain phrases thought by many to have been objectionable in the bill as it was originally drafted and reported. Those phrases have to do with the standard to be provided for the guidance of the Interstate Commerce Commission in fixing the amount of any interim increases in rates authorized by it. The words are "establish and maintain sound credit" and "attract equity capital." These words are not presently found in the Interstate Commerce Act and there was fear upon the part of some that inclusion of them in this bill might work a change in the rule of ratemaking.

Not only are these words having to do with the establishment and maintenance of sound credit and the attraction of equity capital being stricken from the bill, but there is being added a provision making it entirely plain that the Interstate Commerce Commission in fixing the amount of any increase, whether interim or final, is to give consideration to all applicable substantive provisions of the Interstate Commerce Act, including the factors enumerated in section 15a of the act, sometimes referred to as the general rule of ratemaking.

I wish to point out, and I cannot emphasize too strongly that the substitute as drawn does not require the Commission to grant any rate increases, if in its opinion it considers the petition for such an increase unjustified. It is solely the responsibility of the petitioner to prove the necessity for a rate increase and the Commission may accept or reject in total, or in part, any such petition.

The amended bill also includes a paragraph, not in S. 1461 as reported, requiring any carriers proceeding under the bill to

show in their petitions any proposed exceptions to the uniform application of the requested increase in rates and requiring them to publish and make effective initially the full amount of any increases authorized by interim order of the Commission.

With these and other less important changes in the bill as introduced, I believe that all valid grounds for objection to the bill will have been removed, and all substantial opposition will have been eliminated.

HOUSE BILL REFERRED

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, was read twice by its title, and referred to the Committee on Labor and Public Welfare.

EXECUTIVE MESSAGES REFERRED

As in executive session,

The VICE PRESIDENT laid before the Senate messages from the President of the United States submitting sundry nominations and withdrawing the nomination of Frank M. Kalteux, of Illinois, to be Comptroller of Customs, with headquarters at Chicago, Ill., which nominating messages were referred to the Committee on Armed Services.

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

EXECUTIVE REPORTS OF COMMITTEES

As in executive session,

The following favorable reports of nominations were submitted:

By Mr. BUTLER of Nebraska, from the Committee on Interior and Insular Affairs:

Archie A. Alexander, of Iowa, to be Governor of the Virgin Islands.

By Mr. SMITH of New Jersey, from the Committee on Labor and Public Welfare:

Robert F. Martin, and sundry other persons for appointment in the Regular Corps of the Public Health Service.

ORDER OF BUSINESS

Mr. WILEY. Mr. President, I ask unanimous consent that I may be permitted to address the Senate for 5 minutes, in connection with the submission of a concurrent resolution.

The VICE PRESIDENT. Is there objection to the request of the Senator from Wisconsin?

Mr. JOHNSON of Texas. Mr. President, I did not hear the request.

The VICE PRESIDENT. The Senator from Wisconsin has requested unanimous consent to proceed at this time for 5 minutes.

Mr. KNOWLAND. I assume that will be agreeable, if morning business is about concluded.

Mr. JOHNSON of Texas. Mr. President, the majority leader may be willing, but the effect will be to vitiate the 2-minute rule which applies to the morning hour.

Mr. KNOWLAND. I thought perhaps all the routine business of the morning hour, including requests to have matters printed in the RECORD, had been concluded.

Mr. JOHNSON of Texas. I do not believe that is the case. For the present, Mr. President, I object.

The VICE PRESIDENT. Objection is heard.

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

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

By Mr. BURKE:

Statement prepared by him regarding the anniversary of the birth of Thomas Masaryk.

CORRECT POSTURE WEEK

Mr. GILLETTE. Mr. President, again this year—from May 1 to May 7, inclusive—the National Chiropractic Association is conducting observance of Correct Posture Week as the most important single public-service activity of the chiropractic profession each year.

Many of the governors of our States and the mayors of our great cities have issued special proclamations urging the people to participate in the special educational activities during national Correct Posture Week. In nearly all schools in every section of the land, the Nation's army of teachers is devoting special attention to correct posture of schoolchildren.

America's chiropractors should be congratulated for their pioneer work in bringing this health matter to the attention of all of us. Since they are particularly and acutely aware of the damage done to the human body by bad posture habits, they have long preached to the American people that millions of dollars in expenditures for health could be saved by better posture—better posture taught to children in their formative years, and better posture practiced by adults.

At this time I ask unanimous consent to have printed in the RECORD, in connection with my remarks, a statement prepared by Dr. Emmett J. Murphy.

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

STATEMENT PREPARED BY DR. EMMETT J. MURPHY

No greater contribution can be made by the chiropractors of America to the Nation than by improving posture and thus increasing the efficiency of all our workers. Poor posture is expensive, and poor posture habits are responsible not only for many days of lost time, but for poor response to job needs, and eventually for a shortened life of top efficiency.

The problem of poor posture and the low efficiency of workers which it brings on can be approached in two ways.

The first is a long, careful, and well-planned program to teach Americans how to walk and stand and sit in ways which will promote health and efficiency. We have such an educational program under way, and it is having its effect.

However, that takes time. Meanwhile, many postural faults can be helped by direct treatment, or the bad effects can be modified or eliminated.

CHIROPRACTORS PLAY DECISIVE ROLE

In both programs individual chiropractors can play a decisive and important role.

They can continue to carry out the program of education. They can explain to their patients how to walk, stand, sit, and lie for the best effect on health. They can give their patients the publications of the National Chiropractic Association on the subject and win their cooperation.

They can also continue to relieve the bad results of poor posture by correcting the misalinements of the spine. Every chiropractor knows that the most minor displacements in the spinal column can bring on sharp pains, often far removed from the spine itself, which disappear under chiropractic treatment.

TEST YOUR POSTURE

Good posture is a result of holding your body in a balanced position. The easiest way to attain it is to think of an imaginary line running (side view) from the tip of the skull through your neck, shoulders, hips, knees, and insteps. When the head is bent forward, the abdomen thrust out, or the back bent, the line of gravity is shifted, and a strain placed on muscles to keep the body from falling.

To test: Stand with back to wall with head, heels, shoulders, and calves of legs touching it, hands by sides. Flatten hollow of back by pressing buttocks down against the wall. Space at back of waist should not be greater than the thickness of your hand.

Stand facing close to wall, palms of hands touching front of thighs. If chest touches wall first, your posture is probable excellent, or at least good; if head touches first it is only fair; if abdomen touches first, your posture is really bad, and you should see a chiropractor.

Standing

When you stand straight your head should be balanced and erect. Your shoulders are relaxed and low; your chest is held high. Your lower back should curve to just a slight degree. Your abdomen should be flat. Have your knees straight but not stiff, and feel your weight in the outer borders of your feet.

Sitting

You should sit with your feet flat on the floor. Do not slump in a chair, but keep your back straight and your abdomen flat. As in standing, your head should be erect and well balanced. When you lean forward, lean from the hips, not from the waist.

Walking

Movement should start at the hips. Your head and upper part of your body should remain at right angles to the ground. Swing your arms freely. Look ahead, never down. Point your toes straight ahead. Knees should be relaxed and free.

SECOND LARGEST HEALING PROFESSION

Chiropractic, as an organized professional body, is 58 years old, and now ranks as the second largest healing profession.

Licensed by law in 44 States, District of Columbia, Hawaii, Alaska, Puerto Rico, and 7 Provinces of Canada, there are some 22,000 chiropractors in the United States (against a population of 161 million) and 1,030 in Canada (against a population of 15 million).

Chiropractic is an established but growing and dynamic profession, which has adopted high professional standards and ethics through formal action of the National Chiropractic Association.

Officials of the National Chiropractic Association believe it to be the most democratic professional body in the United States. It employs no sanctions of legal or economic force against nonmembers and strives to achieve its goal of professional unity

through education and in a manner discussed and approved by the national membership.

FOUR-YEAR COURSE IS EDUCATION STANDARD

Chiropractic colleges are required to give 4,000 academic hours in a standard 4-year course to obtain accredited ratings from the committee on educational standards of the National Chiropractic Association. A basic course of 4,400 hours is recommended.

The curriculum and hours of study parallel the minimum requirements of the American Medical Association for class A schools.

Up to 2 years of preprofessional (college) education is required by State chiropractic laws of licensure. A large percentage of students entering approved chiropractic colleges today have college degrees.

CHIROPRACTIC COMPARES WELL

In every way chiropractic as a healing profession, compares well with other professions.

Sound chiropractic education is encouraged not only by the national council on education of the National Chiropractic Association but also by the student loan fund and other devices designed to provide aid for gifted students.

Chiropractic education has a lower gross cost than that of other professions, but average incomes for practitioners fall into the median group of all professions.

BASIC CURRICULUM

The following typical or basic curriculum for approved chiropractic colleges is based on the National Chiropractic Association code for a minimum of 4,000 hours in a 4-year course:

Subject:	*Hours*
Anatomy, including embryology and histology	740
Physiology	240
Biochemistry	180
Pathology and bacteriology	520
Public health, sanitation, hygiene	160
Practice of chiropractic (principles and technique, neurology and psychiatry, pediatrics, dermatology and syphilology, urology, ophthalmology, otolaryngology, first aid and minor surgery, roentgenology)	1,960
Obstetrics and gynecology	200
Total	4,000

The VICE PRESIDENT. The routine morning business is concluded.

VISIT TO THE SENATE OF GERMAN DELEGATION

Mr. WILEY. Mr. President, a year ago, when I was in Bonn, it was my privilege to be received in what we call the German Parliament. There I met the gentlemen whom it is my privilege to introduce at this time to the Senate. The Senate is honored in having present in the Chamber this afternoon four members of the German Bundestag, Dr. Carlo Schmidt, Mr. Fritz Erler, Dr. Gunther Klein, and Dr. William Brandt.

I think it most appropriate for the Senate to extend to them its greetings. [Applause, Senators rising.]

Mr. President, I do not think a higher degree of hospitality was ever shown any visitor than that shown the members of the United States Senate who were in Bonn at that time. A genuine kinship of spirit was manifested between the members of this body then present and the members of the German Bundestag. The result was that we even got to singing together. We felt that we were engaged in a great enterprise for peace. We left Bonn with feelings of the greatest friendliness.

Mr. GORE. Mr. President, on behalf of the minority I wish to join with the distinguished senior Senator from Wisconsin in welcoming to the Chamber the distinguished statesmen from Western Germany.

Some of these gentlemen are members of the Interparliamentary Union, and it has been my privilege to hear them talk and see them perform. I predict for them a great future in the growing partnership and friendship between the great Germanic people and the people of the United States.

It was my privilege to visit their country upon several occasions. One of the marvelous developments of our age has been the resurrection, upbuilding, and swift rehabilitation of Western Germany. I offer to their people congratulations, and extend them a welcome. I express the hope that their people and our people will forever hold the bond of friendship.

THE DAIRY SITUATION, AND DOMESTIC AND INTERNATIONAL DISTRIBUTION OF SURPLUS FOODS—CONCURRENT RESOLUTION

Mr. WILEY. Mr. President, I have previously expressed my opposition to the idea of reducing price supports on butter from 90 to 75 percent of parity, and I have announced my support for the Thye bill, S. 2962, which will, first, hold dairy parity to the same level as mandatory supports on the six basic crops, and second, limit any reduction in dairy parity to a maximum of 5 percent in a year.

Today, Mr. President, I desire to elaborate briefly on why butter price supports should not be reduced, and to urge prompt action on the Thye bill, which I am happy to cosponsor.

I start with the premise, Mr. President, that dairying is in the national interest because—

First. It produces an important element of our food supply.

Second. It promotes soil conservation. It is a soil-building and not a soil-depleting type of farming.

Third. Land which has been worn out through overproduction of a crop, such as cotton or corn, can be reclaimed and made many times more productive when devoted to dairying. This type of land diversion has been going on at a considerable rate in many parts of the country, to the benefit not only of the farmers directly concerned, but also of the Nation as a whole. Among its other benefits, this sort of land use reduces production of crops, such as cotton and corn, which can be grown more economically on other types of land and, through the promotion of family type farming, it strengthens our whole agriculture.

But the dairy farmer today, Mr. President, is caught in an economic squeeze between falling prices for what he produces, and stationary, or even rising, prices for what he buys, and he must buy if he is to stay in business. This is the kind of situation which will reverse the beneficial trend to dairy farming I have just described. We ought to encourage this trend instead of reversing it.

The economic squeeze in which the dairy farmer, along with most other farmers, finds himself is also the kind of situation which has been the forerunner of most of our depressions. The pattern is old and familiar: farm prices drop, while farm costs do not; farmers reduce their purchases of machinery, automobiles, new clothes, household appliances, and other items; retail sales shrink; manufacturers lay off workers; unemployed workers reduce their purchases of farm products. This leads to further declines in farm prices, and the whole vicious cycle starts all over again.

Farmers are driven to bare subsistence farming, trying to scratch a living out of land unsuited for that particular purpose. The farmer's only hope lies in ever-increased production to compensate for lower prices, and this in turn leads to even lower prices and ever-mounting surpluses. Then farmers leave the land, to seek work in cities, where there is no work.

We must not let this happen, Mr. President. Of all the lunacies of man, none is more easily prevented than a depression, and only war is more wasteful. The United States cannot afford to have a depression. Indeed, the cause of freedom throughout the world cannot afford a depression in the United States. A prosperous, vigorous American economy is the stanchest bastion of the free world.

The Department of Agriculture professes to be worried about surpluses of butter and other dairy products. Mr. President, this surplus—and other farm commodity surpluses—are as nothing, compared to what they will be if falling prices drive farmers to all-out production.

But, Mr. President, "surplus" is a relative term. The stocks of the Commodity Credit Corporation are no more than a paper surplus; they are not surplus to the need for them. Since Adam bit the apple, there has never been a time when the human race has had enough to eat.

It is ridiculous to speak of overproduction of such a valuable food as milk and milk products. The real problem is underconsumption.

I do not view the Commodity Credit Corporation stocks of butter and other dairy products as an embarrassment to be disposed of as quietly and as quickly as possible. I view them, rather, as assets, as riches which we are lucky to have. They are also a challenge.

Surely a people who can produce the hydrogen bomb has the ingenuity not to let butter spoil in Government warehouses while some are hungry. It would be downright immoral to allow such a thing to happen. The conscience of the American people will not allow it to happen, Mr. President.

I suggest, therefore, that we devote more effort to utilizing this bounty, and less to penalizing its source—the dairy farmers of America. Any other country on the face of the earth that was blessed with $350 million worth of dairy products would cry "Hallelujah" and would give thanks to the Lord, but the best we

have been able to do so far is to rap the knuckles of the men who gave these riches to us.

I am reminded of a rancher in Texas who, in the old days, was drilling a well in a desperate effort to find water for his cattle during a drought. Instead of water, the drilling crew struck oil. The rancher was furious, and cursed the crew chief. "Cattle can't drink this stuff," he said.

Mr. President, when the fertility of our soil and the industry and genius of our people give us this marvelous store of food, our only reaction is to curse those responsible, and to complain, "We cannot store this stuff."

It really does not take much imagination to think of ways to use these miscalled surplus dairy products, Mr. President. So great is the need for them that the chief difficulty is in thinking of ways to use them that will not result in a shortage.

Let me suggest some things that might be done:

First. More could well be used through the school-lunch program.

Second. Public institutions of all kinds and descriptions throughout the United States need more dairy products.

Third. Our people as a whole need in their diet more calcium and other ingredients of dairy products. The diets of those in the lower-income groups are particularly deficient in this respect. Perhaps the time has come to take another look at the Aiken-La Follette food-stamp allotment plan, which was proposed a number of years ago by the able Senator from Vermont and by my own distinguished former colleague from Wisconsin.

Fourth. We can use these dairy products to improve our foreign relations. There are throughout the world many more children who are undernourished than there are well-fed children. What better long-range investment in goodwill could we make than to supply a little milk and a little cheese, perhaps, to these children, who are hungry through no fault of their own.

Fifth. We could also profitably further explore the possibility of using these products to lighten the burden of our foreign-assistance programs.

These are only a few of the things which might be done, Mr. President. There are many others. I merely suggest these as an indication of what should be done. I am not suggesting any mass dumping or giveaway program. I do not regard our stocks of dairy products as something to be gotten rid of because they are in the way, nor do I want to interfere at all with established channels of trade or with the established markets of our allies.

All I want to do is to make some use of the bounty which we have and to keep our own economy strong and healthy.

Therefore, Mr. President, in an effort to stimulate further action and thinking along these lines, I ask unanimous consent to submit for appropriate reference, a concurrent resolution requesting the President to undertake negotiations at home and abroad, looking to these ends. I request that the resolution may be printed at this point in the RECORD.

There being no objection, the concurrent resolution (S. Con. Res. 68) was received and referred to the Committee on Agriculture and Forestry, as follows:

Whereas the United States is blessed with plenty by reason of its bountiful resources and the labors of its people;

Whereas as a nation under God we have a moral obligation to do what we can to assist hungry peoples by making our surpluses available to them;

Whereas such action will help those Americans engaged in the production and distribution of food, and be an important factor in keeping this Nation strong; and

Whereas at the same time the sharing of our surplus foodstuffs will be in the national interest and may help others to meet the misfortune of underproduction: Now, therefore, be it

Resolved by the Senate (the House of Representatives concurring), That the President of the United States is requested to undertake negotiations at home and abroad necessary to arrange for the distribution of foods now held in surplus by the United States Government, such as dried milk and milk products, egg products, grains, and other food products, said food surpluses to be made available:

(1) To the public institutions of the United States and the State governments (including school lunch programs) not now able to purchase them, to the end that the tax burden necessary to support such institutions may be reduced;

(2) To the needy children of all countries regardless of race or creed, under the general direction of the Red Cross, the United Nations, or such other agencies as the President may find suitable; and

(3) To friendly foreign countries, to the end that the burden of our foreign assistance program may be lessened.

SEC. 2. In giving effect to this resolution, the President is requested to keep these considerations in mind:

(1) To the greatest extent practicable the distribution of food surpluses shall be arranged so that peoples not now having adequate food may receive it, thus avoiding the disruption of existing channels of trade; and

(2) Surplus foods made available to all foreign countries for distribution to children and to friendly countries to assist them in meeting food shortages shall be shipped from United States ports at no expense to the United States.

SEC. 3. The President is requested to recommend such legislative action as he finds necessary to give effect to the proposals contained in this resolution.

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.

The VICE PRESIDENT. The question is on agreeing to the amendment offered by the Senator from New Mexico [Mr. ANDERSON] to add at the end of the bill a new title providing statehood for Alaska.

Mr. BUTLER of Nebraska. Mr. President, I wish to speak very briefly on the amendment offered yesterday by the distinguished Senator from New Mexico [Mr. ANDERSON], proposing that the Alaska statehood bill be made title II of the Hawaiian statehood bill. Personally I am opposed to this amendment. I hope that the suggestions which I make will be received in the serious vein in which I offer them. I believe that both Alaska and Hawaii should be considered for statehood. I shall support statehood for both, and do all I can to see that legislation to that end is passed by the Senate.

Mr. President, I hope very much that the Senate will reject the suggested amendment to put the Alaska statehood proposal into the same bill with Hawaiian statehood. The effect of this amendment, if it should be agreed to, would be to prevent consideration of the two Territories each on its merits as a candidate for statehood. The case for Alaskan statehood is an entirely different matter from the case for Hawaiian statehood. The two Territories are entirely different in almost every respect. In fact, it would be hard to find any two places under the American flag which are more different from each other in every possible way, than Alaska and Hawaii.

It is a well-known fact that some Members of the Senate favor Hawaiian statehood, but not Alaskan statehood; some Senators who take that position are Democrats, and some are Republicans. It is not a partisan matter. On the other hand, there are probably Senators who favor Alaskan statehood, but not Hawaiian statehood.

The effect of this amendment if it should be agreed to, would be to force such Senators to swallow their convictions and to vote either for both, or against both. I do not think it is fair to put any Senator in that position.

Many Members on the other side of the aisle claim to be friends of Hawaiian statehood. If they really are, I hope they will not join in a maneuver which will burden that cause. It must be obvious that every opponent of statehood for either Territory is supporting this amendment. It is also true that practically every vote against the amendment will also be a vote for final passage of Hawaiian statehood, if Hawaii can be considered alone.

It is well known that the cause of statehood for Hawaii has overwhelming support in both Houses of Congress and in the executive branch. If the case of Hawaii can be considered on its merits, there is no possible doubt that Hawaii will be a State before the end of the year.

Mr. President, before the vote on this amendment is taken, I believe its sponsors should give us the answer to one question. Why should Hawaii be held back until Alaska can also command sufficient support for statehood? Why should the fate of Hawaii depend upon an unrelated decision with respect to another distant Territory?

In effect, the sponsors of this motion—or some of them, at least—say, "We admit that Hawaii is fully qualified for statehood. We admit that statehood for Hawaii would be a good thing all around. But we do not intend that Hawaii shall become a State unless we can also pull in another new State which will balance Hawaii politically."

Before the vote is taken on the amendment, I hope Senators will give a little thought to the hopes, aspirations, and dreams of the loyal body of American

citizens who are residents of the Territory of Hawaii. They are the ones who will suffer most if this political trick is successful. Sponsors of this amendment may think they will gain partisan advantage if the amendment carries. They may feel that they are blocking the Republicans by this action. Let me remind Senators that they will be doing far more damage to the people of Hawaii, Republicans and Democrats alike, than to the Republican Party nationally.

Both the Republicans and the Democrats of Hawaii realize that fact very clearly. I hold in my hand a telegram, signed by the Republican chairman and the Democratic chairman in Hawaii, which reads as follows:

Both political parties strongly urge passage of Hawaii statehood bill on its own merits. Earnestly request bill not be encumbered by any extraneous questions. Friends of both Hawaii and Alaska convinced that if Hawaii enters Union of States Alaska cannot be far behind. Combining Hawaii and Alaska in one bill may be fatal to both. All Hawaii awaits decision with hopeful anxiety.

I hope Senators also realize that they need expect no gratitude from Alaska by adopting this motion. They are doing Alaska no favor. I do not think Alaskans appreciate being cast in the role of a stumbling block to Hawaii's aspirations. Alaskans have too much self-respect for that. They are proud of their prospective State, and they feel they have a good case for statehood on their own merits. They do not want to be dragged in only to serve as a balance against another State.

Alaskans realize that this motion is merely a maneuver to scuttle Hawaiian statehood.

Let me read from the last biennial report of the Alaska Statehood Committee published August 1, 1953. It was prepared by Mrs. Mildred Hermann, secretary of the Alaska Statehood Committee, who has appeared before our committee as a witness and is well known to many members of the committee. I am sure they will all agree that Mrs. Hermann is an ardent advocate of statehood for Alaska. I wish to read a brief section called "no Senate hearing." This little section is not particularly complimentary to me, but I shall read it for the benefit of the Senate so that Senators may know how the Alaska statehood committee looks on this maneuver:

There has as yet been no hearing on the bill by the Senate Committee on Interior and Insular Affairs, chairmaned by Senator HUGH BUTLER, of Nebraska, who in previous hearings and on the floor of the Senate has pointedly allied himself with the opponents of statehood and that school of thought that offers an elective governor as a palliative for the problems that confront Alaska under Territorial status. Senator BUTLER'S committee had promised a hearing immediately following the House hearing, but it was not forthcoming. He now promises to bring the committee to Alaska in August and hold hearings in the major towns of the Territory at that time.

The Alaska Statehood Committee is pleased with the continuing interest of the Senate Committee on Interior and Insular Affairs, as shown in this forthcoming visit, and is glad to welcome the committee, among whom there are many proved friends of Alaska statehood. The statehood committee takes this occasion to express anew its conviction that the voice of the little people of Alaska which has so eloquently and so frequently spoken out in the past for statehood, will again be heard when the committee holds its meetings in Alaska.

In the meantime, in a surprise move on the part of the members of the Senate committee, the Alaska statehood bill has been joined with the Hawaiian statehood bill, with the result of weakening Hawaii's position without in any manner strengthening Alaska's. So at the present, so far as the Senate is concerned, we can only wait to see what we shall see.

I might say in that connection, as was stated by the distinguished Senator from New Mexico [Mr. ANDERSON] yesterday, since that time six members of the Committee on Interior and Insular Affairs visited Alaska and held hearings in the four major cities. As Mrs. Hermann suggested, we heard a great deal of testimony supporting statehood for Alaska.

Mr. President, I favor statehood for Hawaii and I favor statehood for Alaska. I voted to report both bills from committee, and I personally reported the Alaska bill. I shall vote for both bills when they come to a vote in the Senate. I hope that both may pass and become law. If both cannot pass this year, I hope that either one may pass. I am convinced that if one statehood bill passes this year, the other cannot be delayed very long.

If it should happen that the Alaskan statehood bill runs into difficulty here, or in the House, or in the White House, I will pledge to do what I can to improve its chances for favorable consideration.

But again let me say that I hope that the Senate will have an opportunity to pass on these two totally different questions on their merits. I feel it is an affront to the dignity of the Senate to ask us to do otherwise. We have been promised by the majority leader a chance to vote for or against Alaskan statehood on its merits. We deserve an equal right to vote for or against Hawaiian statehood on its merits.

Mr. KNOWLAND. Mr. President, will the Senator from Nebraska yield?

Mr. BUTLER of Nebraska. I yield.

Mr. KNOWLAND. I wish to reiterate the statement I made the other day on the floor of the Senate in response to an inquiry from the Senator from Florida [Mr. HOLLAND], that it is the desire and intention of the majority leader to bring up the Alaskan statehood bill at a very early date, following action by the Senate on the Hawaiian statehood bill. I made clear to the Senate that that did not mean any kind of prolonged delay, because I am hopeful that we may bring the Alaskan bill up during this month in which the Hawaiian bill will be acted on.

I would be perfectly willing to state—and I would have been perfectly willing to state previously—that immediately following action on the Hawaiian statehood bill I would call up the Alaskan statehood bill. The only reason I did not do so was that the leadership on the other side had sometime ago made inquiries as to whether we would be prepared to bring up the New Mexican contested election case during the week of the 15th of March. Having made such a commitment and having attempted to do everything possible to expedite action by the subcommittee and the full committee on that case—and I understand it will be taken up by the Committee on Rules and Administration on Tuesday—I was in no position to agree to take up the Alaskan statehood bill immediately following the disposition of the Hawaiian statehood bill. However, the Senate has my assurance that that will be done just as rapidly as possible.

Mr. BUTLER of Nebraska. I thank the majority leader for his statement. I am sure it will be of considerable interest to Members of the Senate on both side of the aisle who are interested in Alaskan statehood.

Mr. President, historically Congress has generally approached the issue of admitting a new State with a high sense of responsibility, and a statesmanlike determination to pass judgment on the merits of each individual case. No doubt political considerations have sometimes played a part in the timing, yet I do not think political considerations have been able either to hasten or to delay the admission of any proposed State more than a very few years. For example, the Senator from New Mexico, in discussing this subject, seemed to think there was something odd about the admission of West Virginia—perhaps something unconstitutional. Yet it is hard to see what other course of action Congress could take, once the western counties of Virginia had split themselves off from Virginia. Statehood was the obvious automatic solution.

The Senator from New Mexico has tried to make us believe that in the past most of the States have entered the Union in pairs, 2 by 2, like the animals going into Noah's Ark. Yet the whole history of our country shows that admitting States by pairs was the exception, not the rule, as was brought out yesterday in the questioning of the Senator from New Mexico. In our whole history there were probably not more than four cases of States being admitted by pairs in order to balance each other. Since the Civil War, there have been no such cases at all, with the one possible exception of Arizona and New Mexico.

The Senator from New Mexico contended that Indiana and Mississippi were a pair, admitted together to balance each other, but the record clearly shows the contrary. Using the dates of the enabling acts—not the dates of admission—statehood for Indiana was approved practically a full year before statehood for Mississippi. At that time Congress did not say to Indiana, "Wait until Mississippi is ready. Then we will let you in." No. Congress decided, in 1816, that Indiana was ready, but Mississippi was not. So Congress admitted Indiana without holding her back to wait for a partner. Then, in 1817, Congress admitted Mississippi without attempting to gain partisan advantage out of the matter.

In the same way, the Senator from New Mexico claimed that Illinois and Alabama were a pair, but the record shows the opposite. Illinois was admitted in 1818, without Alabama. Those

favorable to Alabama did not make Illinois wait for Alabama. They did not use Illinois for leverage to pull Alabama in. They did not adopt a dog-in-the-manger attitude and say, "If we cannot have Alabama, you cannot have Illinois."

Apparently the Senator from New Mexico is afraid that if we now admit Hawaii alone, we will never get around to Alaska. In 1818, the Congress was not afraid to admit Illinois alone. Those who were more favorable to Alabama were not afraid to let Illinois in ahead. They trusted to the Congress to use good judgment and fairness when the time came to consider Alabama. Their trust was not misplaced. The following year, 1819, Congress admitted Alabama.

Altogether Mr. President, the historical record of these various enabling acts shows a surprisingly high-minded devotion to justice and fairness. We all know from our American history how tense was the balance in the Senate before the Civil War, how extremely important it was to both sides to maintain equality of strength. Yet Texas came in by itself, and Wisconsin came in by itself. During the last decade leading up to the Civil War, on three different occasions, Congress admitted Northern States, namely, California, Minnesota, and Oregon, without a single Southern State to counterbalance them.

Using the logic of the Senator from New Mexico, perhaps the South should have said, after 1846, "Now we have 15 free and 15 slave States. We will refuse to admit another Northern State until there is a Southern State to balance it." But Congress took no such narrow-minded view. The various States were admitted 1 by 1, when they were ready.

Fortunately, today there is no such situation of political tension as prevailed in this country a hundred years ago, during the years leading up to the Civil War. That is why I hate to see the hopes and aspirations of these Territories traded about, as if they were merely pawns in a political struggle for power in Washington.

If Hawaii is ready for statehood, she should have it. If Alaska is ready for statehood, she should have it. If one can muster the support for statehood, it should not be dragged back by the other.

I do not claim to know for sure what the other body will do, or what the President of the United States will do with these bills. I hope sincerely they will admit both Alaska and Hawaii. If they will not admit both, then I hope they will be favorable to admitting 1 of them now, the other 1 in the near future.

Mr. President, I ask unanimous consent to have incorporated in the RECORD at the conclusion of my remarks a tabulation showing the dates and legal citations for admission and the Enabling Act for each of the 35 States previously admitted. This list clearly demonstrates that, on the whole, the admission of new States has been handled by Congress with a high sense of responsibility. It would be tragic for the Congress now, suddenly, to treat this important matter as a plaything of partisan politics.

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

States admitted into the Union since adoption of the Constitution

State	Enabling act	Date of admission
Vermont	Feb. 18, 1791 (1 Stat. 191).	Mar. 4, 1791 (1 Stat. 191).
Kentucky	Feb. 4, 1791 (1 Stat. 189).	June 1, 1792 (1 Stat. 189).
Tennessee	June 1, 1796 (1 Stat. 491).	June 1, 1796 (1 Stat. 491).
Ohio	Apr. 30, 1802 (2 Stat. 173).	Nov. 29, 1802 (2 Stat. 173).
Louisiana	Feb. 20, 1811 (2 Stat. 641).	Apr. 30, 1812 (2 Stat. 701).
Indiana	Apr. 19, 1816 (3 Stat. 289).	Dec. 11, 1816 (3 Stat. 399).
Mississippi	Mar. 1, 1817 (3 Stat. 348).	Dec. 10, 1817 (3 Stat. 472).
Illinois	Apr. 18, 1818 (3 Stat. 428).	Dec. 3, 1818 (3 Stat. 536).
Alabama	Mar. 2, 1819 (3 Stat. 489).	Dec. 14, 1819 (3 Stat. 608).
Maine	Mar. 3, 1820 (3 Stat. 544).	Mar. 15, 1820 (3 Stat. 544).
Missouri	Mar. 6, 1820 (3 Stat. 545).	Aug. 10, 1821 (3 Stat. Appendix II).
Arkansas	June 15, 1836 (5 Stat. 50).	June 15, 1836 (5 Stat. 50).
Michigan	June 15, 1836 (5 Stat. 49).	Jan. 26, 1837 (5 Stat. 144).
Florida	Mar. 3, 1845 (5 Stat. 742).	Mar. 3, 1845 (5 Stat. 742).
Texas	Mar. 1, 1845 (5 Stat. 797).	Dec. 29, 1845 (9 Stat. 2).
Iowa	Mar. 3, 1845 (5 Stat. 742).	Dec. 28, 1846 (9 Stat. 117).
Wisconsin	Aug. 6, 1846 (9 Stat. 56).	May 29, 1848 (9 Stat. 233).
California	Sept. 9, 1850 (9 Stat. 452).	Sept. 9, 1850 (9 Stat. 452).
Minnesota	Feb. 26, 1857 (11 Stat. 166).	May 11, 1858 (11 Stat. 285).
Oregon	Feb. 14, 1859 (11 Stat. 383).	Feb. 14, 1859 (11 Stat. 383).
Kansas	Jan. 29, 1861 (12 Stat. 126).	Jan. 29, 1861 (12 Stat. 126).
West Virginia	Dec. 31, 1862 (12 Stat. 633).	June 19, 1863 (13 Stat. 731).
Nevada	Mar. 21, 1864 (13 Stat. 30).	Oct. 31, 1864 (13 Stat. 749).
Nebraska	Apr. 19, 1864 (13 Stat. 47).	Mar. 1, 1867 (14 Stat. 820).
Colorado	Mar. 3, 1875 (18 Stat. 474).	Aug. 1, 1876 (19 Stat. 665).
South Dakota	Feb. 22, 1889 (25 Stat. 676).	Nov. 2, 1889 (26 Stat. 1549).
North Dakota	do	Do.
Montana	do	Nov. 8, 1889 (26 Stat. 1551).
Washington	do	Nov. 11, 1889 (26 Stat. 1552).
Idaho	July 3, 1890 (26 Stat. 215).	July 3, 1890 (26 Stat. 215).
Wyoming	July 10, 1890 (26 Stat. 222).	July 10, 1890 (26 Stat. 222).
Utah	July 16, 1894 (28 Stat. 107).	Jan. 4, 1896 (29 Stat. 876).
Oklahoma	June 16, 1906 (34 Stat. 267).	Nov. 16, 1907 (35 Stat., Pt. 2, 2160).
New Mexico	June 20, 1910 (36 Stat. 557).	Jan. 6, 1912 (37 Stat., Pt. 2, 1723).
Arizona	June 20, 1910 (36 Stat. 557).	Feb. 14, 1912 (37 Stat., Pt. 2, 1728).

Mr. BENNETT. Mr. President, I wish to address myself to the problem of communism and Hawaii. This issue has been raised and properly so, but I feel we will not face it completely unless we attempt to put it in its proper perspective in relation to the whole problem of communism and the United States. Obviously, the Communist problem in Hawaii is neither separate nor unique.

The free world is engaged in a war with communism to determine whether freemen in free governments can survive or whether the ultimate objectives of Lenin and Stalin will be achieved and all men become slaves. Already this war has become hot on the battlefields of China, Korea, and Indochina, but everywhere else in the world it goes on continuously at the philosophical, psychological, and spiritual levels.

The United States, for reasons which we all understand, has become in that war the leader of the free world forces at every level. Our own political and economic system is the greatest demonstration of freedom in action in the world's history, and we fondly believe that it still stands as the ultimate symbol of hope to the oppressed everywhere. This carries with it the historic responsibility for demonstration of faith in the ideals of liberty and of sufficient courage to stand firm against Communist pressure whatever comes.

The Communist policies and program in this cold war are well known. They fall into three general patterns.

Their first objective is to bring about internal collapse through the efforts of subversives operating within the economic and political pattern of the intended victim nation. This method alone has brought them outstanding success in Europe as witnessed by the fall of Poland, Czechoslovakia, and Rumania, and other once-free nations.

Their second pattern is the maintenance of constant psychological pressure subtly conceived and utilizing every available force of communication in the free world. The nations outside the Iron Curtain have never really been free of this since the Communists seized Russia in 1917. The method and tone and line change constantly, but the program never lets up.

As a third and last resort, the Communists have demonstrated that they are prepared to use military force when they think this is wise or necessary. Before World War II Finland learned this truth. Thus far in the postwar period they have not committed their own armies or navies but have been able to work through satellites with outstanding success in China, Korea, and Indochina.

We in the United States only lately have begun to realize just how these same policies and programs have been applied against us. Now that we are awake to the danger, we have begun to develop successful counterpolicies. We are attempting to expose, and to neutralize or punish, the subversives who seek to undermine our Government and our economy. We are attempting to develop counterpsychological warfare, although we have not been so successful as our opponent, whose techniques are built around the big lie.

Third, we have demonstrated our willingness in Korea to take the field with our armies against communism. We are now engaged in redesigning our whole military program to develop our natural strength and put ourselves in a position to seize and hold the advantage.

In this war between the free world and the threat of communism, there are thus far two great theaters, Europe and the Pacific. It is of the war in the Pacific that I desire to speak now.

Today, more than ever before, we have come to realize that we are a Pacific nation. Our coastline is a part of the border of that greatest ocean, and most of the current trouble spots in the conflict

with communism are located in or around the Pacific—Korea, Japan, Indochina, and the Philippines. It goes without saying that Hawaii lies in the Pacific. Gen. Douglas MacArthur has said:

> Hawaii to all intents and purposes is a part of the Pacific coast from the standpoint of national defense * * * statehood is a beneficial contribution to the defense posture of this country in the Pacific.

Let us stop at this point for a few obvious comments about the Territory of Hawaii itself. First, it is truly American, the only typical American offshore part of our national picture. While it was originally inhabited by Polynesians, and its present population contains substantial numbers of citizens of oriental ancestry, the economy of the islands began 100 years ago to develop in the American pattern, and the government of the islands took on an actual American form 50 years ago. Therefore, today Hawaii is literally an American outpost in the Pacific, completely reflecting the American scene, with its religious variations, its cultural, business, and agricultural customs, and its politics. This has been largely brought about because over these years its educational system has been American, and its great university, which stands at the apex of that system, is the counterpart of any other American State university.

As our Pacific outpost, Hawaii is obviously vital in the planning of every one of our military services. But more than that, it has become a great show window open to the west through which the oriental peoples all around the other shore of Asia can see America in action through the Hawaiian economy operating in an American philosophy of personal liberty and with a typical American pattern. Thus, to the millions of oriental people now facing the fundamental choice between freedom and communism, Hawaii has become a point of intense and historic interest. What we demonstrate in Hawaii will probably have infinitely more effect on the future of Asia than what we say or do on the mainland.

It was inevitable that the people of Hawaii, like the Americans on the mainland, would feel the impact of communism and its policies of subversion, propganda pressure, and war. That there would be efforts to subvert the islands is mute testimony to their strategic worth. The question with which we should be concerned today is not that communism has struck at Hawaii, but rather how well have our American citizens in Hawaii stood up against these evil forces.

The infiltration of subversives into Hawaii was accomplished by the same means which were used earlier on the mainland, by penetrations through the labor-union movement. This was especially easy because, until a few years ago, there had been little or no labor-union activity on the islands, and there was no firmly established pattern of free democratic unions. The Communist leaders were able to step into the vacuum and subvert the proper purposes of union organization to their evil designs.

This program achieved some success. I think the climax of Communist power in Hawaii was reached in 1949, as evidenced by the general strike of that year, and I also think that many of the things that have happened since represent reaction to that demonstration of subversive power. I am convinced that, since that time, the tide of communism has been running out, there as here. Without stopping to dwell at length on any of these events, because they have been discussed already in this debate, I should like merely to list a number of things which I consider to be significant.

One of the arguments made against statehood is that the people of Hawaii need the power of the Federal Government to protect them against the forces of communism. Certainly they got no help from the Federal Government in 1949. In fact, the local Territorial legislature was the only agency through which the people could act to end the strike. Pressed by public opinion, the Territorial legislature, after the failure of appeals to the Federal Government, went into special session and passed a law which authorized seizure of the docks. This led within a short time to the settlement of the strike, which had already lasted more than 6 months.

The second test was provided by the Korean war. If the Communists in Hawaii had the power that some of my colleagues seem to think they have, because of that war they had an ideal opportunity, plus an overwhelming motive, for sabotage and slowups. And yet nothing like that happened.

I have in my hands a letter from the Bureau of Supplies and Accounts of the Department of the Navy. The Bureau says ILWU handled Navy cargo during the entire Korean crisis and that, as a matter of fact, the great bulk of Navy cargo moving in and out of Pearl Harbor was handled by McCabe, Hamilton & Renny, Ltd., which employs ILWU longshoremen. During this period there was no significant stoppage in the movement of naval cargo. ILWU stevedores still handle some of the Navy cargo at Pearl Harbor. Furthermore, it is understood that only those contractor employees who meet Coast Guard security requirements and internal Navy security restrictions are permitted entry into Pearl Harbor for work. The caliber of services at Pearl Harbor compares favorably with that procured in the continental United States ports. Over a 5-year period ILWU stoppages at Pearl Harbor totaled 5 working days. In comparison, west coast ILWU members over the same period engaged in stoppages of from 4 to 6 months.

All that was necessary was to repeat the general strike of 1949, and our Korean war effort would have been greatly impeded. The fact is that there was no sabotage and no effective impediment to the war effort. It seems to me that the known Communists who were at the head of that union at that time would have wished very much to use their power to help the Kremlin's cause. In fact, ILWU leadership characterized United States efforts in Korea as "meddling" in the internal affairs of another country. Why did they not move? Mr. President, your guess is as good as mine. I think they realized that, if the Communist leaders had attempted any such program, they would have destroyed their unions. Their members would not have followed them, because I am sure that many of these loyal Americans were among the parents and other relatives of the nearly 400 Hawaiian-born Americans who gave their lives for liberty in the Korean war—four times the per capita United States average. To me this represents the first real demonstration that communism was on the skids in Hawaii.

The next demonstration was the Smith Act trial. As has already been pointed out, these "sorry seven" were convicted by an island jury and sentenced by an island judge. It is true the Communists attempted to exert pressure. While they may have been able to punish a few island individuals, they did not slow up or stop the process of justice. I only hope it will not be too long before the convictions will be affirmed on appeal and these Communists will join the others convicted on the mainland, either in jail or in exile.

Last week it was alleged that three individuals who came out against the Communists were now unemployable and were being discriminated against. Over the weekend this was checked on. Ichiro Izuka and Jack Kawano were longshoremen and were supposed to be living under conditions which would shock us. Izuka is now self-employed on his own chicken ranch in Kauai. Kawano, when contacted by telephone, said he had been operating a small market and is now assisting in a liquor store while seeking other employment. He stated that reports that he cannot get a job are untrue; he has made no official request for one. Kempa, the third person, was with a contractor until the fall of 1953. He may now take civil-service employment at the University of Hawaii.

While I was in the islands the stevedoring contract was negotiated 4 months ahead of time at the request of the union. Their proposal was generally acceptable to the employers. Can there be any more convincing evidence of present weakness of Communist leadership of the union in contrast to its ability 5 years ago to sustain a 6 to 8 months' strike? While there has been no large-scale and dramatic demonstration, I have the impression from my friends on the islands that there is now great unrest among the union members and that the ILWU leadership hurried negotiations along for fear they might be deposed before the contract expired.

Fear has been expressed that if war were declared the Communists would control the offices and legislature of the new State. There are two pieces of evidence we can give in advance which indicate that that fear is baseless. First, when the delegates to the Constitutional Convention were selected, one of them was an admitted former Communist, and another, having been suspected of Communist leanings, refused to answer questions. The convention unseated both those delegates.

The other evidence is contained in the draft of the proposed constitution for the new State of Hawaii, which reads:

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 this State or of the United States shall be qualified to hold any public office or employment.

Turning now to the question of propaganda pressure, there is no doubt that Communist propaganda is still pouring into the Hawaiian Islands, undoubtedly more openly than on the mainland. This comes about, I think, because the Communists underestimate the fundamental loyalty of the people.

Much was made about the number of personal and business ads that appeared in the Honolulu Record. Anyone who has been in business will recognize that process for what it is. Many mainland newspapers put on the same kind of pressure for special editions and there, as here, the people approached often believe that it is easier to pay for the ads than to argue about them. I am sure that a study of the copies of the Honolulu Record will reveal that none of the responsible companies on the islands is submitting to that mild blackmail. One will not find any ads from the sugar, pineapple, or stevedoring companies who have major contracts with ILWU, or from any large wholesale, retail, or service organizations. The publishers have put the finger on the little neighborhood service and retail firms, on union officials, and on politicians. I think they can use the old special-edition racket effectively only one or twice a year. To me this has no weight as evidence that Communists control all the business of the islands.

When we come to the third question, the matter of military activity, we have the very recent evidence of the Korean war before us. The figures of Hawaiian participation have already been given several times. I shall not repeat them now, but they are dramatic evidence that the people of Hawaii will accept even the ultimate military challenge of Communists.

This is my summary of communism in Hawaii up to the present time.

The Communistic infiltration of Hawaii came later, and was much more concentrated than that on the mainland. It actually came from the mainland, and was successful at first, because there was a void in union organization. Thereafter, it rose to a higher peak there than on the mainland, and at a much more rapid pace. This infiltration seems to me to be receding now at any equally rapid pace as is usually the case under such circumstances.

With the Hawaiian statehood bill before the Senate now, and in the face of this story of communism in Hawaii, what should we do? I have taken the time of the Senate to put Hawaii and her people in their proper relation to the whole overall worldwide cold war against communism. Therefore, I believe we should approach our decision now within that framework. As the leaders of the forces of freedom in the world, we are confronted with three possible decisions open to us affecting Hawaiian statehood. What are the possible effects of the decision we make, not only upon the people of Hawaii but upon the oriental peoples around the Pacific, and thus eventually on the final overall decision of the cold war? It seems to me that we are considering three possible decisions, and I should like to discuss each.

The first can be a decision to do nothing, to reject statehood for Hawaii now, and continue into the future on the present Territorial status, perhaps on the outworn theory that "Hawaii is not ready for statehood."

I think the effects of such a decision would be disastrous. First, let us look across the Pacific to the people of Japan. Since the end of World War II, the United States has undertaken to provide leadership in Japan, to the end that the Japanese might adopt our American pattern of life as their own, and thus be forever free from authoritarian dictatorship. The Japanese people have had less than 8 years of our tutelage in the philosophy and mechanics of American democracy. The Hawaiian people have had a hundred years of practice in American economic processes, and 50 years of practice in our political pattern. While there are many oriental peoples represented in the population of Hawaii, including a Japanese segment which is the largest of the group, 183,000, or 36.7 percent, their ties are fundamentally with the American mainland, and their pattern is our basically Anglo-Saxon concept.

Taking the Japanese for example, since Hawaii became an American Territory in 1900, there has been practically no immigration, so that the overwhelming majority of these people are native-born American citizens and products of our American public-school system. If we now say that after all these years the people of Hawaii of Japanese descent cannot be trusted to cope with their first communistic threat, what hope can we give to the Japanese people in Japan who, after only 8 years, are expected to withstand what undoubtedly will be infinitely greater pressure? How can we ask them to have faith in the pattern we set out for them, if after 100 years we have no faith that their people in Hawaii can be trusted with full citizenship in statehood?

The people of China face a far more serious challenge. Whatever they have of free government is now exiled off the mainland. Chinese around the world everywhere still look to the free Chinese as their hope to reestablish freedom in their mainland home. How much dependence can they put on freedom as a principle if we tell the 33,000 Chinese in Hawaii that even after generations of experience, with American citizenship supposed to be the ultimate in freedom, they cannot be trusted to defend it?

We have made great promises to the citizens of South Korea. There are Koreans in Hawaii.

Finally, Mr. President, on what showing is the idea based that the right to full citizenship under statehood should be determined by the Communists in Hawaii? Will not a negative vote on this bill be an admission that we in the Senate have more fear of Hawaiian Communists, who are admittedly but a handful, than we have faith in the nearly half million other native-born Americans in Hawaii, and that we will allow a few Communists to symbolize the islands' people? If a few must be chosen as a symbol, why not have the men of the 442d? They are the men who gallantly rescued their mainland buddies from Nazi encirclement in France in 1944, when told "to push through at all costs." They did—with heavy casualties. There was no question in the hearts of the men who were rescued by the 442d as to the devotion to America of these Hawaiians. Let there be none now.

Another suggestion which has been advanced is that in the face of whatever communistic power there may be in the islands, we should now completely reverse our historic position, and should take away the Territorial status, which is a traditional prelude to statehood the people of Hawaii have endured for 50 years. The advocates of this idea suggest the retreat to a new colonialism under the label of commonwealth status. Our native-born Americans who have had almost complete citizenship would then step back into citizenship of a lower class. They would be required to support laws of the United States which they had no voice in framing, wars which they had no voice in declaring, and trade and tariff policies which might be detrimental to their economy.

To me this is unthinkable. It would be a disastrous blow to our standing all around the perimeter of the Pacific, where other oriental men and women are just beginning to emerge from colonialism. It would cut the heart out of Vietnam and the leadership in Indochina. In fact, it would raise grave doubts around the world as to our faith in the principles expounded in our Declaration of Independence. We would certainly strengthen the hands of the subversive agents, and would give them new ammunition to use against us—this, too, at a time when it is America's delicate role to help push back the receding waters of colonialism without enticing the red sea of communism to fill the void.

The third move, and to me the only wise one, would be to confirm statehood for Hawaii now. Coming at this point in the cold war, statehood for Hawaii would provide a dramatic expression of our faith in the eternal principles on which our country was founded, and would give proof that we are not afraid to pit our principles against the lures and threats of communism. It would give a great spiritual lift to anxious men around the whole Pacific area—the Japanese, the Chinese, the Koreans, the people of the Philippines, and the nations just emerging from colonialism. While to deny statehood would injure our standing there, to confirm it would greatly strengthen our position. It would also give a great spiritual lift to the people of Hawaii.

Fifty years is a long time to wait for statehood. I know, because that was the fate of my own State of Utah. Remembering what happened in Utah when statehood came, I am sure that if it can come to Hawaii now, the people there will call their best men to public service, and will find new incentive and devotion to reduce to complete impotence the communistic threat in the islands. Thus, by this move we would take another important step to regain the initiative in the basic phases of the cold war. We would brighten the lights in that great show window of democracy. Instead of indicating our lack of faith in the Hawaiian people, we should then be able to use them as missionaries to take our message of hope to their ancestral countries, in the full pride of citizenship.

Instead of looking at Hawaii as a liability in the cold war against communism, I regard her as one of our greatest assets. Statehood for Hawaii could be a positive therapy in the fight against communism, which follows the necessary but negative cauterization of communism in Korea. Instead of retreating before this puny communistic threat, let us turn it into a great propaganda weapon. Let us be able to say to the peoples of the Pacific, "The Communists tried to take over Hawaii, where so many people of your race live under the American system. To show our contempt for that challenge, we have confirmed our faith in these people and have given their citizenship the final validity of statehood."

Thus, in the overall perspective of the worldwide cold war, statehood for Hawaii now stands as a must. We need the great new propaganda weapon this decision will provide. Let us grasp and use it with full faith and courage.

LEGISLATIVE PROGRAM

Mr. KNOWLAND. Mr. President, I understand that several other speeches are to be made this afternoon on the Hawaiian statehood bill. I also understand that the Senator from Montana [Mr. MANSFIELD] is preparing to speak on another subject.

I have discussed the situation with the minority leader, and have advised him that, in the event other speeches are not to be made today on the Hawaiian statehood bill or on the bill for statehood for Alaska, or on a combination of the two, I wish to be prepared to have the Senate take up at least two other bills this afternoon, to which the attention of the Senate has been called heretofore. One of them is Calendar No. 703, Senate bill 796, introduced by the Senator from Connecticut [Mr. BUSH], and reported on July 29, 1953, from the Committee on Public Works. That bill would permit the charging of tolls on certain highways constructed with Federal aid. Minority views have been filed in connection with that bill.

The other bill is Calendar No. 1032, House bill 5509, to amend the Army-Navy Medical Services Corps Act of 1947, relating to the percentage of colonels in the Medical Service Corps, Regular Army. That bill has been reported from the Committee on Armed Services. I fully understand that there may be debate on either or both of those bills.

Mr. President, the Senate has a heavy program. I have tried to adjust the program for next week in compliance with the request of the Democratic leadership, on which I have heretofore made a commitment, namely, that as soon as the committee handling the contested senatorial election in New Mexico has made its report to the Senate and as soon as the report is on the calendar, I shall then be prepared to ask that the unfinished business be temporarily laid aside, and that the contested election case be considered, so there will not be undue delay in disposing of that contest.

Since we are trying to cooperate in facilitating the handling of the business of the Senate, in the event that no other speeches are to be made today on the Hawaiian statehood bill, I hope we may proceed this afternoon to consider the bills I have just mentioned.

Yesterday I gave assurances that the wool bill would not be called up until after disposal of the motion of the Senator from New Mexico [Mr. ANDERSON] to consolidate the Hawaiian statehood bill and the Alaska statehood bill. I also gave notice that I would give at least 24 hours' advance notice to the Senate, and in particular to the distinguished Senator from Illinois [Mr. DOUGLAS], relative to the so-called gas bill, House bill 5976, Calendar 821, to amend section 1 of the Natural Gas Act. At this time I give that notice to the Senate so that, after the disposal of the motion of the Senator from New Mexico [Mr. ANDERSON], we may be in a position to take up that bill as well.

Again I desire to reiterate my assurances to the Senate that, as early as possible, following the disposal of the motion of the Senator from New Mexico and the disposal of the contest on the senatorial election in New Mexico, I also wish to bring up Senate bill 50, Calendar 1029, providing for the admission of Alaska into the Union.

Mr. CLEMENTS. Mr. President, will the Senator from California yield to me?

The PRESIDING OFFICER (Mr. PAYNE in the chair). Does the Senator from California yield to the Senator from Kentucky?

Mr. KNOWLAND. I yield.

Mr. CLEMENTS. I wish to commend the majority leader for the personal attention he has given to the contest in the senatorial election in New Mexico.

I wish also to commend the chairman of the Committee on Rules and Administration [Mr. JENNER] for the position he has taken as chairman of the committee in calling the committee together to consider the report on next Tuesday.

I think the action on the part of both Senators is proper. The case should be closed. Final action should be taken on it, and I hope that can be done next week.

Mr. KNOWLAND. Let me say to the Senator that it was only with the full cooperation of the distinguished chairman of the Committee on Rules and Administration and the chairman of the subcommittee, the Senator from Wyoming [Mr. BARRETT], that it was possible to expedite this matter. We also had the cooperation of the staff of the committee.

While I shall not at this time propound a unanimous-consent request, I am hopeful that when the subject is brought to the attention of the Senate, Senators on the other side of the aisle will explore the situation to see if we cannot arrive at a reasonable division of time for a couple of days, or whatever time it may be felt is necessary to debate the question, so that the attention of the Senate may be concentrated on that subject. I hope it will not be delayed by extraneous matters. I believe that when the seat of any United States Senator is at stake he and the State he represents, as well as the Senate, are entitled to have as prompt action as the facts developed will warrant.

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

Mr. KNOWLAND. I yield.

Mr. CLEMENTS. I can speak for only one Member of the Senate. I believe that Senators on this side of the aisle will desire only sufficient time to present the case of the Senator from New Mexico [Mr. CHAVEZ] in the proper light.

Mr. GORE. Mr. President, will the Senator yield for a question?

Mr. KNOWLAND. I yield.

Mr. GORE. In order that the distinguished majority leader may be fully advised, let me say to him that the calling of Calendar No. 703, Senate bill 796, would entail considerable debate, of such length that perhaps it could not be concluded in 1 day, whereas Calendar 1032, House bill 5509, might well be disposed of within a much briefer time.

Mr. KNOWLAND. I did not necessarily mean the bills would be called up in the order mentioned. I am mindful of the fact that undoubtedly there will be some debate. What I have in mind is this: If debate runs out today after the Senator from Montana [Mr. MANSFIELD] speaks on a different subject, I wish to be in a position to proceed to the consideration of certain other bills.

Tomorrow the time will be controlled under the unanimous-consent agreement. The vote is to come at 4 o'clock. We can then return to the consideration of whatever is the unfinished business at that time, and the debate on the two bills referred to can be continued on Friday, if necessary.

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

Mr. KNOWLAND. I yield.

Mr. BUSH. With respect to Calendar No. 703, Senate bill 796, I advise the majority leader that I had not realized that he was about to bring up that bill. Frankly, I am not prepared to debate the bill at this time, but I may be prepared in 24 or 48 hours. I agree with the Senator from Tennessee [Mr. GORE] that consideration of Senate bill 796 should be postponed, if possible. I shall be glad to advise the majority leader as soon as we are ready to have it considered. There are certain points of difference. Minority views have been filed and we are in the process of trying to reach an agreement which will accommodate the minority point of view, which would make the bill generally more acceptable.

Mr. KNOWLAND. We have discussed the bill from time to time. I certainly have no desire to move ahead if the distinguished Senator from Connecticut is not prepared to do so this afternoon. I wished to give notice that the bill should be taken up for consideration in the near future. Very soon we shall have a heavy program, including tax legislation, appropriation bills, and major parts of the administration's legislative program, as well as the important measure now pending. I am afraid that if we do not consider the Senator's bill soon it may be lost in the general tieup of the session later. So, if the Senator is hopeful that the bill will be passed, I think the sooner we can get to it the better it will be.

Mr. BUSH. I thank the distinguished majority leader. I assure him that I shall be ready within 48 hours to take up the bill at his convenience.

Mr. KNOWLAND subsequently said: Mr. President, earlier in the day I gave notice that among several bills for which consideration would be sought was Calendar No. 620, Senate bill 2231, a bill to amend the Trading With the Enemy Act relating to debt claims. That was one of the bills with respect to which I had given advance notice to the leadership on the other side of the aisle. We are attempting this afternoon to devise a program to fill in the time when debate on the pending legislation runs out. I should like to be prepared to take up the bill referred during the afternoon.

JOINT COMMITTEE ON CENTRAL INTELLIGENCE

Mr. MANSFIELD obtained the floor.

Mr. KNOWLAND. Mr. President, would the Senator mind if I suggested the absence of a quorum?

Mr. MANSFIELD. That is agreeable to me, provided I do not lose the floor.

Mr. KNOWLAND. Mr. President, I ask unanimous consent that I may suggest the absence of a quorum without the Senator from Montana losing the floor.

The PRESIDING OFFICER. Is there objection? The Chair hears none.

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

The PRESIDING OFFICER. The clerk will call the roll.

The Chief Clerk proceeded to call the roll.

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

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

Mr. MANSFIELD. Mr. President, on behalf of myself, the Senator from Wyoming [Mr. BARRETT], the Senator from Ohio [Mr. BURKE], the Senator from Maryland [Mr. BUTLER], the Senator from Indiana [Mr. CAPEHART], the Senator from Kentucky [Mr. CLEMENTS], the Senator from Texas [Mr. DANIEL], the Senator from Georgia [Mr. GEORGE], the Senator from Iowa [Mr. GILLETTE], the Senator from Minnesota [Mr. HUMPHREY], the Senator from Colorado [Mr. JOHNSON], the junior Senator from South Carolina [Mr. JOHNSTON] the senior Senator from West Virginia [Mr. KILGORE], the Senator from New York [Mr. LEHMAN], the senior Senator from South Carolina [Mr. MAYBANK], the Senator from Pennsylvania [Mr. MARTIN], the Senator from South Dakota [Mr. MUNDT], my colleague, the senior Senator from Montana [Mr. MURRAY], the junior Senator from West Virginia [Mr. NEELY], the Senator from Rhode Island [Mr. PASTORE], and the Senator from Arkansas [Mr. FULBRIGHT], I ask unanimous consent to submit for appropriate reference a concurrent resolution to establish a Joint Committee on Central Intelligence.

The PRESIDING OFFICER. Without objection, the concurrent resolution will be received and appropriately referred.

The concurrent resolution (S. Con. Res. 69) was referred to the Committee on Rules and Administration, as follows:

Resolved by the Senate (the House of Representatives concurring), That there is hereby established a Joint Committee on Central Intelligence to be composed of 5 Members of the Senate to be appointed by the President of the Senate, and 5 Members of the House of Representatives to be appointed by the Speaker of the House of Representatives. In each instance not more than three members shall be members of the same political party.

SEC. 2. The joint committee shall make continuing studies of the activities of the Central Intelligence Agency and of problems relating to the gathering of intelligence affecting the national security and of its coordination and utilization by the various departments, agencies, and instrumentalities of the Government. The Central Intelligence Agency shall keep the joint committee fully and currently informed with respect to its activities. All bills, resolutions, and other matters in the Senate or the House of Representativeh relating primarily to the Central Intelligence Agency shall be referred to the joint committee. The members of the joint committee who are Members of the Senate shall from time to time report to the Senate, and the members of the joint committee who are Members of the House of Representatives shall from time to time report to the House, by bill or otherwise, their recommendations with respect to matters within the jurisdiction of their respective Houses which are (1) referred to the joint committee or (2) otherwise within the jurisdiction of the joint committee.

SEC. 3. Vacancies in the membership of the joint committee shall not affect the power of the remaining members to execute the functions of the joint committee, and shall be filled in the same manner as in the case of the original selection. The joint committee shall select a chairman and a vice chairman from among its members.

SEC. 4. The joint committee, or any duly authorized subcommittee thereof, is authorized to hold such hearings, to sit and act at such places and times, to require, by subpena or otherwise, the attendance of such witnesses and the production of such books, papers, and documents, to administer such oaths, to take such testimony, to procure such printing and binding and to make such expenditures as it deems advisable. The cost of stenographic services to report such hearings shall not be in excess of 25 cents per hundred words.

SEC. 5. The joint committee is empowered to appoint such experts, consultants, technicians, and clerical and stenographic assistance as it deems necessary and advisable. The committee is authorized to utilize the services, information, facilities, and personnel of the departments and establishments of the Government.

SEC. 6. The expenses of the joint committee, which shall not exceed $ per year, shall be paid one-half from the contingent fund of the Senate and one-half from the contingent fund of the House of Representatives upon vouchers signed by the chairman. Disbursements to pay such expenses shall be made by the Secretary of the Senate out of the contingent fund of the Senate, such contingent fund to be reimbursed from the contingent fund of the House of Representatives in the amount of one-half of the disbursements so made.

Mr. MANSFIELD. Mr. President, the concurrent resolution just submitted proposes to establish a Joint Committee on Central Intelligence, to be composed of five Members of the Senate, to be appointed by the President of the Senate, and five Members of the House of Representatives, to be appointed by the Speaker of the House. In each instance not more than three members shall be of the same political party.

Mr. President, events during the past year have convinced me that an urgent need exists for regular and responsible congressional scrutiny of the Central Intelligence Agency. Such scrutiny is essential to the success of our foreign policy, to the preservation of our democratic processes, and to the security of the Intelligence Agency itself. The sooner we provide a legislative framework for proper congressional-CIA relations, the quicker we can begin to build mutual confidence.

This is a prerequisite for effective operation by an executive agency, especially one hidden behind closed doors. If we fail to establish some sort of permanent, continuing link between Congress and the CIA the only result will be growing suspicion. From that, in all likelihood, will come sporadic investigations by various committees of Congress.

It should not be surprising that a great many Members of Congress are already questioning the wisdom of continuing to allow almost complete independence to a Government agency as vital and powerful as CIA. In the first place, the whole concept of peacetime foreign intelligence operations has been alien to American tradition. It was not until 1947, when CIA was established, that this Nation began to develop an intelligence service of any significant size. Even then many harbored serious doubts as to whether such an organization belonged in a democracy in peacetime.

Nevertheless, by 1947 most Americans realized that the United States was confronted with a foe which would use any means to attain its aim—the conquest of the world. Information on the capabilities and intentions of aggressive nations became imperative, especially in view of the developments in atomic energy.

The need for the Central Intelligence Agency is seldom questioned any longer and I certainly am not challenging it now. What I am concerned with, however, is CIA's position of responsibility to none but the National Security Council. I believe this should be changed. It is true that intelligence services of other major countries operate without direct control of the legislatures. This is understandable in a totalitarian government, such as the Soviet Union. It is even understandable in a parliamentary democracy, such as Great Britain, where

the entire administration is a part of and is responsible to Parliament. Our form of government, however, is based on a system of checks and balances. If this system gets seriously out of balance at any point the whole system is jeopardized and the way is opened for the growth of tyranny.

There has been almost no congressional inspection of the Central Intelligence Agency since the latter's establishment in 1947. It is conceivable that as the need for an intelligence service had been evident in 1946, the Congressional Reorganization Act of that year would have made provisions for congressional participation in the committee structure of Congress. As it is now, however, CIA is freed from practically every ordinary form of congressional check. Control of its expenditures is exempted from the provisions of law which prevent financial abuses in other Government agencies. Its appropriations are hidden in allotments to other agencies, and the Bureau of the Budget does not report CIA's personnel strength to Congress. Each year only a handful of Members in each House see even the appropriation figures. There is no regular, methodical review of this agency, other than a briefing which is supplied to a few members of the appropriations committees.

Mr. President, I agree that an intelligence agency must maintain complete secrecy to be effective. If clandestine sources of information were inadvertently revealed, they would quickly dry up. Not only would the flow of information be cut off, but the lives of many would be seriously endangered. In addition, much of the value of the intelligence product would be lost if it were known that we possessed it. An example is the breaking of a code. If we break a code we can continue to intercept and decipher important messages as long as the enemy or potential enemy is unaware of our knowledge. However, the instant the enemy learns that we have the key, they will stop using that code or possibly use it only to mislead us. Secrecy for these purposes is obviously necessary.

However, there is a profound difference between an essential degree of secrecy to achieve a specific purpose and secrecy for the mere sake of secrecy. Once secrecy becomes sacrosanct, it invites abuse. If we accept this idea of secrecy for secrecy's sake we will have no way of knowing whether we have a fine intelligence service or a very poor one.

Secrecy now beclouds everything about CIA—its cost, its efficiency, its successes, and its failures. It has been mustered against questions or proposals regarding CIA by Members of Congress. It is difficult to legislate intelligently for this agency because we have no information which we can be positive is correct.

An aura of superiority has been built around the CIA. Calls for an investigation of CIA personnel have been met with a resistance not encountered from any other agency. The administration appears to support the view that CIA officials merit an immunity which has never been claimed for the State Department or other Government agencies handling equally confidential material. CIA seems to have marked out for itself a setting above other Government agencies, Congress, and the public.

I do not believe that responsible congressional auditing of the CIA is incompatible with the maintenance of the degree of secrecy necessary to the legitimate operations of this agency. On the contrary it has many advantages. It would protect the reputation of the agency against unjustified attacks. It would make unnecessary sporadic investigations which might lead to unauthorized disclosures. Adequate funds would be assured for all legitimate purposes. Most important, the assertion of congressional interest in this field would reduce the threat to our democratic processes which this uncontrolled agency by its very nature now poses.

The kind of congressional role which is called for in this situation is similar to that played by the Joint Committee on Atomic Energy. The resolution which I am introducing today is similar to one I sponsored last July. It proposes the creation of a Joint Committee on Central Intelligence. This committee would be composed of 5 Members of the Senate and 5 Members of the House. No more than 3 Members in either House would be selected from the same political party. The committee would make continuing studies of the activities of the Agency, its problems, its utilization by other departments and agencies, and its coordination with them. From time to time the members of the committee would report to the Senate and House and recommend such legislation as might be needed.

The Joint Committee on Atomic Energy offers a model for congressional participation in the control of CIA. The joint committee deals with a subject that requires at least as much secrecy as would a committee on intelligence. It deals with a subject that is even more vital to our national security.

The Atomic Energy Commission has earned the respect of both the executive and legislative branches of the Government. It has been entrusted with the most vital secrets of state and it has proved worthy of that trust. Other Members of Congress have full confidence in its judgment. Their legislative actions affecting atomic energy are based on the secure knowledge that trusted Members of both Houses are fully cognizant of developments in atomic energy. They do not have to depend on the unilateral judgment of the executive branch as to what Members of Congress ought or ought not to know.

The Atomic Energy Commission also benefits from its ties with the committee because it provides the commissioners with a clear channel into which they can direct their legislative problems. The security of the atomic energy program, moreover, is not periodically threatened by sporadic investigations and embarrassing questions from the floor of Congress.

I do not believe that the Central Intelligence Agency enjoys the same degree of confidence in Congress and among the American people which has been gained by the Atomic Energy Commission. And I do not believe the CIA will ever obtain it under present arrangements. On the contrary, all signs point to a steady loss of confidence. How could it be otherwise when we are left to wonder about the efficiency and economy of its operation, if the only assurances we have of the effectiveness of the service are those proffered by the men who run it?

Until a committee of the kind I am proposing is established, there will be no way of knowing what serious flaws in the Intelligence Agency may be covered by the curtain of secrecy in which it is shrouded. In 1949 the Hoover Commission examined the CIA. A task force stated that—

> The Central Intelligence Agency has not yet achieved the desired degree of proficiency and dependability in its estimate. Without it, the National Security Council cannot succeed in assessing and appraising the objectives, commitments, and risks of the United States in relation to our * * * military power, with sufficient continuity or definiteness to constitute a practical guide to the Military Establishment as to the size of our military needs.

It recommended that vigorous steps be taken to improve the Central Intelligence Agency and its work.

Mr. President, have these steps been taken? We do not know and we have no way of finding out. Yet we are asked to go on appropriating vast funds without debate or question for this Agency.

Recently the Washington Star carried a story to the effect that CIA "has become so topheavy and unwieldy that it should be scrapped altogether and replaced by a new organization." Is this charge true? The columnist who reported this view said further that "our legislators feel strongly that there must be much overlapping and useless expenditure in the activities" of the five separate groups engaged in intelligence—CIA, the State Department, the Navy, the Army, and the Air Force. Is this charge true? He also wrote that "legislators who have been in close contact with the CIA believe that there is much deadwood in the organization which should be eliminated and it contains too many 'pals' of men with influence in the Government." Is this charge true?

The fact is that we do not know whether these and other charges similarly unrelated to secrecy are true or not true. And if we are to appropriate funds for this Agency, we ought to know.

Neither do we know if CIA is staying within the limits established by law or if it has expanded beyond its original purposes. On December 30, 1952, the same columnist asserted that "the CIA established an intelligence service in the United States," although the law creating the Agency specifically prohibits it from "police, subpena, law-enforcement powers or internal-security functions." Yet, as was pointed out in an article in the New York Times on July 19, 1953, two CIA agents gave reports to the FBI that Owen Lattimore was about to leave this country. Nevertheless, they later refused on security grounds to

testify in court on their role in this matter. Does this incident mean that the CIA is getting into the internal security field in competition with the FBI? Does it mean that officials of this Government Agency can defy the courts?

What of the quality of the product which CIA is producing? CIA officials claim that the United States intelligence system is second only to that of the Soviet Union. I do not know whether this is a boast of strength or a confession of weakness. Hanson Baldwin has reported that some observers believe it is actually not as effective, in terms of end results, as the British Secret Service with roughly 3,000 employees, or the Israeli service with roughly 300. Others believe that this country is spending too much money on intelligence for the results we are obtaining. The amount is a classified figure, but published estimates of the annual appropriation run from $500 million to $800 million. Personnel estimates in the press run between 8,000 and 30,000 employees.

Whatever the cost, we ought to be certain of the quality of our intelligence. Faulty intelligence estimates could jeopardize our entire defense and our foreign policy. Both of these must be based on cold knowledge and intelligent evaluation of the capabilities and intentions of other countries. If our premises are wrong, it is logical to assume that the policies based upon them will be wrong.

The Central Intelligence Agency plays a more direct role in foreign policy than that of simply providing some of the information on which our policies are based. It also serves, apparently, as an instrument of policy. Time magazine recently reported that—

> Though CIA officials do not admit it publicly the agency was from the start engaged in a wide range of "covert activities," espionage aid to resistance movements and perhaps sabotage.

Exactly how many and what kind of activities are carried on, I do not know. This is a field in which information is even more closely guarded. Nevertheless, several such activities have been reported in the press, and we can assume that there have been others which have not made the headlines.

In the Washington Post of January 9, 1953, the following undertakings of CIA agents were cited as a "sampling of exploits which have been the subject of many whispered complaints":

> 1. Subsidization by CIA of a neo-Nazi organization which had marked for liquidation the leaders of the Social Democratic Party.

The Social Democratic Party was the party of Ernst Reuter, later mayor of Berlin and vehement anti-Communist.

> 2. Incarceration for 8 months of a Japanese citizen under excuse of cross-examination—a job initially undertaken by General Willoughby's Army Intelligence and passed on to CIA.
>
> 3. Tapping of the telephone of Jose Figures, former Costa Rican President—

And, by the way, he is now President again—

> at which a CIA man was caught red-handed.
>
> 4. Abortive effort by CIA undercover men to start a revolution in Guatemala and blame it on the United Fruit Co.
>
> 5. Burmese and Siamese and Vietnamese suspicions of CIA activity in promoting guerilla forays from the Burmese border into mainland China on the part of the tatterdemalion expellees among Chiang Kai-shek's defeated Nationalists.

I do not need to point out the tremendous impact which this sort of activity could have on our foreign policy. Other countries cannot be expected to distinguish between CIA policy and United States policy. If these reports are true, then it would appear to others that it was United States foreign policy to promote a neo-Nazi organization, to incarcerate a Japanese citizen, and start a revolution in one of our neighboring countries. Moreover, the Burma episode, according to the Washington Post, "led to the resignation in disgust of one of the best and most respected of our career Ambassadors on the ground not only that he did not go along with the black diplomacy around him, but that he was kept in ignorance of it." Is there any wonder that there should be increasing concern with the absence of control over this agency? We cannot permit CIA, any more than we can permit any other government agency, to have free reign to do anything it wants anywhere in the world. If its agents play carelessly with fire, the whole world might get burned.

I do not have official verification of any of the criticisms I have mentioned. All my information, as I have indicated, has been taken from public sources. But the point is that any of these reported incidents could be true, and we would not know the facts. Would it not be far more sensible if Congress were aware of the general policies being pursued by Central Intelligence? Is there any other way that we can be reasonably certain that public funds are not being wasted? That the country is getting the intelligence it needs for its protection?

If a joint committee is established, CIA officials would not have to seal their lips and put on the face of martyrdom, everytime they were criticized. They would have a congressional channel to present their side. The joint committee, in turn, could maintain the confidence of Congress and the public, without loss of security. Until we create some sort of "watchdog committee," however, we will have nothing but continued anxiety about the Central Intelligence Agency and its widespread activities.

It is characteristic of our system of government that we are suspicious, and rightly so, of unrestrained power. Technically, the CIA is part of the executive branch, and the executive branch is subject to the checks and balances of our Constitution. Actually the nature of its work, and its peculiar place in our governmental structure, have given this agency in effect a position inviting irresponsibility. At its best this makes for continued suspicion; at its worst it is a menace to free government.

Mr. President, I ask unanimous consent to have printed at this point in my remarks a letter dated August 25, 1953, written by me to the Director of Central Intelligence, and the reply which I received, dated September 4, 1953, signed by C. P. Cabell, lieutenant general, United States Air Force, Acting Director.

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

AUGUST 25, 1953.

Hon. ALLEN W. DULLES,
Director of Central Intelligence,
Washington, D. C.

DEAR MR. DULLES: As you know, I have introduced a bill to establish a joint congressional committee, along the lines of the Joint Committee on Atomic Energy, for the CIA. I would appreciate receiving an answer from you on the questions listed below:

1. What is the present relationship between Congress and CIA?

(a) Before what committees, other than Appropriations, have CIA representatives appeared on agency business? Is there any regular survey of CIA's activities by any committee? What is CIA's procedure for getting desired legislation? How many Members of Congress know CIA's annual appropriation?

(b) In what instances do Members of Congress receive intelligence reports from CIA? Is it only when some other executive agency recommends it to support their position?

2. Does the Central Intelligence Agency feel that the present ties with Congress are adequate? What is its opinion of a Joint Committee on Central Intelligence similar to the Joint Committee on Atomic Energy?

3. What action was taken on the Hoover Commission recommendation that vigorous efforts be made to improve the internal structure of the CIA and the quality of its product?

Must close now but hoping to hear from you soon, and with best personal wishes, I am,

Sincerely yours,

MIKE MANSFIELD.

CENTRAL INTELLIGENCE AGENCY,
OFFICE OF THE DIRECTOR,
Washington, D. C., September 4, 1953.

The Honorable MIKE MANSFIELD,
United States Senate,
Washington, D. C.

DEAR SENATOR MANSFIELD: In Mr. Dulles' absence from the country, I am taking the liberty of replying to your letter of August 25, 1953, regarding CIA relations with the Congress. The answers below are numbered in accordance with the numbers of the questions in your letter.

1. (a) CIA representatives have appeared on Agency business before the following Senate committees: Armed Services, Government Operations (permanent Subcommittee on Investigations), Judiciary (Immigration Subcommittee), (Internal Security Subcommittee).

Agency representatives have appeared before the following House committees; Armed Services, Foreign Affairs, Government Operations, Un-American Activities.

Agency representatives also have appeared before the Joint Committee on Atomic Energy and liaison is maintained with the Joint Committee on Printing.

Concerning regular surveys of CIA's activities by congressional committees, it should be noted that special subcommittees of the House and Senate Appropriations Committees receive a detailed briefing on the various aspects of CIA work in the course of the annual review of CIA's budget requirements. The Armed Services Committees also receive briefings on CIA, particularly in connection with CIA legislation. In addition, in connection with atomic energy, the joint committee is regularly advised of CIA's activities in this field.

CIA legislation is handled by the Armed Services Committee in both Houses.

The CIA appropriation figure is very tightly held and is known to not more than 5 or 6 Members in each House.

1. (b) The only committee which receives intelligence reports from CIA on a regular basis is the Joint Committee on Atomic Energy. The Agency also makes certain information available to the Immigration Subcommittees of the Judiciary Committees of both Houses, and has also been of some assistance to the Internal Security Subcommittee of the Senate Committee on the Judiciary.

CIA intelligence reports are not made available merely to support the position of another executive agency, in fact there would probably be many instances in which CIA could give intelligence reports to certain other committees if requested.

2. It is our opinion that, from our point of view, the present ties with Congress are adequate. As far as we are able to determine, these ties are stronger than those which exist between any other nation's intelligence service and its legislative body.

In view of the fact that a decision to establish a joint congressional Committee on Central Intelligence involves many factors, some of which are not within the knowledge of CIA, it would not appear appropriate for CIA to express an opinion on the establishment of such a group.

3. At about the same time as the Hoover Commission subcommittee was making its study of intelligence in 1949, a special group appointed by the President, consisting of Mr. Allen Dulles, Mr. William H. Jackson, and Mr. Matthias F. Correa, was requested to make a detailed survey of CIA. At the time of the survey, these men were all in private life. Many of their recommendations, as well as those of the Hoover Commission, were carried into effect and were largely implemented upon the advent of General Smith as Director in October 1950 and Mr. Jackson as Deputy Director. This implementation has been carried forward by Mr. Dulles, who succeeded Mr. Jackson as Deputy Director, and subsequently succeeded General Smith as Director. While it is safe to say that no intelligence organization is ever completely satisfied with the quality of its end product, nevertheless, we feel, and have been informed by impartial observers, that the organization and the end product have been continuously and vigorously improved.

I know that Mr. Dulles would be happy to discuss this entire problem with you in greater detail at your convenience upon his return.

Sincerely,

C. P. CABELL,
Lieutenant General, USAF, Acting Director.

Mr. MANSFIELD. Mr. President, I ask unanimous consent to have printed at this point in my remarks three editorials pertaining to the Central Intelligence Agency, all published in the Richmond News Leader.

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

[From the Richmond (Va.) News Leader of March 30, 1953]

THE CIA: WHO WATCHES THE WATCHDOG?

In heavily guarded offices at 2430 E Street in Washington, on the grounds of the old naval hospital there, this Nation's Central Intelligence Agency directs the most secret and least publicized operations of the United States Government. Not even the Atomic Energy Commission functions with the secrecy of the CIA; the taxpayers know something of atomic research—how much it costs, in general how well it is succeeding, where the principal work is being done.

Of the CIA, whose expenditures are reckoned by well-informed observers at something in the neighborhood of $1 billion a year, the taxpayer knows nothing.

This almost invisible agency of the Government came into existence in 1947, as the successor to an unwieldly central intelligence group that was organized after World War II. By way of background, it should be noted that prior to World War II, there was no American intelligence agency; we relied largely upon the reports of diplomatic and military officers, openly gathered at consulates and embassies around the world. During the war, the cloak-and-dagger Office of Secret Services was set up to direct American espionage, but this went out of existence with the end of hostilities.

The National Security Act of 1947, creating the CIA, gave the new body some simple—and sweeping—duties. The CIA is to correlate and evaluate intelligence relating to the national security and provide for the appropriate dissemination of such intelligence within the Government. By one provision, it is specifically directed that the Director of Central Intelligence shall be responsible for protecting intelligence sources and methods from unauthorized disclosure.

Even the sweeping terms of this enactment were regarded as inadequate by the CIA. So in June 1949 the administration obtained from Congress one of the most amazing laws ever put on the books—Public Law 110 of the 81st Congress. This is the law that makes CIA almost literally a law unto itself.

By this enactment, CIA is made exempt from all rules of purchasing that apply to other agencies. It may hire and fire at will, without regard to civil service regulations. All provisions of law and all regulations "relating to the expenditure of Government funds" are specifically waived for the CIA. It is above any law that might require "the publication or disclosure of the organization, functions, names, official titles, salaries, or numbers of personnel employed by the Agency." The Director of the Bureau of the Budget is flatly instructed to make "no reports to the Congress" of CIA's expenditures, either lump sum or itemized. CIA spends what it pleases, as it pleases, "solely on the certificate of the Director, and every such certificate shall be deemed a sufficient voucher for the amount therein certified." No ordinary Congressman can touch it; no ordinary citizen is even admitted to the CIA's office.

For all the taxpayers know, the CIA may be doing an appallingly inefficient job. It may be wasting millions of dollars in fantastically extravagant and unnecessary schemes. It may be needlessly duplicating the work of other agencies. It may be the worst run bureaucracy in Washington. Westbrook Pegler has made the flat and unqualified charge that the CIA "slipped subsidies of millions of dollars to the AFL, [David] Dubinsky, the Garment Workers Union, and a mysterious group of persons unknown," in some nebulous venture to strengthen free trade unions in Europe against Communist infiltration. This charge the CIA neither affirms nor denies; it simply evades answering.

From what little has been printed about the CIA, it is known that the Agency has had its internal difficulties. In October 1947 several employees were fired as "bad security risks." On another occasion, Senator McCARTHY charged (with apparent accuracy) that a pervert dismissed from the State Department had turned up on CIA's payroll. The Agency came in for severe criticism when South Korea was invaded—to this Nation's total surprise—in June 1950 and again the following fall when the size of the Chinese Communist intervention was tragically underestimated. CIA was badly mousetrapped last year when it swallowed a false tip that Owen Lattimore was about to skip the country for Russia.

The extent of CIA's successful efforts is understandably unknown; in common with intelligence services everywhere, the Agency never mentions its successes. It is known that CIA had a hand in reporting Soviet Russia's first atomic explosion. Beyond that, nothing can be pinned down.

Of CIA's organization and routine, little has been officially disclosed. One account is that CIA has 5 major divisions—3 to collect information, 1 to index information, the fifth to evaluate the information and prepare the CIA's estimates. These estimates (originated by Gen. Walter Bedell Smith when he was director of CIA in 1950–52) are summaries of intelligence prepared by the agency for the President and other top officers of the Government. They arrive daily at the White House, it is said, mimeographed in purple ink and sealed in a blue folder. Other more extensive estimates are prepared weekly and monthly. These are compiled not merely from the reports of the CIA's espionage agents—the cloak-and-dagger spies of adventure fiction—but more matter-of-factly from the reports of Foreign Service observers, military and naval intelligence officers, immigration officials, narcotics inspectors in far-off corners of the world, and employees of the Treasury and Commerce Departments in foreign stations. It has been estimated that about 90 percent of CIA's work is no more secret than a Carnegie library, and the bulk of its work lies simply in correlating factual information that is lying around for anyone to pick up.

How many employees this worldwide operation involves, how much they are paid, how well they are doing their jobs, whether the jobs are worth doing—to all of these questions the CIA stands dumb. Of a few executives, some names and skeleton facts are known. The top brass include:

Allen Welsh Dulles, 59, director of the CIA; brother of the Secretary of State, graduate of Princeton and George Washington Universities, lawyer, in United States diplomatic service, at Vienna, Berne, Berlin, Constantinople, 1916–26, delegate to international conferences of 1925–33, attached to OSS in World War II.

Sherman Kent, 49, assistant director for national estimates; native of Chicago; graduate of Yale and member of Yale's faculty (professor of history) since 1928; chief of the Europe-Africa Division of OSS, 1941–45; State Department, 1946; instructor in National War College, 1947; author of Strategic Intelligence (1947).

Loftus E. Becker, 41, deputy director for intelligence; native of Buffalo; graduate of Harvard and Harvard Law School; lawyer; rose from private to major in World War II, served with Ninth Army in Europe, attended the Nuremberg trials as an adviser on German military organizations; joined CIA in April 1951.

Matthew Baird, 42, director of training; native of Ardmore, Pa., graduate of Princeton and Oxford; educator, former headmaster of the Arizona Desert School; served 44 months with Air Force in World War II, mostly in South Pacific; resident of Arizona, cattle breeder and rancher.

Frank G. Wisner, 43, acting deputy director, native of Laurel, Miss., graduate of the University of Virginia; lawyer; served in World War II as a naval intelligence officer, later with OSS in Africa, Middle East, Balkans, France, and Germany; discharged as commander; with State Department, 1947, as deputy assistant Secretary of State for Occupied Areas; joined CIA, 1948.

Walter Reid Wolf, 58, deputy director; graduate of Yale; banker; vice president of National City Bank of New York since 1936; leader in many civic activities.

Charles Pearre Cabell, 49, director of the general staff; native of Dallas, graduate of

West Point; holds rank of major general in the Air Force; formerly director of intelligence for the USAF, attended the Yalta Conference.

That about exhausts our notes on the CIA, and a thin batch of facts it is to work with. What disturbs us about the Central Intelligence Agency is this very thinness. To be sure, we recognize that some secret operations are necessary if this Nation is to be properly vigilant in the cold war, and secret operations would cease to be secret if they were conducted in klieg lights and full publicity. But we are far from certain that the sweeping secrecy of the CIA—extending even to its most routine operations—can be justified, or that the value of many of its investigations outweighs the old, established value of Government accountability directly to the people.

Congress long ago created a special committee to watch the Atomic Energy Commission, in part to keep a check on the day-to-day activities of men with tremendous power over mighty weapons. It would be in the public interest, as we see it, for a similar committee to be set up to watch the watchdogs of the CIA, to make spot-checks on expenditures, to keep budget requests in line, to see that secret policies laid down by the director of the CIA are not opposed to the people's wishes as the people's representatives understand them.

We are uneasy about this outfit—the power it holds, the secrecy with which it shrouds its operations, the potential for evil that lies in the CIA's virtually unchecked authority. And we commend to Congress a searching study of the powers it has vested in the agency. What Congress has given, Congress can take away—and in the case of the CIA, some taking away of excess power might prove exceedingly wise.

[From the Richmond (Va.) News Leader of July 17, 1953]

"ABOUT WHICH YOU ACTUALLY KNOW NOTHING"

One of our more articulate critics, in a letter full of strawmen and ad hominem arguments, takes us severely to task in the Forum today for an editorial of July 13. In that editorial we reviewed the astonishing law under which the Central Intelligence Agency is permitted to conceal every aspect of its operations—including the size of its budget and the length of its payroll—from the American people. At no time has this newspaper suggested that CIA activity be fully revealed to the American people. What we have demanded is an amendment to the basic CIA law that would provide some measure of public accountability for funds, and place some restrictions upon the CIA's now unlimited opportunities for international troublemaking.

One phrase in Mr. Lucas' letter serves to buttress the point we have been making. He says we are spreading mistrust of an agency about which you actually know nothing discreditable. Knock off the last word: We most assuredly mistrust an agency of Government about which we actually know nothing. The CIA is responsible not to the people of the United States, in the sense that the people are permitted to form their own opinions of whether they are getting value received, but solely to the National Security Council—a group of top Government officials who have a thousand other concerns and cannot possibly maintain a close check on the CIA's day-to-day spending.

Nothing like the CIA exists anywhere in the American Government. The Atomic Energy Commission deals in secrets of the most vital nature, yet the AEC's budget is a matter of public record; the AEC publishes an annual report; a special committee of Congress keeps a watchdog eye on its activities; the AEC's budget is not sacrosanct, and can be trimmed whenever the American people conclude that too much money is being poured into atomic research. The FBI is a highly secret outfit, yet it is no secret that the FBI spent nearly $77 million in the last fiscal year, and that it employs some 14,000 persons whose average salary is $4,800. Similarly, the defense establishment deals constantly in matters of the deepest secrecy, yet the budgets of Army, Navy, and Air Force are available for any citizen's inspection. No one in his right mind would suggest that every American should have a pass to the Pentagon's code room, or access to Secretary Wilson's private files; yet the very essence of the American form of government by the people is reflected in the fact that the people are kept fully informed on military spending and can check the high brass whenever the spirit moves them to do so.

None of this applies to the Central Intelligence Agency. It is a separate and clandestine entity in our Government. One of the most reliable budgetary experts in Washington has told us that he believes CIA's spending "is in the neighborhood of a billion dollars a year," yet no committee of Congress can check on this figure nor can the beleagured American people find out whether the CIA is worth its cost—whatever the cost may be. Funds may be transferred to the CIA from other agencies of the Government "without regard to any provisions of law limiting or prohibiting transfers between appropriations." Surely that clause in the CIA Act makes a mockery of congressional control over the public purse.

No restrictions are laid upon the CIA's activities. The status reads that "Notwithstanding any other provisions of law, sums made available to the agency by appropriations or otherwise may be expended for purposes necessary to carry out its functions." The CIA, of course, decides for itself what its functions are. The law specifically approves expenditures for "personal services without regard to limitations on types of persons to be employed; radio-receiving and radio-sending equipment; purchase, maintenance, and cleaning of firearms, including purchase, storage, and maintenance of ammunition; acquisition of necessary land; construction of buildings and facilities without regard to 36 Statutes, 699, 40 United States Code 259, 267."

All sums made available to the CIA "may be expended without regard to the provisions of law and regulations relating to the expenditure of Government funds; and for objects of a confidential, extraordinary, or emergency nature, such expenditures to be accounted for solely on the certificate of the Director, and every such certificate shall be deemed a sufficient voucher for the amount therein certified."

We deny, as vigorously as we know how, that any such sweeping concealment is in the public interest. The most effective restraint yet devised on the extravagant ambitions of Government officials is the vigilant watch of the American people and the American press. Once that restraint is wiped out, and power is permitted to breed unchecked in the darkness, waste and corruption are provided a fertile soil in which to grow. Certainly we mistrust the CIA—and we will continue to spread that mistrust in the fervent hope that others will awake to the dangers inherent in this unknown and unknowable OGPU in our midst.

[From the Richmond (Va.) News Leader of July 24, 1954]

TO WATCH THE CIA

Senator MIKE MANSFIELD, of Montana, this week offered a resolution that merits widespread and immediate public support. He proposes the establishment of a Joint Committee on Central Intelligence, to be patterned after the Joint Committee on Atomic Energy.

"The CIA is in somewhat the same category as the AEC," Senator MANSFIELD said, "and just as a special committee, with well-defined authority and powers has been created on a joint congressional basis to oversee and supervise the interests of the AEC, so I believe should a joint congressional committee be created for the same purpose in connection with the CIA * * * for purposes of seeing that good management is maintained in the CIA and also to keep a constant check on its intelligence policies. It is well, too, that this joint committee should be in a position to criticize any mistakes which the CIA may make."

This newspaper has been urging the creation of such a committee for the past several months. At present the CIA is wholly beyond the reach of the Congress that created it. The agency's budget is secret; its payroll is secret; its employees are under orders to ignore congressional committees and to refuse to answer their questions. By law the CIA has unlimited authority to spend virtually unlimited amounts of money for wholly unlimited purposes. Neither the Congress nor the public has any way of knowing whether the CIA is doing a good job or a terrible job, whether it is wasting millions or spending its funds with scrupulous care.

Senator MANSFIELD's proposed committee has been needed for a long time. We commend his resolution warmly to Virginia's delegation on the Hill.

Mr. MANSFIELD. Mr. President, I yield the floor.

MEDICAL SERVICE CORPS, REGULAR ARMY

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

The PRESIDING OFFICER (Mr. PURTELL in the chair). The clerk will call the roll.

The Chief 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 (Mr. GOLDWATER in the chair). Is there objection? The Chair hears none, and it is so ordered.

Mr. KNOWLAND. Mr. President, pursuant to my earlier announcement, I ask unanimous consent that the unfinished business be temporarily laid aside and that the Senate proceed to the consideration of House bill 5509, to amend the Army-Navy Medical Services Corps Act of 1947, relating to the percentage of colonels in the Medical Service Corps, Regular Army.

I might say to the acting minority leader that the other bill which I had contemplated might be called up today I have agreed to have go over until at least Friday, because tomorrow the time for debate will be controlled.

So far as I know, there was no objection to the Medical Service Corps bill in the committee, but I will address an inquiry to the junior Senator from Pennsylvania [Mr. DUFF], who is representing the Armed Services Committee in connection with the bill. I understand no minority views were filed.

Mr. DUFF. The Senator is correct.

Mr. JACKSON. Mr. President, as acting minority leader, I may say that I understand that the ranking minority

member of the Committee on Armed Services has no objection to the bill.

Mr. DUFF. The Senator is correct; the Senator from Georgia [Mr. RUSSELL] raised no objection, and there was no objection to the bill in the committee.

The PRESIDING OFFICER. The clerk will state the bill by title.

The CHIEF CLERK. A bill (H. R. 5509) to amend the Army-Navy Medical Services Corps Act of 1947, relating to the percentage of colonels in the Medical Service Corps, Regular Army.

Mr. KNOWLAND. I might say, before the Senate acts on the bill, that I understand the Senator from Pennsylvania is prepared to make a statement about the bill for the information of the Senate.

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

There being no objection, the Senate proceeded to consider the bill.

Mr. DUFF. Mr. President, the purpose of this bill is to repeal an existing provision of law which limits the number of permanent colonels in the Medical Service Corps of the Regular Army to 2 percent of the authorized Regular Army officer strength of that corps. This 2-percent limitation contrasts with a limitation of 8 percent which is applicable to all other male arms and branches of the Army.

The 2-percent limitation was included in the original legislation as recommended by the Department of the Army. The basis for the limitation was the number of positions justifying officers of this permanent rank in the then existing tables of organization for Medical Service Corps officers.

Since the Army-Navy Medical Service Corps Act of 1947 was enacted, the Department of the Army has significantly broadened the utilization of Medical Service Corps officers, with the result that today there are many additional areas and positions of responsibility for officers of the Medical Service Corps that did not exist in 1947.

The Department of the Army is attempting to relieve medical and dental officers from administrative and managerial duties, so that they may devote more time to the exercise of their professional duties and qualifications. Army representatives maintain that the full achievement of the objective of relieving professional officers of administrative and managerial duties is hindered by the 2-percent limitation which restricts career opportunities for Medical Service Corps officers.

Furthermore, the continued existence of this limitation handicaps the Army in procuring and retaining officers who possess the educational, scientific, and technical qualifications desired in the Medical Service Corps.

Enactment of this bill will enable the Medical Service Corps to have the same percentage of officers serving in the permanent grade of colonel as is now authorized for the other arms and branches of the Army. Notwithstanding this fact, Army representatives have assured the committee that the enactment of this bill will not result in full utilization of the authority in the near future. The additional positions of permanent colonel would be filled gradually during the next few years, as officers become qualified and demonstrate the ability to serve in this grade.

The PRESIDING OFFICER. The bill is open to amendment.

If there be no amendment to be proposed, the question is on the third reading of the bill.

The bill (H. R. 5509) was ordered to a third reading, read the third time, and passed.

MESSAGE FROM THE HOUSE

A message from the House of Representatives, by Mr. Chaffee, one of its clerks, announced that the House had disagreed to the amendments of the Senate to the bill (H. R. 5337) to provide for the establishment of a United States Air Force Academy, and for other purposes; asked a conference with the Senate on the disagreeing votes of the two Houses thereon, and that Mr. SHORT, Mr. ARENDS, Mr. COLE of New York, Mr. SHAFER, Mr. VINSON, Mr. BROOKS of Louisiana, and Mr. KILDAY were appointed managers on the part of the House at the conference.

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. JACKSON obtained the floor.

Mr. JOHNSON of Colorado. Mr. President, will the Senator from Washington yield at this time, to permit me to suggest the absence of a quorum?

Mr. JACKSON. I am happy to yield for that purpose.

Mr. JOHNSON of Colorado. Then, 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. JACKSON. Mr. President, I ask unanimous consent that the order for the call of the roll be rescinded.

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

Mr. JACKSON. Mr. President, I rise today in support of the amendment offered by the distinguished Senator from New Mexico [Mr. ANDERSON] to add as title II of the Hawaiian statehood bill the bill reported from the Senate Committee on Interior and Insular Affairs providing statehood for Alaska.

I should like to make it clear at the outset that I have always supported statehood for both Hawaii and Alaska. During my service in the House of Representatives I had the privilege of voting for statehood for Hawaii and Alaska every time the subject was considered in the House of Representatives.

I should also like to have the RECORD show that I voted for statehood for Hawaii when the bill was reported from the Senate Committee on Interior and Insular Affairs earlier this year as a separate bill. I also voted for statehood for Alaska in a separate bill. In the committee, however, I felt very strongly that the two should be joined in one bill, in order to insure fair and equitable consideration by the Congress at this session of both proposals, so as to bring about statehood not only for Hawaii, but for Alaska as well.

Those of us who took that position in the committee failed by a narrow margin. The amendment offered by the distinguished Senator from New Mexico affords the Senate an opportunity to join statehood for Alaska with statehood for Hawaii, which, in my opinion, is the only fair way in which proper consideration can be given to both Territories.

I wish to commend the distinguished Senator from New Mexico for his long and untiring efforts, not in a partisan way, but in a fair and just way, to assure statehood to both these great Territories. I know that there have been earlier remarks on the floor of the Senate which might indicate that those of us who favor joining the two bills together have in mind the destruction of both. Nothing could be further from the truth.

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

Mr. JACKSON. I yield.

Mr. ANDERSON. Does the Senator from Washington know of anything in his voting record in either the House or Senate which would indicate that he is antagonistic to statehood for either Alaska or Hawaii? Is not the reverse true? Has not the Senator shown by his votes that he is sympathetic to both?

Mr. JACKSON. The Senator is correct. My position is the same as that of the distinguished Senator from New Mexico. I have fought for statehood for both these great Territories. I sincerely believe that, if Members of this body are desirous of granting statehood to Alaska at this session of Congress, there is only one course to follow, and that is to include statehood for Alaska as title II of the Hawaiian statehood bill.

Why do I say that? I think the record is clear. I do not believe there is much room for doubt that if we separate these bills Hawaii will become a State and Alaska will be denied statehood.

The most important reason is that the House leadership has bottled up in the Rules Committee for 9 months the Alaskan statehood bill which was reported from the House committee by a wide margin. I am reliably informed that the leadership on the House side have no plans to bring up statehood for Alaska at this session of Congress. Obviously, therefore, if we pass a separate bill providing statehood for Alaska, it will never be considered in the House of Representatives at this session.

I say further that, even if a bill conferring statehood upon Alaska should be approved by the House of Representatives—and there is no evidence to support that assumption—and sent to the White House for signature, there is nothing in the record which would warrant the conclusion that the President of the United States would sign such a bill. On the contrary, the silence, which is quite obvious, would indicate that he would approve statehood for Hawaii but not for Alaska.

Under all the circumstances, it seems to me there is but one course for those of us who believe in statehood for both Hawaii and Alaska to follow. The course which we must follow is to include both bills in one package. I believe that when we send to the House of Representatives an amended bill including statehood for Alaska, the House of Representatives will then have an opportunity to vote on the question of adding Alaska as a part of the package. The way things stand today, there is no opportunity for Members of the House of Representatives to vote on the question of statehood for Alaska at this session of Congress. The bottling up of the Alaskan bill in the House Rules Committee by the House leadership would preclude such a possibility.

Mr. President, I should like to direct my remarks this afternoon to the great potential resources of Alaska. Without a doubt, Alaska is the richest Territory ever to knock at the door of the Congress of the United States for admission into the Union.

Alaska has a very substantial contribution to make to the Nation in the way of natural resources, which have barely been tapped. These resources are in many instances difficult to estimate because of their vast potentials. To name but a few, there are Alaska's mineral production, her timber resources, her hydroelectric power, her agricultural future.

Mr. KENNEDY. Mr. President, will the Senator from Washington yield?

Mr. JACKSON. I am glad to yield to the Senator from Massachusetts.

Mr. KENNEDY. Mr. President, I wish to congratulate the Senator on his very fine statement. Is it his opinion that the resources he mentions and the other natural advantages of Alaska could be developed much more satisfactorily under statehood than under territorial status?

Mr. JACKSON. I am very happy the distinguished Senator from Massachusetts has raised that question. I believe that by granting statehood to Alaska, free enterprise will have an opportunity to play a more effective role in the development of the great potential that exists in Alaska than it otherwise would.

Mr. KENNEDY. One of the objections which has been raised is to the effect that the Federal Government controls a great percentage of the Territory of Alaska. Does the Senator feel that statehood would make it possible for private initiative to develop the resources of Alaska which are now under the control of the Federal Government, which control has had a retrogressive effect on the development of Alaskan resources over a period of years?

Mr. JACKSON. The distinguished Senator from Massachusetts has stated the situation very well. Today approximately 99 percent of the land in Alaska is owned by the Federal Government. The bill makes available and turns over to the new State of Alaska a substantial amount of acreage and thereby makes possible eventual private ownership of the land.

Mr. KENNEDY. I thank the distinguished Senator.

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

Mr. JACKSON. I am happy to yield to my distinguished friend from Colorado.

Mr. JOHNSON of Colorado. In turning over the land to the new State, can the Senator tell me whether two sections in each township will be dedicated to school purposes?

Mr. JACKSON. I do not have the exact figures before me, but it is my understanding that a comparable provision along that line is contained in the bill which has been offered by the Senator from New Mexico in the form of an amendment. We are not following the previously established pattern of granting certain sections in each township. Instead we are making an outright grant of a given number of acres to the new State.

Mr. JOHNSON of Colorado. For school purposes?

Mr. JACKSON. For various purposes. Some of it will be for school purposes. The remainder of it will be turned over to the new State, to give the new State an opportunity to develop its own resources and to encourage private enterprise in the new State.

Mr. JOHNSON of Colorado. Referring to the question raised by the Senator from Massachusetts [Mr. KENNEDY], is it not correct to say that in every case where there has been a change from the status of a Territory to that of a State, the State has shown remarkable progress immediately upon attaining statehood.

Mr. JACKSON. It is my understanding that the Senator's statement is correct. I believe in every instance there has been a tremendous increase in population and productivity following the admission of a Territory into the Union as a State. The same line of reasoning will apply in the case of Alaska.

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

Mr. JACKSON. I am very happy to yield to the Senator from the Far West.

Mr. MANSFIELD. I should like to ask the Senator if it is not true that a solemn pledge was made by both political parties at the last conventions to grant statehood to Alaska and to Hawaii?

Mr. JACKSON. The Senator is correct. I am glad he has raised that point. I believe it further supports, and very strongly supports, the amendment offered by the distinguished Senator from New Mexico. This is an opportunity for both political parties to discharge a solemn responsibility they undertook at their national conventions last year, namely, to grant statehood to both Territories.

Mr. MANSFIELD. Mr. President, will the Senator from Washington yield further?

Mr. JACKSON. I am glad to yield.

Mr. MANSFIELD. Would the Senator be good enough to read the pledges of both parties in that respect?

Mr. JACKSON. I do not have them before me. I believe the distinguished Senator from New Mexico placed them in the RECORD yesterday.

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

Mr. JACKSON. I yield.

Mr. ANDERSON. No; I did not do so, but I did point out previously what the two parties had promised. The Democratic Party in its last convention promised immediate statehood for both Alaska and Hawaii. The Republican Party promised immediate statehood for Hawaii, and said it favored statehood for Alaska under an equitable bill.

I believe it would be fair to say that no more equitable bill has ever been presented to Congress than the bill now before the Senate in the form of my amendment.

In my mail last evening I received a letter from a very prominent resident of Alaska, in which he pointed to the pending amendment and stated that it might be charged that the bill is too liberal. He said he believes it is a very fair and very fine bill. He said he considered it to be the most equitable bill that has ever been presented to Congress.

I would say to the Senator that certainly it meets the requirements of both political platforms.

Mr. MANSFIELD. Mr. President, will the Senator from Washington yield further?

Mr. JACKSON. I am happy to yield.

Mr. MANSFIELD. Is it not entirely possible, in fact, almost absolutely so, that if Alaska is not considered along with Hawaii, the chances of Alaska's achieving statehood at this session of Congress are practically nil?

Mr. JACKSON. The Senator is correct. I stated a few minutes ago that if the bills are separated, and we pass a separate Hawaii statehood bill, statehood for Hawaii will become a fact. There can be no question about that, for the bill has already passed the House of Representatives.

But if we pass a separate Alaskan statehood bill, the door in the other body will remain closed, because the House leadership has had bottled up for approximately 9 months a bill granting statehood to Alaska, which had been reported by the Committee on Interior and Insular Affairs of the House.

Mr. MANSFIELD. That means, of course, that the Rules Committee, which has absolute control over the reporting of legislation approved by House committees, will continue to hold it up for the remainder of this session.

Mr. JACKSON. The Senator is correct. The way to bypass the Rules Committee of the House of Representatives, so that Members of the House who are desirous of voting on statehood for Alaska will have an opportunity to do so, is to add a provision for Alaskan statehood as title II to the pending bill, as is proposed by the amendment offered by the Senator from New Mexico. In that way, the Members of the House of Representatives will have an opportunity to vote on it by accepting the Senate amendment on Alaska when the conference report is called up in the House.

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

Mr. JACKSON. I yield.

Mr. ANDERSON. I believe there is also a quicker route to accomplish that

purpose, if the House desired to follow it.

Mr. JACKSON. Of course it could accept the amendment of the Senate.

Mr. ANDERSON. The Senator from Florida [Mr. SMATHERS], the Senator from Kentucky [Mr. CLEMENTS], the Senator from Montana [Mr. MANSFIELD], the Senator from Washington, and I are former Members of the House of Representatives. When the information reaches the House that the Senate has passed a bill granting statehood to Alaska, if the House desires to do so, it can accept the Senate bill, as amended, and dispose of the subject immediately. At least it would have an opportunity to vote on it. That opportunity does not exist now.

Mr. JACKSON. The Senator from New Mexico has stated the parliamentary situation exactly as I understand it to be. Under the House rules the House of Representatives will have two opportunities. It can accept the Senate amendments to the bill, which would include title II, granting statehood to Alaska. If that failed, and the bill went to conference, and if the conferees eliminated Alaska in conference, the parliamentary situation would be such that a preferential motion would lie to recommit the bill to conference with instructions to include statehood for Alaska.

Mr. ANDERSON. Mr. President, will the Senator from Washington yield?

Mr. JACKSON. I shall be very happy to yield.

Mr. ANDERSON. The Senator has mentioned a House bill granting statehood to Alaska. Is it not a fact that that is the bill which Representative SAYLOR, Republican, of Pennsylvania, reported from the committee by a large vote? Those of us who have supported that proposed legislation certainly could not be accused of anything bordering on partisanship.

Mr. JACKSON. I do not see how anyone could accuse the distinguished Senator from New Mexico or myself of being partisan in undertaking to tie the two bills together. I say that because both of us, as well as some of my other colleagues in the House, have fought for statehood for both Alaska and Hawaii. I think we would be unfair to our trust if we were to convey the impression to our people that there would be an opportunity of getting statehood for Alaska through Congress if we separated the Alaskan bill from the Hawaiian bill. Everyone who is familiar with the parliamentary situation, and, shall I say, the political situation, in the House could not help but come to the conclusion that separating the Alaskan bill from the Hawaiian bill would mean the elimination of consideration of statehood for Alaska at this session.

Mr. MANSFIELD. Mr. President, will the Senator from Washington yield?

Mr. JACKSON. I yield.

Mr. MANSFIELD. Then, it is correct to say that if Alaska is to be given any consideration it will have to be coupled with the Hawaiian statehood bill.

Mr. JACKSON. I do not think there is any question that that is the case at this time.

Mr. President, I should like to return to a discussion of the resources of Alaska.

The spruce and hemlock forests which cover all the southeastern coast of Alaska contain enough timber of commercial grade to produce 1 million tons of newsprint annually forever, without diminishing or endangering the basic resource. A yield of that magnitude from the forests of Alaska would be based on a policy of cutting the timber only as fast as it grows, with the logging to proceed from area to area on such a schedule that reforestation—following the logger—would produce a new crop ready for the saw and ax by the time the last of the virgin stand was harvested.

That much newsprint would go a long way toward alleviating any shortage in the future. The important thing to consider is that every year that we do not have a pulp industry in Alaska we are losing forever 1 million tons of badly needed newsprint since the forests there have reached maturity.

Alaska has just about everything in the way of geography and everything in the way of resources. It is a land of great rivers, broad valleys, the tremendous forests I have mentioned, a seacoast which produces a rich fishery harvest, and, under the ground, minerals sufficient to supply and fuel great industries of the future. There is no doubt whatever that Alaska has resources sufficient to justify and support statehood. But something else is needed to bring those resources more fully into use. That is a form of government which makes possible and encourages free enterprise.

Ira Mason, of the Forest Service, Department of Agriculture, testified just about a year ago before the House Interstate and Foreign Commerce Committee on the potential pulp and paper production in Alaska. He described in his testimony the potentials of the Tongass National Forest, the location of Alaska's first pulp mill now under construction. The estimated $46 million plant now being built near Ketchikan is on the site of only one of several large timber units located in southeastern Alaska blocked out by the Forest Service.

Mr. ANDERSON. Mr. President, will the Senator from Washington yield?

Mr. JACKSON. I yield.

Mr. ANDERSON. When the mill is completed it will cost approximately $60 million. We had an opportunity to visit it and we saw as modern a plant as could be asked for, and one which is under very high-grade and top-flight management. While we were there it was pointed out to several of us that there are at least four more sites, so that the expenditure for pulp mills alone within the next few years will contribute not only to the prosperity of Alaska but may go a long way toward solving the newsprint situation within the present limits of the United States.

Mr. JACKSON. I am happy to remind my colleagues that the distinguished Senator from New Mexico was Secretary of Agriculture at the time when the first steps were taken to make possible the development of the Tongass National Forest for pulp and paper purposes. I think it is well to point out, too, that the Ketchikan Pulp Co., which will be the operating company at Ketchikan, represents a rather encouraging movement in the way of new industrial development in Alaska. Half of the company is owned by the Puget Sound Timber Co. of Bellingham, Wash., in my own State, and the other half is owned by the American Viscose Co. of Philadelphia. In other words, there is in that operation the combining of 2 well-known pulp industries, 1 on the west coast and 1 on the east coast, which are interested in the development of the vast timber area in southeastern Alaska.

The Ketchikan plant was made possible through a bill passed some years ago by Congress permitting contracts with the Forest Service in the cutting of timber. In 1948, the Forest Service advertised for sale by bid and subsequently awarded long-term cutting rights on 1½ billion cubic feet of timber for the support of a prospective pulp mill. The award was made to the Ketchikan Pulp Co., a group connected with the Puget Sound Pulp & Timber Co. of my own State. The American Viscose Corp., of Philadelphia became associated with the Ketchikan company, and it is expected that the pulp plant will be completed this year. Mr. Mason described the timber developments in his testimony last year in the following words:

> The portion of southeast Alaska suitable for pulp-timber production is practically all within the Tongass National Forest. This forest contains approximately 78 billion board-feet of timber, roughly an amount slightly less than the combined commercial timber stands on the national forests in Idaho, Montana, and Colorado.
>
> The Tongass timber is the northerly extension of the great Pacific slope rain forests of Oregon, Washington, and British Columbia. Western hemlock is the predominant species comprising about 70 percent of the timber volume. Sitka spruce accounts for 25 percent and Alaska yellow and western red cedar make up the remaining 5 percent. The commercial timber is found in dense heavy stands averaging around 20,000 board-feet per acre, but these stands are interspersed with patches of scrub timber and muskeg swamps.
>
> The commercial timber of the Tongass Forest is generally north of Ketchikan and south of Juneau. These 2 largest towns of the area are respectively 660 and 900 nautical miles north and west of Seattle. The outstanding climatic characteristic of the area is extremely heavy precipitation—

In the Northwest we do not speak of rain; we call it heavy precipitation—

> around 150 inches at Ketchikan and 80 inches at Juneau. Otherwise the climate is cool and mild. A logging season of at least 10 months per year is available—considerably longer than in many logging areas of Washington, Oregon, and California.
>
> Full-scale development of the pulp and paper production potentialities of the Tongass Forest should result in close to doubling the 1950 population.
>
> In respect to transportation facilities, the Tongass Forest is unique. Most of the commercial timber is on islands and the sheltered passages between them form a readymade main line transportation system. Seventy-five percent of the commercial timber stand is within 2½ miles of tidewater. The tremendous savings in transportation investment resulting from these inside passages and fiords can be realized by a comparison with the costs of the mainline transportation

system needed to bring the national forests in the 48 States up to full sustained yield cutting capacity. Approximately 5 billion board-feet of timber are now being cut annually on these national forests. In order to increase the cut of another 1½ billion board-feet annually, a recent study indicates an expenditure of $112 million of publicly constructed and $110 million of purchaser built main access roads will be necessary. It will take a minimum of 5 years to construct these needed roads and attain the increased cutting rate. In contrast, timber production on the Tongass Forest can be expanded by approximately 1 billion board-feet annually with the incidental expenditure of around $10 million for main access roads. No delays for advance construction of access roads will be encountered in development of the Tongass timber resources.

Adequate hydroelectric power can be developed close to the various potential plant sites at reasonable cost. There is an abundance of pure fresh water for processing purposes. Plant sites adjacent to the developed towns of Juneau, Sitka, and Ketchikan are available. These and other locations have harbor and port facilities for coastal, intercoastal, or transocean shipping.

The Ketchikan Pulp Co. has a 50-year supply of pulp timber under contract on the Tongass National Forest. The estimated volume under contract is 1½ billion cubic feet, or, roughly, 8 billion board feet. This is an ample supply so that the plant may be expanded up to 525 tons daily capacity, if that should prove desirable. The timber in this contract is approximately 10 percent of the national forest timber in Alaska. Additional timber, around 5 percent more of the Tongass inventory, must be held in reserve to provide for permanent operation of this plant.

It is to be noted that Mr. Mason referred to the importance of hydroelectric power to the timber development of Alaska. The Bureau of Reclamation estimates that Alaska river systems could produce more than 50 billion kilowatt-hours of energy a year. As a recent report points out:

Nature has provided these power sites so lavishly that even the most remote corner of the country is easily within modern power transmission distances.

Relating to the Tongass National Forest, mentioned previously, the Bureau of Reclamation states:

The Tongass Forest possesses an abundance of waterpower in units of suitable size for individual plants. The best sites range from 5,000 to 30,000 horsepower in capacity and can be very economically developed for a year-round supply. A typical power site has a high hanging lake a short distance inland that provides excellent water-storage facilities, requires short conduits to connect the lakes with powerhouses located at tidewater, and the power can be used for paper manufacture where developed, so that transmission lines are unnecessary. In many cases power from a number of sites can be concentrated readily at one industrial plant by the use of short transmission lines.

A survey has been made by the Forest Service, Geological Survey, and the Federal Power Commission of the principal known power sites of this region. The sites covered have a total year-round capacity of about 800,000 horsepower. Fifty power sites, with an aggregate capacity of 22,000 horsepower, have been developed and are now in use. All waterpower sites are publicly owned and can be leased under the Federal Waterpower Act for periods up to 50 years.

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

Mr. JACKSON. I am glad to yield.

Mr. ANDERSON. In many areas of the United States, when timbering was started, a large amount of forest was destroyed by logging off all the timber. For example, I recall that many long years ago Sioux City was a great woodworking center, because timber was being taken off the southern part of Minnesota, the northwestern part of Iowa, the eastern part of the Dakotas, and a corner of Nebraska. Sioux City was the location of the largest timber mill in the world at that time. Of course, all that timber has now gone.

Does not the Senator from Washington feel it important to point out that any timbering which will take place in Alaska will be on a sustained-yield basis, so that the wonderful Tongass Forest will be able to produce timber not for 1 year but for a thousand years and as much longer as anyone may care to imagine?

Mr. JACKSON. I am very much pleased that the Senator from New Mexico has made that observation. It is my understanding that in the management of the Tongass National Forest it has been and is the plan of the Forest Service to treat the yield as a perpetual crop. In other words, the people of that area can be assured that the mistakes of the past, which produced ghost towns and declining economies, will not be repeated in the new State.

I certainly feel that the Forest Service is to be commended for the intelligent approach which has been made in the management of this great timber resource.

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

Mr. JACKSON. I yield to the Senator from Montana.

Mr. MANSFIELD. I wish to concur in what has been said by my colleague, the distinguished Senator from Washington, because the Forest Service, in both his State and mine, has undertaken what is known as a sustained-yield program, about which the distinguished Senator from New Mexico, a former Secretary of Agriculture, knows a great deal.

On that basis, ghost towns no longer exist; instead, perpetual industries are developed, because good conservation practices are put into operation, and employment security is afforded areas where the sustained-yield program is underway.

I understand, from what the Senator from Washington has said, that the type of forest economy undertaken in the Tongass National Forest is the same as that which is at present in effect in the Senator's State and my State.

Mr. JACKSON. The Senator from Montana is correct. I desire the RECORD to show, however, that we in the State of Washington do not have quite so much precipitation as the people in Juneau and Ketchikan are faced with each year. In the State of Washington we have a little rain, but it is somewhat less than the amount which falls in Washington, D. C.

A summary of the potential hydroelectric power developments by regions and areas is taken from House Document 197 of the 82d Congress, which I believe should be brought to the attention of the Senate. The summary shows that in all of Alaska there is a potential installed capacity of 8,294,000 kilowatts, or an annual firm production of 46,930,000,000 kilowatt-hours. There are 11 major areas with the potential power to produce this energy; the Ketchikan area, the Wrangell area, the Sitka area, the Angoon area, and the Juneau area, all in the southeastern part of Alaska; the Gulf of Alaska area and the Cook Inlet area, both in south central Alaska; and the Kuskokwim River Basin, the upper Yukon River area, the Yukon Flats area, and the Tanana River Basin.

It is estimated that the generation of 50 billion kilowatt-hours annually and the development of 2 million acres of agricultural land would bring annual gross returns of $200 million in power sales and $150 million in agricultural income.

In connection with the agricultural potential of Alaska, the director of the Alaska Experiment Station, Don L. Irwin, believes that agriculture is "Alaska's most rapidly expanding industry." Alaska's farm products increased in value from $460,000 in 1939 to an estimated $3 million in 1948, with additional increases occurring since that time. According to Mr. Irwin:

Alaska's agricultural economy has increased in stature in the last decade. This increase has been accomplished by individuals and families who have strenuously hewed their existence from virgin forests at a tremendous sacrifice of living standards and other cultural refinements. They have been compensated in part by a greater freedom. Their efforts have been rewarded by high prices.

Agronomists who have surveyed the agricultural potentials of Alaska have estimated that there are approximately 65,000 square miles in Alaska which are suitable for crop production, for cultivation, and, in addition, 35,000 square miles suitable for grazing.

According to the Division of Land Planning, Department of the Interior, there are a number of areas which are physically suited for stock raising in Alaska. Dairying is a major enterprise in the Matanuska Valley, and dairy farms are found in other locations; at Fairbanks, at Kodiak, and in southeastern Alaska. Beef cattle and sheep are produced under ranch conditions on Kodiak and on other islands; sheep are raised on the Alaska Peninsula and some islands of the Aleutian chain. There are approximately 4 million acres of range land suitable for grazing domestic livestock.

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

Mr. JACKSON. I am happy to yield to the Senator from New Mexico.

Mr. ANDERSON. I may say to the distinguished Senator from Washington that I had the pleasure of flying over the Matanuska Valley in a very small plane, and although we flew uncomfortably close to the tops of trees, we were enabled to get very close to the land.

I had known a good deal about the early plans to settle the Matanuska Valley, and was pleased to learn that what the Senator from Washington has just said is, I believe, true. It will take some time to develop the Matanuska Valley

into a prosperous dairying community, but the settlement which is now being made there is far more stable, far more intelligently planned, and, I believe, more certain of success than were the earlier ventures which took place in 1935 or 1936.

The valley is a very excellent one, and requires a great deal of timbering; but once that job is done, and the farms are laid out and become successful and prosperous, I believe they will offer a great opportunity for the future. I am glad the Senator from Washington has mentioned the possibility of dairying, because the people who now live in the Territory of Alaska sometimes pay as much as 60 cents for a quart of milk. With the development of a dairy industry, there will be an opportunity to reduce that figure to more reasonable proportions.

Mr. JACKSON. I thank the distinguished Senator from New Mexico, who has taken such a sincere interest in Alaska, particularly in its agricultural potentialities.

I quote now from the report of the Department of the Interior:

> The present and potential market for beef and veal, pork, hams and bacon and milk is sufficient to allow greatly increased production and to provide a promising outlook for the livestock industry in Alaska.
>
> The demand for farm products in Alaska, the report continues, greatly exceeds agricultural production in the Territory. Alaska farms now produce only an estimated 15 percent of the food requirements of the people. It is believed, however, that Alaska is capable of producing at least 80 percent of its own requirements for agricultural products.

The principal agricultural areas of Alaska are located in the central valleys and lowlands in the vicinity of Palmer in the Matanuska Valley, Fairbanks, and Anchorage, and on the Kenai Peninsula. The better grazing lands are on the Kenai Peninsula and on Kodiak and adjacent islands.

There are all kinds of small allied industries to agriculture which are now getting underway and all of which should come within the foreseeable future. These industries include potato-chip factories, quick-freeze plants for vegetables, and cold-storage plants for farm products. Thought is being given, too, to canneries, slaughterhouses, and flour mills.

Only yesterday news came from Alaska that uranium deposits have been found, which if substantial will add to a long list the wealth of Alaska's ground resources. This year might well be termed the "Oil Year for Alaska." Considerable sums of money are being spent on oil exploration and development, best described in the January–February 1954 newsletter of the Anchorage, Alaska, Chamber of Commerce:

> Significant steps toward determining western Alaska's petroleum possibilities will be taken during the forthcoming field season, it is indicated by a roundup of scheduled oil exploration activities. According to present reports, the program should be in high gear within the next 90 days. Major United States producers, as well as Alaska-financed firms, will be scouting areas of the Territory ranging from Icy Bay to Matanuska Valley to the Alaska Peninsula. Crews also will be looking over interior and northwestern Alaska possibilities.
>
> Although delays have been encountered, owing to adverse terrain and other conditions, the Kerr-McGee (Phillips) operation in the Icy Bay district is expected to get underway within the next few weeks. Crews have been in the area throughout the winter. Terms of a Department of Interior lease-agreement call for the drilling of 12 wells in the region during the next 10 years. Six of the wells are to be drilled in the Yakataga district, and six in the Katalla area, where drilling is supposed to begin by July 1. The latter region yielded 154,000 barrels of high-gravity, paraffin-based oil prior to the burning of the small Chilkat Oil Co. refinery in 1933.
>
> The Havenstrite interests of Los Angeles plan to resume drilling operations in the lower Cook Inlet area early in May. Owing to numerous Federal Government restrictions, the Havenstrite group was forced to cease exploration activities in the area during the late 1930's. New, modern drilling equipment soon will be en route to the drilling site.
>
> Shell Oil Co., which began its Alaska exploration in 1952, will have crews in the Territory again this summer. It also is reported that Standard and Union will return to Alaska to resume their investigations. As far as it can be learned, drilling is not contemplated this year by the latter firms.
>
> The Alaska Oil & Gas Development Co., which ceased its drilling operation in the Eureka area last fall after a depth of 717 feet was reached, hopes to continue probing the earth about May 1.
>
> The Alaska Gulf Oil & Gas Development, Inc., has advised the chamber that it plans to have a drilling rig on its Knik Arm holdings, embracing about 50,000 acres, by April 1, or shortly thereafter.
>
> Other Alaska firms, for which exploration plans are not now available, include the Chickaloon Oil Co., Tucker & Peterson, Fairbanks Gas & Oil Co., and the Kivalina Oil Co. The first two hold leases in the Matanuska-Nelchina Province. The Fairbanks group is investigating possibilities in interior Alaska, while the Kivalina Oil Co. is directing its attention to the area northwest of Kotzebue.
>
> Another indication of interest being expressed in the Territory's petroleum and natural gas potential is evidenced by the fact that almost 3 million acres now are under lease or application for lease. The bulk of the acreage is found in western Alaska: in the Katalla-Yakataga, Alaska Peninsula, Cook Inlet, Kenai Peninsula, Matanuska-Neichina, Knik Arm, and Bristol Bay areas. One oil lease is in effect in southeast Alaska. Acreage also has been taken up in the Fairbanks district.
>
> On the legislative side, efforts are being made to increase the maximum acreage, now limited to 15,360, that any one firm can hold. Moves also are being made to permit exploration in withdrawn areas where geological conditions are considered favorable for the occurrence of petroleum.
>
> The chamber has begun preliminary research on natural gas utilization economics. The discovery of natural gas within economical transmission distance of the Anchorage area is certain to have a tremendous impact upon the economy of the region, petroleum experts asert. The United States Bureau of Mines is cooperating with the chamber in providing information.
>
> While the varied petroleum exploration activities are encouraging, it also must be realized that the drillers are fighting long odds. The American Petroleum Institute has estimated that the odds are 8 to 1 against bringing in a producing well in an area where oil has never been found before. Of the 6,189 new field exploratory wells drilled in 1951, for example, a total of 5,505 were dry holes. The chances are 43 to 1 against bringing in an oil field yielding over 1 million barrels, and 966 to 1 against finding a field that will yield over 50 million barrels.
>
> The seemingly tremendous odds cited above should not be considered as a discouragement to the oil search in the Territory. Despite those odds, United States oil men now are spending more than $2 million per year drilling for new oil supplies. Success in western Alaska would change the entire economic picture of the region, similar to that experienced in Alberta's Edmonton area. "Probably no one thing would do more to solve the economic problems of Alaska than would the discovery and exploitation of oil fields, especially along the southern coast not far farm steamer lanes in regions where year-around operations are feasible," it has been asserted by the United States Bureau of Mines.

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

Mr. JACKSON. I yield to the Senator from New Mexico.

Mr. ANDERSON. I was very happy to hear the reference which the Senator made to the recent uranium strike in Alaska. The Senator from Washington, when he was a Member of the House, was a Member of the Joint Committee on Atomic Energy, on which I now have the privilege of serving as a Member of the Senate. I am sure news that uranium has bene found in Alaska is not only of importance to the people of Alaska, as showing that the mineral resources of that Territory are still to be developed, but it also is of great importance to the entire United States, which is greatly interested in the atomic-energy program. I am very happy that uranium has been found in Alaska. I think it justifies the rather liberal treatment which has been given to Alaska in the statehood bill, because at the time it was drafted the committee members did not know what might lie underneath the surface of some of the areas of Alaska, but we were aware that new minerals might be found which would be available to assist the new State.

Mr. JACKSON. I am sure the distinguished Senator will agree with me that, in view of what has happened in the past regarding uranium strikes in this country, the strike in Alaska is only the beginning. I am hopeful that some substantial deposits of uranium in Alaska will be found in a very short period of time.

I believe the following list of Alaska's mineral production and resources will be of interest to everyone when it is borne in mind that when the United States paid $7,200,000 for Alaska in 1867, the purchase was termed "Seward's Folly":

Past production (1880–1951):

Gold	$664, 000, 000
Copper	226, 580, 000
Coal	33, 437, 000
Silver	14, 200, 000
Others	48, 326, 000
Total	986, 543, 000

Almost $1 billion.

RESOURCES

Gold: The late Dr. Philip Smith, Chief of the Alaska Section of the United States Geological Survey, estimated that reserves of gold in Alaska amount to twice as much as the amount so far recovered.

Copper: Numerous deposits are known to exist. One of these, now in the development stage, is said by its owners to hold the promise of being as big as the Kennecott mine, which, in an earlier era in Alaska, produced more than $200 million worth of copper.

Silver: Recovered chiefly as a by-product of other minerals. Large silver-lead deposits are thought to exist in the Hyder district.

Lead: Numerous deposits throughout the Territory.

Platinum: Now produced in good quantity annually from the Goodnews Bay district. Substantial reserves remain.

Chrome: High-grade chromite ore has been produced from Red Mountain near Seldovia and development work is being resumed in that district. Reserves of 265,000 tons of ore are estimated in the one area.

Antimony: Now mined in the Kantishna district and known to exist in many other areas. Good reserves.

Scheelite: Found in Hyder district and near Fairbanks.

Mercury: Found in the Sleetmute area of the Kuskokwim district. Considerable quantities were produced during World War II.

Tungsten: Wide occurrences, some of which are now being developed.

Nickel: Now being mined on Chichagof Island. Other deposits are known to exist.

Iron: Large deposits of magnetite near Klukwan and Snettisham. Other deposits on Kasaan Peninsula and near Nome.

Tin: Only tin-producing area under the United States flag. Placer tin is produced in small quantities from the Cape Prince of Wales and Hot Springs districts. Lode tin property now being developed at Lost River expected to produce 200 tons per day within a year. Some mining men have said northwestern Alaska could prove to be "another Bolivia" for tin production.

Zinc: Widely scattered occurrences.

Manganese: Deposit discovered in 1951 in Alaska Railbelt.

Asbestos: Many deposits. Those in Shungnak district are described as of good commercial grade.

Strategic and critical minerals: Among others not already listed and which are known to exist in Alaska are: Beryl, bismuth, cadmium, celestite, cobalt, columbite, corundum, graphite, kyanite, mica, monazite, quartz crystals, rutile, sapphire and ruby, talc, tantalite, vanadium, and zirconium.

Coal: The principal developed mines are in the Matanuska and Healy River fields. Other mines are at Homer and Barrow. Resources of the Alaska Railbelt are estimated at 24.4 billion tons of lignite, 2.3 billion tons of bituminous, and 1 billion tons of coking coal. Resources of northern Alaska, along the Arctic Ocean, are estimated at 60 billion tons of subbituminous and 22 billion tons of bituminous coal. A large coal field of high quality, including anthracite, exists in the Bering River District.

Limestone: Good reserves at Iyoukeen Bay, Edna Bay, Windy, and Haines.

Marble: A developed quarry at Tokeen produced marble for the Federal buildings in Juneau and for export to the Pacific Northwest. Good reserves of quality marble.

Gypsum: Considerable reserves at Sheep Mountain.

Clay: Deposits are known of good quality for building brick, firebrick, and ceramics.

Pumice: Deposits on Augustine Island and near Katmai are used for building material manufacturing at Anchorage.

Mr. President, at this time I wish to make a statement which will best summarize the importance of Alaska from the standpoint of minerals.

Of the 33 metals and minerals now classified in the United States as strategic and critical materials, for which stockpiling is deemed the only satisfactory means of insuring an adequate supply for future emergency, 31 are known to occur in Alaska. I ask unanimous consent to have printed in the RECORD a list of these 31 minerals which are available in Alaska.

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

Antimony, asbestos, bauxite, beryl, bismuth, cadmium, celestite, chromite, cobalt, columbite, copper, corundum, diamonds (industrial), graphite, kyanite, lead, manganese, mercury, mica, monazite, nickel, platinum, quartz crystals, rutile, sapphire, ruby, talc, tantalite, tin, tungsten vanadium, zinc, and zirconium.

Mr. ANDERSON. Mr. President, will the Senator yield at that point?

Mr. JACKSON. I am happy to yield to the Senator from New Mexico.

Mr. ANDERSON. Does the Senator recall, at the hearing in Juneau, Alaska, the testimony by a representative of the Alaska Development Board, who carefully surveyed the possibility of industrial and power development in Alaska, and, I would say, almost surprised the committee by the way he went over the whole Territory on a map, and listed the possibilities for mineral development in the next generation or so?

Does the Senator think it might be well to call to the attention of the Senate that part of the testimony which appears on page 212, and following pages, of the printed hearings on Alaska, which covered that survey by the assistant general manager of the Alaska Development Board, Mr. Ralph Brown?

Mr. JACKSON. I thank the Senator for making what I agree is a good point. Would the Senator like to have the testimony printed in the RECORD?

Mr. ANDERSON. No; I merely wished the reference to be noted in the RECORD. Mr. Brown went all over the map of Alaska and pointed out the tremendous possibilities for ultimate development there.

Mr. JACKSON. I think the Senator has made an excellent suggestion. It would be helpful for the Members of the Senate to have that reference in connection with this phase of the discussion.

Mr. President, more than 200 published papers and 100 manuscript reports have resulted from extensive studies of the Arctic by the Arctic Institute of North America in a field which is being increasingly explored not only by this organization but many scientific associations and agencies of the Federal Government, especially by the Armed Forces. The Arctic Institute's studies have been undertaken in the fields of geology, glaciology, geophysics, meteorology, oceanography, zoology, botany, physiology, genetics, anthropology, ethnology, archeology, linguistics, and economic geography, as well as in problems relating to engineering and conservation.

The latest report of the Arctic Institute states:

Commercially and strategically, the North American Arctic and subarctic has thus bebecome an internationally significant region. In addition, this area covering all of Alaska and Greenland and 80 percent of Canada holds promise of economic benefits for the entire continent of North America. Its resources of oil, coal, radium, uranium, and other minerals are largely unknown, and little developed. It is an important source of fish and fur. The Arctic offers, moreover, many answers to fundamental questions in the realm of science, of ultimate value to all mankind. Yet this area, so essential to our defenses, so promising economically, so challenging scientifically, remains one of the least known parts of the world.

But a few years ago, in recognition of the importance of this part of Alaska to the Nation, the Congress authorized the establishment of the only geophysical institute in North America. It is located at the University of Alaska, and is operated for the benefit of all scientific research in that area.

The greatest resource of a land, of course, is to be found in the people, and it is my belief that no finer people live on this earth than those residing in Alaska. It is time we granted them full recognition through statehood.

Alaska has belonged to the United States since 1867. For 87 years this rich and promising area has been hanging in a state of suspended animation. A Territory is neither fish nor fowl. It occupies a position which in our American system of government is a complete anomaly.

It is not necessary for us to ask ourselves whether the founders of this Nation contemplated a situation in which the Stars and Stripes would fly for 87 years over American citizens deprived of the rights of self-government and participation in national affairs. We know that such a condition would have been repugnant to them. It is repugnant to most Americans today.

Territorialism was never contemplated as a form of government which would go on and on indefinitely. It was conceived of as a temporary expediency to bridge the brief gap between utter wilderness conditions and those under which there were sufficient people in an area to run matters for themselves. Territorialism was historically a brief period of tutelage during which areas prepared themselves for full participation in government.

In Alaska we have had physical possession of the land for 87 years. I recall that when a motion to recommit the Alaska statehood bill was being debated 2 years ago one Senator said, "Let us

remember that New Mexico waited some 62 years before becoming a State; Utah waited 46 years; Arizona waited 49 years."

Well, Mr. President, Alaska has already waited longer than any of them. It has waited entirely too long. The cure for that situation is not further delay, but the granting of statehood now.

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

Mr. JACKSON. I yield to the Senator from New Mexico.

Mr. ANDERSON. In trying to check what had happened in previous years, I happened to go back to the year 1888, which I discussed to some extent yesterday. I began checking on political platforms. I was pleased to find that as early as 1888 both political parties had a progressive attitude toward the handling of Territories.

The Republican platform of 1888, on the question of the admission of new States, commented on the actions of the Democratic House of Representatives, which it was criticizing, and said:

> The refusal of the Democratic House of Representatives, for partisan purposes, favorably to consider these bills is a willful violation of the sacred American principle of local self-government, and merits the condemnation of all just men. The pending bills in the Senate for acts to enable the people of Washington, North Dakota, and Montana Territories to form constitutions and establish State governments should be passed without unnecessary delay.

The Democratic Party, not to be outdone, had in 1888 a plank reading as follows:

> *Resolved*, That a just and liberal policy should be pursued in reference to the Territories; that the right of self-government is inherent in the people, and guaranteed under the Constitution—

And so forth.

Mr. JACKSON. Mr. President, let me commend the distinguished Senator from New Mexico for the very fine contribution he has made in connection with the historic record of the admission of other Territories as States. It has been most helpful to have not only the information he has presented today, but also the very helpful information he submitted to the Senate yesterday, in his very excellent presentation.

Mr. ANDERSON. I was only trying to point out that for almost—although not quite—as long as Alaska has been a Territory, the United States has had this policy toward the admission of Territories, and both political parties have urged that the Territories be pushed forward as rapidly as possible to the status of States.

I am not trying to say that the statements contained in the platforms of 1888 apply to Alaska and Hawaii, because they do not. However, the principles which then were applicable to North Dakota, South Dakota, Montana, Washington, and New Mexico, apply today, I believe, in the case of both Hawaii and Alaska. Both of them have remained Territories long enough, and ought now to achieve statehood.

Mr. JACKSON. Mr. President, Alaska was organized as a Territory in 1884, although it is true that the full benefits of even the territorial form of government were not granted the people there until by piecemeal congressional action thereafter. It was not until 1906 that Alaska was authorized to send a voteless Delegate to Congress. It was not until 1912 that Alaska was permitted to elect a territorial legislature and exercise even limited powers of self-government.

The record Alaska has made since that time has earned statehood for the citizens there, on merit. There is no conceivable qualification that Alaska does not possess.

If we consider the Act of 1884 as the beginning of territorial government in Alaska, that area has been a Territory longer than any other in all our history. Alaska has served a territorial apprenticeship for 70 years. For 70 years the people of that territory, freeborn Americans, have been consigned to the status of second-class citizenship. I submit that this cannot be tolerated longer under the American flag.

Mr. JOHNSON of Texas. Mr. President, will the Senator from Washington yield to me?

Mr. JACKSON. I am happy to yield.

Mr. JOHNSON of Texas. Mr. President, I ask unanimous consent that the Senator from Washington may yield to me, to permit me to suggest the absence of a quorum, without causing him to lose his right to the floor.

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

Mr. JOHNSON of Texas. Mr. President, I now suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. JOHNSON of Texas. Mr. President, I ask unanimous consent that the order for the call of the roll be rescinded.

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

Mr. JACKSON. Alaska's 70 years as a Territory compares with an average of about 20 years of territorialism for each of what are now our States, aside from the original 13. In all our history as a nation there have been only two other areas which have served longer than half a century before achieving statehood. One of these was New Mexico, which was a Territory for 62 years. Alaska has her beat already by 8 years. The other is Hawaii, Alaska's sister Territory. Hawaii and Alaska are the two remaining incorporated Territories under the American flag. Hawaii has been a Territory since 1900, or for 54 years.

It is an amazing and probably overlooked fact that Alaska's era of territorialism was coexistent with that of 10 of our present States. Those 10 States were Territories along with Alaska and all have been admitted to statehood since Alaska became a Territory. These States are Montana, North Dakota, South Dakota, and Washington, all admitted in 1889; Idaho and Wyoming, admitted in 1890; Utah, admitted in 1896; Oklahoma, admitted in 1907; and Arizona and New Mexico, admitted in 1912.

It is time to wind the clock of history again.

Alaska occupies the land bridge between Asia and North America. Along this natural route in ages past moved the primitive people who became the aboriginal inhabitants of our continent. Significantly, the first white men to see and occupy Alaska also came from the west. They were Russians. The Russian power thus pushed through the Siberian wastes and to our continent and down along its shores as far as California before Americans could match this energy by themselves entering the northern latitudes along the Pacific.

Expansion from our eastern seaboard met expansion from Moscow in the vicinity of Alaska. Only historic happenstance and the vision of a farsighted Secretary of State placed this strategic area under our jurisdiction 87 years ago when the United States, taking advantage of a rare opportunity, purchased Alaska from Russia for what amounted to but 2 cents an acre.

What if Secretary Seward had not acted decisively in that day? What if the band of oppositionists in our Senate had succeeded, as they very nearly did, in defeating ratification of the treaty by which the purchase was accomplished? What if Russia held today the land bridge between Asia and America?

History would be very different—tragically different—if the Hammer and Sickle, instead of the Stars and Stripes, flew over the area concerning which the late Brig. Gen. Billy Mitchell, the apostle of air power, said: "Who holds Alaska holds the world."

Our forefathers did not fail us then. There faces us now in Alaska a challenge, and a promise for the future, no less important and no less urgent than that which confronted the Secretary of State and the Congress in the 1860's.

The United States and Russia are met again in the North on a ground other than the geopolitical one which is symbolized by the fact that Bering Strait is some 50 miles across and that naked military power, ruthless and swift, threatens from the farther shore.

The Iron Curtain which cleaves the world cleaves two ways of life as well. We are contending with the Russians not only on the basis of physical strength, but on the basis of an idea. We contend that our way is the better. It is the way of freedom, human dignity, and the sanctity of the individual. All Americans know that their form of government is superior to any other on earth. Yet, in these northern latitudes, where the free West meets a despotic East in the struggle for men's minds, Alaska now enjoys something less than that government of, by, and for the people in which we profess belief.

Despite the fact that the overwhelming majority of Alaskas were born in the 48 States, they have little control over their own government. They must look to Washington for decisions in even the most trivial matters of local administration. Their Governor is a Presidential appointee. The enactments of their Territorial legislature are subject to rejection by the distant Federal Congress. They are deprived entirely of jurisdiction over basic disposal of their soil and over regulation of their fisheries. They have

no vote in Congress, no voice in the selection of their President, no recourse from bureaucracy. Theirs is that same taxation without representation which goaded our forebears—and theirs—into the revolution which created this Nation.

How much better it would be for them, how much more worthy it would be of us, if the citizens on the last frontier, where East meets West and contend in global struggle, were admitted to the same benefits and responsibilities as our citizens generally.

Now we have heard the opponents of Alaska statehood argue from this floor on numerous past occasions that no further demonstration if its idealism is necessary on the part of the United States to win the minds and hearts of men all around the world. We have heard the value of the example of granting self-government to Alaska belitted. We have heard it stated that if the people of Asia and the people of Europe do not now see things our way and join us in the world struggle, we should give up and withdraw within our own borders and fortify ourselves for Armageddon, because it would be hopeless to win them over to our way by further demonstration of our faith in democracy.

It was mentioned here that we fought in World War I and suffered hundreds of thousands of casualties; that we fought again in World War II and suffered more hundreds of thousands of casualties; that we fought in Korea, all to preserve the right of people to enjoy self-government.

It was mentioned, too, that we had spent hundreds of billions of dollars in wars abroad and in seeking to rebuild the ravaged areas. Why, it was asked, should any further demonstration of our good will be required?

The answer is simple. There are things which can be accomplished in this world, positions of respect for our way of life which can be gained, which we cannot force with the sword and which we cannot buy with dollars. There are goals we can achieve simply by carrying into effect, when it is entirely within our power to do so, those ideals which we espouse. We can win by peace some things we cannot force by war. We can earn by deeds some things we cannot buy with money.

We should grant statehood to Alaska anyway even if it had no relationship whatsoever to our international position. We should do it as a simple act of justice to the American citizens in Alaska and because we believe in the fullest possible measure of self-government. But our international position is involved.

On the Russian side of Bering Strait, and stretching across the hills and plains of Siberia, the Arctic and sub-Arctic are being developed economically by the forced-draft methods of compulsion and slave labor. Cities, factories, mines, and collective farms there are the embodiment of the Soviet way. In the Territory of Alaska the full flower of progress in the American tradition awaits the freeing of our citizens to develop their country by the methods, and under the conditions, which have proved their worth over and over again in the West. These are the methods of local self-government under statehood. No better system has ever been devised.

In the years since Russia fell under the Soviet tyranny we have heard over and over again from Moscow the imputation that Alaska still rightfully belongs to Russia. The story which the Communists have been spreading is that the sale of the former Russian American Territory to the United States was illegal because it was negotiated by the old imperial government, which had no right to trade away land belonging to the Russian people. In Pravda and in broadcasts from Russian radio stations, this point of view is expressed repeatedly. We have the chance now to show the new Soviet imperialists we mean business by making a State of Alaska and admitting into indissoluble union with the rest of the Nation this area which they still covet.

Mr. ANDERSON. Mr. President, will the Senator from Washington yield?

Mr. JACKSON. I am glad to yield to my distinguished colleague from New Mexico.

Mr. ANDERSON. Mr. President, while the distinguished majority leader is on the floor—and we all know that business does take him off the floor once in awhile, and I congratulate him on his being here at the moment—I wish to say, if the Senator from Washington does not mind my saying it, that the reason we have a chance to vote on the question of Alaskan statehood today is because of a very beautiful girl in the State of California.

One of the loveliest stories of California is the story of Rezánov, the Russian leader who, in behalf of his queen, established colonies in Alaska and along the coast, in the State of the Senator from Washington, in Oregon, and California. Finally Rezánov took up his residence in one of the loveliest cities of the world, San Francisco.

There in the bay area, from which our distinguished majority leader comes, he met and fell in love with a young girl. Because of his desire to marry the girl he rushed home to get the permission of his queen and the permission of his church. In doing so he sacrificed his life.

I have been greatly interested in that story for a long time. I wish to say that if it had not been for that episode we might not now be discussing the subject of bringing Alaska into the Union, because Russia in that early day not only had the desire but it had the facilities to make the entire west coast of the United States a part of the Russian empire. It had established its churches all the way from Sitka to San Francisco.

It has been a hard struggle. I am glad that we have this chance, even though many of us may differ as to how we should go about it. We have the chance now to bring this last toehold of Russia into the Union, with the other States and on an equal basis with them.

Only an evening or two ago I was reading in a book just published a discussion of food possibilities. It relates to the whole problem of food throughout the world. The author of the book points out that the Bering Strait is shallow for many miles out to sea, and that in that water there are wonderful food possibilities for the future.

I merely wished to mention those two things because I believe we will look more and more to Alaska as a very valuable part of the United States as the years go by. That is why some of us hope that both Hawaii and Alaska will soon be States of the Union.

Mr. KNOWLAND. Mr. President, will the Senator from Washington yield?

Mr. JACKSON. I am happy to yield to the distinguished majority leader.

Mr. KNOWLAND. Mr. President, I am glad to have the additional statement of the Senator from New Mexico added to the discussion. Of course, it is historically accurate. The Russians had established their settlements all the way down to within a short distance of the San Francisco area.

Mr. JACKSON. I believe the Russian River was the southernmost boundary of their holdings in that part of the continent.

Mr. KNOWLAND. The Senator from Washington is making a very interesting argument with respect to the importance of statehood for Alaska, particularly with reference to serving notice on the whole world and the Soviet Union, and the men in the Kremlin in particular, that Alaska is part and parcel of our Union, and will remain a part of the American Union.

However, I believe that the message would carry even more weight if Congress were to consider Alaskan statehood on its own merits and pass a separate bill for its admission as a State, instead of having it said that it could not come into the Union except tied as a tail to the kite of Hawaiian statehood.

As the Senator from New Mexico and the Senator from Washington know, the Senator from California will support, and actively support, statehood for both Hawaii and Alaska.

I believe that either in the immediate future or within a very short period of time, when one of these Territories comes into the Union that fact will accelerate the coming into the Union of the other Territory.

There are those, of course, who feel that neither Territory should be admitted and will fight to combine the two bills, because they believe in that way the chance of either coming in will be lessened.

That does not affect the very fine argument which the Senator from Washington is making, to the effect that when Alaska comes into the Union it will be a great State. It will, indeed, be a great State. There is no question that the population will grow in time to very large proportions, and that when Alaska does come into the Union it will serve notice on the world that it is a part of the American union and no one will be allowed to dispute that fact.

Mr. JACKSON. I greatly respect the very fine and sincere statement made by the distinguished majority leader with respect to his views as to how Alaskan statehood should be brought about.

I believe all of us can have honest differences of opinion as to whether Alaska should be included as title II of

the Hawaiian bill, or whether it should be treated in a separate bill. I respect his views. It is unfortunate that we have that difference of opinion as to procedure. I should like to say, however, that it is certainly not my intention, and I am sure it is not the intention of the author of the amendment, the distinguished Senator from New Mexico to bring Alaska in as a tail to a kite. I believe it is the intention of the distinguished Senator from New Mexico to bring Alaska into the Union on a coequal basis.

In other words, Alaska would be brought in as title II of the bill. We are not attempting to place Alaska in a lesser position. It would be added as title II, and in this effort we are trying to think of the two Territories as being coequal.

It is important that the Senate realize that the Soviet Union still is laying claim to Alaska. I believe that when we give a little thought to propaganda statement along that line we certainly should be proud of the decision made in the Johnson administration a long time ago to buy Alaska and make it a possession of the United States. Otherwise today we would be facing the Soviet Union 600 miles from my home State of Washington.

I hope we can reaffirm our determination to keep Alaska not simply as a piece of land or a piece of property, but as a part of our democracy, with all the rights of a sovereign State of the Union. I do not know of any one thing we could do which would so forcefully serve notice on the Soviet Union that that which they covet—Alaska—is not merely the property of the United States, but is part and parcel of our democracy.

I now yield to the Senator from Florida.

Mr. SMATHERS. Mr. President, first, I desire to congratulate the Senator from Washington for his admirable speech on this subject. I am privileged to serve with him as a member of the Committee on Interior and Insular Affairs, and I know of his sincere desire to bring into the Union not only Alaska, but Hawaii. I am one of those to whom reference has been made who oppose the admission into the Union of both Alaska and Hawaii. My belief is that there are other persons who share that feeling, and who entertain the view that if, for the first time in our history, we are going to reach out over a large body of water, or a large body of land, as the case may be, and take into the Union one noncontiguous Territory, obviously, if we take in one, there is no reason why we should not take in two.

I have heard it rumored on several occasions that one of the reasons why we are considering the admission of Hawaii first—I do not say it is true, but it has been rumored—is to assure the presence in the Senate of two additional Republican Members.

Mr. KNOWLAND. Mr. President, will the Senator from Washington yield?

Mr. JACKSON. I yield.

Mr. KNOWLAND. Mr. President, I have already announced that I am going to support actively both bills. I hope each Territory will be admitted on its own merits. I would vote for the Hawaiian bill alone; I would vote for the Alaskan bill alone. The general report is that perhaps Alaska would elect two Democratic Senators. Though I am the majority leader of the Senate of the United States at the present time, I would vote for the admission of Alaska under those conditions as well. My own judgment is that neither of these Territories should be considered in either column. I think they might be considered as doubtful States. I think there could be a complete reversal, and that there might be 2 Democratic Senators elected from Hawaii and 2 Republican Senators elected from Alaska.

Entirely regardless of that, perhaps they are both unfortunate in that the question of statehood comes up when the Senate is so closely divided as it is. In the history of our country there have been very rare instances when the Senate has been so evenly divided as it is at this time. If the situation had arisen after the elections of 1936 I would have voted for Hawaii and for Alaska to become States of the Union. I want to make as clear as I can that the question of possible partisan advantage is of no interest to me whatsoever, because I think both Territories have good claim for statehood.

Mr. SMATHERS. I thank the Senator from California, and I know he is sincere in his remarks. Being sincere, and being in favor of the admission of both Alaska and Hawaii, I cannot understand why he is not willing to vote for both on the same day and at the same time.

The desire to keep the bills separated would lead someone to believe there is a group who would vote for one and not for the other, but as for those who are genuinely opposed, I cannot understand why the two cannot be included in the same bill.

The Senator from New Mexico [Mr. ANDERSON] yesterday pointed out that a number of States had been admitted into the Union in pairs. He said in one instance it was to maintain an even balance bewteen the North and South, the industrial East and North and the agricultural South, and, later, in order to keep a balance between slave States and nonslave States.

Several times the thought has been suggested that in the present situation it is essential to maintain a political balance. If Senators are in favor of the admission of both Territories, I do not understand why they do not wish to vote for both at the same time. What difference would 3 weeks or 6 weeks make? There must be some reason which is not apparent on the surface.

I again congratulate the able Senator from Washington on the remarks which he has made. Our position is that if we are going to have Hawaii as a State, there is no reason why we should not also have Alaska as a State. Alaska makes as good a case, if not a better case, than does Hawaii.

Mr. JACKSON. Mr. President, the granting of statehood to Alaska will serve a threefold purpose from the standpoint of strengthening the United States. First, it will spur Alaska's internal development by giving the people there control over their own destinies; second, it will demonstrate before the bar of world opinion that the United States really believes in the democratic ideal and is willing to carry it into action; and, third, it will rebuke and defeat any lingering Soviet covetousness of our northern domains.

There are many other excellent reasons to grant statehood to Alaska but these which impinge directly upon America's position in the world in this time of crisis appeal most strongly to me. They are more than reason enough to embrace the new northern State.

One of the finest statements ever made on the subject of Alaska statehood, in my opinion, was made last year before the House Interior and Insular Affairs Committee by the chairman of the Alaska Statehood Committee, Robert B. Atwood, Anchorage newspaper editor and publisher.

Mr. President, I ask unanimous consent that his statement be printed at this point in the RECORD.

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

STATEMENT OF ROBERT B. ATWOOD, CHAIRMAN, ALASKA STATEHOOD COMMITTEE; EDITOR AND PUBLISHER, ANCHORAGE DAILY TIMES, ANCHORAGE, ALASKA

Mr. ATWOOD. Gentlemen of the committee, I want to express my admiration and respect for your diligence in studying facts and circumstances under which statehood is being considered for Alaska and your patience in hearing the testimony of those of us who are here to appear before your committee. I have always found the Members of Congress diligent and patient in considering this subject, which must be recognized as one of great importance to the Nation as well as to Alaska itself.

Statehood, as we all know, is not a new subject. It has been under consideration for a good many years. It has been presented many times to many people and it is, almost without exception, a winning story. Never has statehood for Alaska been considered by a deliberative body—and I make special refence to committees of the House and the Senate—that it did not result in a favorable decision and report. I am confident that statehood will once more win a favorable report after this committee has heard all the facts and has given due consideration to all the benefits that will accrue to the Nation and to Alaska when statehood becomes a reality.

Before going into the details of the qualifications of Alaska for statehood, its capabilities in self-government, and the specifications under which statehood is to be offered by the Nation, I think it is important that certain background material be presented so that we all have a common basis upon which to evaluate the facts that are to be presented. This background, I hope, will make it possible for us to recognize readily which facts are significant and which ones are of lesser importance in this hearing.

Much depends upon the interpretation given the facts. It is unfortunate there are those who contend that the facts prove Alaska not ready for statehood. But, more fortunately, there are a greater number who view these facts in the light of the precepts upon which this great Nation was founded and has prospered, and on the history of the conquering of frontiers that has made the Nation great. They have concluded that statehood for Alaska is not only appropriate and proper and right but is essential to the

best interests of the Nation in its domestic and world affairs.

The background from which stem the events and developments of today shows that many of the arguments used in opposition to statehood are, indeed, some of the most forceful arguments in favor of statehood. For instance, there are such matters as sparse population; lack of many of the industries that have made great cities and great States in continental United States; the lack of roads compared to the highway system of the Nation; the limited development of agriculture and the absence of various other facets of civilization that are commonly considered essential to a stable economy.

How can Alaska be so bold as to ask for statehood when it lacks so many of these basic ingredients for economic development?

Some say that these facts are sufficient to justify a delay in the coming of statehood. I present that they are indisputable proof that they make statehood imperative if the United States is ever to have the benefits accruing from the development of Alaska as a stable economic unit inseparable from the rest of the Nation.

Without statehood, Alaska will never develop under the pattern that has made the Nation strong and prosperous.

This background that I want to present shows that the rules of the development game—if we can call it a development game—have been changed drastically in the last half century. Most of the incentives that spurred the opening of the West and the development of the 35 States that have joined the Union since the Nation was founded have been eliminated. The efforts to develop Alaska have been retarded by the absence of incentives. They have been complicated and impeded by the creating of throttling controls such as no great area of the West ever was confronted with.

Statehood, which means nothing more than self-government and full membership in the Federal family, is the only measure ever proposed that could remedy the basic causes of the retarded development of Alaska.

It has often been said that there isn't a problem in Alaska that couldn't be overcome with a few million dollars. While this is often said facetiously, there is more truth to it than at first appears. It is a known fact that the natural barriers to development in Alaska are much more easy to overcome than the manmade barriers in Alaska. Men have proven they can conquer the wilderness in the Far North; they can build roads, cities, develop the great natural resources and bring them into production for use by man. The natural barriers such as cold, snow, mountains, tundra, permafrost, isolation, great distances, and other things found in Alaska are easier to overcome than are the misunderstandings, restrictive laws, lack of adequate Government services, and outright neglect on the part of those people who have the ultimate authority on all things pertaining to the great Territory.

Congress is frequently involved in discussions of the dollar shortage among nations of the world. The dollar shortage upsets world trade, causes economic repercussions that are felt in the everyday lives of millions of people in distant lands; it even upsets the economy of our own Nation as well as others.

We who live in Alaska have found the dollar shortage equally oppressive. It is the dollar shortage that has deterred development. Close study of the dollar shortage in Alaska shows it is not unique—that it has occurred over and over again in history—that it is one of the factors that have appeared in frontier development ever since the first colonists migrated toward the West.

When the first settlers came to the New World they experienced a shortage of money. They were financed by London interests. History shows the Pilgrims were in hock to London. Once the colonists had built up their economy sufficiently, they became independent and started this Nation. And I daresay there was plenty of evidence in those days that they were not ready for independence.

The early colonists were followed by others who moved into the Middle West and West. Boston money had to finance them in their ventures to the westward. As great cities grew, such as Chicago, they found themselves in hock to Boston and other eastern financial centers. The profits from great farming enterprises on the plains were fed back to the East to build the fine cultural centers, raise the standard of living of the Nation, establish the institutions and traditions that have made this Nation great. As the development continued farther west, cities like Chicago found that its surplus capital was flowing into the new frontiers. The West has always depended upon the East for capital with which to develop. That is why so many western enterprises even today are controlled in the East.

Alaska stands as a fertile field aching for development. Alaska wants to be in hock—to someone—anyone—but there are no takers. We have rich resources—more than many parts of the Nation where great achievements followed the building of roads, railroads, cities, farms, factories, and became full-fledged States. Those vast areas in the West found capital in the East readily available to make them great.

Why is it that Alaska today can't find the dollars? Why won't they come north to open up the great northland the way the West was opened?

The answer is history. It is written in the books on the growth of the United States. It is found in the old laws of the 19th century. If we are to understand our problem today we must know what happened in the past.

Alaska was unknown and distant wilderness belonging to Russia when the pioneer colonists declared their independence from England. Alaska had no place in the national considerations during the formulative period that followed the birth of the new Nation. Hardly more than an occasional imprint of a trapper's foot marked Alaskan soil, during the days when patterns were shaped for national development.

By 1800 this pattern first had begun to take shape and had become visible. It was in the western migration of Americans. It was in the grubstaking of fur traders who crossed the Appalachian Mountains and brought back vivid and attractive descriptions of the rich lands of the Mississippi Valley. The fur traders led the way to the West virtually from the time Europeans first set foot on American soil.

Successive waves of frontiersmen followed the traders. Behind the traders came the cattlemen. Where conditions were favorable miners came next.

This procession of civilizations from East to West took place in wavelike layers rolling across the continent like waves rolling across the Alaska shore lands. It continued with pioneer farmers moving in behind the traders, cattlemen, and miners. The farmers introduced something new in development. Their task was not to adapt themselves to the country but to adapt the country to their neds. They sought to conquer the country.

The pioneer farmers view forests and grasslands as vast obstacles to be subdued. Millions of acres of virgin timber were stripped away by their axes. Millions of acres of prairie sod were turned under by their plows. They hated Indians. They hated traders who supplied the red man with firewater and firearms. Some of them professed to prefer the wilderness solitudes—but all of them were anxious for more settlers to follow and join them. It made their land values greater and increased their safety.

Behind the pioneer farmers came the equipped farmers, who made up the fifth frontier wave. Each new wave of settlers introduced something new in the frontier development. Each new wave brought new capital from the East.

After the equipped farmers had completed the task of grubbing out the stumps, building better and more permanent homes and had increased their production to the point where they had surpluses for export—then came the urban community, the final frontier wave. This urban community was the magnet of opportunity that opened the way for millers, merchants, grain dealers, slaughterers, distillers, speculators, schoolmasters, dancing teachers, lawyers, and even editors. These people moved from the eastern seaboard to the interior of the continent and established themselves at crossroads or at the upper end of navigable streams, or at an advantageous point on a canal or railroad. This was the start of the urban community that we know today.

Alaska's development during 86 years of American rule has experienced only part of the development process that marked the opening of the West. Why is it that the processes that operated so consistently from East to West stopped when they reached the Pacific coast? Why didn't the same economic and sociological pressures spur the same procession of civilization into the northland?

Fur traders came to Alaska. Miners came to Alaska. But the farmers didn't come until within our own generation. The urban communities that were established in Alaska remained stunted in growth and limited in prosperity until the last 10 years.

The reason for this spotty and sluggish development are readily found in history.

The westward migration of civilization with its six frontier stages moved slowly but steadily prior to the outbreak of the Civil War. But it was after the war that development was speeded—and some of the most spectacular results came. Even during the war the cards were stacked to encourage the big rush to the West. In 1861 Congress passed the first protective tariff law that encouraged industrial development. Subsequent acts of Congress raised the tariff walls still higher and by the end of the war the average duties had been increased from 18 to 47 percent. Northern manufacturers were established in a position well-nigh impregnable. Further to encourage the expansion of business interests, Congress repealed the income tax and removed wartime taxes on coal, iron, and corporations. Under a series of railroad laws Congress subsidized the construction of transcontinental lines with loans of over $60 million and outright gifts of more than 100 million acres of public lands—grants lavishly supplemented by the States and local communities.

Favored by these incentives to move into the West, business and industry flourished as never before.

Twenty thousand miles of tracks were laid in a decade, most of it in the West. Transcontinental lines were pushed across the plains and mountains at dizzy speeds—far in advance of civilization or any great need for transportation. Telegraph lines were strung from city to city and soon across the continent. Cables were laid across the Atlantic, and within 15 years telephones added a new means of lightning communication. Settlers moved to the West in the wake of this spectacular development of communications that opened vast areas of free lands.

It was in railroads, mining, lumber, meat packing, iron and steel, oil, and similar investments closely tied to the opening of the West that the great fortunes were made. Soon the names of railroad builders like Vanderbilt and Stanford; of packers like Armour and Swift; of lumber kings like Weyerhaeuser; or iron masters like Andrew Carnegie; oil princes like John D. Rockefeller,

were household words, supplanting the names of statesmen or of men of letters in popular esteem.

The opening of the West redistributed wealth with a lavish and careless hand, creating thousands of respectable and hundreds of disreputable fortunes. Profits from the Midwest and West built fine mansions that lined Fifth Avenue, New York, and Michigan Boulevard, Chicago; financed colleges, universities, supported churches and missions, patronized orchestras and art museums. The concentration of wealth was naturally greatest in the industrial areas of the East. The 3 States of New York, Massachusetts, and Pennsylvania paid 60 percent of the Nation's total income tax of 1864. But everywhere—East, West, and even in much of the South—the standard of living rose.

The year 1890 brought a development that was to be significant to the entire Nation, although this great significance went at first with scant notice. It was the simple announcement by the United States Bureau of the Census that the frontier had disappeared. Each year when the census was taken, the Bureau of the Census had plotted on a map the frontier line in the West and showed how it had moved constantly westward every 10 years. The frontier line was the line from north to south where the population fell below two persons per square mile.

This brief announcement that the frontier no longer existed told the end of a great history movement. Until that moment, American history was largely the history of the colonization of the West. The explanation of American development is in the existence of an area of free land—and its continual recession—and the advance of American settlement westward.

When it became known that there was no longer a frontier—that the American civilization had reached the shores of the Pacific coast—an alarm was sounded. What had become of the great heritage of the public domain that had been considered inexhaustible? What had become of the great natural resources of the West which had seemed limitless?

All the years preceding 1890 the huge area of the public doman was viewed by Congress as something to transfer into private ownership as speedily as possible. That was the motive behind the liberal grants of expansive acreages to railroads and other enterprises that promised development.

Any individual or group that went West was free to take what he or they found and hold it as his or their own. The forests, the rivers, the prairies, the minerals, the oil, and all the other riches of the earth could be had for the taking. Taxes were light. Riches were plentiful. There were huge profits for the adventurers from the East who furnished the money, and for the hardy souls who braved the rigors of the West to find something to develop.

Shortly after 1890, however, the national attitude underwent a drastic change. A policy of conservation of natural resources was conceived as a method of retaining and perpetuating for the public what was left of the national heritage. From 1890 until as recently as 1920 Congress enacted laws setting up restrictions on the ownership and exploitation of the resources of the West. The West howled in protest. Westerners saw conservation as a throttle on their development and prosperity. Eastern interests likewise protested. Conservation was closing the door to the lush fields for quick profits from investments in new enterprises. But Congress turned a deaf ear. Conservation became a permanent part of the national policy and more and more restrictions on ownership and development were written into law.

Where was Alaska all this time? It was forgotten—nothing but an unknown and unattractive land far off in the North.

During the post Civil War bustle of development from the Mississippi to the Pacific, Alaska was dormant—with only a Navy gunboat to maintain order. In 1890 when the great change came in national thinking toward development and conservation, Alaska had a population of only 30,000 people, most of them Indians and Eskimos. Fishing had just replaced fur trapping as the main industry. The only semblance of government was provided by 1 judge, 1 marshal with 4 commissioners and 4 deputy marshals. Congress had enacted only two laws for Alaska. There was no mail service or other communication. There were no roads, schools, or cities as we know them today. Only a few mining camps, fish camps, and traplines.

The laws passed by Congress to halt the so-called squandering of the national heritage west of the Mississippi struck a deadly blow at Alaska. The tremendous natural resources of the Territory, largely unknown and unattended, were automatically subjected to the restrictions aimed at the West. Alaska's riches were locked in a sort of deep freeze that we all know so well today.

This precluded the possibility that the westward expansion of American civilization might have continued into the North. The rules of the game of development were changed suddenly and, for Alaska, fatally.

The effort to lock up the remaining resources was so thorough and intense that the Federal Government forgot provisions for unlocking them. Alaska was closed to development under the guise of conservation. It remains for the most part closed today.

The true meaning of conservation is controlled use and wise management. But in Alaska conservation, as it is and has been practiced, means paralysis.

Under the conservation policies the forests of Alaska have grown to maturity, protected from the ax of man. They have been held untouchable as they pass maturity, rot and die. Successive generations of trees have likewise grown to maturity and followed the same cycle, protected from exploitation, conserved, they fall beside their ancestors, wasted as windfalls. This so-called conservation is actually waste of the worst sort.

The forests are so secure from use by man that a special act of Congress was necessary to permit the Forest Service to negotiate a contract for timber rights in connection with the pulp mill now under development near Ketchikan.

While the Federal Government has held Alaska under rigid shackles that prevented development of resources, the same Government has undergone a tremendous change in its habits of taxation. Huge fortunes today are frowned on—quite a contrast to the attitude of the Congress of the 1860's when laws were remodeled to encourage capitalists to undertake risk ventures.

Today huge profits are impossible. When they do occur the taxes whittle them down to shavings. The biggest portion goes into the tax coffers. Thus capital has lost its incentive and the interest in new horizons for development. Instead of seeking new places for investment, capital today is seeking safe places. Risk is the determining factor, not the possibility of profits.

It is known that Alaska is a storehouse that could enrich the entire Nation. The mineral resources are enormous. Several major oil companies are active in surveys preliminary to exploratory ventures. Geological reports indicate they may tap oil reserves that could diminish substantially the dependence of the Nation on foreign sources and materially reduce the importation of oil from distant parts of the world. Among the others from Alaska who will appear here are men who are well informed on the resources and the current interest in developing them.

Thus it is not speculation when one talks of the potential developments. Nor is it visionary to foresee great cities and a strong civilization similar to that of the States. Across the Bering Straits from Alaska the Soviets are doing what we talk about. In the Soviet Arctic the population of towns has increased several hundred or even thousand percent. Figures for the population of Archangel have been given as 77,000 in 1926 and 281,000 in 1939—an increase of 266 percent. Figures for Murmansk in the same years were 9,000 and 117,000—an increase of 1,233 percent in 13 years. Dr. Stefanson, of world eminence for his explorations, studies, and books on the Arctic, has estimated it is possible that many now living would see the time when Alaska would support as many people as Finland and Scandinavia combined—and support them in a comparative degree of well-being. The population is 16 million.

Alaskans in asking for statehood do not contend that their great land has developed fully—far from it. They are astonished by the lack of developments. They see the great potentialities and ask for the opportunity to follow in the footsteps of their forefathers, who carried the American way of life across the wilderness of prairies, the plains, the deserts, and the mountains to the Pacific coast.

Our only hope lies in a program that will remove and eradicate the shackles that brought the present situation that we have often called multiple frustrations. We must find a formula that will permit the wise use of the natural resources instead of leaving them to waste. We must create new incentives for capital to flow into Alaska and finance the enterprises we need for the permanent expansion of our economy.

There is no way to do this other than under statehood. Alaska has been owned by the United States almost 86 years. It has been an incorporated Territory for 41 years. I submit that the experiences of those years as a stepchild in the Federal family proves that full development is impossible under the present system. History shows that every Territory that ever became a State has developed rapidly.

We ask for the same opportunity that has been granted the 35 States that joined the Original Thirteen Colonies. Without it, the only prospect today is Government ownership and Government control with the minimum of private enterprise.

Thank you.

Mr. ANDERSON. Mr. President, there are 2 or 3 items which I should like to place in the RECORD. I did not want to interrupt the distinguished Senator from Washington to ask unanimous consent to place them in the RECORD.

Mention was made of party platforms as they relate to Alaskan statehood and Hawaiian statehood. I ask unanimous consent to insert in the RECORD at this point a transcript of Republican Party platform provisions starting in 1896 and up to date, and Democratic platform provisions from 1896 up to date, on the general subject of Alaskan and Hawaiian statehood.

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

REPUBLICAN PARTY PLATFORMS

1896: We believe that the citizens of Alaska should have representation in the Congress of the United States, to the end that needful legislation may be intelligently enacted.

1900: Nothing.

1904: Nothing.

1908: Nothing.

1912—Alaska: We favor a liberal policy toward Alaska to promote the development

of the great resources of that district, with such safeguards as will prevent waste and monopoly.

We favor the opening of the coal lands to development through a law leasing the lands on such terms as will invite development and provide fuel for the Navy and the commerce of the Pacific Ocean, while retaining title in the United States to prevent monopoly.

1916: Reaffirming the attitude long maintained by the Republican Party, we hold that officials appointed to administer the government of any Territory should be bona fide residents of the Territory in which their duties are to be performed.

1920: Nothing.

1924—Hawaii-Alaska: We favor a continuance for the Territory of Hawaii, of Federal assistance in harbor improvements, the appropriation of its share of Federal funds, and the systematic extension of the settlement of public lands by the Hawaiian race.

We endorse the policy of the present administration with reference to Alaska and favor a continuance of the constructive development of the Territory.

1928—Hawaii-Alaska: We favor a continuance for the Territory of Hawaii of Federal assistance in harbor improvements, the appropriation of its share of Federal funds and the systematic extension of the settlement of public lands by the Hawaiian race.

We endorse the policy of the present administration with reference to Alaska and favor a continuance of the constructive development of the Territory.

1932—Alaska: We favor the policy of giving to the people of Alaska the widest possible Territorial self-government and the selection so far as possible of bona-fide residents for positions in that Territory and the placing of its citizens on an equality with those in the several States.

1936: Nothing.

1940: Nothing.

1944—Alaska: Alaska is entitled to the fullest measure of home rule looking toward statehood.

1944: Hawaii, which shares the Nation's obligations equally with the several States, is entitled to the fullest measure of home rule looking toward statehood; and to equality with the several States in the rights of her citizens and in the application of all our national laws.

1948: We favor eventual statehood for Hawaii, Alaska, and Puerto Rico. We urge development of Alaskan land communications and natural resources.

1952: We favor immediate statehood for Hawaii.

We favor statehood for Alaska under an equitable enabling act.

We favor eventual statehood for Puerto Rico.

DEMOCRATIC PARTY PLATFORMS

1896—Admission of Territories: We favor the admission of the Territories of New Mexico, Arizona, and Oklahoma into the Union as States, and we favor the early admission of all the Territories, having the necessary population and resources to entitle them to statehood, and, while they remain Territories, we hold that the officials appointed to administer the government of any Territory, together with the District of Columbia and Alaska, should be bona fide residents of the Territory or district in which their duties are to be performed. The Democratic Party believes in home rule and that all public lands of the United States should be appropriated to the establishment of free homes for American citizens.

We recommend that the Territory of Alaska be granted a Delegate in Congress and that the general land and timber laws of the United States be extended to said Territory.

1900: We denounce the failure of the Republican Party to carry out its pledges to grant statehood to the Territories of Arizona, New Mexico, and Oklahoma, and we promise the people of those Territories immediate statehood and home rule during their condition as Territories, and we favor home rule and a territorial form of government for Alaska and Puerto Rico.

1904—Statehood and Territories: We favor the admission of the Territory of Oklahoma and the Indian territory. We also favor the immediate admission of Arizona and New Mexico, as separate States, and Territorial governments for Alaska and Puerto Rico.

We hold that the officials appointed to administer the government of any Territory, as well as the district of Alaska, should be bona fide residents at the time of their appointment of the Territory or district in which their duties are to be performed.

1908—Alaska and Puerto Rico: We demand for the people of Alaska and Puerto Rico the full enjoyment of the rights and privileges of a territorial form of government, and that the officials appointed to administer the government of all our Territories and the District of Columbia should be thoroughly qualified by previous bona fide residence.

1912—Alaska: We demand for the people of Alaska the full enjoyment of the rights and privileges of a territorial form of government, and we believe that the officials appointed to administer the government of all our Territories and the District of Columbia, should be qualified by previous bona fide residence.

1916—Alaska: It has been and will be the policy of the Democratic Party to enact all laws necessary for the speedy development of Alaska and its great natural resources.

1920—Alaska: We commend the Democratic administration for inaugurating a new policy as to Alaska, as evidenced by the construction of the Alaska Railroad and opening of the coal and oil fields.

We declare for the modification of the existing coal land law, to promote development without disturbing the features intended to prevent monopoly.

For such changes in the policy of forestry control as will permit the immediate initiation of the paper-pulp industry.

For relieving the Territory from the evils of long-distance government by arbitrary and interlocking bureaucratic regulation, and to that end we urge the speedy passage of a law containing the essential features of the Land-Curry bill now pending coordinating and consolidating all Federal control of natural resources under one department to be administered by a nonpartisan board permanently resident in the Territory.

For the fullest measure of Territorial self-government with the view of ultimate statehood, with jurisdiction over all matters not of purely Federal concern, including fisheries and game, and for an intelligent administration of Federal control we believe that all officials appointed should be qualified by previous bona-fide residence in the Territory.

For a comprehensive system of road construction with increased appropriations and the full extension of the Federal Road Aid Act to Alaska.

For the extension to Alaska of the Federal Farm Loan Act.

1924—Alaska: The maladministration of Alaskan affairs is a matter of concern to all our people.

Under the Republican administration of Alaska development has ceased, and the fishing industry has been seriously impaired.

We pledge ourselves to correct the evils which have grown up in the administration of that rich domain.

An adequate form of local self-government for Alaska must be provided, and to that end we favor the establishment of a full Territorial form of government for that Territory similar to that enjoyed by all the Territories except Alaska during the last century of American history.

1928—Alaska and Hawaii: We favor the development of Alaska and Hawaii in the traditional American way, through self-government. We favor the appointment of only bona fide residents to office in the Territories. We favor the extension and improvement of the mail, airmail, telegraph and radio, agricultural experimenting, highway construction, and other necessary Federal activities in the Territories.

1932: Nothing in the platform concerning Alaska. You will recall there was an unusual amount of debate on the convention floor before the platform was finally adopted. As it emerged the only mention of Territories and/or possessions was in these words: "Independence for the Philippines; ultimate statehood for Puerto Rico." At one point in the floor debate the Honorable L. O. McCandless of Hawaii spoke as follows: "Ladies and gentlemen, in view of the fact that there was apparently an oversight on the part of the committee, Hawaii was left out of the 14th plank of the platform, and I move the amendment of the 14th plank of the platform dealing with the Philippines, Puerto Rico, and the Canal Zone, by adding the following words: 'and home rule for Hawaii.'" Later in the proceedings Mr. Rufus H. Hagood, Jr., of Hawaii, spoke for the offered amendment at some length. The following quotes from his remarks may be of some interest to you: "Two weeks ago in this convention hall the Republican Party, for the first time, recognized that principle and inserted in its platform a plank providing for home rule, and this convention committee on resolutions has deleted the plank, and we ask that it be reinserted. Mr. Chairman, I would like to make a request that there be inserted also the two words after 'and home rule for Hawaii' in the 14th plank, to make that read 'and home rule for Hawaii and Alaska.' Alaska was also left out of this provision, and we would like to have that inserted, with unanimous consent."

Final action on the above is reported as follows:

"The PERMANENT CHAIRMAN. The question is on the amendment proposed by Mr. McCandless, delegate from Hawaii. Those in favor say 'Aye.' Those opposed, 'No.' The amendment was not agreed to."

1936: Nothing on Alaska. (No mention of any of the Territories or possessions.)

1940—Territories and District of Columbia: We favor a larger measure of self-government leading to statehood for Alaska, Hawaii, and Puerto Rico. We favor the appointment of residents to office, and equal treatment of the citizens of each of these three Territories. We favor the prompt determination and payment of any just claims by Indian and Eskimo citizens of Alaska against the United States. We also favor the extension of the right of suffrage to the people of the District of Columbia.

1944: We favor enactment of legislation granting the fullest measure of self-government for Alaska, Hawaii, and Puerto Rico, and eventual statehood for Alaska and Hawaii.

1948: We urge immediate statehood for Hawaii and Alaska; immediate determination by the people of Puerto Rico as to their form of government and their ultimate status with respect to the United States; and the maximum degree of local self-government for the Virgin Islands, Guam, and Samoa.

1952—Alaska and Hawaii: By virtue of their strategic geographical locations, Alaska and Hawaii are vital bastions in the Pacific. These two Territories have contributed greatly to the welfare and economic development of our country, and have become integrated into our economic and social life. We therefore urge immediate statehood for these two Territories.

Mr. ANDERSON. Mr. President, the Fairbanks Daily News-Miner, one of the

principal newspapers in Alaska, has been steadily opposed to statehood for Alaska. It has not heretofore opposed eventual statehood, but always questioned whether the time has arrived when statehood should be granted to Alaska. On Saturday, February 27, the Fairbanks Daily News-Miner carried a banner headline, reading as follows: "Alaska Statehood Bill Before Congress."

The front page editorial is headed "Statehood Now." In that editorial are these words:

We are convinced that the statehood bill now coming before Congress is a well written, workable piece of legislation. We believe that Alaska could carry its financial burden under this statehood bill, and still manage to prosper and improve our highways, our judicial system, our law enforcement agencies, as well as promote industrial expansion.

A workable, beneficial statehood bill is now before Congress. Let Congress debate this bill, and not compromise the issue by offering Americans in Alaska something less than their full rights.

I omit a portion of the editorial, and continue, as follows:

Alaska has a great destiny * * * we are going to be a prosperous, valued State of the Union some day, through the toil, foresight, and enterprise of our citizens here in the north. But it is becoming increasingly evident that we are not going to make substantial progress toward this destiny so long as we are wards of the Federal Government, living under the supervision of a Congress that does not understand our problems or realize our possibilities.

We say, turn Alaska loose from this deadly Federal embrace. Give Americans in Alaska the full privileges of American citizenship. Turn Alaska's destiny over to Alaskans.

We believe that under the provisions of the present statehood bill, the north can prosper and expand; Alaskan citizens can meet the challenges of statehood, and they are eager to do so.

Alaskans should demand, statehood, now.

Mr. President, I ask unanimous consent to have the entire editorial, entitled "Statehood Now!" printed at this point in the RECORD.

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

STATEHOOD NOW

A southern Senator has revealed that there is a move afoot to grant Alaska a Commonwealth status. The exact definition of a Commonwealth status is not made clear, but it appears that we would be granted the right to elect our own Governor and Federal taxes collected in Alaska would revert back to Alaska. In other words, there would be definite advantages for Alaska under the Commonwealth status, but we still would not have voting Representatives in Congress.

We grant that Alaska would probably be better off as a Commonwealth than as a Territory. Our present status is literally an insult to American citizens. We cannot vote for President of the United States and we cannot elect our own Governor.

We pay more taxes per capita to the Federal Government than the average citizen of the United States, yet we have no representation in Congress.

Congress toys with vital Alaska appropriations, cutting our roadbuilding programs, judicial-system operations, and law-enforcement activities to the point where it hurts. What can we do about it without voting Representatives in Congress?

Here in Alaska we live at the whim of Federal agencies and exist according to the will of Congress. We are disfranchised, helpless American citizens, living under a form of oppression almost as disheartening and tyrannical as that which brought about the Boston Tea Party and the glorious American Revolution of 1776.

The News-Miner has long advocated that we should try to build industry and develop the resources of Alaska before taking the long step to statehood.

But we are disheartened with this waiting, and waiting, while our destinies are twisted this way and that way by threats of filibusters, the whims of Federal agencies and the uncomprehending attitude taken by many Congressmen. This Commonwealth proposal appears to be just another of a long list of compromises designed to block eventual statehood, and block the extension of the rights of American citizens to the people of Alaska. The Commonwealth proposal was made by Senator SMATHERS, of Florida. Would his constituents in Florida prefer to give up their status as a State, and become a Commonwealth of the United States? Of course they wouldn't. Why should we accept his statement that becoming a Commonwealth would be more beneficial to Alaska than becoming a State?

We are convinced that the statehood bill now coming before Congress is a well-written, workable piece of legislation. We believe that Alaska could carry its financial burden under this statehood bill, and still manage to prosper and improve our highways, our judicial system, our law-enforcement agencies, as well as promote industrial expansion.

It is time for the people of the United States to face the facts squarely. Regardless of how our representation in Congress might affect them, regardless of how they feel about our distance from the continental limits of the Nation, we are American citizens just as they are, and we have a right to enjoy all the privileges for which all our forefathers fought and died.

To deny Alaskans and Hawaiians these privileges is utterly selfish and utterly un-American.

Alaska has a great destiny, but politicians and Federal officeholders play with this destiny, frustrate it, twist it to suit themselves, and make life so difficult in this Territory literally thousands of citizens have become discouraged and abandoned this promising frontier, which is the last frontier that America possesses.

A workable, beneficial statehood bill is now before Congress. Let Congress debate this bill, and not compromise the issue by offering Americans in Alaska something less than their full rights.

Alaskans should make it clear that we are demanding full statehood and nothing else. As Americans, we have certain rights. If America is going to deny us these rights, then let America go on record as doing so. Let us not foster this denial in Alaska by indicating that we would be content with something less than full statehood.

Alaska has a great destiny. We are going to be a prosperous, valued State of the Union some day, through the toil, foresight and enterprise of our citizens here in the north. But it is becoming increasingly evident that we are not going to make substantial progress toward this destiny so long as we are "wards" of the Federal Government, living under the supervision of a Congress that does not understand our problems or realize our possibilities.

We say, turn Alaska loose from this deadly Federal embrace. Give Americans in Alaska the full privileges of American citizenship. Turn Alaska's destiny over to Alaskans.

We believe that under the provisions of the present statehood bill, the North can prosper and expand; Alaskan citizens can meet the challenges of statehood, and they are eager to do so.

Alaskans should demand, statehood, now.

Mr. ANDERSON. Mr. President, finally, because the Senator from Washington [Mr. JACKSON] referred to the pulp industry, I wish to read a line or two from another publication, the Alaska Weekly, of January 8, 1954. The headline reads: "Georgia-Pacific To Cinch Plans To Build Big Juneau Mill."

The article from Juneau begins as follows:

One of the Nation's large timber companies has applied for a timber sale contract to support a 1,000-ton-per-day newsprint mill at Juneau, according to the United States Forest Service.

Regional Forester Arthur Greeley announced he received the application from the Georgia-Pacific Plywood Co., of New York and Portland.

I do not desire to place the entire article in the RECORD. I merely wish to say that there are 2 more sites, 1 at Sitka and 1 at Petersburg, which offer great possibilities. I think that fact should be borne in mind.

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

The PRESIDING OFFICER. The clerk will call the roll.

The Chief Clerk proceeded to call the roll.

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

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

AMENDMENT OF TRADING WITH THE ENEMY ACT RELATING TO DEBT CLAIMS

Mr. KNOWLAND. Mr. President, I ask unanimous consent that the unfinished business be temporarily laid aside, and that the Senate proceed to the consideration of Calendar 620, Senate bill 2231.

The PRESIDING OFFICER (Mr. BEALL in the chair). The clerk will state the bill by title.

The CHIEF CLERK. A bill (S. 2231) to amend the Trading With the Enemy Act relating to debt claims.

The PRESIDING OFFICER. Is there objection to the request of the Senator from California?

There being no objection, the Senate proceeded to consider the bill (S. 2231) to amend the Trading With the Enemy Act relating to debt claims.

Mr. SMATHERS. Mr. President, I observe the able Senator from Illinois in the Chamber, and I desire to ask him to give an explanation of the bill.

Mr. DIRKSEN. Mr. President, the bill concerns a highly technical matter. I am not certain of the extent of the interest in the bill in the Senate; yet it is one of those necessary matters which must be given attention.

Since many persons are interested in the bill, I think there will be a very considerable examination of the record and that alone would warrant an explanation of the bill.

It is necessary to go back to World War I, because in those days alien property in the United States was administered on the basis of custodianship. That method, I think, has been practiced by almost every country. When a war occurred, enemy property within a country was sequestered, trusteed, or was kept under custodianship until the conflict had ended. Then the property was returned to the enemy government or the enemy nationals.

Since the time of the First World War, by virtue of certain operations which took place in the United States Treasury a number of years ago, there has been a complete reversal of the procedure. Under the new practice, instead of providing for custodianship, the Government has proceeded on the theory of seizing and vesting enemy property, reducing it to cash, and, in some cases, putting the cash into the Federal Treasury, in other cases earmarking it for the benefit of GI's and other persons who had been in concentration camps, and in still other instances setting it apart for the benefit of religious orders.

Many years ago Congress created the War Claims Commission, for the very purpose of administering claims which were made, and then provided that the money which was realized from the vesting and realization of enemy assets should be deposited in a fund.

Roughly, $120 million or more has now been made available for those who are beneficiaries under the War Claims Act.

In the course of the administration of alien property, there was required, first of all, a huge staff, a great deal of work, and, along with it, a preservation of the rights of American citizens who might be creditors against enemy property.

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

Mr. DIRKSEN. I yield.

Mr. GORE. In connection with the statement about the preservation of rights of American citizens, I should like to inquire of the distinguished junior Senator from Illinois if the bill which he now supports would, in fact, preserve the right of an American citizen of Japanese descent who deposited dollars in a branch of the Japanese bank located in California and received a deposit slip enumerated in terms of yen.

Mr. DIRKSEN. I may say to my friend, the Senator from Tennessee, that I shall come to that aspect very soon, if he will bear with me a moment.

Mr. GORE. I am glad the distinguished Senator will comment on that subject. I wonder if he will also deal with the subject of American citizens who deposited funds in German branch banks.

Mr. DIRKSEN. I shall cover that quite completely, if the Senator will bear with me a moment.

As I said a moment ago, under this change of philosophy under which alien assets have been deposited, sold, and the money used for our own purposes, obviously Congress would never expunge the rights of American creditors, no matter how small they might be. So, when the Alien Property Act was amended, the section known as section 34 was rewritten to preserve the rights of every American creditor, whether his claim was large or small. When the Federal Government, through the instrumentality of the Alien Property Office, vested this alien property, whether it belonged to an enemy government or national, it was necessary, in the modification of the law, to preserve the rights of creditors; and that was done.

Under the administration of this act, claims were filed through the Alien Property Office, which bore first one name and then another over a long period of time. Finally there developed an interesting situation relating to claimants who were bona fide purchasers of bonds issued by foreign governments or the political instrumentalities or subdivisions thereunder. There were a good many claims of that kind filed by bondholders. That is one type.

As pointed out by the Administrator of Alien Property, those investments were made by American citizens, even though in good faith, without having in mind that there might be assets against which they might proceed.

Today there are 11,000 bond claims pending before the Alien Property Office, 4,800 of which, in the amount of $159 million, are claims against the Japanese Government.

We now come to the reason for the pending bill. Notwithstanding the fact that the face value of those claims is $159 million, there is available for the payment of such claims only $1,653,000, or less than 1 percent.

Mr. President, we are faced with this administrative difficulty: If we carry out the law, if we undertake publication in the case of every claim, if we go through all the administrative requirements set forth in the statute, it could, in some cases, cost as much as $50 or $100 in the case of one claim, although only a very modest amount might be involved.

So the very realistic and practical question before the Senate at the present time is this: When we have $159 million worth of claims against the Japanese Government and only about $1,500,000 with which to pay those claims, it must be obvious, and it addresses itself to commonsense and prudence, then when we get all through, the claimants will get virtually nothing.

So the question is, shall we impose on the Federal Government an administrative burden which will run into a great deal of money, even though some of it can come out of funds realized from this property under the basic act, or shall we simply say that we divest those claimants of their priority under existing law, so that we can get them out of the way and finally liquidate this alien property operation?

There are still many millions of dollars of claims pending, both in the State Department and before the Alien Property Office. Such claims go all the way back to World War I, 35 years ago. This will become an endless operation unless we take the bull by the horns and take some positive action.

The only thing I can see to be done, and the only thing the Alien Property Administrator and others can conceive as a practical approach, is simply to divest these claims of their priority. In fact, I suppose, it will amount to an extinction of the claims.

I may say that we had extended hearings on this and other aspects of the alien property problem. The representative of the Department of Justice stated, as appears on page 27 of the hearings:

> The Department of Justice favors this bill as a practical solution of an extremely difficult administrative problem.

I have referred to one type of claims with which the bill deals, namely, those of bondholders who bought bonds of foreign governments and instrumentalities thereof, but who certainly did not depend on any assets in this country against which they could proceed.

Secondly, there is another type of claim involved, and their number, as a matter of fact, is legion. I may indicate the nature of those claims, which I think is pretty well set forth in the report. For example, and this is an answer to the question raised by the distinguished Senator from Tennessee [Mr. GORE], there existed in San Francisco, Calif., what was known as the Yokohama Specie Bank. It was customary, in the days before the conflict, and I suppose even in the early days of the war, for citizens or residents of this country who were of Japanese ancestry to go to the Yokohama Specie Bank and buy, with United States currency, an order which would be paid in yen in Japan. There were a great many such cases. As I recall, there were 17,500 such purchases of yen, bought with dollars in this country, to be paid in yen in Japan. The fact of the matter is that such claims are very small. The testimony indicated that many of them amount to only $5 or $10, and I believe the evidence was that the average was well below $25.

The problem before the Senate is simply whether the Alien Property Office in every case should go through the necessary publication, printing, and the verification of the claimants and the prospective recipients, at an expense which would amount to between $50 and $100 in running down a $5 or a $10 claim.

I am not insensible of the verities and the rights which are involved. The question is wholly one of administrative procedure in cases where, as a matter of fact, the claimants will get very little or nothing.

In the case of purchases of yen through a bank in this country, there is, I think, one offsetting factor, namely, that the corresponding bank in Tokyo, Yokohama, or elsewhere in Japan, was willing to pay the claimants the full face value of the certificate which they held, which was a minor amount.

The difficulty which arose, however, was that there was a shifting in the value of the yen; and if the Japanese banks paid the full value of the certificate in yen today, the people would get virtually nothing. However, the claimants have refused to deal on that basis, so the operation will continue without end unless we can devise a very practical method to meet the problem.

Mr. GORE. Mr. President, will the Senator from Illinois yield to me?

Mr. DIRKSEN. I yield.

Mr. GORE. I am not unmindful of the great difficulty in the administration of this program, nor am I unsympathetic with the end sought by this measure. Nevertheless, the distinguished Senator's reply leaves me in considerable doubt as to how the rights of these citizens are in fact protected. For instance, the Senator from Illinois just said there is a wide difference between the prewar value of the yen and the present value of the yen. At what rate of exchange would these deposits be redeemed, if at all?

Mr. DIRKSEN. I have not the slightest idea, because it is a wholly speculative question, and I can see that it will be a long, long time before the yen reaches a stage where these claimants can be satisfied.

But for us, the question is whether we shall keep in operation an expensive piece of Federal machinery, when there is so little value; and, besides, there would normally be a right at law, if the holder of a yen certificate undertook to pursue that right. But, of course, it is expected that the Government will pursue it for him.

So I simply undertake to face realistically a problem which, otherwise, I am afraid will have no termination whatever, and I am also afraid the operation will be an expensive one unless a solution is undertaken in heroic fashion, as suggested here.

Having heard from attorneys who are familiar with this matter—and I refer to attorneys both in the Department of Justice and elsewhere—let me say that they take the stand that the pending bill is practical and sound and meets the requirements they have set; and, therefore, they have endorsed the bill.

Mr. GORE. Mr. President, will the Senator from Illinois yield further to me?

Mr. DIRKSEN. I yield.

Mr. GORE. Is it true that these American citizens, although they are of Japanese descent—which fact should not prejudice their right before the law—deposited American dollars in branch banks domiciled in the State of California, even though the capital stock was owned by the Bank of Japan? I understand that these American citizens deposited American dollars in financial institutions domiciled in the United States, and they are now bereft of any real hope of soon—or, in fact, ever—obtaining a refund of the money they deposited in those institutions.

Mr. DIRKSEN. That could be the practical effect, as a matter or fact; but I do not believe the Federal Government has any responsibility for a specie bank established in the United States by a foreign country, under the banking laws of one of the States.

The question is whether it is our job to be the collection agent in this case, or whether we should let the claimants work out whatever claims they may have under legal remedies.

It seems to me that is the entire situation; but I wish to make it clear to my friend, the Senator from Tennessee, that I am not insensible to a certain issue here involved, namely, that what may have been regarded as a right would in this case be sponged out. It seems to me that we are offered a choice between two courses: whether we wish to continue this procedure, at the expense of the United States taxpayers; or whether we wish to adopt a practical method of bringing it to an end.

Let me say that I have no bias or prejudice about the matter, one way or the other. To me, it is only a practical problem to get our people "off the hook," and finally to liquidate the last vestiges and remainders of a war, if we can do so.

Mr. GORE. I should like to assure the able Senator from Illinois of my interest in the matter, although so far as I am aware, not one constituent of mine is involved in the pending measure. Because of my service on the minority calendar committee, I am aware that citizens who are residents of the State of California and of other States, or their representatives, who are involved, have presented what appears to me to be a real cause.

I repeat that this case involved United States citizens who has deposited United States dollars in branch banks or banks domiciled under the laws of a State of the United States; and yet their savings are, for all practical purposes, as the Senator from Illinois has said, wiped out; no hope is held out to them in reard to the rate of exchange at which those deposits will be redeemed, if they are to be redeemed at all.

I suggest that there might not be a letter-of-the-law obligation on the part of the United States Government, because of the technicality that these institutions were organized under the laws of the State of California; but in the broader sense, we owe protection to the citizens of the United States of America, of whatever descent they may be.

Mr. DIRKSEN. Mr. President, to conclude on that point, let me say that of course there appeared before the committee, United States citizens of Japanese ancestry—persons such as Mike Masaoka, who is the Washington representative of the Japanese-American Citizens League, and others. So the proposed action does not represent a precipitate recommendation on the part of the committee which reported the bill. We took an amazing amount of testimony, and I believe that everyone was fairly well on notice regarding what was contemplated. Of course, there would have been ample opportunity to resist, if any persons had seen fit to do so.

Mr. LEHMAN. Mr. President, will the Senator from Illinois yield to me?

Mr. DIRKSEN. I yield.

Mr. LEHMAN. I understand that the Office of Alien Property has a great many millions of dollars of securities or cash or other assets. If we pass this bill, what will become of those assets, which, as I understand, amount to several hundreds of millions of dollars? Will they be turned back to the German Government; will they be turned back to the original owners of the assets; or will they remain as assets to be utilized for the satisfaction of claims of various kinds?

Mr. DIRKSEN. Mr. President, I am afraid that my distinguished friend, the Senator from New York, does not quite understand the situation. No doubt that is because of my feeble capacity to explain and my inability to make clear what is involved in this case. I am sure the difficulty arises because of my inability to explain the matter clearly. However, I think I understand what my colleague from New York has in mind.

The debt problem is not involved at all in this case. This matter relates to claims of American creditors, filed in the form of debt claims against a small parcel of assets. As I have pointed out, the claims in the case of the Japanese amount to $159 million, with only $1,500,000 in assets to be distributed—in short, less than 1 percent of the claims which have been filed.

So nothing will be left; or if something is left, possibly only a small amount will be retrieved, and it will go to precisely the same place to which go all funds realized from alien property, namely, into the accounts of the War Claims Commission, as soon as these amounts become freed balances within the determination of the Office of Alien Property, to be used for the payment of GI's and others who have been in concentration camps.

Mr. LEHMAN. Mr. President, will the Senator from Illinois yield for a further question?

Mr. DIRKSEN. I yield.

Mr. LEHMAN. Do I correctly understand that none of the assets which now are in the possession of the Office of Alien Property will be returned at this time, under the bill, either to the original owners or to the claimants or to the German Government?

Mr. DIRKSEN. There is no way of returning any of the assets or any cash realized from those assets until, first, Congress decides to change the whole policy of the Alien Property Act, as it presently exists on the statute books. So that question is not involved in the matter now before us.

As I previously indicated, this measure has the wholehearted endorsement of the Office of Alien Property and of the Attorney General.

Mr. LEHMAN. Do I correctly understand that the bill has the endorsement of the Attorney General?

Mr. DIRKSEN. Oh, indeed; yes.

Mr. LEHMAN. Mr. President, will the Senator read again that endorsement?

Mr. DIRKSEN. I just read it to the Senate, but I now repeat that on page 27 of the testimony which the committee took last July 20, 21, and 22, appears the testimony of Dallas S. Townsend, the present Administrator of the Office of Alien Property, and that testimony reads in part as follows:

> The Department * * * favors this bill as a practical solution of an extremely difficult administrative problem.

Furthermore, I may point out that there is in the record, beginning on page 25, a letter addressed to me by the Deputy Attorney General, William P. Rodgers, which also is an endorsement.

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

Mr. DIRKSEN. I yield.

Mr. LEHMAN. Can the Senator tell me, if this bill is passed, how much, in

value, will be left in the possession of the Alien Property Custodian for the satisfaction of claims of various categories?

Mr. DIRKSEN. As my distinguished friend is an expert in the fiscal field, he can quickly calculate the figure. How much will be left, with $159 million worth of claims, when there is only $1,500,000 to distribute? Under the law, in the administration of a matter of this kind, all the cost is absorbed if possible. How much will be left? There will be very little, so far as the Japanese claims are concerned.

Mr. LEHMAN. I can form some judgment about that. The answer does not quite satisfy my question. I understand there is a very large amount of property—securities or otherwise—now in the possession of the Alien Property Custodian.

Mr. DIRKSEN. If the Senator will bear with me, I am quite familiar with that situation. Such assets include General Aniline, General Dyestuffs, and others. There are many plants which we have not yet liquidated. That liquidation has been in process for a long time. We cannot do anything about the claims which have been filed in that case until we amend section 9 (a) of the Alien Property Act. In the effort I have made before the Judiciary Committee, of which I am a member, to get something done, I encountered a stone wall, I have done exactly nothing. I cannot do anything until the members of the committee make up their minds what they want to do.

However, the bill was reported unanimously. It would greatly diminish the administrative work of the Alien Property Office. The bill involves none of the basic questions to which my friend has alluded from time to time.

Mr. LEHMAN. It does not disturb the assets to which reference has been made?

Mr. DIRKSEN. Not at all. This bill has no bearing on that question.

Mr. LEHMAN. I thank the Senator.

I wonder if the Senator will yield to me so that I may obtain unanimous consent to place in the RECORD at the conclusion of his remarks a letter which I have received from one of my constituents.

Mr. DIRKSEN. Certainly.

Mr. LEHMAN. Mr. President, I ask unanimous consent to have printed in the RECORD at the conclusion of the remarks of the Senator from Illinois a letter dated July 24, 1953, addressed to me by Felix S. Cohen, of Washington, D. C.

The PRESIDING OFFICER. Without objection, the letter may be printed in the RECORD, as requested.

(See exhibit 1.)

Mr. DIRKSEN. The bond claims represent one type of claim which was filed. Secondly, there are the creditors' claims, filed against property, of which there are a great many. We have always referred to them as debt claims. There were 21,000 such claims. There was another variety of claims, which brought the total of debt claims up to 42,743.

I should like to refer to a certain category of debt claims involving certain German corporations, mainly steamship lines. In many cases, under the practice which prevailed, a citizen of the United States would buy steamship passage on the Hamburg-American Line, the North German Lloyd Line, or some other line. Long before the day he was ready to take passage across the Atlantic on one of those stately vessels the war came on suddenly. He was the possessor of a pair of tickets, which he bought in good faith for a very substantial amount, but there was no ship to transport him to Europe or elsewhere.

At long last we did what we have done in every case. If an enemy property was involved we reduced it to cash and used the cash for our veterans, once it was a free balance. So there are citizens today who bought tickets on one of the steamship lines. The question is, How much money is available for the payment of those claims?

In one case, the case of the German Government and its instrumentalities, $670 million worth of claims were filed. I think the amount of money available was only about $1,500,000. One would need a sliderule and a book of logarithms to determine how much the claimants would get. The amount would be so small that it will not even buy a postage stamp.

The thousands of claims which are pending before an instrumentality of government cannot go on forever, like Tennyson's Brook. There must be an end to the process. As the Deputy Attorney General said in a letter to me which appears in the record:

> The use of governmental machinery at great expense to pay private claims when normal business procedures would afford an adequate remedy would not seem to be justified.

When we speak of "an adequate remedy," that does not mean that the claimant is going to get anything. It is my opinion that he will never get anything. When there is only a handful of assets, and $670 million of claims, how in the world are we to make distribution without going out to 8 or 10 decimal points? It is simply an impossible administrative task. So today we are confronted with a condition and not a theory.

The question is, What are we to do? Are we to keep 250 persons employed in the Nation's Capital administering the Alien Property Office, or shall we diminish the workload by a very practical approach to the subject? That is precisely what the bill does. It divests certain categories of claims of their priority, so that we can wipe them off the books. When we do that, we can diminish the number of people on the payroll, even though they are paid out of the assets realized from alien property.

This is wholly a practical administrative problem. The bill has the support of the committee. It has the support of the Alien Property Administrator. It has the support of the Department of Justice.

Mr. President, there is nothing more that I can say in order to make the case clear. In the interest of good administration and simplification of this task, which is one of the grim inheritances of conflict, I earnestly hope that the bill will pass.

Mr. President, I yield the floor.

EXHIBIT 1

RIEGELMAN, STRASSER,
SCHWARZ & SPIEGELBERG,
Washington, D. C., July 24, 1953.

Re S. 2231.

Hon. HERBERT H. LEHMAN,
United States Senate,
Washington, D. C.

DEAR SENATOR LEHMAN: I am writing to call your attention to the way in which the pending bill S. 2231 would exclude from recovery out of vested enemy property just claims for damages and other obligations owing to citizens and residents of America who were refugees from Nazi persecution. The Subcommittee on Trading With the Enemy, chaired by Senator DIRKSEN, of the Senate Judiciary Committee, held hearings earlier this week on this bill to amend the Trading With the Enemy Act relating to debt claims, introduced by Senator DIRKSEN, and other proposed amendments to the act. At this hearing our office presented testimony recommending amendment of this bill intended to prevent exclusion of this type of claim. However, the subcommittee and the full Judiciary Committee yesterday reported out this bill favorably without amendment. Our reasons for objecting to this bill in its present form and for proposing an amendment, and the text of the amendment, are the following:

Section 34 of the Trading With the Enemy Act, as it now stands, authorizes the Custodian to apply property vested in the United States to the payment of those debts of the owner of the property immediately prior to its vesting which were owed to citizens or corporations of the United States or of the Philippine Islands or to residents of this country. S. 2231 would drastically restrict this authority by excluding not only claims against a foreign government or any agency thereof, but, particularly, any debt claim "if it is based upon an obligation expressed or payable in any currency other than currency of the United States or the Philippine Islands."

Under the present law many debt claims have been filed against the property of German businesses which have been vested in this country. The claimants are, in many cases, people who had been forced out of their homes and livelihood in Germany by the Nazi persecution and who had come to this country before the war to become citizens and residents of the United States. Until the war brought into operation the Trading With the Enemy Act there was no way for these people to recover from Germany the money or property owed to them either by virtue of normal business transactions or as a result of the forced sales imposed by Nazi persecution. After the property of these businesses in this country was vested in the United States Government, these creditors could apply for the payment of the debts and damages due them by proceeding under the authority of section 34 and the procedures of the Office of Alien Property.

Now all the claims have been filed and much time and effort and money have been put into the gathering of evidence and the presenting and argument of the cases before the Office of Alien Property. Many of these cases are nearing decision. It is at this point proposed by S. 2231 that our Government step in and throw a new barrier in the way of the recovery and restitution owed to these people for 15 years or more. S. 2231 would cut off any debt claim based upon an obligation expressed or payable in German currency. If this bill is passed the Office of Alien Property may find that debts of the kind I have described are based on obligations expressed or payable in German cur-

rency, although debts for the forced sale of a business are properly claims against the entire assets of the business wherever they may be found.

If this bill is passed and we put our American claimants to the new trouble and expense at this late stage of seeking relief in Germany, we know that the marks which they might recover are not convertible into dollars and can be translated into dollars only by the sale of the marks at substantial loss.

This result, I believe, is not really intended by this proposed legislation. Senator DIRKSEN, explaining the purpose of S. 2231 to the Senate, stated (CONGRESSIONAL RECORD, vol. 99, pt. 6, p. 7409) that "the United States is not under any moral obligation to permit external enemy assets seized by the United States to be utilized for the payment of claims of persons who not only invested their money in a foreign economy but expressly agreed to be paid in a foreign currency in a foreign country." He explained that he had in mind the exclusion of claims based upon the yen certificates bought in this country by Japanese citizens and residents as investments to be paid in yen. During the hearings of the subcommittee the information was given that of the 21,000 debt claims filed before the Office of Alien Property, 17,500 represented these yen certificates. I can understand the reason which prompts Senator DIRKSEN to exclude this type of debt claim from consideration by the Office of Alien Property, which is overburdened and has insufficient vested assets to meet these claims. But this reasoning has no just application to the relatively few claims growing out of the forced sale of German property and other debts created during the Nazi regime. Debts of this character should be honored and met as long as any German property which is properly applicable to these debts remains vested in the United States.

With these arguments, this office submitted an amendment to S. 2231 which would strike from the next to the last two lines of the bill the words "obligations expressed or" and insert in their place "investment expressly agreed to be" so that the provision would exclude any debt claim "if it is based upon an investment expressly agreed to be payable in any currency other than currency of the United States or the Philippine Islands." This amendment would exclude the yen certificates and any similar investments in marks, but would protect the claims I have discussed.

Sincerely yours,

FELIX S. COHEN.

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

The bill (S. 2231) was ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted, etc., That the second sentence of subsection (a) of section 34 of the Trading With the Enemy Act of 1917, as amended, is hereby amended by striking out the period at the end thereof and inserting in lieu thereof a comma and the following: "or if it is asserted against any foreign country (including its government or any political subdivision, agency, or instrumentality thereof) and is not based upon an obligation within priority categories (1), (2), or (3) specified in subsection (g) of this section, or if it is based upon an obligation expressed or payable in any currency other than currency of the United States or the Philippine Islands."

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. CORDON. I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The Chief Clerk proceeded to call the roll.

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

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

AGREEMENT FOR MORNING HOUR TOMORROW, NOTWITHSTANDING LIMITATION OF DEBATE

Mr. KNOWLAND. Mr. President, unless Senators desire to request the insertion of matters in the RECORD, I am about to move that the Senate stand in recess, under the previous order entered, until 11 o'clock a. m. tomorrow.

I invite the attention of the Senate to the fact that tomorrow the time between the convening of the Senate, at 11 o'clock a. m. and 4 o'clock p. m., is equally divided between the proponent of the amendment, the Senator from New Mexico [Mr. ANDERSON], and the Senator from Oregon [Mr. CORDON], on behalf of the opponents of the amendment.

I have not had an opportunity to speak with the minority leader with reference to whether he would be agreeable, prior to the opening of the debate tomorrow, to have a short morning hour, with the distinct understanding that Senators requesting insertions in the RECORD and transacting other routine business would be limited to 2 minutes, with the time to be charged equally to both sides.

If there is any objection, I have no immediate desire to make such a request, but I would be prepared to make it tomorrow. Otherwise the time between 11 o'clock and 4 o'clock will be controlled as previously stated.

Mr. ANDERSON. Mr. President, will the Senator from California yield?

Mr. KNOWLAND. I yield.

Mr. ANDERSON. The distinguished majority leader should know that the Senator from Oregon [Mr. CORDON] and I have had very few requests for time to speak tomorrow. So far as I am concerned, if it is agreeable to the majority leader, I would not object to such a request, and I assume that the acting minority leader would also agree to it.

Mr. KNOWLAND. Mr. President, I ask unanimous consent that immediately following the convening of the Senate, at 11 o'clock tomorrow morning, the usual morning hour be had for the presentation of petitions and memorials, the submission of reports, the introduction of bills and joint resolutions, and for the transaction of other routine business, with the distinct understanding that the remarks of Senators in connection therewith shall be limited to 2 minutes.

I respectfully request, in view of the fact that the time is limited, and that the Senate has agreed to vote at 4 o'clock, that Senators be prepared to limit their remarks during the morning hour to 2 minutes.

The PRESIDING OFFICER. Is there objection to the request of the Senator from California? The Chair hears none, and it is so ordered.

THE DESPERATE PLIGHT OF THE NATION'S SHIPBUILDING INDUSTRY

Mr. BUTLER of Maryland. Mr. President, with further reference to my remarks in this Chamber on Friday last, concerning the desperate plight of the Nation's shipbuilding industry, I would like to call to the attention of my colleagues an article that appeared in Newsweek, March 1 issue.

Captioned "United States Shipbuilding: Rough Weather Ahead," it notes that the United States shipyards have not received an order for any new oceangoing vessels in the last year and a third. Further, it recalls that, even if emergency action were taken now, there would be a period of about a year before keels could be laid and work begun on new ships. In the meantime, it reminds us, there is grave danger that the ship designers and skilled workers may be dissipated and be unavailable if and when new construction is begun.

What is behind the threatened slump?

The most obvious factor is the resurgence of foreign competition. It costs an estimated 40 percent less to build a ship overseas than it does in the United States. That's a big reason Americans have given foreign shipyards some $878 million worth of business since 1948. The United States, at the top of the heap during the Second World War, now ranks sixth among shipbuilders. (First five: Britain, Germany, Sweden, Holland, and France.)

It is a situation of serious moment not only to management and labor particularly involved, but to the entire Nation.

I ask unanimous consent that the article from Newsweek be printed in the CONGRESSIONAL RECORD, so that all our people may have an opportunity to read it, and to be conversant with this unfortunate soft spot in our country's security setup that cries urgently for remedial action.

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

UNITED STATES SHIPBUILDING: ROUGH WEATHER AHEAD

United States shipbuilders appear to be running spank into a violent business storm.

The peril isn't apparent at first glance. In the year just past, private shipyards turned out 45 sizable oceangoing vessels for a total of 570,000 gross tons. That topped every postwar year except 1946, which was bloated by holdover wartime contracts. But 1953, pleasant as it was, is now history. Important barometers point to a troubled, perhaps desperate, future:

United States shipyards haven't received a single order for an oceangoing vessel with the exception of a few warships, during the past 15 months.

Order backlogs have shrunk 50 percent in the last year, to 44 ships totaling 623,000 gross tons.

A year from now, all but one of these ships will be completed. No new business is in sight.

Even if drastic remedies were adopted today, the benefits would not follow immediately. There is usually a lag of about a year between the decision to build a vessel and the keel laying. Meanwhile, shipyards are faced with losing their valuable technical and design staffs.

What is behind the threatened slump?

The most obvious factor is the resurgence of foreign competition. It costs an estimated 40 percent less to build a ship overseas than it does in the United States. That's a big reason Americans have given foreign shipyards some $878 million worth of business since 1948. The United States, at the top of the heap during the Second World War, now ranks sixth among shipbuilders. (First five: Britain, Germany, Sweden, Holland, and France.)

Smaller share: Another reason for the slump is that American shipping lines are getting less business, so naturally they are ordering fewer ships. In 1947, United States flag lines hauled 56 percent of the Nation's imports and exports. Their share is now down to 28 percent. It could go lower. The end of fighting in Korea has hurt traffic. Cutbacks in the foreign-aid program have been a blow.

Also, the Navy is now doing more of its own work in Government shipyards. Before the war, there were 4 workers in private shipyards for every 1 in a navy yard. Today, there are twice as many navy workers as private ones. (The Navy tried to soften the blow to private shipyards recently when it gave a $53 million order for 3 destroyers to the Bethlehem Steel Co.'s Quincy, Mass., shipyard, and a $118 million contract for a supercarrier to the Newport News (Va.) Shipbuilding & Drydock Co.)

The plight of the shipbuilder isn't just the story of an industry in trouble. The national security is directly involved. The importance of the merchant marine in wartime doesn't have to be emphasized. Yet a Senate subcommittee recently reported a deficiency, for defense purposes, of 165 cargo ships, 6 large passenger liners, and 43 big tankers.

Too old: Darkening the picture further is the fact that much of the private ocean-going fleet—1,246 ships—is aging rapidly. Almost 80 percent of this fleet was warbuilt and will become obsolete between 1962 and 1967.

What is the United States Government doing to save the situation? Precious little, most shipbuilders believe. For the first time since 1936, the Federal budget this year doesn't include a request for money for shipbuilding subsidies. One company, the United States Lines, is still trying to collect $10 million of funds the Government agreed to pay it to subsidize making the luxury liner *United States* convertible into a transport.

Government officials insist that they do have an adequate support program. It would include enforcing requirements that shipping lines keep the fleets modernized, taking some steps to stimulate tanker buying, and refitting several old Liberty ships.

Shipbuilders question this kind of planning as far too short range and too narrow a base on which to found a permanently prosperous merchant marine. Their problems, they say, are more fundamental.

The foremost one, according to such a veteran shipping man as Walter E. Maloney, president of the American Merchant Marine Institute, is to restore confidence among shipbuilders and shipping lines on the matter of subsidies. This has been badly shattered recently because the Government has tied up subsidy payments it contracted to make for part of the building costs of the liners *United States, Independence,* and *Constitution.* Today no line will build and no bank will put money into such a vessel.

A firm subsidy payments formula, Maloney predicts, would create quick demand for 7 new liners—2 each from the Grace, Moore-McCormack, and Farrell Lines, and 1 from Delta.

Another support favored by the authoritative Propeller Club would be to make permanent the requirement that half of all foreign-aid shipments be carried in United States bottoms. Still another would be the withdrawal of the Government from the shipping business. A big fleet of Government-owned tankers is currently hauling oil at a time when 57 privately run tankers are idle for lack of orders.

Unless some such steps are taken, shipping spokesmen warn, their industry is in for deep trouble.

SIGNIFICANCE

It is true that the United States merchant marine is at a historic crossroads. And the stake is far greater than the investments of any individual companies. The national security is inextricably involved.

What then is the outlook? The United States shipping and shipbuilding industries are always going to have relatively rough going. Their operating costs will always be high, compared with those of overseas rivals. And the problem of subsidies will always be a thorny one as administrations succeed each other in Washington.

Nonetheless, there is actually reason right now for some cautious optimism. If there was a mess in Washington under the Truman administration, the worst mess of all was in the martime affairs. It hasn't received much publicity, but things are now dramatically different. New Federal Maritime Administrator Louis S. Rothschild is opening the eyes of industry veterans. He is doing a remarkable job of bringing about efficiency and sense in maritime operations.

As for the subsidy problem, it is actually far from being at an impasse. Shipping and Government representatives have for some time been pretty much in agreement on how big subsidies should run. The hitch has been that, through some inconceivable blunder, the statute covering the matter failed to authorize the General Accounting Office to ante up the agreed-upon subsidies in many situations. Congress will be asked to remedy this. It may not get around to it in this busy election year but action seems assured by early next year. When this snafu is cleared up Rothschild is confident that supplemental appropriations to cover subsidy payments will be quickly forthcoming.

Straightening out the subsidy snarl is almost certain to bring a burst of new orders for private passenger and cargo vessels. And the Navy is expected to order many new transport, cargo, and antisubmarine craft this coming year. On top of that, the deepening crisis in Indochina and southeast Asia, causing a probable heavy movement of defense materials to that area, should have the effect of firming up worldwide shipping markets generally.

Summing up, the American shippers and shipbuilders have had and are in for some heavy weather. The immediate outlook is an undeniably grim one. But, assuming new understanding and reasonably prompt action in Washington, there is reason to hope for something better in the future. The end of the line for the merchant marine is not, after all, just around the corner.

RECESS TO 11 O'CLOCK A. M. TOMORROW

Mr. KNOWLAND. Mr. President, in accordance with the order previously entered, I move that the Senate stand in recess until 11 o'clock a. m. tomorrow.

The motion was agreed to; and (at 4 o'clock and 33 minutes p. m.) the Senate took a recess, the recess being, under the unanimous-consent agreement entered into yesterday, until tomorrow, Thursday, March 11, 1954, at 11 o'clock a. m.

NOMINATIONS

Executive nominations received by the Senate March 10 (legislative day of March 1), 1954:

IN THE NAVY

Vice Adm. Matthias B. Gardner, United States Navy, to have the grade, rank, pay, and allowances of a vice admiral while serving as Deputy Chief of Naval Operations (Plans and Policy).

Vice Adm. Robert P. Briscoe, United States Navy, to have the grade, rank, pay, and allowances of a vice admiral while serving as Deputy Chief of Naval Operations (Fleet Operations and Readiness).

Vice Adm. William M. Callaghan, United States Navy, to have the grade, rank, pay, and allowances of a vice admiral while serving as Commander, Naval Forces, Far East.

Rear Adm. Thomas G. W. Settle, United States Navy, to have the grade, rank, pay, and allowances of a vice admiral while serving as Commander, Amphibious Force, Pacific Fleet.

WITHDRAWAL

Executive nomination withdrawn from the Senate March 10 (legislative day of March 1), 1954:

COMPTROLLER OF CUSTOMS

Frank M. Kalteux, of Illinois, to be Comptroller of Customs, with headquarters at Chicago, Ill.

HOUSE OF REPRESENTATIVES

WEDNESDAY, MARCH 10, 1954

The House met at 12 o'clock noon.

The Chaplain, Rev. Bernard Braskamp, D. D., offered the following prayer:

Almighty God, this is a day which Thou hast made and we will rejoice and be glad in it.

We render unto Thee the tribute of our heartfelt praise, for daily we dwell under the canopy of Thy divine providence.

Grant us power and poise of spirit for we cannot perform our duties and carry our burdens without Thy help.

May we hear and heed Thy voice and follow those ways which Thou hast marked out for us, for Thy ways are the ways of pleasantness and Thy paths are the paths of peace.

Bless our colleagues who are still in suffering and pain. Continue to give wisdom and skill to the doctors and nurses who are laboring so conscientiously and arduously to restore them to health of body.

Hear us in Christ's name. Amen.

The Journal of the proceedings of yesterday was read and approved.

SELECT COMMITTEE TO INVESTIGATE AND STUDY THE SEIZURE AND FORCED INCORPORATION OF LITHUANIA, LATVIA, AND ESTONIA BY THE UNION OF SOVIET SOCIALIST REPUBLICS AND THE TREATMENT OF BALTIC PEOPLES

The SPEAKER. Pursuant to the provisions of House Resolution 346 as amended by House Resolution 438, 83d Congress, the Chair appoints as additional members of the Select Committee

To Investigate and Study the Seizure and Forced Incorporation of Lithuania, Latvia, and Estonia by the Union of Soviet Socialist Republics and the Treatment of Said Baltic Peoples, the following Members of the House: Mr. HILLINGS, of California; Mr. FEIGHAN, of Ohio.

COMMITTEE ON AGRICULTURE

Mr. ARENDS. Mr. Speaker, I ask unanimous consent that the Committee on Agriculture may have permission to sit during general debate today and tomorrow.

The SPEAKER. Is there objection to the request of the gentleman from Illinois?

There was no objection.

HON. JOHN FOSTER DULLES, SECRETARY OF STATE

Mr. FEIGHAN. 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 Ohio?

There was no objection.

Mr. FEIGHAN. Mr. Speaker, Secretary of State John Foster Dulles struck a real blow for freedom at the Caracas Conference in the speech he made there Monday. In his address Secretary Dulles analyzed the resolution introduced by the United States delegation entitled "Intervention of International Communism in the American Republics."

This resolution seeks to do two things. It seeks to brand international communism as a conspiracy; a threat to free institutions; a threat to the sovereignty and political independence of all the member nations of the Inter-American Conference. Secondly, it calls for the exposure of communism in such a way as to weaken the conspiracy and make it impotent in its effort to destroy our free way of life.

Secretary Dulles did an able job in identifying international communism. He pulled no punches in branding it the conspiracy that it is. He named the organs of subversion which the Kremlin counts upon to accomplish its vile conspiracy. He made it crystal clear that the objective of international communism is the enslavement of all the peoples of the world.

It is significant that Secretary Dulles made note of the efforts of Czarist Russia and its allies to extend its despotic political system to this hemisphere during the early part of the 19th century. Moscow, then as now, was attempting to establish a colonial enslavement in the New World. He makes it clear that the methods used by Moscow are far more clever today than then were in the early part of the 19th century.

He concluded with identifying the manner in which the slogan of nonintervention is invoked and twisted in order to provide immunity for flagrant Communist intervention in the affairs of free and sovereign nations.

The Secretary of State is to be commended for the stand he has taken at Caracas. I am sure Members of Congress and the overwhelming majority of the American people will applaud him every time he calls a spade a spade.

JUVENILE DELINQUENCY: A NATIONAL PROBLEM

Mr. RODINO. 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 New Jersey?

There was no objection.

Mr. RODINO. Mr. Speaker, I want to speak very briefly about a problem which concerns each of us, not only as legislators but as parents. That is the problem of juvenile delinquency.

In my own city of Newark, in New York, Chicago, San Francisco, Kansas City, even in the Capital City of our Nation and all across the land, parents are shocked and alarmed at the increasing lawlessness of our young people. Everywhere they are asking: How serious is the problem? What can be done? What are we doing now?

Let us look at the facts. In 1952, juvenile courts reporting to the Children's Bureau saw a 10 percent rise in delinquent children over 1951. For the 4-year period from 1948 to 1952, the increase was 29 percent. Yet the total number of children 10 to 17 years old—the age in which most delinquency occurs—increased no more than 6 percent during this same 4-year period, and only 3 percent from 1951 to 1952. As these figures clearly show, the rising tide of juvenile delinquency far outdistances the growth in population.

But this is not the worst of it. There is every indication that the next few years will bring an even greater increase in the number of delinquent boys and girls. The babies born during the "baby boom" of World War II are growing up. According to the Bureau of the Census estimates, by 1960 the age group 10 to 17 is going to be almost half again as large as it was in 1951—or will have increased 42 percent. How many of these children will become delinquent? Will their number also increase 42 percent? Or will it continue to outpace population growth? Or will we succeed in preventing further increases? These are the $64 questions before us today.

The problem reaches into every area of society. It is not confined to the big cities or to slum areas. It hits well-to-do families as well as poor ones. It crops up in small towns as well as large ones. Turning again to the recently published statistics of the Children's Bureau, we find that for 1952 the increase in juvenile delinquency in less densely populated areas of the country kept pace with the average increase for the Nation as a whole for the period 1951–52. In the 4-year period 1948–52, however, the rural average far outpaced the national average. For example, juvenile courts in less populated districts—those serving jurisdictions of less than 100,000—handled 10 percent more delinquency cases in 1952 than they did in 1951. This was also the national average increase. However, the increase for the smaller areas in the 4-year period—1948–52—amounted to 41 percent as compared with the national average of 29 percent.

Leaving aside for a moment the costs in terms of personal unhappiness, wasted and unproductive years, and family distress, what is juvenile delinquency costing us in terms of dollars and cents? The Children's Bureau, this year, estimated that the cost of handling each delinquent child who reaches a juvenile court averages roughly $300. This means that the cost to the public for handling 1952's 385,000 juvenile-court children was, roughly, $115,500,000. However, only about one-third of our delinquent boys and girls are brought to the attention of the juvenile courts. This delinquency bill, therefore, does not include the cost of the children who were picked up by the police and then released, nor does it include the terrific costs of institutional care and treatment.

That is a lot of money. A minimum of $115½ million. Of course, if the expenditures added up to a solution of the problem we would call it money well spent. It would indeed be a bargain price if it meant that the estimated 1 million juvenile delinquents were turned from twisted, antisocial behavior to happy, responsible citizenship.

Regrettably, this is not the case. It has been estimated that more than 5 out of every 10 young people who appear before juvenile courts go on to commit 1 or more serious crimes for which they are convicted as adults.

Where do these facts leave us? We spend and we do not accomplish the ends for which we spend. If at least 50 percent of the delinquent youths who are actually dealt with by our juvenile courts go on to become adult criminals, and if new and expanding crops of delinquents keep coming along, it is obvious that we are not spending wisely.

Our present facilities for helping children are hopelessly inadequate. There are not enough of them, and those we have are not able to offer the right kind of service. For example, too few of our police departments have specially trained officers for handling juvenile delinquents. In many communities, children awaiting juvenile court procedure are held in a jail or in a police lockup with hardened criminals. Even in cases where detention homes are provided, they are usually barren and grim places, hardly conducive to the therapeutic treatment necessary at this stage in the delinquent's career. Even after the delinquent has progressed from the hands of the police, through the dark halls of the detention home, to the juvenile court judge he cannot be sure of sympathetic understanding. Too many of our juvenile court judges do not have enough time to give full consideration to each child's case. In addition, there are not enough social workers to help the judge gather information about the child and his particular problems. Often, the judge must fit the juvenile cases into an already overloaded schedule of criminal and civil cases. Consequently, they find they have to release the children without proper supervision or send them away to a training school. Not even in the training schools are we providing the proper treatment for delinquent children. Here they should

receive psychiatric attention for their personal problems as well as vocational training so that when they go back into the community, they will not fall into old habits. Too few of our training schools have adequate personnel with the experience and education necessary to give this sort of treatment.

Now, what can you and I do to provide more favorable living conditions for young people? May I suggest, as a first step, that we take a new look at juvenile delinquency; that we look behind the delinquent actions of young people, to the real needs of which those actions are a distorted and desperate expression. Prevention, as well as cure, lies in this direction. Stealing, truancy, running away from home are all forms of delinquency. But underlying these actions are conditions which have left unfulfilled certain of the very real needs of human development. These may be the purely physical needs for food, clothing and shelter; or they may be the more subtle, hard-to-define needs for emotional and spiritual development. In any case, the frustration of these needs results in a distorted picture of reality to the child. His means of coping with reality are therefore also distorted. For instance, the child who does not get affection from his parents will seek it elsewhere. He may eventually find it in the teen-age gang. The child who lives in an overcrowded slum tenement will look for recreation outside the home. He may be left to roam the streets, unsupervised, seeking excitement and companionship where he finds it. The child whose parents suffer the insecurities of unemployment, prolonged illness or low wages is apt to feel more frightened than secure in his world.

I make no claim to being a child behavior expert, but as a parent I do know this. Give a child a home in which there is love and security, and he will most likely live a wholesome, productive life. Give a child a home where there is hatred and economic insecurity, and his chances of learning the ways of responsibility are decreased.

What can you and I do? We can pool our knowledge and resources toward our common goal—the welfare of our children. By intelligent and courageous planning, we can bring into more effective use all the community services concerned with the welfare of children. Likewise, we can see to it that the activities of these agencies are coordinated to meet the 24-hour needs of all children.

Finally, as citizens, you and I can take a vigilant interest in the community life that affects our children and the children of our neighbors. Only as all citizens develop a sense of responsibility and participation for the common good can we hope to achieve the kind of community life that promotes the wholesome development of children. By the same token, young people growing up in this atmosphere of community cooperation are apt to learn, by emulation, the ways of good citizenship.

I have mentioned, very generally, what appear to me to be some of the crucial factors in the problem of juvenile delinquency. I have also mentioned, in a broad manner, certain lines of attack. However, we need more information and more investigation into the various economic, social, and psychological phases of the problem before we work out the specific details of a nationwide program to prevent and cure juvenile delinquency. An attempt to get this information is being made at this time by the Senate subcommittee investigating juvenile delinquency. I have every confidence that this congressional group's recommendations will point the way toward a better chance for young people.

We know the problem; we hope to know the solution. Let us then ask ourselves the question: What can we do, as legislators, as parents, and as citizens? Let us then do our part.

SPECIAL ORDER GRANTED

Mr. HOSMER asked and was given permission to address the House for 30 minutes on Thursday next, at the conclusion of the legislative program of the day and following any special orders heretofore entered.

EXCISE TAX REDUCTION ACT OF 1954

Mr. ALLEN of Illinois. Mr. Speaker, I call up House Resolution 465 and ask for its immediate consideration.

The Clerk read 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. 8224) to reduce excise taxes, and for other purposes, and all points of order against said bill are hereby waived. That after general debate, which shall be confined to the bill, and shall continue not to exceed 4 hours, to be equally divided and controlled by the chairman and ranking minority member of the Committee on Ways and Means, the bill shall be considered as having been read for amendment. No amendment shall be in order to said bill except amendments offered by direction of the Committee on Ways and Means, and said amendments shall be in order, any rule of the House to the contrary notwithstanding. Amendments offered by direction of the Committee on Ways and Means may be offered to any section of the bill at the conclusion of the general debate, but said amendments shall not be subject to amendment. 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.

CALL OF THE HOUSE

Mr. KARSTEN of Missouri. Mr. Speaker, I make the point of order that a quorum is not present.

The SPEAKER. Evidently a quorum is not present.

Mr. HALLECK. Mr. Speaker, I move a call of the House.

A call of the House was ordered.

The Clerk called the roll, and the following Members failed to answer to their names:

[Roll No. 27]

Battle	Fallon	Miller, Calif.
Belcher	Forrester	Powell
Bentley	Gamble	Rains
Blatnik	Gubser	Rivers
Chelf	Hébert	Roberts
Clardy	Holifield	Shafer
Curtis, Nebr.	Howell	Sutton
Davis, Tenn.	Jensen	Teague
Dawson, Ill.	Krueger	Weichel
Engle	McCarthy	Wilson, Tex.

The SPEAKER. Three hundred and ninety-eight Members have answered to their names. A quorum is present.

By unanimous consent, further proceedings under the call were dispensed with.

PERMISSION GRANTED COMMITTEES TO SIT DURING SESSION OF HOUSE TODAY

Mr. McCONNELL. Mr. Speaker, I ask unanimous consent that the Committee on Education and Labor may be permitted to sit during general debate this afternoon.

The SPEAKER. Is there objection to the request of the gentleman from Pennsylvania?

There was no objection.

Mr. ALLEN of Illinois. Mr. Speaker, I ask unanimous consent that the Committee on Indian Affairs may be permitted to sit during general debate this afternoon.

The SPEAKER. Is there objection to the request of the gentleman from Illinois?

There was no objection.

SPECIAL ORDERS GRANTED

Mr. FRIEDEL asked and was given permission to address the House for 30 minutes tomorrow, following the legislative business of the day and any special orders heretofore entered.

Mr. WICKERSHAM asked and was given permission to address the House for 10 minutes on Friday, following the legislative business of the day and any special orders heretofore entered on the subject: Girl Scouts of the United States of America.

EXCISE TAX REDUCTION ACT

The SPEAKER. The gentleman from Illinois [Mr. ALLEN] is recognized for 1 hour.

Mr. ALLEN of Illinois. Mr. Speaker, I yield 30 minutes to the gentleman from Virginia [Mr. SMITH], and yield myself such time as I may require.

The SPEAKER. The gentleman from Illinois is recognized.

Mr. ALLEN of Illinois. Mr. Speaker, this resolution makes in order H. R. 8224, a bill to reduce excise taxes. This is a closed rule, the same type of rule that has been used in tax matters long before I came to Congress nearly 22 years ago.

It provides 4 hours of general debate.

It also provides that the Committee on Ways and Means may offer amendments and also that one motion to recommit may be submitted.

Mr. Speaker, there are two provisions in this bill. There was supposed to be a certain reduction or elimination of excise taxes with respect to some items beginning on April 1 of this year. These excise taxes affect such things as automobiles, diesel oil used for highway purposes, distilled spirits, cigarettes and so forth. This bill does not make provision for these excise taxes and the extension of these excise taxes will mean that the Federal Government will receive over $1,700,000,000 during the next year. It is my understanding that the Committees on Ways and Means will offer an amendment which will limit the extension of these taxes to 1 year.

The other provision of this bill has to do with a general reduction in all excise taxes from whatever rate they are at present down to 10 percent. In other words, the tax on jewelry, luggage, toilet articles, furs, movies, sporting goods, electric light bulbs, photographic equipment, mechanical pens and local telephone calls will be reduced from 20 percent to 10 percent. The tax on long distance telephone calls which is now 25 percent will be reduced to 10 percent. The tax on ammunition and firearms, on bank deposit vaults, club dues, initiation fees and so forth will be reduced to 10 percent.

Mr. Speaker, I feel that most all of us agree that the excise tax on sporting goods, bicycles and so forth should have been reduced long ago and I think we all agree that headway has been made in the past year or so with regard to a general reduction in taxes. I need not tell you that during the past year the taxpayers of this Nation who have been overburdened with taxes have already received a tax reduction of over $7 billion. The personal income tax has been reduced by 10 percent, beginning on January 1 of this year, which amounts to over $3 billion. The relief so far as excess profits taxes are concerned will amount to $1,700,000,000.

The tax revision bill which will come before this body next week will give tax relief in the amount of $1.4 billion. The present tax bill before us, I repeat, will give relief to housewives and others in the amount of $912 million. This makes a total, I repeat, Mr. Speaker, of $7,012,000,000 that our people are getting in regard to tax relief.

I could not stop without saying, Mr. Speaker, that I think all of us give a great deal of credit to the members of the Committee on Ways and Means, people like the gentleman from New York [Mr. REED], and the gentleman from Tennessee [Mr. COOPER], and the others. They have done a great job, and I am sure that the taxpayers of the Nation are grateful to them.

Mr. Speaker, I urge the adoption of this resolution.

Mr. SMITH of Virginia. Mr. Speaker, I yield such time as he may desire to the gentleman from Indiana [Mr. MADDEN].

Mr. MADDEN. Mr. Speaker, the Ways and Means Committee, in its deliberations on the excise tax reductions now being considered, has taken a step in the right direction. Unfortunately the committee did not deem it advisable to carry out the promises which the Republican administration made in the last campaign regarding the reduction of excise taxes. Had these campaign promises been carried out, excise taxes on automobiles, gasoline, motor trucks, accessories, moving pictures, and other commodities would be included and relieved of these wartime excise taxes on April 1 as scheduled. Nevertheless the present bill will partially give relief to purchasers of furs, jewelry, luggage, toilet articles, sporting goods, electric lights, photographic supplies, transportation, telephone and telegraph, and several other items. It is, indeed, unfortunate that last year after the House passed the cancellation of the excise tax on motion-picture admissions that the President vetoed the enactment.

I wish to commend the Democratic members of the Ways and Means Committee for the successful fight they made in drawing the attention of the public to the fact that this bill, in its original form, would have made most of these excise taxes permanent. The announcement which the Democratic members made that they would present a recommital motion against this bill proved to be the reason that the Republican conference yesterday agreed to only 1-year extension of this excise tax instead of the majority party's original intention of making these excise taxes permanent. I understand one of the Democratic members of the Ways and Means Committee will offer a motion to recommit this bill recommending the abolishing of all excise taxes on admission tickets purchased for theaters and other entertainments which are less than 50 cents. I shall vote for such a recommittal motion.

Mr. SMITH of Virginia. Mr. Speaker, I yield 5 minutes to the gentleman from Pennsylvania [Mr. WALTER].

Mr. WALTER. Mr. Speaker, I ask unanimous consent to speak out of order.

The SPEAKER. Is there objection to the request of the gentleman from Pennsylvania?

There was no objection.

Mr. WALTER. Mr. Speaker, a few moments ago I saw a picture on the front page of the New York Times which came as a great shock to me and must have to everybody who sees it. It depicts a group of labor agitators picketing the United States courthouse in Foley Square in New York City. Under the picture is what purports to be a statement from the United States attorney to the effect that he is examining the law in order to determine whether or not any law is being violated by the action of these pickets.

Mr. Speaker, in order that he may not waste any more time in doing what is obviously his duty, I call his attention to section 31 of chapter 73 of title 18 of the United States Code as amended. This is an amendment to chapter 73 of title 18 of the code, which was enacted in order to deal with this particular kind of a situation. And, if the United States attorney in the city of New York does not proceed, then I am sure that we can construe his failure to act as his willingness to permit law and order as we know it to be destroyed.

Mr. CELLER. Mr. Speaker, will the gentleman yield?

Mr. WALTER. I yield to the gentleman from New York.

Mr. CELLER. Would the gentleman agree that the demonstration of those agitators is in the nature of a wrongcalled contempt of court, and that the law also imposes penalties on those who participate in such demonstration?

Mr. WALTER. There can be no question about the law. It was spelled out with meticulous care by the Committee on the Judiciary, and I just cannot imagine a man finding himself in the high position of United States attorney who did not know that what I saw in this picture this morning was a violation of the criminal code of the United States.

Mr. ALLEN of Illinois. Mr. Speaker, I yield 5 minutes to the gentleman from Indiana [Mr. HALLECK].

Mr. HALLECK. Mr. Speaker, the largest tax reduction program proposed for the benefit of the American people in the past two decades is now under way in the Republican 83d Congress.

There are a number of misconceptions regarding tax legislation proposed by the Republican administration in addition to tax reductions which have already been achieved.

Here are the figures, which dispel any doubts about who benefits the most from tax cuts which we have already passed on to the American people or will within the near future. Of course, estimates, while reasonably accurate, are always subject to some minor adjustments.

The annual tax relief that will be obtained when the administration's entire tax program is completed this year totals $7,300,000,000.

For individuals alone, the tax saving from administration measures totals an estimated $4,700,000,000. This is cash in the pockets for our taxpayers to spend for the things they need and want in their own way and in their own time.

The personal income tax reduction of 10 percent alone accounts for a $3 billion tax saving for 1 full year.

The excise tax cut legislation before the House today, on the basis of Treasury Department estimates for the first full year it will be in effect, totals $900 million.

The tax revision legislation to be considered by the House shortly contains some of the finest and fairest provisions of any tax bill ever presented to the Congress.

This monumental legislation will provide tax savings for individuals in the Nation amounting to $778 million for 1 full year.

I repeat, that for the first full year of tax relief under this overall program, individual taxpayers alone will benefit by an estimated $4,700,000,000.

In addition, the tax relief already provided in excess-profit brackets is benefiting American business concerns to the extent of $2 billion.

An additional $600 million in tax relief for American business is provided for in

the tax-revision legislation soon to be before the House.

From the figures it is obvious that, far from neglecting the individual taxpayer, we have provided relief from oppressive taxation to the extent of $4,700,000,000, compared to $2,600,000,000 in tax relief for business.

We have been able to do this because one overall objective of the administration and this Republican Congress is being reached slowly but surely, and that is a continued reduction in Federal spending. Specifically, there is another reason why we have been able to provide this large amount of tax relief.

We are maintaining the status quo on a number of excise taxes, which will continue to provide the Treasury with a total of $1,700,000,000 annually.

Also, in addition, we are maintaining corporation tax rates at 52 percent, which will continue to bring into the Treasury a total of $2 billion for a full year.

Without maintaining these two taxes at the levels we have, it would not be possible to provide the tax relief which the American people deserve.

The administration and the Congress have moved carefully but rapidly on the tax saving front and will continue to do so. The record so far is outstanding, as any taxpayer will agree, and it should not be marred by ill-considered appeals based on political expediency.

Mr. ALLEN of Illinois. Mr. Speaker, I move the previous question.

The previous question was ordered.

The SPEAKER. The question is on the resolution.

The resolution was agreed to, and a motion to reconsider was laid on the table.

ESTABLISHMENT OF UNITED STATES AIR FORCE ACADEMY

Mr. SHORT. Mr. Speaker, I ask unanimous consent to take from the Speaker's table the bill (H. R. 5337) to provide for the establishment of a United States Air Force Academy, and for other purposes, with Senate amendments thereto, disagree to the Senate amendments, and ask for a conference with the Senate.

The Clerk read the title of the bill.

The SPEAKER. Is there objection to the request of the gentleman from Missouri? [After a pause.] The Chair hears none, and appoints the following conferees: Messrs. SHORT, ARENDS, COLE of New York, SHAFER, VINSON, BROOKS of Louisiana, and KILDAY.

EXCISE TAX REDUCTION ACT OF 1954

Mr. REED of New York. Mr. Speaker, I move that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (H. R. 8224) to reduce excise taxes, 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. 8224, with Mr. H. CARL ANDERSEN in the chair.

The Clerk read the title of the bill.

By unanimous consent, the first reading of the bill was dispensed with.

Mr. REED of New York. Mr. Chairman, I yield myself 10 minutes.

Mr. Chairman, it is a great pleasure for me to stand in front of the House today and speak on the matter of tax reduction. I believe firmly that the American people are entitled to tax reduction to the maximum extent we can go without endangering the fiscal affairs of the Government.

I might mention at the outset that it is rather interesting to note that Germany, our late enemy, has given tax relief up to 25 percent to individuals and a 15-percent reduction in taxes to corporations. Holland has given tax relief. Canada has given tax relief. Great Britain has given tax relief. France has given tax relief. Israel has given tax relief. Australia has given tax relief. We seem to be the one country that furnishes money to all the other nations, but that is very slow in giving tax relief to our people.

In considering this legislation we weighed the situation very carefully in the Committee on Ways and Means. I do want to pay my respects to that committee, to members of the majority and to members of the minority. We have worked diligently for many months on these tax problems.

Today we are here on the matter of excise taxes, to give such relief in the excise field as we feel proper under the fiscal conditions existing at the present time. But this legislation is not the end. We are going to review more tax relief as soon as it is feasible to do so.

Mr. Chairman, H. R. 8224 accomplishes two major objectives. First, it extends the present rates on those excises which are subject to automatic reduction on April 1. Second, it reduces to 10 percent the rates on all other excises which are presently above that level. These tax cuts are effective April 1.

The extension of present rates affects distilled spirits, beer, wine, cigarettes, gasoline, automobiles, parts and accessories, and diesel fuel for highway use. These extensions which were requested by the President will retain the present $1,070,000,000 revenue from these sources.

The second portion of the bill reduces present excises by $912 million a year. This is accomplished by reducing all ad valorem excises now above 10 percent down to 10 percent. The present excise system contains a wide variety of arbitrary and discriminatory rates ranging up to 25 percent on individual items. There has never been any rhyme or reason in these widely disproportionate rates. They create competitive problems. They interfere with free choice on the part of the consuming public.

The following are the tax reductions contained in the bill:

First. The tax on furs is cut in half, from 20 to 10 percent—a reduction of $20 million;

Second. The tax on jewelry is cut in half, from 20 to 10 percent—a reduction of $100 million;

Third. The tax on luggage, including ladies' handbags, is cut in half, from 20 to 10 percent—a reduction of $40 million;

Fourth. The tax on toilet articles and cosmetics is cut in half, from 20 to 10 percent—a reduction of $55 million;

Fifth. The tax on admissions, including movie admissions, is cut in half, from 20 to 1 0percent—a reduction of $175 million;

Sixth. The tax on sporting goods is cut from 15 to 10 percent—a reduction of $3 million;

Seventh. The tax on mechanical pens, pencils, and lighters is cut from 15 to 10 percent—a reduction of $4 million;

Eighth. The tax on electric light bulbs is cut in half, from 20 to 10 percent—a reduction of $20 million;

Ninth. The tax on photographic equipment is cut in half, from 20 to 10 percent—a reduction of $15 million;

Tenth. The tax on local telephone calls and telegrams is cut from 15 to 10 percent—a reduction of $125 million;

Eleventh. The tax on long distance telephone calls is cut from 25 to 10 percent—a reduction of $235 million;

Twelfth. The tax on transportation of persons, including railroad tickets, is cut from 15 to 10 percent—a reduction of $95 million;

Thirteenth. Finally, present taxes on firearms, ammunition, safe deposit boxes, club dues, and initiation fees are all cut to 10 percent—a reduction of $25 million.

These cuts will give substantial relief in a great may areas. We all recognize that there are many other excise problems which can present meritorious cases for relief. These other problems will have an opportunity for later consideration. The fact is that the imminence of the April 1 termination date has made it impossible to give as much consideration to these other problems as would normally be desirable.

Following enactment of this bill, excise collections will be $912 million less than they are today. This amount will be a saving to the housewives, the consumers of the Nation. It will expand consumer purchasing power. It will stimulate business and employment. It promises the first general excise-tax reduction in over 20 years.

Mr. CELLER. Mr. Chairman, will the gentleman yield?

Mr. REED of New York. I yield.

Mr CELLER. May I ask the gentleman what motivated the Committee on Ways and Means in its failure to reduce the liquor taxes from $10.50. In New York City, for example, it is causing a great deal of moonshining and bootlegging to the detriment of our great city of New York in particular. That unhealthy situation is developing also in many parts of the country because the high taxes on liquor are giving a tremendous encouragement to illicit and illegal traffic in liquor.

Mr. REED of New York. In view of the conditions in New York City and the racketeering that is going on there, we feel it would not be good public policy to further inflame the people of New York.

Mr. CELLER. I think the situation is similar throughout the Nation, not only in New York. I happen to come from New York and I was just mentioning New York as an illustration.

Mr. REED of New York. I am from New York State, but I come from the other end of it.

Mr. CELLER. I come from the better end of it.

Mr. COOPER. Mr. Chairman, I yield myself 15 minutes.

Mr. COOPER. Mr. Chairman, it has been rather interesting to observe the change in the position of our good friends on the Republican side with respect to this bill. It had been the intention of those of us on the Democratic side to offer a motion to recommit this bill to include a termination date of April 1, 1955 for the excise taxes being made permanent in it. But since the Republican caucus yesterday "recommitted" the bill for us, we are relieved of that trouble and difficulty. So the committee met this morning, under the instructions of the Republican caucus of yesterday, after they recommitted the bill, and agreed to offer a committee amendment which fixes a termination date extending these excise taxes for one year. If our good Republican friends would just learn to follow the advice of the Democratic members of the committee when we are considering these matters in our committee, it would save them a great deal of embarrassment and difficulty and trouble. We offered that amendment in the committee, and by a straight party vote, it was voted down.

So the caucus had to recommit the bill for them in order to get it in shape so that they could bring it in here and prevent the adoption of our motion to recommit.

Mr. Chairman, I supported the provisions in the pending bill which reduces all excise taxes above 10 percent to 10 percent.

These include the present 20-percent retail excise tax on furs, jewelry, luggage, and toilet preparations; the 20-percent tax on electric-light bulbs and tubes, safe-deposit boxes, photographic equipment and film, admissions, and dues and initiation fees; the present 15-percent tax on sporting goods, mechanical pens and pencils and lighters, local telephone and telegraph, radio and cable services; the present 25-percent tax on long-distance telephone service, and the present 11-percent tax on pistols, revolvers, firearms, shells, and cartridges. These reductions amount to $912 million of revenue in a full year's operation.

The bill also, in effect, increases excise taxes by $1.077 billion. As the bill stands, this is done by removing the automatic termination date which the Democrats put in the law, under which the excise taxes increased to finance the Korean conflict would terminate on April 1. The items involved are liquors, cigarettes, gasoline, automobiles, motorcycles, trucks and buses, parts and accessories, and diesel fuel.

I was of the view that these increases should terminate as scheduled on April 1. These rates of tax are even higher than they were during World War II, and, since the Korean conflict has ended, I could not see any justification for continuing these high rates on a few selected items. Our good Republican friends take credit for ending the Korean conflict. It seems to me that they are a bit hard put to justify continuing these Korean increases. I might point out that they are also continuing the Korean increase in corporation taxes, but it was their intent from the beginning that this continuation should be for 1 year only.

After the unsuccessful attempt to let these excise taxes expire as scheduled, I then supported a temporary continuation for them of 1 year only. The effect of the bill in removing the April 1 termination date is to make these rates permanent.

Failing in our efforts to get a 1-year extension only, the Democrats then decided to offer a motion to recommit the bill to the committee with instructions to insert a termination date of April 1, 1955. In the face of this, the Republicans have capitulated and have agreed to committee amendment providing such termination date.

It is a misnomer to call this bill an excise-tax-reduction bill. It would be more appropriately called an excise-tax-increase bill, since the net effect will be an increase in excise-tax revenues of $165 million.

I was very disturbed by the hasty manner in which this bill was considered in committee. The members of the committee did not have copies available to them until we met in executive session, and action on the bill was completed in 1 day. This is very hasty consideration on tax legislation involving $2 billion in revenues.

The reductions contained in this bill are pretty much the same as those that were made in the revenue bill of 1950 as it passed the House. It will be recalled that those reductions were deleted in the Senate, due to the necessity of raising additional revenues to finance the Korean conflict.

The Democratic members of the committee attempted to get many of the other adjustments in excise taxes which were contained in the revenue bill of 1950 inserted in this bill. These included a repeal of the tax on handbags, billfolds, key cases, etc.; watches selling for less than $65, and clocks and alarm clocks selling for less than $5; leased wire service furnished to shut-in students; and bowling alleys, billiard and pool tables operated without charge by nonprofit organizations or governmental agencies; and a cut of tax on transportation of property in half.

We also moved to repeal excise taxes on the following: household water heaters; mechanical pens and pencils; admissions; admissions where the admission price is 50 cents or under; admissions to moving-picture theaters where the admission price is 50 cents or under; admissions to amusement parks and rides where the admission price does not exceed 15 cents; household ironers and driers; communications; local telephone calls; and college and school athletic games.

These may not be the only or necessarily the most deserving cases for adjustments or reductions at this time, but due to the fact that we had such short notice, we were not prepared as well as we would like to have been in moving to make further excise tax adjustments, in addition to the reductions contained in the bill.

Although as I stated, I supported the reductions contained in this bill, I protested the manner in which the reductions were made by arbitrarily leveling all rates above 10 percent to 10 percent. The fact that an excise tax rate is below 10 percent or is levied on a dollar and cents basis does not mean that this, in and of itself, should remove such a case from consideration in deliberations looking toward excise tax relief. This was the situation in this case. Also, during the lengthy tax hearings held last summer, many administrative problems in the excise tax field were brought to the committee's attention. No consideration whatever was given to these problems.

I am very disappointed in that the Republican members of the committee refused to support the efforts of the Democrats to give further relief from the admissions tax.

It will be recalled that the House and the Senate passed, overwhelmingly, a bill last year to exempt moving-picture theaters from the admissions tax. Our committee received testimony at that time to the effect that the movie industry was a distressed industry, and we felt that relief was justified. The President vetoed that bill. The administration still agrees that the movie industry is distressed.

At the beginning of 1946, the total number of theaters and drive-ins in operation was 19,019. Since 1946 and until February of 1954, there have been 4,725 new drive-ins and theaters constructed, making a total of 23,744. Of these 23,744 theaters, 6,280 have closed since 1946, or 26.4 percent of all theaters built. This leaves 17,464 theaters operating now—including drive-ins—and of this total, 6,127 are operating in the red. Since last July alone, 1,117 additional theaters have closed.

The pending bill, by reducing admissions to 10 percent, I am told, will relieve very few of these theaters. In fact, 4,820 will still be operating in the red. Most of these 4,820 are smalltown theaters where the admissions charge is 50 cents or less. I moved in the committee to exempt from the admissions tax all admissions where the price is 50 cents or less. This would have included, of course, admissions to moving-picture theaters.

I felt that this exemption should be applied to all admissions so as to be nondiscriminatory. The exemption would mean that the 4,820 theaters, in most cases, would be able to at least break even. Of this total of 4,820 theaters, 2,200 are in towns having just the 1 theater, and they are the only source of outside entertainment for local citizens.

I regret that the Republican members of the committee did not see fit to provide theaters this relief.

Mr. LYLE. Mr. Chairman, will the gentleman yield?

Mr. COOPER. I yield to the gentleman from Texas.

Mr. LYLE. I expect to offer a motion to recommit this bill which will provide

that admissions of 50 cents or less shall carry no tax at all. I think it is entirely justifiable and that it would be in the interest of the economy of our people.

Mr. COOPER. I have such a motion prepared right here in my pocket, and would have offered it myself, but I cannot qualify by stating that I am opposed to the bill; so if the gentleman from Texas can qualify, I will be glad to support his motion.

Mr. LYLE. I am in a little more flexible position. I think I can qualify.

Mr. DINGELL. Mr. Chairman, the bill before us—H. R. 8224—is without question the greatest hoax ever perpetrated upon the American people. Heralded by the Republicans as a reduction in excise taxes, it, in fact, deliberately increases the excise-tax load by $165 million, as I will show in 2 tables which I am submitting. This is due to the bill retaining the excise taxes which were increased by the revenue bill of 1951, at a time, mind you, when we entered upon the Korean war, and which were to terminate on April 1, 1954. The hodgepodge referred to as the Excise Tax Reduction Act of 1954 is an insult to the intelligence of the American people. They are deemed to be so ignorant as to not understand the difference between the Republican plan of a $912 million reduction in excises, and the amount of $1,077,000,000 automatically provided in the Democratic tax bill of 1951 and due to expire April 1, 1954. It is a vile and vicious attempt to further increase revenues from excises.

The Republican members of the committee, all 15 of them, voted against the 10 Democrats not to insert an expiration date and thus, for all practical purposes, made this increase permanent. This, of course, is nothing new for the Republicans. As the foremost antagonist of excise and sales taxes, I want to say for myself that I was instrumental in fixing the date of expiration of the excise-tax increases contained in the 1951 bill as I did in the tax bill relative to excise taxes in 1941. Twice this form of tax, according to my best effort, was to have served a temporary need and for a second time the Republicans in the face of their pledges to reduce taxes, doublecrossed the American people, and instead of permitting the law to take its course they did deliberately and with malicious intent violate their pledges and not only reenacted them, as under the Knutson bill in the 80th Congress, but in both instances tried to make permanent this most reprehensible of all forms of taxation. They were forced by their own Republican Members of the House to correct their stance and to put in a 1-year extension time limit on the so-called pre-Korean excises. They refused to do this in committee where they were properly counseled and advised, but were forced by their own Republican Members of the House generally to change this piece of rascality. The entire membership knew that the Democrats were going to move to recommit the bill, and we all agreed to stand on this point. They were then forced to about face, and, as the gentleman from Massachusetts, JOHN MCCORMACK, said when they capitulated, "It is a great victory for the Democrats."

During consideration of this proposal known as the Reed bill, H. R 8224, I attacked its provisions from the title and including every item to the very last word in the bill. I have never in my 21 years in Congress and committee work, and in my vast experience with tax bills, seen or heard such tactics as were used in forcing this bill and bringing it before the House with the object of making it a source of discrimination and a burden to the consumers of the Nation, as was witnessed in the final approval of this bill by the Republican majority.

For instance, we had an opportunity and could actually have removed the excise tax on entertainment, more particularly on movie admissions, when on motion of my distinguished friend, the gentleman from Tennessee [Mr. COOPER], the proposal was made that admissions taxes, including those on movies, be eliminated. The vote on the part of the Democrats was unanimous, 10 for the proposal, plus 3 Republicans, when 1 of the Republicans, recently known as a champion of the motion picture excise tax cut, reversed his position and defeated the Cooper motion. In other words, the vote of 13 to 12 for elimination was changed to 13 to 12 against it. Another proposal by the gentleman from Tennessee [Mr. COOPER] seeking compromise, was to permit a cut or the elimination of all excise taxes on motion-picture admissions where the admission charge was 50 cents or less. This proposal was lost on a tie vote of 12 to 12 when it could have been carried if the red-hot proponent who previously backed such legislation has been consistent. But instead of voting with us Democrats and 2 Republicans, he declined to vote at all. Thus another opportunity to relieve the motion-picture industry, and particularly the small neighborhood theaters, was lost.

During the course of the day I must have made a score or more motions to relieve the hotels and cabarets and others of an unjust and unfair excise tax. I explained with fervor the recession in business which has hit the hotel business and the better class dining rooms of the Nation because of this pernicious and withering form of tax. But to no avail. The Republicans with clocklike regularity and precision voted against the Democrats almost solidly, 15 to 10 to maintain an excise tax on this form of business.

The workingman, whose interests I have championed on every occasion, whether it was a matter of income tax, excise tax, or any form of legislation which bore directly upon his welfare, failed to get relief which I intended he should have. You know that under the Democratic provisions of the 1951 tax bill beer was to have been reduced $1 a barrel, whisky $1.50 a proof gallon, and wine to its pre-Korean rate, on April 1, 1954. All of these rates were confirmed at the highest rate ever attained and in violation of the 1951 proposal. Thus the man who at the end of a hard day's labor lifts his glass of that healthful, nutritious beverage known as beer will have to swallow less beer and more tax as the Republican plan provides.

Whisky, which is taxed at the rate of $10.50 a proof gallon, pays as high as 20 times the cost of production, and has reached along with beer the point of diminishing returns. Whisky production has reverted to illicit bootleg production because it can be sold profitably at one-half of the tax charge the legitimate distiller is obliged to collect from the public. In other words, illicit distillers or bootleggers pay no tax on whisky and can well afford to sell it at $5 a proof gallon, whereas the honest taxpaying manufacturer must pay $10.50 a gallon in addition to the cost of production. On a lesser scale, the same thing applies to the producer of wines and champagnes. There never was any excuse and there can be none now why these legitimate producers of beverages should not receive a cut in the excise tax levied upon their products.

A tax cut on beer particularly is desirable, because beer is a beneficial food beverage. It is the workingman's champagne. The worker looks forward to it as a treat, as a health giver and builder which reinforces and refreshes him after a hard day's work and prepares him for a hearty evening meal. It is a food drink and a medicine. It is something that doctors recommend not only for healthy men and women but for invalids, for nursing mothers, and for people who are in need of a tonic and a health-building beverage. The excise tax on beer today, compared with preprohibition days, is, I should say offhand, at least six times as high, despite the fact that like whisky and wine it was restored to legitimacy by the 19th constitutional amendment.

Over the years the beverage industry has been the whipping boy of the narrow, the bigoted, and the cowardly, who, in and out of Congress, have invariably vented their spleen upon this class of legitimate, honorable, American taxpayers. I hope that the time is not far off when the payoff will come and the scores are evened. The brewing industry, like the distillers and producers of wines, have taken this abuse by way of unfair and discriminatory tax impositions until we are faced with the danger of their elimination and the taking over of this field of wholesome production by the illegitimate alley brewers, the moonshiners, bootleggers, and kitchen producers of wines, to the detriment not only of the consuming public but of the Treasury. The figures of today prove conclusively that the many thousands of stills that were confiscated in the last calendar year, or it may have been the year previous to that, had capacity of production greater than all of the legitimate taxpaying sources. I want to reemphasize the importance of this statement by pointing up that I refer only to those stills which were discovered, confiscated, and destroyed; it does not cover the total amount of possible maximum production. There are doubtlessly as many or more that have not as yet been uncovered as there are those which were destroyed by revenue agents. The major cause of this sinful practice among the lawless moonshiners and bootleggers is due entirely to the inducement offered to this element by the handicap tax

which is being levied upon legitimate, honest producers.

As to the automobile excise taxes, I would like to point out that I was responsible for the tax being held at 7 percent when there was a move underfoot to make it as high as 25 percent. I held the line on this until there was a coalition party move in the Revenue Act of 1951 which forced an increase to 10 percent. It was claimed in the executive session on the present bill that the automobile industry was willing to go along for at least another year with the 10-percent tax rate. I was startled to hear this and moved that the rate drop back to 7 percent on April 1, 1954, as scheduled. My motion was squashed by a 15-to-10 vote along party lines. The claim is made that the industry which will still be saddled with this exorbitant rate will pass most of the tax on to the consumers. But there will soon be a day of awakening when the Republicans finally realize that the purchasing power of consumers is our big problem.

I made a strong plea for the elimination of all excise taxes on moderate-priced jewelry, and the exemption from the tax of watches valued at $65 or under. But this proposal too failed.

In committee, my last word on the tax bill bore directly on the title, a planned fraud, and in pointing out the fact that instead of being a decrease it was an increase in the amount of excise taxes to be collected. I made the motion to change the title of the Reed bill by substituting the word "increase" for "reduction," which motion as a matter of record went down to defeat, but it was honest, it was proper to make such motion and if the bill were to be appropriately named that is how it would be presented to the House.

It was born in iniquity I warn you people of America. It would reduce nearly all wartime excises down to the 10 percent level in preparation for the Republican move of foisting upon the American people the uniform general sales tax, either on the retail level, or at the source on what is known as the manufacturer's level.

The American people I do hope will take into account this action when it comes their time to speak their mind at the polls. That is the day of reckoning; that is the time of retribution.

Excise Tax Reduction Act of 1954

EXCISE TAX REDUCTIONS PROVIDED IN THE BILL

	Rates under present law	Rates under this bill	Reduction in excise tax collections (full year effect)
	Percent	*Percent*	*Million dollars*
Retailers' excises:			
Furs	20	10	20
Jewelry	20	10	100
Luggage	20	10	40
Toilet preparations	20	10	55
Total			215
Manufacturers' excises:			
Sporting goods	[1] 15	10	3
Mechanical pens, pencils, lighters	15	10	4
Electric light bulbs and tubes	20	10	20
Pistols and revolvers	11	10	(2)
Firearms, shells, and cartridges	11	10	1
Cameras, lenses, and film	20	10	15
Total			43
Miscellaneous excises:			
Telephone, telegraph, radio, cable	(3)	10	235
Local telephone	15	10	125
Transportation of persons	15	10	95
Leases of safe deposit boxes	20	10	5
Admissions:			
General	[4] 20	10	175
Cabarets	20	10	
Club dues, initiation fees	20	10	19
Total			654
Grand total			912

[1] Under present law this rate is scheduled for reduction to 10 percent on Apr. 1, 1954.
[2] Negligible.
[3] Telephone or radio-telephone messages, toll charges over 24 cents, 25 percent; domestic telegraph, cable, and radio dispatches, 15 percent; international telegraph, cable and radio dispatches, 10 percent; leased wire service, teletypewriter, or talking circuit special service, 25 percent.
[4] Under present law a penalty tax of 50 percent is imposed on sales by proprietors in excess of the established tax; this rate is not reduced.

Excise Tax Reduction Act of 1954

EXCISE TAX RATES INCREASED BY THE REVENUE ACT OF 1951 CONTINUED UNDER THE BILL

	Unit of tax	Present rate continued under bill	Rate prior to Revenue Act of 1951	Increased collections due to continuation (full year effect)
Liquor taxes:				*Million*
Distilled spirits	Per proof gallon	$10.50	$9	$150
Fermented malt liquors	Per barrel	$9	$8	87
Wine:				
Still wine:				
Containing less than 14 percent alcohol	Per wine gallon	17 cents	15 cents	8
Containing 14 to 21 percent alcohol	do	67 cents	60 cents	
Containing 21 to 24 percent alcohol	do	$2.25	$2	
Containing more than 24 percent alcohol	do	$10.50	$9	
Sparkling wines, liqueurs, cordials, etc.:				
Champagne or sparkling wine	Per ½ pint	17 cents	15 cents	
Liqueurs, cordials, etc. and artificially carbonated wines.	do	12 cents	10 cents	
Tobacco taxes: Cigarettes	Per 1,000	$4	$3.50	191
Manufacturers' excises:				
Gasoline	Per gallon	2 cents	1½ cents	225
Passenger cars and motorcycles	Manufacturers' sales price.	10 percent	7 percent	27
Trucks, buses, truck trailers	do	8 percent	5 percent	75
Parts and accessories	do	do	do	60
Miscellaneous excises: Diesel fuel used for highway vehicles.	Per gallon	2 cents	(1)	5
Total				1,077

[1] No excise tax prior to Revenue Act of 1951.

Mr. REED of New York. Mr. Chairman, I yield 15 minutes to the gentleman from Ohio [Mr. JENKINS].

Mr. JENKINS. Mr. Chairman, heretofore we, the members of the Committee on Ways and Means, have been embarrassed quite frequently with complaints that we usually ask for a closed rule. We are today operating under a closed rule, but I have heard no complaints about that fact today. I am glad for that for the membership are anxious for results and not for oratory. Of course, it is well recognized that when the Democrats were in power and when the Republicans are in power it is a very difficult matter to handle a tax bill on the floor if we throw it open for all kinds of amendments. But it seems today that is not going to make much difference because the subject matter is quite well understood.

I should like especially for the Republicans to know one thing about the presentation of this bill that has impressed me tremendously. And I think the Democrats will also agree with me. This is what I mean: This little report that the committee has put out—and thanks to those who prepared the report for us—comprises about the most convincing report that I have ever read. It does not scintillate with beautiful words and phrases, but it is really eloquent from the standpoint of figures. I think if I were you and if you would take any advice from me, I would gather up for myself a few of these little reports, because in this report you will find the whole story. You can tell in these two pages of figures exactly what has been done, and if you are a Republican, you can see with a great deal of pride that we have saved to the people $912 million for this year and that much for the year to come. While this is a great accomplishment on the part of the Republicans on the Ways and Means Committee, still the Democrats can get a whole lot of comfort from these figures also. I say in all sincerity that I do not know of any bill that we have ever considered, especially in view of the importance of this bill, where the story is told so succinctly and so completely as it is told in this report of only a few pages.

Now let us talk just a minute about this first page. Every speaker so far has discussed the figures on this page. We have had a constant clamor in this country for a long time against high taxes, and we Republicans have been put to pressure several times as to what we are going to do about reducing these excessive taxes.

Well, what are you going to do about it? Here is a very succinct little chapter to show you what we have already done in this bill. We have accomplished a great reduction, and who gets it? Nobody can say that this saving of $912 million is going to the rich people, to the big corporations, and to fellows that have the big incomes, and so forth. This remarkable saving goes to the great consumer class.

Mr. FORAND. Mr. Chairman, will the gentleman yield?

Mr. JENKINS. I could not refuse to yield to the genial gentleman from Rhode Island.

Mr. FORAND. Is not this the sugar bill so that the other one will not be quite so bitter when it comes along?

Mr. JENKINS. Oh, no. Somebody on the Republican side answers this for me. He says that the next bill—meaning the big tax-revision bill—is going to be a honey bill. It is going to be honey in the common parlance because I think every person in this body will favor it. Already it has been demonstrated that the Democrats are going to vote for this one, so I am pretty sure they will vote for the big bill when it comes along because they are pretty fair fellows, they recognize what is right, and I forgive them for the fix they were in; they could not do what they wanted to do most of the time. They had somebody else to tell them what to do.

Mr. FORAND. The gentleman just said that all of us are going to vote for this bill. I am tickled to death that most of us intend to vote for the bill after what you fellows did this morning. You had to eat crow, just remember; remember that.

Mr. JENKINS. Remember, if we did, that was our own crow.

Mr. FORAND. That is right because it was at the conference that you were told that you had better do that or else.

Mr. JENKINS. I thank the gentleman for his contribution and admonition and advice, but I do not promise to take it all.

Mr. BOGGS. Mr. Chairman, will the gentleman yield?

Mr. JENKINS. I do not want to disappoint any of the Members, so to whom shall I yield first?

Mr. BOGGS. Mr. Chairman, the gentleman is so sharp today that I will not ask him a question.

Mr. JENKINS. I thank the gentleman for the compliment.

Now, let us get back to this serious situation.

Let us take the case of the jewelry people. Last year there were quite a number of jewelry people who came to my home city of Ironton, Ohio in an effort to present their views. Some came from New York, some from Philadelphia and I think perhaps some from away up in Rhode Island. They complained about this terrible jewelry tax. I feel that they had a good case. I am glad to help them as we are doing today. These Democrat members, who have today been so charitable in their own praise, never thought much of these jewelry people. But we are going to do something for them. We have reduced the tax from 20 percent to 10 percent, so that we are going to give them $100 million. This will go all over the country to all these little jewelry fellows. I am not referring now to the ten-cent store people who sell jewelry, nor to the big department stores who sell jewelry but I am referring to the ordinary jeweler that we find in all the towns of the country. I am proud of the opportunity that I have had to help give them this $100 million.

Let us take the case of luggage, toilet preparations, and so forth. I believe the gentleman from New York [Mr. REED], touched on those two items. Also there is the item of sporting goods. We are going to do something there. It is not very much, only $3 million, but it will be some encouragement. The sporting goods people have been hit hard, I know. We have a large factory producing that type of goods in my home town. They conduct a worth while business and employ a large number of men and women.

Here is another place where I am proud we had the chance to do something and that is with reference to telephones. I had more complaints, more tear-jerking complaints from people who live out in the country, especially poor people, who cannot afford long-distance telephone calls. All they can afford is to have a telephone. Are you going to deny these people the opportunity of having a telephone? It had gotten to the point where it was a question whether or not some of them could afford to have a telephone. A lot of them would have to give them up. One of the finest things that we did was to give these people who have telephones a reduction of their taxes so that they can keep their telephones. I think we did rather handsomely by them. We save them $235 million.

I could go on down and list the rest of these important items, but that is not necessary. I should like to take 2 or 3 minutes to discuss another matter which the gentleman from New York [Mr. REED] did not mention. It is this. At the close of this debate, we Republicans, because of the fact that the Democrats have voted with us, will offer an amendment. We could not offer it under the rule unless we got permission to do so. We are going to offer an amendment, and it is a good amendment. Why do I say it is a good amendment? We tried it out in the caucus; we tried it in the fire, we tried it everywhere. Most of the Members know that it is a good amendment and knew all the time that it was a good amendment. But we could not give everything to everybody.

Mr. REED of New York will offer that amendment. We are all for it. Then we shall have a fine bill.

I want to say that I appreciate the work that has been done on this bill. If you gentlemen will take this little report you will see that we are talking in millions. This is not small money; this is $912 million. No one can throw up to the Republicans that they have not done anything, because here we are giving back to the people $912 million in this one bill. That is only a starter. Next week we are going to have what we call the big bill, and we are going to do something fine in that big bill, too. We are not only a party of promise, we are a party of fulfillment. When we shall have passed the other tax bill the people of this country will know that the Republican Party has discharged a great obligation and will have redeemed its promises to do something for the people.

Mr. COOPER. Mr. Chairman, I yield 15 minutes to the gentleman from Pennsylvania [Mr. EBERHARTER].

Mr. RABAUT. Mr. Chairman, will the gentleman yield?

Mr. EBERHARTER. I yield to the gentleman from Michigan.

Mr. RABAUT. I want to ask the last speaker whether or not they have a caucus amendment they are going to bring in on the bill next week.

Mr. EBERHARTER. I was going to make some remarks about that. I would not be surprised if the Republican leadership change their strategy. They have changed their strategy so often since the question of tax revision came along that the Members do not know what they are going to propose next. So it would not be too surprising if they come in here with various amendments on the bill that is already reported out. So far it is a tax-increase bill in net effect.

All the Members heard the gentleman make the remark that we are going to have a long session this afternoon, somewhat in contradiction of what the chairman said. The gentleman from New York said he does not see much reason for extended debate, but then I had to recall to my mind what the leader of the majority said here when he was speaking on the rule. He spoke generally on the subject of what the majority party intends to do with respect to tax revision. Of course, he referred mostly to promises. As the gentleman from Ohio just said, his party is a party of promises. There is no question about that. I wonder whether or not the chairman of the Committee on Ways and Means could make a promise that they are going to suggest a committee amendment to strike out from the general revision bill the juicy melon with respect to tax credits and exclusions for dividends. I have heard that rumor for some time. It may be that the Republican members of the Committee on Ways and Means will finally give in to what the Democrats have been contending all along, that this is a great big juicy melon, and that in order to get the bill passed they will have to make a motion that that part be stricken from the bill.

Mr. BOGGS. Mr. Chairman, will the gentleman yield?

Mr. EBERHARTER. I yield to the gentleman from Louisiana.

Mr. BOGGS. There was one point the gentleman from Ohio made that confused me somewhat. He stated that his group would never succumb to any type of pressure. Yet just about this time last week we had this bill before us and the Democrats offered two motions with respect to the termination date, on the April 1 expiration time. My motion would have permitted the decreases to take effect as scheduled, and the vote on that was 15 to 10. Then we had a motion by the gentleman from Arkansas [Mr. MILLS] on this cutoff date, providing an extension for a year only, and the vote on that was 15 to 10.

Mr. EBERHARTER. All 15 Republicans against it, of course.

Mr. BOGGS. Could the gentleman explain that to me?

Mr. EBERHARTER. I do think that perhaps some of the members of the Republican Party who attended that conference yesterday had heard from back home or else had been back home, and had begun to realize what was going

on. Of course I agree with our chairman, the gentleman from New York [Mr. REED], when he says there is not much need for debate on this bill this afternoon. There is a very valid reason for concluding that way, because the Republican conference yesterday and the members of the Committee on Ways and Means on the Republican side today completely surrendered to the position that the Democrats have taken all along. So I am sure the Democrats have nothing to fight very much about. We do not need any extended debate inasmuch as the surrender to the views of the Democratic minority occurred this morning as a result of directions from the Republican caucus yesterday afternoon.

Mr. JENKINS. Mr. Chairman, will the gentleman yield?

Mr. EBERHARTER. I yield.

Mr. JENKINS. I do not want the gentleman to be laboring under any false impression. I do not want to say anything mean. What I would say is the truth, is that the Republicans did not pay any attention to what the Democrats said with reference to that matter.

Mr. EBERHARTER. The gentleman means that it was not brought up in conference yesterday that the Democrats had favored all these provisions which they decided to accept yesterday, but the gentleman well knows that that has been our position right along. You may not have surrendered because of what the Democrats thought about these propositions, which you now embrace so closely to your heart, but you will not deny the fact that that has been our position right along, that has been the position of the minority party Members, as I said before. Probably the pressure was sufficient from back home on this matter to make the Republicans change their position. I may say the same thing about the change insofar as the floor stocks refund for automobiles is concerned. A great deal of pressure came on that matter. So the committee, the Republican majority of the committee, gave in to what the Democrats had been contending for all along. They tried to write in this bill in a committee motion of recommittal, a proposal to award to the automobile industry, the dealers and so forth, a refund on their floor stocks at the end of 1 year.

Mr. RABAUT. Mr. Chairman, will the gentleman yield?

Mr. EBERHARTER. I yield.

Mr. RABAUT. The automobile in this very debate here on the floor of the House today is being treated and spoken of as though it were a luxury. The people of the United States ought to be informed that it was under the Democratic Party that the taxes on the automobile were to be reduced the first of April. This bill does not reduce that tax. When they pay the tax, which is the largest tax that anyone pays under this kind of bill, the automobile tax because of the price of the automobile is the greatest single tax that anyone pays. There is also the interest on that tax to be paid normally in the purchase of an automobile. The automobile-driving public of the United States ought to be informed fully on this matter.

Mr. EBERHARTER. The gentleman is stating the facts, there is no question about that. I want to emphasize to the membership in committee here his afternoon that this change of heart occurred as a result of pressure. Of course, the Democrats did not need any pressure from the beginning because they realized the fairness of the idea. That is what we have been contending for.

Mr. FORAND. Mr. Chairman, will the gentleman yield?

Mr. EBERHARTER. I yield.

Mr. FORAND. I support the statement just made by my colleague the gentleman from Pennsylvania. Referring to the statement made by the gentleman from Ohio, the Republicans did not yield to the Democrats, but they did yield to the public pressure. They did yield to the people back home who knew that the Democratic position was a sound one and stood behind it until finally the Republicans adopted it.

Mr. EBERHARTER. The gentleman is absolutely correct. I certainly thank the gentleman for bringing that to the attention of the Members.

Mr. BAKER. Mr. Chairman, will the gentleman yield?

Mr. EBERHARTER. I yield.

Mr. BAKER. Would the gentleman from Pennsylvania tell the Committee the total amount of losses in revenue to the Treasury of the United States, which would have resulted had all of the motions to cut revenues, which were offered by the Democratic members of the Committee on Ways and Means been adopted?

Mr. EBERHARTER. When the Democrats were in the majority because of the fiscal situation and the emergency and the wars we were engaged in, we gave much consideration to imposing these various excise taxes. We considered many factors. We considered the business involved.

Mr. BAKER. Will the gentleman please answer my question?

Mr. EBERHARTER. I am coming to that.

Mr. BAKER. Please.

Mr. EBERHARTER. I will be very glad to answer the gentleman's question. We considered several factors. We considered whether the industry was a depressed industry. We considered whether the items to be levied upon were luxury items and whether some luxuries were necessities. We considered the demand on the part of the public. We considered whether it was strategically necessary for the conduct of the war effort. We considered all of those things when we imposed those taxes. But here comes a proposition advanced by the leadership of the Republican Party who say, "We will do it the easy way. We will use a broadax and cut everything down." I say they did not give proper consideration to excise tax reductions. Of course, they are giving some relief, but insofar as what it would cost the Treasury if the motions offered by the Democrats had prevailed, I do not have any figures on that. As a matter of fact, the Republicans did not offer an information on that subject and neither did the department heads.

Mr. FORAND. Mr. Chairman, will the gentleman yield?

Mr. EBERHARTER. I yield.

Mr. FORAND. I believe the gentleman is in a good position to give our Republican friends the same answer I got when I was asking how much loss would be involved and every time I asked the question, the answer I got was that it was negligible. We got that answer "negligible" so many times that if one were to add all the "negligibles" together you would have a pretty solid figure that would open your eyes. I believe that is a justifiable answer to the gentleman under the circumstances.

The CHAIRMAN. The time of the gentleman has expired.

Mr. MILLS. Mr. Chairman, I yield the gentleman 10 additional minutes.

Mr. BAKER. Mr. Chairman, will the gentleman yield?

Mr. EBERHARTER. I yield to the gentleman from Tennessee.

Mr. BAKER. Is it not true that of the approximately 50 motions made by the Democrats on the Ways and Means Committee to cut out completely these excise taxes, it would have meant a loss of revenue of approximately $9 billion?

Mr. EBERHARTER. The Democratic members of the Ways and Means Committee have not been supplied with those figures by any member of the staff of the Joint Committee on Internal Revenue Taxation or by any member of the staff of the Treasury. As a matter of fact our motions were voted down by the Republicans; no one had a chance to give us any information.

Mr. Chairman, if I may be permitted, I would like to speak generally on the strategy that has been adopted by the leadership of the Republican Party.

Mr. BOGGS. Mr. Chairman, will the gentleman yield?

Mr. EBERHARTER. I yield to the gentleman from Louisiana.

Mr. BOGGS. I wonder if the gentleman from Tennessee [Mr. BAKER] would be good enough to inform the House, since he has brought up the question of the loss of revenue, what the position of the Treasury Department is on this bill before us.

Mr. BAKER. If the gentleman will yield, I am not in a position to state the position of the Treasury Department, but I would ask the gentleman if it is not true that $9 billion loss of revenue would have resulted if the motions made by the Democrats on the Ways and Means Committee had prevailed.

Mr. BOGGS. That could not be true. Total collections from excise taxes must be what the gentleman has in mind.

Mr. EBERHARTER. I will say to the gentlemen, the point he makes is very well taken. I would like to say that the representatives of the Treasury Department were opposed to this bill.

Mr. BOGGS. I would like to direct an inquiry to the gentleman from Tennessee, if the gentleman will yield.

Mr. EBERHARTER. I yield.

Mr. BOGGS. The gentleman from Tennessee [Mr. BAKER] said he was unable to state the position of the Treasury

Department. I would like to ask the gentleman if he heard the position of the Treasury Department?

Mr. BAKER. Yes, I did.

Mr. BOGGS. Would the gentleman be good enough to recount what he heard?

Mr. BAKER. The position as stated was that a cut down to 10 percent was too deep at this time, as I understand it; that there were certain distress-business industries.

Mr. BOGGS. What were those industries?

Mr. BAKER. One was coal; one was movies, and another was fur.

Mr. BOGGS. I did not hear coal mentioned, but I thank the gentleman for replying to my question. Movies and fur; is that correct?

Mr. EBERHARTER. Of course, all of us have read in the newspapers about the strenuous opposition of the Treasury Department to these excise-tax cuts at this time. There is no question about that.

Mr. MILLS. Mr. Chairman, will the gentleman yield?

Mr. EBERHARTER. I yield to the gentleman from Arkansas.

Mr. MILLS. I would be very much interested in the gentleman from Tennessee [Mr. BAKER] advising the House the source of his information that the Democratic proposals in the committee would have resulted in an additional loss of $9 billion to the Treasury had they been adopted by the committee. The total collections on all excises for 1954 is only estimated to be $9,869,000,000.

Mr. EBERHARTER. So obviously the figures given by the gentleman from Tennessee [Mr. BAKER] are not correct.

Mr. VORYS. Mr. Chairman, will the gentleman yield?

Mr. EBERHARTER. I have not got to the main point I would like to discuss yet. I yield to the gentleman from Ohio.

Mr. VORYS. I am not a member of this great committee and probably have no right to pry into its inner workings, but do I understand the gentleman from Pennsylvania, and others, to say that they proposed in good faith amendments to reduce these taxes and that they themselves, did not know what it was going to amount to, and cannot tell the House now what the results would be of the amendments they were offering? If this is true it is the most amazing thing I have ever heard. Is that the fact?

Mr. MILLS. Mr. Chairman, will the gentleman yield?

Mr. EBERHARTER. I yield.

Mr. MILLS. I think my friend from Ohio misunderstood. The Democrats knew full well what was involved in the proposal offered in the committee further to reduce excises. The Democratic proposals were along the line of the bill which my friend and I both supported in 1950 to reduce excise taxes altogether. That bill would have lost approximately $1 in excises. There was no more involved in the motions offered by the Democrats in committee the other day, when duplicating motions such as on admissions are considered, than was involved in the reduction bill of 1950.

Mr. VORYS. Then is the proper amount a billion dollars?

Mr. MILLS. As against the amount in this bill of $912 million, perhaps.

Mr. VORYS. All I wanted to get straight was whether these amendments were offered by Members and voted for by members of this great committee and they did not know what they were voting on.

Mr. MILLS. I can assure the gentleman that nothing like that ever happens in the Ways and Means Committee, either on the part of Republicans or Democrats.

Mr. VORYS. That is the way it sounded.

Mr. MILLS. We always try to be fully advised of what we do in the committee, both Democrats and Republicans.

Mr. VORYS. That is the way the colloquy sounded.

Mr. REED of New York. I do not recall that there was a motion to strike out all excise taxes. That would be $9 billion alone.

Mr. MILLS. If the gentleman will yield further, you will not find any such thing in the RECORD.

Mr. CURTIS of Nebraska. Mr. Chairman, will the gentleman yield briefly?

Mr. EBERHARTER. Not at the moment.

I do not have any memory of any Member making such a silly motion as to strike out all excise taxes. That is foolishness. There is nobody with any sense at all who would offer a motion like that which would cost almost $10 billion at a time like this.

Mr. BOGGS. Mr. Chairman, will the gentleman yield?

Mr. EBERHARTER. I will yield to the gentleman but I remind the gentleman and others that I have yielded a lot of my time. I yield to the gentleman.

Mr. BOGGS. If the members of the committee will refer to the minority views in the report at the bottom of the first page they will find a recapitulation of the amendments that were offered:

Among the additional adjustments which we attempted to make in the current bill and which were defeated by the majority were the following, many of which were also included in the revenue bill of 1950: to repeal the tax on handbags, billfolds, key cases, etc.; watches selling for less than $65, and clocks and alarm clocks selling for less than $5; household water heaters; mechanical pens and pencils; admissions; admissions where the admission price is 50 cents or under; admissions to moving-picture theaters where the admission price is 50 cents or under; admissions to amusement parks and rides where the admission price does not exceed 15 cents—

Would that cost a billion dollars?—

household ironers and driers; communications; leased-wire service furnished to shut-in students—

Would that cost another billion?—

local telephone calls; college and school athletic games—

That was a very interesting amendment. That was adopted in the morning session by a vote of 13 to 12. In the afternoon one member came back and said he did not understand what was meant and asked that the vote be reconsidered, so it was and turned out 13 to 12 the other way—

bowling alleys, billiard, and pool tables operated without charge by nonprofit organizations or governmental agencies. We also proposed to cut the tax on transportation of property in half.

Mr. VORYS. You have not given the total yet.

Mr. BOGGS. No; I have not.

Mr. EBERHARTER. I am very glad the gentleman from Louisiana recited that for the benefit of the Members who are here present. I wonder whether or not the Members of the majority party will come out and say flatly to the people who buy these various items that have been enumerated that they are opposed to any reduction in the excise tax on those items?

Mr. CURTIS of Nebraska. Mr. Chairman, will the gentleman yield?

Mr. EBERHARTER. I yield to the gentleman from Nebraska.

Mr. CURTIS of Nebraska. I never was able to understand the gentleman's mathematics; however, let me say that you on that side offered one motion to let the terminations take effect. That would amount to one billion one. Then you offered other excise-tax motions that have been enumerated here, which would amount to about a billion two, in addition to the bill we have before us. The minority report does not list all of the motions that were made by that side. There is no way by which you can adopt 50 motions destroying excise taxes and have anything left. So the fact remains that your proposals would have resulted in a reduction of $9 billion.

Mr. EBERHARTER. Mr. Chairman, all of us know that the thing that was very dear to the heart of the chairman of the Committee on Ways and Means was the so-called general technical tax bill. When the committee first took that up there was an agreement among all the members of the committee that the question of rates would not be considered, whether up or down, or the question of exemptions or whatever might result in a rate change would not be considered. Excise taxes were not to be considered. Nothing of that nature would be considered.

Then we get hold of the technical bill and by the way we were handed the bill by sections, 10 or 20 printed pages at a time, sometimes maybe 75 pages. We find in that bill many provisions that were nothing more or less than handouts. One of the first provisions we came to was the matter of exempting dividends plus giving them a special tax credit. That is a handsome handout. In that connection I may say the majority is using the figure so far as loss is concerned of $240 million, but let me say that when the provision becomes fully in effect it will result in a loss of $850 million. The leader on the majority side did not mention that. He mentioned the $240 million, but it will cost $850 million, or putting it another way, it will benefit those who own stocks to that extent.

On depreciation the figure is $375 million. The benefit to big business, and to small business I may say, when it is fully operative is $2,200,000,000. They are trying to claim that they are giving relief to individuals but they are not doing it.

I have challenged the proposition here on the floor of the House many times as to what the average taxpayer will get.

There are some fringe benefits, for instance to those who are retired, somebody who is a foster father, somebody who can send his child to college; however, there is no general tax relief in this bill.

The public began to find out what was in this so-called technical revision and the heat was beginning to mount. So they changed their strategy. They gave up the idea of bringing in a general technical revision bill. They thought they could fool the public more if they brought in here an excise tax bill that would sound sweet to the public. They took the position they could then say to the public and to the Secretary of the Treasury: "We cannot afford to lose any more money in this general tax revision bill. We do not want an increase in exemptions, we cannot afford it; we have already given in excise tax relief about a billion dollars." They do not tell us what is on the other side of the coin—what is there is an increase in excise taxes also amounting to $1,077,000,000. That is where they changed their strategy. Of course, I did mention the change of strategy yesterday when the conference instructed them to surrender to the views of the minority. That is the real reason. I want to call attention especially to the Members on my left over here that they are going exactly contrary to the views of the Secretary of the Treasury with respect to this excise tax bill. I do not know how come, but the Secretary of the Treasury does not want to increase exemptions at the present time. What are you going to do about it? Are you going to go contrary to the views of the Secretary of the Treasury? Mr. Chairman, if the Secretary of the Treasury is so anxious to have somewhere near a balanced budget, why does he not give up the idea of giving $850 million in tax credits to the people that own stock? Why does he not give some of that $850 million to the average taxpayer by giving in to the proposition of raising exemptions?

Mr. Chairman, there are 47 million families in the United States, and 335,000 of those 47 million families would get 80 percent of this $850 million in stockholders' tax benefits. Mr. Chairman, I hope that there will be a change of heart on the part of the Secretary of the Treasury and of the Republican leadership in this Congress.

Mr. REED of New York. Mr. Chairman, I yield such time as he may desire to the gentleman from Illinois [Mr. BUSBEY].

Mr. BUSBEY. Mr. Chairman, I wish to congratulate the members of the Committee on Ways and Means of the House of Representatives, and especially its chairman, the gentleman from New York, Mr. DANIEL A. REED, for voting out H. R. 8224, that, when enacted into law, will bring about a reduction in some of the present excise taxes.

These taxes were originally intended to curtail the purchase of luxury items during the war. However, in its zeal to squeeze every penny it could from the people, the New Deal administration passed laws that imposed taxes on many items that were actual necessities, rather than luxuries.

Certainly such items as ladies' handbags, lipstick and other cosmetics and toilet articles cannot, by any stretch of the imagination, be considered luxuries today. They are as necessary to women as their shoes, hats, and other wearing apparel.

The taxes on these, as well as many other items, including briefcases, luggage, ladies' fur-trimmed coats, telegrams, telephone calls, electric light bulbs, and transportation—to name just a few—should have been eliminated years ago.

Mr. Chairman, I sincerely regret that the committee did not report a bill entirely eliminating the taxes on the items I have named. Unfortunately, this bill, like all tax measures, comes before the House under a closed rule, which prevents anyone who is not a member of the committee from offering an amendment. If this were not the case, I most certainly would offer an amendment to remove all excise taxes from these articles. For years, I have fought for the outright abolition of these taxes, which I call antifeminine. Nevertheless, I do desire to congratulate the committee again on making a start, at least, in the right direction.

Women comprise the most powerful economic group in the United States. It has been estimated that they control, directly or indirectly, eighty percent of the country's purchasing power. They are indeed a much greater economic force than most men—who like to think they are the head of the house—realize or will admit. There is one thing I do know for a certainty: If the women were only organized on a basis similar to labor, manufacturers, and numerous other groups in the United States, excise taxes on these articles would have been repealed long ago.

Countries all over the world, to whom we have been sending billions of dollars in foreign aid, have had tax reductions. The American people should have had reductions in taxes years ago.

Mr. REED of New York. Mr. Chairman, I yield 10 minutes to the gentleman from Illinois [Mr. MASON].

Mr. MASON. Mr. Chairman, many of my best friends in this House sit on this side, the Democratic side, of the aisle and because of that I rather enjoy speaking when I am looking right at some of my best friends.

Mr. Chairman, a great American, a great Democrat, a great man—and we have great Americans and great men on both sides of the aisle, in both parties—once said, "Let's look at the record." I want to look at the record. I have been a Member of this House for 18 years, and during that time I have seen many things happen, and I want to look at the record. During that 18 years our national debt has risen from $20 billion, approximately, to $273 billion, approximately.

Mr. BOGGS. Mr. Chairman, will the gentleman yield?

Mr. MASON. I decline to yield until I am through looking at the record.

Now, that was accomplished under the leadership of the then majority party, now the minority party, with the aid of the, shall I say, liberals—that is a nice term—on both sides of the aisle. During that 18 years the tax load upon the American people rose from approximately $5 billion to $68 billion. That also happened under the leadership of the majority party then, now the minority party, with the aid of the so-called liberals on both sides of the aisle, who were pretty liberal with other people's money.

During those 18 years, individual exemptions under the income-tax law, were reduced from $2,500 for a married couple and $1,000 for an individual, to $1,000 for a married couple and $500 for an individual. That also was accomplished under the leadership of the then majority party, now the minority, with the aid of the liberals on both sides of the aisle.

During the last 10 years, we have had a giveaway program under which they gave away $100 billion, more or less, of the American taxpayers' money. That also was under the leadership of the then majority party, aided and abetted by the liberals on each side of the aisle, who were liberal with other people's money.

Then during the last year or so, under the leadership of the then majority party, now the minority party, again aided and abetted by the liberals on both sides of the aisle, they entered into contractual obligations amounting to over $100 billion with promises to pay attached to them, which the present majority party inherited, and were forced to honor.

During those 18 years, our two former Presidents, Presidents of the then majority party, entered into executive agreements, at Teheran, at Cairo, at Yalta, and at Potsdam. That is one reason we ought to have the Bricker amendment. Under those executive agreements Stalin, who was dictator over 300 million people at the end of World War I, became dictator over 900 million people. As a result of those agreements we have spent over $200 billion in this cold war that was brought about because of those executive agreements. We now have boys scattered all over the earth in 49 different countries. And we have Uncle Sam today assuming the burden of the whole world, like Atlas of old. That was done under the then majority party, now the minority party, with the aid and assistance of the so-called liberals on each side of the aisle. That is the record.

I also want to clear up the record in this respect. If the majority of this House, regardless of the aisle, during those 18 years had voted as I have done on this give-away program, we would not be $273 billion in debt, more in debt than all the other countries in the world put together. Uncle Sam owes more than twice as much as all the countries of Europe put together. I am very sorry to say, under our present administration we are not doing much to correct this give-away program. We are not doing very much to cut down on these useless expenditures. We are trying to do a little bit, not as much as I would like to do, in the tax reduction program. I was one who wanted tax reduction last year for individuals, H. R. 1. I feel satisfied that if that bill had passed last year we would not have the present little depression, or little recession, or temporary

recession, or whatever you want to call it. I have voted against these things in the past under the past leadership, and I shall continue to vote against these things now under the present leadership. because I have to sleep with myself the rest of my days.

Mr. COOPER. Mr. Chairman, I yield 5 minutes to the gentleman from Texas [Mr. RAYBURN].

Mr. RAYBURN. Mr. Chairman, I did not intend to say anything in general debate, and of course I will not be able to say anything in the reading of the bill because there will be no debate under a 5-minute rule. But the gentleman from Illinois [Mr. MASON] always challenges me. I knew when he was looking over on our side and talking about some of the best friends he had in Congress over here that he would pick me as at least one; and we are friends.

I want to look at the record just a moment and say that I have heard from some gentlemen who just came out of the White House last week that it was indicated it did not make much difference what the House did on tax bills, they expected the Senate to disregard the action of the House and write the bill in the Senate as the Secretary of the Treasury and the President would like it to be written.

I have seen a great many conversions going on around here during my short years in this Chamber, but I think yesterday was one of the most remarkable and most dexterous changes in position I have known to exist in quite a while. I would hazard the guess that before the big bill comes up the Republicans will have another conference, and in all probability take away a great deal of our proposed motion to recommit on that bill. I just make that as a general suggestion and maybe as a reminder.

Now with reference to this matter of a national debt of $273 billion. Do you know why we owe that much money? I stood on the floor of the House of Representatives in 1938, 1939, and 1940 and pleaded with the isolationist Members of Congress, telling them that the world was in danger, that civilization itself stood at the crossroads, that forces were loose in the world that were going to destroy the school, the church, the state—yea, the civilization that we had built up and which we love so well. I pleaded to appropriate a few million dollars to make ourselves strong so that no international desperado would attack us. Why they said, "Nobody is going to attack us. We can wrap two oceans around us and be safe from attack from other parts of the world and so preserve ourselves." The advice of the President and the then Secretary of War, who was a Republican as you recall—and incidentally I have not heard of any Democrats being appointed to any high positions in this administration, and yet they say they want nonpartisanship—yes, they do when it suits them and when it does not suit them, then they do not want nonpartisanship—as I was saying the advice of the President and the then Secretary of War was ignored by the isolationists. We were attacked and in order to save our own civilization, and the civilization of the world, we spent $400 billion. Can you measure the freedom that we have today by a few billions of dollars—a few billion dollars spent by the richest, most powerful country upon the face of the earth today, or that ever did exist at any time in known history? Why, not even the Caesars when they thought they bestrode the world like Colossi were as strong in the day in which they lived as your beloved country and mine is today. We had to spend that money because we were shortsighted. We not only had to spend $400 billion fighting a war, but we had to surrender the life, the limb, and the blood of thousands upon thousands of American manhood and womanhood. My dear friend from Illinois, that is why we owe $273 billion today. We owe it yes, but we still have our way of life and we intend to maintain that way of life. Mr. Chairman, I was interested also in the gentleman's assertion about Yalta and Potsdam. Why during the campaign of 1952, they just ate Yalta and Potsdam up blood raw every morning before breakfast as well as the Truman-Acheson policy. When this administration came into power, somebody down in the State Department read the agreements which had been made at Yalta and Potsdam and understood those agreements evidently because we have not heard anything about revising or repealing or doing anything about those agreements that were made at Yalta and Potsdam. The only thing this administration has done with reference to the Truman-Acheson foreign policy is to follow that policy, but to administrate it in a sorry fashion.

Mr. REED of New York. Mr. Chairman, I yield 10 minutes to the gentleman from New Jersey [Mr. KEAN].

Mr. KEAN. Mr. Chairman, we all listened with interest to the speech of the distinguished minority leader. But now let us get back to the tax bill.

It is a pleasure to be able to stand here and advocate a bill to reduce certain excise taxes. If I remember correctly, the only other time I was able to advocate reduced taxes was in the Republican 80th Congress. This, the 83d, being also a Republican Congress, I feel sure the people of this country will realize it is more than a coincidence that tax reductions follow the election of Republicans.

We are able to stand here and vote for a cut in some excise taxes now because the Eisenhower administration recommended economies last year. These economies were passed by a Republican Congress in spite of Democrat opposition.

The excise-tax bill before us today is such a simple one that there is no necessity for a long dissertation on its details. I would like to discuss, however, how, in my mind, it fits in with the entire economic picture.

To do this I will also have to talk a little about the revision bill which is expected to come before the House late next week, and about which certain Democrats have been doing much talking in recent weeks.

These Democrats complain about certain benefits which are included in the bill for the purpose of stimulating increased production, although increased production will provide more jobs in the future. Their claim is that the Eisenhower tax program is designed chiefly to aid business. They ignore the reality of the jobs this program will help provide in the future. Instead they talk glibly about the trickle-down theory.

These Democrats neglect to state that with this bill the tax reduction proposed for the year 1954 amounts to more than $7 billion and of that amount only about one-sixth will come from the revision bill, and of that one-sixth only about one-half of the benefits go to business.

The fact that these aids to business, amounting to about one-half of the one-sixth of the entire $7 billion will, to a large extent, result in more jobs in the future and thus greater consuming power will, I am sure, be discussed fully in the debate on the revision bill next week.

The tax revision bill is a minor item as far as tax cutting is concerned. But it is a very major item in removing inequities, plugging some loopholes and providing a climate in which free enterprise can function in order to increase the living standards of all the American people.

We must all acknowledge that we are today in a moderate business recession. It seems to be the attitude of most Democrats that we should throw all thoughts of tax revision out of the window, forget about the future and only change our tax laws so as to throw the greatest possible amount of spending power immediately into the hands of the people.

Let us look at the whole picture, however.

In our entire program for 1954 the amount going directly into the consumers' pockets will equal almost twice the amount that can be said to aid business directly.

The exact figures are: $4,678,000,000 to consumers immediately; approximately $2,581,000,000 earmarked for business aid of which $2 billion is the result of termination of the excess-profits tax which I know a substantial majority of the House are glad to see ended.

To itemize these figures, besides the excess-profits tax the other so-called aids to business will amount to $581 million.

The reductions which immediately place spending money in the consumers' pockets are the $3 billion cut in personal-income taxes, the $900 million in this bill and $778 million in the tax revision bill.

This ratio, under present economic conditions, seems to me to be realistic.

I do not think it would be betraying confidence to call attention to the fact that the Democrats on the Ways and Means Committee took advantage of their minority position by moving for additional reductions in excise taxes which would have increased the deficit by more than $2,100,000,000. Thus they will be able to tell their constituents that they proposed reduction in taxes which those in their districts do not like.

The Democrats could afford to do this because, being in the minority, they are not responsible for the Nation's economic solvency.

Many of us would like to have further tax cuts for certain other businesses.

Nearly every industry subject to an excise tax can show a good case why that tax hurts its business.

But, with the April 1 target date, it would be impossible to devote sufficient time to study a selective excise tax cut and pass it through both the House and Senate in time. Thus, the committee turned down the Democrats political motions. It takes backbone to be in the majority.

Enactment of this bill into law will add nearly a billion dollars a year to the spending ability of our people, starting April 1. This added purchasing power in the hands of the consumer should aid in reversing the business trend.

Mr. REED of New York. Mr. Chairman, I yield 10 minutes to the gentleman from Missouri [Mr. CURTIS].

Mr. CURTIS of Missouri. Mr. Chairman, there have been a number of statements from Members on the other side of the aisle that they favored the principle of excise-tax reduction; in fact, they attempt to foster the notion that excise-tax reduction is their idea; and for that reason I want just briefly to go over the record.

Since they took over in 1933 the Democratic administrations have imposed or increased excises on 94 different classes of items. This figure does not take into account the increases in regulatory excises, such as marihuana, machineguns, and so forth. I am inserting into the RECORD a table showing the various excise taxes we have with the rates as of the years 1932, 1939, 1945, and 1952:

TABLE V.—*Excise tax rates in effect as of certain specified dates*

Commodity, etc., taxed	Unit of tax	Rates in effect as of—			
		Dec. 31, 1932	Dec. 31, 1939	Dec. 31, 1945	Dec. 31, 1952
Liquor taxes:					
Distilled spirits:					
Domestic and imported	Per proof or wine gallon if below proof.	$1.10	$2.25	$9	$10.50.
Brandy	Per proof or wine gallon if below proof.	$1.10	$2.00	$9	$10.50.
Imported perfumes containing distilled spirits.	Per wine gallon	$1.10	$2.25	$9	$10.50.
Wines:					
Still wines according to alcohol content by volume:					
Not over 14 percent	do	4 cents	5 cents	15 cents	17 cents.
Over 14 percent to 21 percent	do	10 cents	10 cents	60 cents	67 cents.
Over 21 percent to 24 percent	do	25 cents	20 cents	$2	$2.25.
Over 24 percent	Per proof or wine gallon.	$1.10	$2.25	$9	$10.50.
Sparkling wines, liqueurs, and cordials:					
Champagne or sparkling wines	Per half pint	12 cents	2½ cents	15 cents	17 cents.
Artifically carbonated wines	do	6 cents	1¼ cents per pint	10 cents	12 cents.
Liqueurs, cordials, etc	do	do	1¼ cents	do	Do.
Fermented malt liquors	Per barrel	$6	$5	$8	$9.
Stamp taxes on distilled spirits:					
Container stamps	Per container		Less than ½ pint ¼ cent; ½ pint or more 1 cent.	Less than ½ pint ¼ cent; ½ pint or more 1 cent.	Less than ½ pint ¼ cent; ½ pint or more 1 cent.
Case stamps, distilled spirits bottled in bond.	Per container				
Special occupational taxes:					
Wholesale dealers, distilled spirits and wines.	Per year	$100	$100	$110	$200.
Retail dealers, distilled spirits and wines	do	$25	$25	$27.50	$50.
Rectifiers:					
Less than 500 barrels a year	do	$100	$100	$110	$110.
More than 500 barrels a year	do	$200	$200	$220	$220.
Manufacturers of stills or worms	do	$50	$50	$55	$55.
Stills or worms	Per still or worm	$20	$20	$22	$22.
Nonbeverage manufacturers, per annual withdrawals:					
Not more than 25 proof gallons	Per year			$25	$25.
Not more than 50 proof gallons	do			$50	$50.
More than 50 proof gallons	do			$100	$100.
Brewers:					
Production less than 500 barrels a year	Per brewery	$50	$50	$55	$55.
Production more than 500 barrels a year.	do	$100	$100	$110	$110.
Wholesale dealers, fermented malt liquors	Per year	$50	$50	$55	$100.
Retail dealers, fermented malt liquors	do	$20	$20	$22	$22.
Temporary dealers, fermented malt liquors and wine.	Per month	$2	$2	$2.20	$2.20.
Tobacco taxes:					
Cigarettes:					
Small, weighing not more than 3 pounds per 1,000.	Per 1,000	$3	$3	$3.50	$4.
Large, weighing more than 3 pounds per 1,000.	do	$7.20	$7.20	$8.40 [3]	$8.40.
Cigars:					
Large, weighing more than 3 pounds per 1,000 if intended to retail at—					
Not over 2½ cents	do	$2	$2	$2.50	$2.50.
Over 2½ cents to 4 cents	do	$2	$2	$3	$3.
Over 4 cents to 5 cents	do	$2	$2	$4	$4.
Over 5 cents to 6 cents	do	$3	$3	$4	$4.
Over 6 cents to 8 cents	do	$3	$3	$7	$7.
Over 8 cents to 15 cents	do	$5	$5	$10	$10.
Over 15 cents to 20 cents	do	$10.50	$10.50	$15	$15.
Over 20 cents	do	$13.50	$13.50	$20	$20.
Stamp taxes, documentary, etc.:					
Bond issues	Each $100 of face value or fraction.	10 cents	10 cents	11 cents	11 cents.
Bond transfers	do	4 cents	4 cents	5 cents	5 cents.
Stock issues:					
Par or face value	Each $100 par or face value.	10 cents	10 cents	11 cents	11 cents.
No par or face value—actual value $100 or more per share.	do	do	do	do	Do.
No par or face value—actual value less than $100 per share.	Each $20 or fraction	2 cents	2 cents	3 cents	3 cents.
Stock transfers:					
Par or face value	Each $100 par or face value.	4 cents	4 cents	5 cents	5 cents.
Without par or face value	Per share	do	do	do	Do.
With or without par or face value if selling price is $20 or more.	do	5 cents	5 cents	6 cents	6 cents.
Deeds, conveyances, etc.:					
Value over $100 and not over $500	Amount over $100 and not over $500.	50 cents	50 cents	55 cents	55 cents.
Value over $500	Each additional $500 or fraction.	do	do	do	Do.
Foreign insurance policies other than life, etc.	Per dollar or fraction of premium.	3 cents	3 cents	4 cents	4 cents.

TABLE V.—*Excise tax rates in effect as of certain specified dates*—Continued

Commodity, etc., taxed	Unit of tax	Rates in effect as of—			
		Dec. 31, 1932	Dec. 31, 1939	Dec. 31, 1945	Dec. 31, 1952
Stamp taxes, documentary etc—Continued					
Life, sickness, accident, and annuity contracts	Per dollar or fraction of premiums.			1 cent	1 cent.
Reinsurance policies	do			do	Do.
Playing cards	Per package of not more than 54.	10 cents	10 cents	13 cents	13 cents.
Manufacturers' excise taxes:					
Automobiles, etc.:					
Automobiles, passenger, auto trailers, and motorcycles.	Manufacturers' sale	3 percent	3 percent	7 percent	10 percent.
Automobile trucks, trailers, buses, and road tractors.	do	2 percent	2 percent	5 percent	8 percent.
Parts and accessories	do	do	do	do	Do.
Tires	Per pound	2¼ cents	2¼ cents	5 cents	5 cents.
Tubes	do	4 cents	4 cents	9 cents	9 cents.
Business and store machines	Manufacturers' sale price.			10 percent	10 percent.
Cigarette, cigar, and pipe mechanical lighters	do				15 percent.
Electrical energy	do	3 percent	3 percent	3½ percent	
Electric, gas, and oil appliances	do			10 percent	10 percent.
Electric light bulbs and tubes	do			20 percent	20 percent.
Firearms, shells, pistols, and revolvers	do	10 percent	10 percent	11 percent	11 percent.
Fountain pens, mechanical pencils, ball-point pens.	do				15 percent.
Gasoline	Per gallon	1 cent	1 cent	1½ cents	2 cents.
Lubricating oil	do	4 cents	4 cents	6 cents	6 cents.
Musical instruments	Manufacturers' sale price.			10 percent	10 percent.
Phonograph records	do	5 percent		do	Do.
Phonographs	do			do	Do.
Phonographic apparatus and equipment:					
Cameras and lenses	do	10 percent		25 percent	20 percent.
Photographic plates, sensitized paper	do			15 percent	
Photographic apparatus and equipment	do			25 percent	
Unexposed film	do			15 percent	Do.
Quick-freeze units	do				10 percent.
Radio receiving sets, components, etc	do	5 percent	5 percent	10 percent	Do.
Refrigerators, household types	do	do	do	do	Do.
Refrigerating apparatus, air conditioners	do			do	Do.
Sporting goods and equipment	do	10 percent		do	15 percent.
Television sets, components, etc	do				10 percent.
Toothpaste, toilet soaps	do	5 percent			
Retailers' excise taxes:					
Furs and fur articles	Retailers' sale price			20 percent	20 percent.
Jewelry	do			do	Do.
Luggage, purses, wallets, etc	do			do	Do.
Toilet preparations	do			do	Do.
Miscellaneous excise taxes:					
Admissions:					
Generally	Amount charged	1 cent for each 10 cents or fraction if 41 cents or more.	1 cent for each 10 cents or fraction if 41 cents or more.	1 cent for each 5 cents or major fraction.	1 cent for each 5 cents or major fraction.
Leases of boxes or seats	Amount charged for similar accommodations.	10 percent	10 percent	20 percent	20 percent.
Ticket broker sales in excess of regular price	Excess charge	do	do	do	Do.
Cabarets, roof gardens, etc	Taxable amount	1½ cents for each 10 cents or fraction.	1½ cents for each 10 cents or fraction.	do	Do.
Bowling alleys, billiard and pool tables	Each unit per year			$20	$20.
Club dues, initiation fees	Amount paid	10 percent	10 percent	20 percent	20 percent.
Coconut and other vegetable oils processed, first domestic processing.	Per pound		3 cents	3 cents	3 cents.
Coin-operated devices:					
Amusement or music machines	Each unit per year			$10	$10.
Gaming devices	do			$100	$250.
Diesel fuel used for highway vehicles	Per gallon				2 cents.
Leases of safe deposit boxes	Amount collected	10 percent	10 percent	20 percent	20 percent.
Oleomargarine, adulterated butter, filled cheese:					
Firearms (National Firearms Act):					
Certain short 2-barrel guns:					
Sale or transfer	Per firearm		$1	$1	$1.
Importers or manufacturers	Per year		$25	$25	$25.
Dealers	do		$1	$1	$1.
Oils:					
Sunflower, rapeseed, sesame, kapok, hempseed, and perilla oils, etc. (except rapeseed oil imported for use in manufacture of rubber substitutes or lubricating oil).	Per pound		4½ cents	4½ cents	4½ cents.
Whale oil (except sperm oil), fish oil (except cod oil, cod-liver oil, and halibut-liver oil), marine animal oil, or any combination of the foregoing, etc.	do		3 cents	3 cents	3 cents.
Perilla seed	do		1.38 cents	1.38 cents	1.38 cents.
Rapeseed, kapok seed	do		2 cents	2 cents	2 cents.
Sesame seed	do		1.18 cents	1.18 cents	1.18 cents.

They have decreased or removed excises from only the following items which were in effect during the last preceding Republican administration: Yachts, pleasure boats, sailing boats, and motorboats; oleomargarine; chewing gum; candy; sales of produce for future delivery; checks, drafts, and so forth.

The above list does not include excises that were removed only to make way for higher excises on approximately the same products. For example, a small excise tax was removed from brewers' malt but a relatively large increase was imposed on beer.

In 1932 the revenue yield from excise taxes was $453,550,000. The national income in that year was $41.7 billion. You will note the excise taxes were about 1 plus percent of our national income.

In the boom year of 1929 the revenue yield from excise taxes was approximately $545 million. The national income in that year was $87.4 billion; excise taxes, therefore, were six-tenths of 1 percent of the national income.

In 1952 the revenue yield from excises was $9.8 billion. The national income in that year was $287.5 billion. In other words, the excise taxes were 3 plus percent of our national income.

That, I submit, is an indication of what has happened under the Democratic administration so far as excise taxes are concerned. When we get to talking about reducing taxes, there are only two ways that you can reduce taxes and yet preserve fiscal solvency.

The first and most important one, of course, is to reduce expenditures. I submit if the Democratic Party wants to pose as being interested in tax reductions there is one way they can help and that is when these appropriation bills come on the floor they support amendments to make certain cuts in order to try to get the budget back into balance. It is only through cutting expenditures that we can really get into the meat of this thing and reduce taxes.

The only reason we are able to talk about a tax reduction now is that we did cut $13 billion off the Truman budget in the last Congress.

There is a second way, however, of cutting taxes and that is by broadening the tax base. There are two ways of broadening the tax base. One is by encouraging private enterprise in the country. I submit we are doing that. One way of encouraging the expansion of our industrial endeavor is through eliminating some of these restrictive taxes and providing a proper climate.

The second way of broadening the tax base, a more direct and important way, is to get the Government out of business, return to private enterprise some of these fields of endeavor. For example, when we sold the Federal barge line we not only received that money for the Treasury but we returned that particular activity to the tax base, thereby broadening that base. So instead of talking about giveaway programs when the Republicans are trying to move the Government out of business, we indeed are actually setting up a situation so that we can eventually reduce taxes.

The figures are here. In 1929 the ratio of private capital investment to public capital investment was 9 to 1. The last year in which we have complete figures, 1948, shows that ratio had declined 5 to 1. That is what is meant by creeping socialism. If you raise that tax base which is now 5 back to 9 you can decrease your tax rate and still have the same tax take.

I want to discuss finally one matter that now seems to be rather academic, but I want to make the record at this point for future references. I refer to the committee amendment which is going to be offered to put in a fixed date for expiration of certain excises in this excise tax bill. I am opposed to that amendment. I voted in committee to bring the amendment to the floor simply because this bill is being considered under a closed rule and only committee amendments may be considered. I felt it was proper for the House to have an opportunity to act upon this proposition. However, I hope the House will reject the committee amendment. A fixed date for excise tax expirations has never been placed in an excise tax act with one exception. The Revenue Act of 1951 provided for automatic reductions on April 1, 1954. This was an anomaly without precedent with respect to excise taxes designed to raise revenue.

Certain excise taxes were, however, imposed for the duration of World War II plus 6 months. It is interesting to note that all of these wartime rates, incidentally, have been continued.

Now, we are experiencing the results of putting a fixed date in the excise tax law for the first time. In the past 2 months we have had a buyers' strike, and it is the very fact that there is a fixed date in the Excise Tax Act that has caused this trouble. That, frankly, was an argument I used against the previous administration as an example of improper procedure in writing taxes. Now, on our side of the aisle we are going to go right along and do the same thing for the first time. The Democratic administration did it first, and now we are following suit, and in both instances, I submit to you, it is being done for what is considered to be smart political reasons. It is a little bit of a gimmick to try to fool the people, because whenever you put a tax on the books, believe me, it stays on the books until the Congress decides it can take it off the books. It is simply kidding the people when you put in an expiration date. The very people who argue for it, the automobile industry, who created this situation here today, are the very ones, in my opinion, who are going to rue it, because it is going to create this same buyers' strike for them next year. I submit that that is not the way to write excise tax legislation, and I would plead with the cool minds on both sides of the aisle to reject this amendment and let us not get politics into writing our excise tax laws, at least, in the field of what is correct procedure.

Mr. REED of New York. Mr. Chairman, I yield such time as he may desire to the gentleman from Massachusetts [Mr. GOODWIN].

Mr. GOODWIN. Mr. Chairman, I rise in support of this bill, H. R. 8224, a bill to reduce certain excise taxes. This important legislation, which was favorably reported by the Committee on Ways and Means, will represent a saving to the American consumer of $912 million. This action of the committee was taken following long and exhaustive hearings held on the subject of excise taxes last summer. The effect of the bill is to reduce those ad valorem excise-tax rates which were over 10 percent to the 10-percent level. It reduces such retailers' excises as furs, jewelry, toilet preparations, and luggage; and in the field of manufacturers' excises, those including cameras, lenses and film, sporting goods, mechanical pens and pencils, lighters, electric light bulbs, and firearms, including pistols and revolvers. Miscellaneous excises also reduced include admissions to theaters, motion-picture houses and other places of amusement, club dues, leases of safe-deposit boxes, and transportation and communications, including telephone and telegraph.

These last two items, transportation and communications are peculiarly typical of excise-tax legislation put on the books as a war measure. The tax on transportation was passed to discourage unnecessary travel in order to leave these facilities for the movement of those connected with the war effort and the tax on communications was to discourage the use of the wires in order to leave these facilities as free as possible for messages pertaining to the national defense. Relief in the field of communications and transportation is long overdue since the day is long past when we should have been encouraging rather than discouraging a more general use of the various means of transportation and the telephone and telegraph.

Many of the rates have been cut in half. I regard this legislation as a significant first step in the overhaul of our Federal tax laws. As soon as Federal fiscal problems can be solved and the budget brought further into balance, it is my hope and expectation that we will provide even further relief in the excise-tax field.

It is my hope that we can grant relief in the not far distant future to articles not covered in this bill as well as granting further reductions to articles and services which are included in this current legislation. It is my opinion that this legislation will do much to stimulate business and to increase consumer spending. Persons from all walks of life and every category of economic well-being will realize some increase in purchasing power from the enactment of this bill.

I encourage my colleagues, Republican and Democrat alike, to support the passage of H. R. 8224.

Mr. COOPER. Mr. Chairman, I yield 10 minutes to the gentleman from Arkansas [Mr. MILLS].

Mr. MILLS. Mr. Chairman, actually at this point it seems to me that perhaps the House would welcome an opportunity to vote on the bill before us and to get rid of the matter as quickly as possible. It appears that most points concerning the bill have been made either by the Republicans or the Democrats. Certainly the bill has been explained very ably by the gentleman from New York [Mr. REED] and the gentleman from Tennessee [Mr. COOPER].

However, I want to take just a few minutes to express some thoughts that disturb me about this whole picture—tax picture—which is presently before us. It has been said here that we can do certain things when we balance the budget, or we should not do certain things until the budget is balanced. It has been my own personal view that we are toying with the solvency of the United States when we do not proceed as rapidly as possible to restore a balanced budget, to do away with deficit financing, and to begin to reduce the size of the public debt to which my good friend the gentleman from Illinois [Mr. MASON] alluded.

Here we are, however, embarking this week and next week upon the consideration of the tax-reduction bills at a time when the President's own budget message clearly indicates to us that we will not enjoy a balanced budget either in this present fiscal year, in the fiscal year to come, and perhaps not even in the fiscal year next beyond that. So, in order to provide tax reduction to people under circumstances such as that, it occurs to me that there must be a very

valid and genuine reason for doing it. Otherwise we are merely attempting to capitalize upon a political advantage in a year, perhaps, when most of us are interested in politics. Why, then, do we propose this week and again next week to reduce taxes in spite of the fact that we know that the budget is to be unbalanced? Because we are told that something must be done to stimulate our economy and to reverse certain trends which are now underway, and without something of this sort being done, those trends may become even worse; and in the light of the possibility that these actions of ours this week and next week will not reverse the trends we may even have to take other steps. Then are we justified, Mr. Chairman, in taking this type of broadax approach?

I plead guilty, Mr. Chairman, just as much as anyone else on the committee, to the approach, because you will recall that in connection with the general tax provision bill we offered this identical proposal on excise taxes, but even though we did, even though we voted to bring it here today, I question whether this is the approach to take to excise-tax reduction in the light of the circumstances that exist. I take the time of the House to make this point because of the statement by the revered Speaker of the House just a few days ago that the President and the Treasury are not satisfied with this approach in the bill that we have here today, but they will let the House pass the bill in a futile gesture and then they are going to the Senate Finance Committee and to the Senate and ask them to take more time with this proposition and not take the approach that we are taking, but to do something that we did not do; that is, limit tax reductions under these circumstances of an unbalanced budget to those situations where a case can be made justifying the necessity, so far as industry and the consumers are concerned, for a reduction in that field.

We asked the question in the committee of representatives of the Treasury, What industries now do you feel are in such circumstances that a reduction in excises should be made? They referred to the fur industry as being one and the motion-picture industry as being another. They said that they had completed studies with respect to those two industries and that they were fully of the opinion that a reduction in excises should be made with respect to them, but that they had not completed studies with respect to the others. Here we are today considering reducing some excise taxes with no showing made, in my humble opinion, of circumstances comparable to that, say, in the fur industry, or in the motion-picture industry, below the levels that existed prior to the beginning of World War II.

Let me give you some examples of what I mean. Pistols and revolvers, firearms, shells, and cartridges, would be reduced by the bill below the rate of 11 percent that existed on December 7, 1941. There is no showing, so far as I know, of those industries being in desperate straits. Maybe they are, but there was no showing to the committee. The bill also reduces the tax below the level in December of 1941 on club dues, initiation fees; not much, it was only 11 percent then to begin with, and we would reduce it to 10 percent. It is now 20 percent. But we did reduce it below the level on December 7, 1941.

Then, we reduced by half the tax which is assessed on leases of safe-deposit boxes. I know of no emergency situation with respect to them. I really feel, Mr. Chairman, that this bill has been brought to us in a hurried manner, without the committee having been able to give more than a day's consideration of it, ahead of the revision bill, in order to make it perhaps more acceptable to some people to support the tax-revision bill next week and make it possible to hold more people in line against a motion to recommit then, to increase personal exemptions, which is an area where we know there is need for relief.

I wonder if that may have been a part of what was in the minds of those who said, "This is not exactly what the President or the Secretary of the Treasury want, this which we have today, but we will look to the Senate Finance Committee to take care of this bill some time later on"—these are my words, "later on"—"some time later on and after the House has passed the tax-revision bill and we have had a better opportunity through the passage of this bill today to defeat the motion to recommit next week."

Is there any connection? I wonder.

Last week, or a week or so ago, we had up in the committee the tax-revision bill. We had been told all along that there was an understanding that nothing would be done about rates either of individuals, corporations, excises, estate taxes, or otherwise, but right in the closing minutes of the consideration of that bill a proposal was made to continue the 52-percent corporate rate for another year. Why? I wonder if that was included to perhaps make some people believe that the statements that had been made by Democrats were not exactly true; namely, that the tax-revision bill was weighted in the balance in favor of more fortunate corporations and large individual taxpayers. By putting in that additional rate now they maintain that they have continued a high tax on corporations. But I think there is a definite connection between this bill's being out here today in this hurried, haphazard manner, reducing some excises even below the rates that existed on December 7, 1941, and leaving many other excises that were voted after December 7, 1941, at their present rates without reducing them at all. There may be some connection. We hope the Senate will take a little more time and grant relief in the field of excises where relief is needed on the basis of a showing by industries and consumers. I doubt that safe-deposit boxes or firearms can make as good a showing as others who get no relief in this bill such as household appliances, transportation of property, and so on.

Mr. Chairman, I ask unanimous consent to revise and extend my remarks and include three tables I have prepared myself.

The CHAIRMAN. Is there objection to the request of the gentleman from Arkansas?

There was no objection.

(The tables referred to are as follows:)

TABLE I.—*Excise tax rates in effect as of Dec. 7, 1941, on items to be reduced to 10 percent by H. R. 8224*

RATES AS OF DEC. 7, 1941

	Percent
Retailers' excises:	
Furs	10
Jewelry	10
Luggage	(1)
Toilet preparations	10
Manufacturers' excises:	
Sporting goods	10
Mechanical pens, pencils, lighters	----
Electric light bulbs and tubes	5
Pistols and revolvers	11
Firearms, shells and cartridges	11
Cameras, lenses, and film	10
Miscellaneous excises:	
Telephone, telegraph, cable, radio	(2)
Local telephone	6
Transportation of persons	5
Leases of safe deposit boxes	20
Admissions:	
General	10
Cabarets	5
Club dues, initiation fees	[3] 11

[1] Rate on luggage was 10 percent of manufacturers' sale price.

[2] Telegraph, cable, radio messages, and leased wires 10 percent of amount charged; long distance telephone, 5 cents for each 50 cents or fraction.

[3] Dues and initiation fees of $10 or less exempt.

TABLE II.—*New excise taxes imposed by the Revenue Act of 1941* [1] *or later acts which are not reduced by H. R. 8224*

PRESENT LAW RATE

Liquor taxes—Distilled spirits, occupational taxes—Nonbeverage manufacturers, per annual withdrawals:

Not more than 25-proof gallon: $25 per year.

Not more than 50-proof gallon: $50 per year.

More than 50-proof gallon: $100 per year.

Stamp taxes, documentary, foreign insurance policies—Life, sickness, accident, and annuity and contracts, reinsurance policies: 1 cent per $1 or fraction of premiums.

Manufacturers excise taxes—

Business and store machines: 10 percent.

Electric, gas, and oil appliances: 10 percent.

Matches, ordinary, 2 cents per 1,000.

Musical instruments: 10 percent.

Phonographs and records: 10 percent.

Refrigerating apparatus, air-conditioning units, quick-freeze units: 10 percent.

Television sets, components: 10 percent.

Miscellaneous excises: Bowling alleys, billiard and pool tables: $20 per alley or table per year.

Coin-operated devices—

Amusement: $10 per machine per year.

Gaming: $250 per machine per year.

Diesel fuel used for highway vehicles: 2 cents per gallon.

Transportation of property—

Coal: 4 cents per ton.

Other: 3 percent.

Wagering—

Wagers (except parimutuel): 10 percent of amount wagered.

Occupation of accepting taxable wagers: $50 per year.

[1] Revenue Act of 1941 became effective October 1, 1941.

TABLE III.—*Excise taxes in effect prior to World War II which were increased during or subsequent to the war which are not reduced by H. R. 8224*

	Unit of tax	Rates in effect prior to Dec. 7, 1941	Present law rates
Liquor taxes:[1]			
Distilled spirits	Per proof or wine gallon.	$4	$10.50.
Fermented malt liquors	Per barrel	$6	$9.
Wines:			
Still wines	Per gallon according to alcohol content.	8 cents, 30 cents, 65 cents.	17 cents, 67 cents, $2.25.
Sparkling wine, champagne, cordials, etc.	Per ½-pint	3½ cents, 7 cents.	12 cents, 17 cents.
Tobacco taxes:			
Cigarettes:			
Small	Per 1,000	$3.25	$5.
Large	do	$7.80	$8.40.
Cigars	Per 1,000 according to retail price.	$2 to $13.50	$2.50 to $20.
Manufacturers excise taxes:			
Passenger cars and motorcycles	Manufacturers sale price.	7 percent	10 percent.
Trucks, buses, road tractors, etc.	do	5 percent	8 percent.
Auto parts and accessories	do	do	Do.
Automobile tires	Per pound	5 cents	5 cents.[2]
Automobile tubes	do	9 cents	9 cents.[2]
Gasoline	Per gallon	1½ cents	2 cents.
Lubricating oil	do	4½ cents	6 cents.
Matches, wood, fancy	Per 1,000	5½ cents	5½ cents.[2]
Radio and radio accessories	Manufacturers' sale price	10 percent	10 percent.[2]
Refrigerators, household types	do	do	Do.
Telephone, telegraph, etc., wire and equipment service.	Amount charged	5 percent	8 percent.

[1] Increases in occupational taxes have been omitted from this table.
[2] Increased by Revenue Act of 1941 which became effective prior to Dec. 7, 1941, but not increased in later years.

Mr. REED of New York. Mr. Chairman, I yield such time as he may desire to the gentleman from Ohio [Mr. VORYS].

Mr. VORYS. Mr. Chairman, the great Ways and Means Committee has a special and heavy responsibility to the rest of us here in the House who are not on that committee. By long tradition, tax bills come to the floor under rules that prohibit amendments by the rest of us. We can only vote "yes" or "no" on the whole bill as they want it. We must take it or leave it without change.

I have been studying this bill and the accompanying report. While it reduces excise taxes $912 million, it continues a number of excise taxes amounting to a billion a year that would otherwise lapse on April 1. I am glad to vote for the reduction; I feel that, in view of our budget situation, I must vote to continue the so-called April taxes, even though I realize that all these excise taxes, even at the reduced rate, are a heavy burden.

I have studied the record and listened to the debate to see whether any better alternative program was offered by the minority, the Democrats on this committee. In the minority report I found that a whole series of reductions were offered by the Democrats which would have destroyed the Treasury program, and then they criticized the Republicans for not following the Treasury. I have heard on the floor today that the Democrats offered 50 amendments, and all 10 of them voted for them. When I tried to find out what reductions this Democratic program would have brought about, I was told, here on the floor, by two Democrat committee members, that they did not know; that the majority could tell me. Another Democrat said their reductions were the same as the 1950 revenue bill, or $1 billion, but their own minority report disproves this, as they claim credit for trying to reduce many excises that were not in the 1950 bill.

The Republican estimate, which the minority members requested from the gentleman from Tennessee [Mr. BAKER], is that this whole series of Democratic proposals would have substantially wiped out the excise taxes, amounting to nine billions.

Mr. Chairman, I can only conclude that the minority proposals were made without any basis at all, purely for political purposes, a completely insincere, irresponsible, partisan maneuver. I think the minority on that committee owes the rest of us, owes the country, something better than that. I think we ought to be able to rely on them a little. The opposition has a measure of responsibility.

The fact that they have abandoned these amendments when they could offer them as a party motion to recommit shows that the minority report is a phony. The minority maneuvers in committee were purely political, and not very pure at that.

In foreign affairs, defense, roads, agriculture, and many other areas of our work here in the House there is a measure of bipartisan responsibility in committee work. I hate this evidence of partisan irresponsibility on tax problems.

Mr. REED of New York. Mr. Chairman, I yield such time as he may desire to the gentleman from New Jersey [Mr. WOLVERTON].

Mr. WOLVERTON. Mr. Chairman, I will vote for the adoption of the excise tax reduction bill (H. R. 8224) now under consideration in the House.

It is a bill that recognizes the injustice of continuing the present Federal taxes on many articles as well as for certain services of general use. In many instances the taxes should have been repealed long ago. They have been a detriment to business and an annoyance to the taxpaying public. I regret that the bill does not do away entirely with some of them. The committee gives notice of an intention to continue its study of the subject and gives some encouragement to the thought that at a later date there will be further reductions.

I am hopeful that the results from the present reductions will be so encouraging in stimulating business with respect to those receiving the reduction that it will show the justification of still further reductions and extension to subjects not covered under the present bill.

The present bill reduces to 10 percent the taxes on the articles and services referred to in it which are now above 10 percent. I am of the opinion that this reduction will stimulate business and employment not only in those industries directly affected by these taxes, but also in other industries, since consumers and the users of services will pay less for many of these tax items and have more money available for other purchases. Furthermore, this change provides a more equitable tax system by leveling down those rates which are now excessively high.

The following table lists the taxes which are reduced under this bill, showing the rates under present law, and the estimated reductions in excise tax collections:

	Rates under present law	Rates under this bill	Reduction in excise-tax collections (full year effect)
	Percent	*Percent*	*Million dollars*
Retailers' excises:			
Furs	20	10	20
Jewelry	20	10	100
Luggage	20	10	40
Toilet preparations	20	10	55
Total			215
Manufacturers' excises:			
Sporting goods	[1] 15	10	3
Mechanical pens, pencils, lighters	15	10	4
Electric light bulbs and tubes	20	10	20
Pistols and revolvers	11	10	(2)
Firearms, shells, and cartridges	11	10	1
Cameras, lenses, and film	20	10	15
Total			43
Miscellaneous excises:			
Telephone, telegraph, radio, cable	(3)	10	235
Local telephone	15	10	125
Transportation of persons	15	10	95
Leases of safe deposit boxes	20	10	5
Admissions:			
General	[4] 20	10	175
Cabarets	20	10	
Club dues, initiation fees	20	10	19
Total			654
Grand total			912

[1] Under present law this rate is scheduled for reduction to 10 percent on Apr. 1, 1954.
[2] Negligible.
[3] Telephone or radio-telephone messages, toll charges over 24 cents, 25 percent; domestic telegraph, cable, and radio dispatches, 15 percent; international telegraph, cable and radio dispatches, 10 percent; leased wire service, teletypewriter, or talking circuit special service, 25 percent.
[4] Under present law a penalty tax of 50 percent is imposed on sales by proprietors in excess of the established tax; this rate is not reduced.

Thus, it will be seen that while the reduction is not as great in some particulars as we would like, yet, as the bill is not open to amendment I will accept it and hope that the day will not be

too distant when further relief by tax reduction will be forthcoming.

Mr. REED of New York. Mr. Chairman, I yield 5 minutes to the gentleman from Michigan [Mr. KNOX].

Mr. KNOX. Mr. Chairman, today we have before us a bill in the form of reduction of taxes that have been imposed upon the people of the United States of America. Today Congress on the 10th day of March has come out of camp and gone out in the field on the march to bring relief to that great army who have made the great sacrifices in their contributions in order that we may have a safe country in which to live. They now will have some relief from the burden of that series of taxes which were imposed upon them.

My good friend from Tennessee [Mr. COOPER], in his statement said that on the motion to put the dates in the bill we had before us and which you have before you today, the minority party 100 percent were for putting the termination date in the bill and the majority party, the Republicans, were opposed to it. This is not the absolute fact, because I, as 1 member of the majority, did move to put the date in the bill, and there was 1 member of the minority who did not vote to put the date of April 1, 1955, in the bill. That was on my own motion before the committee, and as far as the committee is concerned, on many occasions the vote was not along party lines at all.

It was for no other purpose than to express ourselves on those things which we felt were in the best interests of the people whom we have the honor to represent and the Nation as a whole. Many times there was a division as far as the majority party and the minority party was concerned. I believe that this amendment which will be offered this afternoon will do great things for this great economy of ours through the automotive industries which, I might say, is not confined exclusively to the State of Michigan, as some people seem to think, but which affects the entire Nation. I believe this will be a great stimulant and will add greatly to the economy of our great Nation.

Mr. FORAND. Mr. Chairman, will the gentleman yield?

Mr. KNOX. I yield.

Mr. FORAND. I want to point out to the gentleman and for his constituents that the gentleman sat directly behind me in the committee the time that he made that motion, and that he did vote with the Democrats on it.

Mr. KNOX. I thank the gentleman for the comment.

Mr. Chairman, if ever there was a time when the Nation was entitled to and justified in receiving tax relief, this is the time. We are in a period of transition. We are coming out of wartime period and going into a peacetime era. Naturally, there are certain things happening today that did not happen during the time that the Government was providing huge sums of money to fortify our Nation. Therefore, we are in a transition period and with the tax reduction, we are going to give back to the people of our great Nation additional billions of dollars in order that they may go out and purchase these commodities which they desire to purchase. Through their additional purchasing power, the Government is not going to lose too much money because their purchases will be reflected in the Treasury when the Treasury receives additional dollars so that the Government may pay off our national indebtedness and keep our country on a sound, economic basis which I am sure all of us are in favor of.

Mr. COOPER. Mr. Chairman, I yield 5 minutes to the gentleman from Florida [Mr. LANTAFF].

Mr. LANTAFF. Mr. Chairman, this legislation represents a slap in the face to several of our Latin American neighbors. Its passage by Congress without giving any consideration to outright repeal of the discriminatory transportation tax levied by the United States against travel to the Central and Caribbean areas is tantamount to rubbing salt in an open wound.

In 1941, a transportation tax was levied upon the transportation of persons both within and without the United States. Subsequent amendments to the original law have excluded travel to Europe and South America from the payment of the tax. However, transportation to Central America and the Caribbean is still taxable under the law and the Republics in these areas justifiably complain that this is an unfair discrimination against them, since no such tax is collected for travel to any other foreign country.

In the Caribbean area, tourism is the only industry capable of meeting the very grave problem of a limited agriculture, combined with a fast-growing population. Moreover, as they are not highly industrialized countries, they import every type of manufactured product and tourism constitutes a major dollar source. All this being so, it is most desirable that we encourage more trade with and travel to the Caribbean area.

However, cruise ships are known to avoid making port in the countries subject to the tax. No tax would be charged for travel to the Iron-Curtain countries, but if one decides to make a trip to friendly Cuba or Haiti, the traveler is penalized 15 percent, and under this bill, will still be penalized 10 percent. If a tourist goes direct from the United States to Trinidad, 15 percent is added to his fare, but if he goes to Venezuela, 15 miles farther, no tax would be charged. It is not hard to understand the resentment created in the Caribbean against the United States because of this discrimination. It cannot be said that under this bill any relief whatsoever is granted to these countries, such as Panama, Cuba, Haiti, the Dominican Republic, and Nicaragua by a 5-percent reduction in the levy, because it is the discriminatory feature of this tax that rightfully angers those whose friendship we profess to want. In other words, the distinguished Ways and Means Committee of the House has seen fit to slam the door in the face of our Latin-American neighbors when the first opportunity is presented to implement our announced good-neighbor policy.

The Randall Commission report recognized that the best interests of the United States will be served by promoting rather than discouraging tourism. That report states in part:

> It is clearly important to the economic and social development of the free world that the United States Government promote foreign travel. Increased travel abroad by Americans can make a substantial contribution over a period of time to increasing the dollar earnings of foreign countries. While tourist promotion should be primarily a private responsibility, the Commission appreciates that the Government cannot exercise its appropriate functions in respect to foreign travel at no cost whatsoever. There are many actions which the Government might take.
>
> * * * The President should direct the appropriate departments of the Government to encourage the promotion of tourism.

The Secretary of the Treasury recently advised me that the estimated total tax collected for transportation to the Caribbean countries and Central America, including Mexico, amounts to only $12 million. The reduction in the tax to 10 percent, as provided for in this bill now under consideration, would mean that the total tax collected for travel to these countries would amount to only $8 million. It seems inconceivable that this Congress would insist on the continuation of such a levy in view of the widespread resentment which it generates.

In conferences that I have had with representatives from the Department of Commerce, the Department of State, and the White House, I feel sure that they will urge the committee to act favorably on H. R. 3638, the bill which I introduced last year to repeal this tax on travel to Central America and the Caribbean area.

In fact, I am at a loss to understand why our State Department sits idly by without raising its voice in behalf of our Latin American neighbors. I feel sure that our Secretary of State, who is now in Caracas urging hemispheric solidarity in the fight against communism, is probably not even aware of the protests lodged with his Department by the Ambassadors from all the Latin American countries discriminated against by this tax and whose cooperation he is now seeking. The Republics involved have always stood by the free world in the fight against Soviet imperialism. Why should we extend a tax against them that we do not even levy for travel to Russia or Red China?

Should the other body fail to eliminate this tax when this bill is considered, I am hopeful that the Ways and Means Committee will act promptly to eliminate this discrimination by reporting H. R. 3638.

Mr. CURTIS of Nebraska. Mr. Chairman, will the gentleman yield?

Mr. LANTAFF. I yield to the gentleman from Nebraska.

Mr. CURTIS of Nebraska. The gentleman is to be commended for reminding the House of this very important, serious tax problem. The facts are that on every hand there are situations which ought to be relieved. I think it would be enlightening if the gentleman would tell the House when this tax on travel was put on and at what time it was taken off on part of the world travel and not

on that part of the area in which the gentleman is interested. I share the gentleman's desire that it ought to be corrected. We cannot do everything at once, we have so many problems on hand.

The CHAIRMAN. The time of the gentleman from Florida has expired.

Mr. COOPER. Mr. Chairman, I yield the gentleman 2 additional minutes.

Mr. LANTAFF. The tax was levied in 1941. It was removed for travel to Europe at the end of World War II for the express purpose of encouraging travel thereby furnishing Europe with dollars. It was subsequently taken off of South America. The total revenue, in accordance with the estimates of the Treasury, from this tax will amount to only $8 million at the proposed 10-percent rate. It is inconceivable to me that this Congress and the distinguished Ways and Means Committee would slam the door in the face of these people that we profess friendship for, for the sum of $8 million. It is inconceivable to me that some action has not already been taken by the Ways and Means Committee on the bill which I introduced last March in order to eliminate this tax for travel to one small area of the world.

Mr. EBERHARTER. Mr. Chairman, will the gentleman yield?

Mr. LANTAFF. I yield.

Mr. EBERHARTER. I have looked into the subject about which the gentleman is talking here, and I heartily approve of everything he has said this afternoon. It only bears out what was said by the minority that this bill on the floor today was acted upon too hastily, without consideration of the very important problem the gentleman brings to our attention this afternoon. That is one of our chief complaints about the attitude of the majority; they just decide to tackle a proposition by the broadaxe method. Had we had time to give consideration I am sure the committee would have adopted the proposal of the gentleman from Florida. I am sorry only that we do not have enough time to do it. Certainly the minority wanted more time on this bill, and I am certain if the majority had let us have more time we would have adopted his amendment and I think they would have supported it also, but it is just the wrong approach that they take toward trying to solve these important problems.

Mr. LANTAFF. I thank the gentleman.

The CHAIRMAN. The time of the gentleman from Florida has expired.

Mr. REED of New York. Mr. Chairman, will the gentleman yield?

Mr. LANTAFF. If the gentleman will yield me time; my time has expired.

Mr. REED of New York. Mr. Chairman, I yield the gentleman an additional minute.

The CHAIRMAN. The gentleman from Florida is recognized for an additional minute.

Mr. LANTAFF. I yield to the gentleman from New York.

Mr. REED of New York. I realize the problem exists that the gentleman presents here, but there is a large number of problems that we inherited, and we cannot solve all of these problems at once. We did not put that tax on, but we are looking into the future to take off all the taxes that we can without impairing the fiscal affairs of this Government.

Mr. LANTAFF. Sir, your committee has that opportunity now by reporting favorably H. R. 3638; and if the gentleman is desirous of trying to alleviate this iniquitous and discriminatory tax I hope he will report this bill to the House promptly. Certainly the loss of revenue from this tax will not impair the fiscal affairs of the Government.

Mr. REED of New York. Let me assure the gentleman that we are using every minute of our time in the work before us. We are not wasting any time, and we have not wasted any time for the last year.

Mr. LANTAFF. I thank the gentleman.

Mr. REED of New York. We have been working since 1951 to try to correct this situation. Many of the inequities will be corrected, but you cannot do all these things at once.

Mr. LANTAFF. I express the hope this afternoon that in connection with the program of the administration and in furtherance of the views so ably expressed by the gentleman when he concurred in that portion of the Randall Commission report pertaining to "tourism" that as soon as possible he will help us remove this discriminatory tax by acting upon H. R. 3638.

Mr. REED of New York. Mr. Chairman, I yield such time as she may desire to the gentlewoman from Ohio [Mrs. FRANCES P. BOLTON].

Mrs. FRANCES P. BOLTON. Mr. Chairman, it is with very real anticipation that the country awaits a reduction in excise taxes to a level of 10 percent on a selected list of items. Families are going to be able to spend more of their own money for the things they need and want instead of having the Government spend it for them.

Cutting the excise tax on toilet preparations, for instance—according to House Report No. 1307—will turn an estimated $55 million into the channels of our economy that now goes into the public till.

A cut to 10 percent on admissions will free an estimated $175 million, and that invisible guest for whom we always have to buy a ticket when we go to the movies will begin to fade away.

The cut will release an estimated $40 million now paid on luggage and handbags—something every woman in the United States has been awaiting for a very long time. It will release an estimated $20 million now paid in the form of fur taxes; $100 million now paid on jewelry; an estimated $20 million now paid on electric light bulbs and tubes; $15 million now paid on camera equipment; an estimated $235 million paid on long-distance calls, telegraph, radio, and cable tolls.

It all adds up to $912 million that will stay in the consumer's pocket to be spent at his discretion for the things he needs instead of going to the Government.

Mr. REED of New York. Mr. Chairman, I yield 5 minutes to the gentleman from Connecticut [Mr. SADLAK].

Mr. SADLAK. Mr. Chairman, as has been mentioned by my colleague on the committee, the gentleman from Arkansas [Mr. MILLS] I too, did not intend to speak on this measure because our affable chairman, the gentleman from New York [Mr. REED], and the ranking minority member, the gentleman from Tennessee [Mr. COOPER], have outlined in detail the purposes of this legislation. However, in line with what the gentleman from Arkansas [Mr. MILLS], said, it provoked the thought which I am sure has been permeating our discussion all afternoon but has not necessarily been pinpointed and mentioned outright, and it is in addition to this: That in this measure we are bringing relief to the consumer when we are reducing the tax, the cost of the articles the taxpayer needs. Namely, by lessening the excise taxes on all the items which have been mentioned here, and let us take for example jewelry, I think we forget because it is so obvious, so patent, that when jewelry is reduced by 10 percent it will sell because there has been a buyers' strike on this item, but we overlook the fact that jewelry before it becomes a salable product is an item of raw material to which has been applied the skill of labor; and the fact that there presently are large inventories of all of these items on the retailers' shelves for sale, a lesser tax meaning a lesser purchase cost will necessarily mean that the stock will move since those who have been withholding that purchasing will now buy. This will automatically permit concerns to make new articles, to replenish the stock of the retailer, it will permit them to apply the skills of labor to the manufacture of those articles, they will have more opportunity and will be brought back again to the position of manufacturing, whether it be jewelry or handbags on which we are taking off the excise tax today. It means jobs for the men and women workers in each of these industries.

In connection with the fine statement just made by the gentleman from Florida [Mr. LANTAFF], with which I, too, am in agreement, may I say that I feel we ought to take off the entire amount of taxation that is levied against transportation here in the United States. We are reducing the transportation tax from 15 percent to 10 percent in this bill. I think every man and woman, each boy and girl, every citizen, and all people of the United States who must use public transportation to go to daily tasks or longer travel in this country ought to be relieved of this transportation tax. I thoroughly agree with the slogan of the greeters of the American Hotel Association: "See America First." I have no quarrel with those who want to go to the Caribbean, I would like to go there some time myself, but I think many of our citizens who cannot afford to go there ought to be privileged to see their own great country, the United States of America, which they would appreciate more if they could see it. Many are prevented

because of this tax on transportation which they must bear.

Mr. Chairman, in conclusion, I am, of course, in full accord with this measure from my Ways and Means Committee, before us today and shall vote for it.

Mr. COOPER. Mr. Chairman, I yield 5 minutes to the gentleman from New Jersey [Mr. SIEMINSKI].

Mr. SIEMINSKI. Mr. Chairman, I should like to attach my remarks to those of the gentleman from Tennessee [Mr. COOPER] when he earlier reviewed the committee report on this bill, and in general add my comments to those of the distinguished chairman of this great committee, Mr. REED of New York.

I rise at this time in support of a constituent of mine, assuming that we can in this country still call a corporation a person at law and therefore classify it for purpose of debate, as a constituent. I speak on behalf of the payroll of a four-and-a-half-million-dollar corporation, the El Dorado Oil Works, of Bayonne, N. J., which has been closed down because of the 3 cents a pound excise tax on coconut oil. It is the only independent copra crushing plant on the Atlantic Coast. I am proud to speak in its behalf here on the floor. I want the excise tax rescinded, the payroll restored, and the plant reopened.

I understand that when the tax was put on coconut oil, then used in oleomargarine, it was levied originally to give oleomargarine a tougher fight in getting into the market to compete with butter. Even Stephen battle lines were sought.

We speak here in the majority report of giving the consumer a better break in terms of purchasing power, and that we are for free enterprise. I think we agree that free enterprise means among products as well as management brainpower among industries.

I should like to ask the distinguished chairman of the Committee on Ways and Means a question in reference to this coconut-oil excise tax. Is it contemplated that a further study will be made on this item because coconut oil is no longer used in oleomargarine, therefore vitiating the spirit, intent, and validity of the tax?

Mr. KEAN. Mr. Chairman, will the gentleman yield?

Mr. SIEMINSKI. I yield to the gentleman from New Jersey.

Mr. KEAN. That question, which was also brought to my attention by the El Dorado Oil Co., was taken up with the chairman and with members of the committee. We talked it over with the staff and we felt that it would be almost impossible to translate the cutting of a specific dollar tax of this kind to the 10-percent level that we were cutting other taxes. But the chairman of the committee indicated to me, and I think he will verify this, that we hope at a later date this spring to take up the question of some more selective ones of the excise taxes and the question of coconut oil, as well as cutting oil and other items of that kind that have a dollar tax, will be considered.

Mr. SIEMINSKI. Thank you, sir. I appreciate your spirit of cooperation.

Mr. KEAN. I hope in the meantime they have not sold all of the machinery in their plant.

Mr. SIEMINSKI. I think the gentleman's answer in the RECORD today will stay the hand of the copra-crushing auctioneer. This is a $4½-million firm, with a payroll potential of well over 100 people. As we know, coconut oil, stockpiled for napalm bombs, is also used in natural soaps, for commercial and home consumption. I understand that the producers of synthetic soaps are giving coconut-oil soaps a good run for their money, but the fight is not an even one. It is not really free enterprise. The synthetic-detergent producers have a better tax break because of this 3-cent-a-pound tax on coconut oil. I am sure that the producers of synthetic detergents would like to stay in the game and slug it out on equal terms with natural coconut-oil soaps. I do not think they want Uncle Sam to tip his scales in their favor. The consumers will decide that. Both type products should square off, in the open market, even Stephen.

Mr. KEAN. Of course, the tax was levied on account of reasons that do not exist any more in the coconut-oil industry.

Mr. SIEMINSKI. It is nice to get your reassuring answer to a problem that disturbs many idle and unemployed people in my district. I thank the gentleman.

And, of course, Mr. Chairman, we should remove any tax that makes students at bona fide educational institutions pay to enjoy amateur sports contests or to enjoy social festivities sponsored by their nonprofit schools.

Mr. REED of New York. Mr. Chairman, I yield 15 minutes to the gentleman from Pennsylvania [Mr. SIMPSON].

Mr. SIMPSON of Pennsylvania. Mr. Chairman, I am very happy to stand before this body and announce that I am going to vote to reduce excise taxes. I wager there are no unhappy individuals in the Congress, and I will be very much surprised if there are any votes against this bill to reduce excise taxes. Those of us on this side of the aisle feel that we have reason to be pleased that our tax policies permit me to stand in front of you and support this bill which comes from a Republican dominated Committee on Ways and Means. We are carrying out a promise we made to the American people, namely, that we would, whenever economic conditions permitted, reduce taxes. In our opinion the time is ripe now for a reduction in taxes.

Now, my friends on the other side of the aisle, I am sure, are happy, too, for they must want to vote to reduce taxes. We have all had great experience in voting to increase excise taxes. To reduce them you simply vote now as you did then with a "Yea." I think you will be proud to do it. I know the American people will be pleased to see that they now have a Congress which is determined to give back to the American people some of the dollars which they have earned so that they may spend that money themselves. The American people recognize that dollars which are sent to Washington, for whatever purpose, do not in their entirety return back home. A certain amount of it sticks here in Washington; a certain amount of it is lost in overhead; a considerable portion is wasted. I am glad to see that this political party now in power in the Congress, I repeat, is keeping its pledge to reduce taxes. I think back to the 80th Congress, and in that Congress you people of the Democratic Party were then given a chance to do the unusual, and you did vote to reduce taxes. I believe that the only times in recent history when you did have a chance to vote to reduce taxes was when the Repubican Party was in power. To the American people who have entrusted the Republican Party in this critical stage of our country's history, I want to say I know they made a wise choice. I know that with the Eisenhower administration in power we are not only going to fulfill our promise to reduce taxes, but we are going to do it upon a sound basis, upon a basis of, first of all, bringing the economy to a situation wherein no longer is there a war. In that area we fervently pray and earnestly hope that peace may be preserved. When that peace is preserved, it is proper that Government spending be cut and that taxes be cut, too.

We have presented to you a bill wherein all excises, with the exception of those on liquor and tobacco and a few others, are reduced to 10 percent, if at the moment they are above 10 percent. It involves about $1 billion which the American worker will be able to spend which otherwise would be taken from him by his Government. I know that the American worker needs that money today as he would any other day, that he can spend the money more wisely, and that he will spend it for the things which he wants to give him a fuller and a better life. And I suggest that further cuts in these taxes are both desirable and anticipated.

In addition, there will be adjustments in certain areas where there are hardships prevailing today, wherein certain industries are badly hurt because the excise tax limits the sales of the items involved within those areas. Because of the shortage of time, or perhaps for other reasons, we were not able to present to you today a bill correcting those bad situations. We are, however, eager to state that studies will be made and that, in due course, we expect to come before you again soon for further cuts in these so-called hardship areas.

In a day or two we will have the bill which will be a monument to both political parties of the Congress. That is the revision bill, which will be called the revision bill of 1954. It represents a great work on the part of the employees of the Treasury, of the joint committee, and of the Congress. It represents a great concentration of effort in a constructive manner by members of both political parties on the Committee on Ways and Means. It is, indeed, surprising that in very large areas there is complete agreement with respect to that bill.

It will provide substantial savings to the American taxpayer. It will cut down on a great deal of the administrative work which is unnecessary and so bothersome and burdensome to the

American taxpayer today. True, it will cost the Treasury some money, but out of that bill will, we believe, come certain sparks which will inspire and lead to a pickup in certain areas of business in our country.

We believe, for example, that there will be an incentive once again to the individual to use money which he saves, by reason of not having to pay the extra taxes, to buy stock in businesses, and to help provide jobs. Do you realize that today in order that one man or one woman—any man, any woman—any place in the United States, may secure a job, some person in the United States must have shelled out—paid out, laid down, invested—$15,000 to provide a job? That is what it means to have capital, without which no one can work for a private employer, without which one must work for Government.

Mr. JONAS of Illinois. Mr. Chairman, will the gentleman yield?

Mr. SIMPSON of Pennsylvania. I yield to the gentleman from Illinois.

Mr. JONAS of Illinois. I want to say, Mr. Chairman, that I am very pleased to have the opportunity to listen to the sentiments and the logic of the gentleman from Pennsylvania [Mr. SIMPSON]; especially the words he used at the outset of his address this afternoon to this House. That is, that he is very glad to have the opportunity at this time to be a party to the promulgation of a bill into a law that will at last give a little ray of sunshine and hope in the dark firmament of obnoxious taxation that has been on the backs of the people for a decade.

I want to say to the gentleman that I most heartily join in those sentiments and, coming from a metropolitan area, I do not know what better message I can bring to my people than to tell them that at last we are doing something that we have been promising in a field that has caused me to be bombarded with letters and data and personal appeals for the last 4 years.

Mr. SIMPSON of Pennsylvania. I call the gentleman's attention to the fact that back in the early 1930's taxes were as nothing compared to what they are today and that every increase that came to pass in the intervening years—and there have been many of them—came to pass when the other political party, the Democratic Party, was in power. At that time, back in the early thirties, and I think I am correct, the personal exemption, the amount below which you did not have to pay any income tax, was $2,000 or $2,500. That was whittled down until at the time of the 80th Congress if you earned as little as $500 you had to pay an income tax, and the man with children in school was allowed to deduct only $500. However, in the 80th Congress we did raise that to $600. It would be nice to raise it still more. One of these days, when the economy of our country is again geared to peacetime living, as it will be within a short time, the Republican Party will constructively proceed with proper tax reduction.

Mr. JONAS of Illinois. Mr. Chairman, will the gentleman yield?

Mr. SIMPSON of Pennsylvania. I yield.

Mr. JONAS of Illinois. I think the gentleman will agree with me that there was a purpose in levying these particular taxes we refer to as excise taxes and accelerating them to the high figure that prevails today. This is the first relief we are getting through legislation in reducing what we call these wartime excise taxes. They have been a terrible hardship on all the businesses affected by them which I am sure will gladly welcome the substantial cuts that have been given them.

Mr. SIMPSON of Pennsylvania. A goodly number of those taxes were put on deliberately for the purpose of keeping people from buying the products of those industries, because in wartime we did not want the industries to manufacture those particular products for the private consumer. Today we want them to. Today there is no war. Today the people have the money. We want the tax taken off so that those industries will expand.

I repeat, I am very happy that both political parties under the leadership of the majority party will support this legislation.

Mr. EBERHARTER. Mr. Chairman, will the gentleman yield?

Mr. SIMPSON of Pennsylvania. I yield to the gentleman from Pennsylvania.

Mr. EBERHARTER. I only wish the Secretary of the Treasury could have heard the gentleman from Pennsylvania.

Mr. SIMPSON of Pennsylvania. I will see to it he reads it.

Mr. FORAND. Mr. Chairman, I yield 15 minutes to the gentleman from Louisiana [Mr. BOGGS].

Mr. BOGGS. Mr. Chairman, I should first like to address myself to the motion to recommit which will be offered by the gentleman from Texas [Mr. LYLE]. Then if I have a few additional minutes, I should like to discuss some of the policy, as I see it, involved in this proposed legislation.

At the conclusion of general debate the gentleman from Texas [Mr. LYLE] will offer a motion carrying that part of the Democratic motion to recommit which was not adopted by the Republican conference on yesterday afternoon. As the conference adopted two-thirds of our motion, I am reasonably certain the House itself will adopt the balance of it. I believe there are very definite and commanding reasons for the adoption of this motion.

The motion provides that the tax on all admissions below 50 cents will be eliminated. What does that mean? It means movies, swimming pools, skating rinks, small county entertainments, small fairs, and amusement parks; in other words, it means the recreation provided for the average poor man and the average poor man's family throughout our country.

Revenuewise, in a bill involving admitted reductions of something approximating $940 million or thereabouts, this item involves only $40 million.

Why is it important that the motion to recommit be adopted? In the first place, the legislative history of this matter is very interesting. Last year, acting on a bill introduced by my distinguished friend, the gentleman from Illinois [Mr. MASON] this body passed with only scattered opposition—I have forgotten the vote, but the opposition was insignificant—and the other body passed, I believe, without any opposition legislation removing the admissions tax altogether—not removing the tax on admissions under 50 cents, but on all admissions to moving-picture theaters all over the United States of America.

Mr. COOPER. Mr. Chairman, will the gentleman yield?

Mr. BOGGS. I yield.

Mr. COOPER. I have asked the gentleman to yield in order to make a slight clarification. The motion to recommit will be for admissions of 50 cents and less.

Mr. BOGGS. Yes, I thank the gentleman very much.

Mr. COOPER. The estimate which the gentleman has given of the amount of money involved is covered in a letter to me dated March 8, 1954, by Mr. Stam, chief of staff of the Joint Committee on Internal Revenue Taxation in which he states:

> We estimate that if all admissions of 50 cents or less were exempted from an admission tax of 10 percent, the revenue loss would be $40 million for a full year.

Mr. BOGGS. I thank the gentleman very much.

Mr. COOPER. Of course, this motion to recommit will not exempt from taxation admissions of more than 50 cents.

Mr. BOGGS. That is correct.

Mr. Chairman, if there were reasons for adopting the Mason bill last year which eliminated the tax in its entirety, certainly the reasons are now even more pressing than they were at that time, and certainly this relief which grants only a 50-cent exemption rather than total exemption can be adopted now, if last year we could adopt complete exemption.

Let us take a look at some of the figures. At the time we acted last year, the committee had received testimony to the effect that the moving-picture industry was a distressed industry. The President vetoed that bill but the administration agreed that the movie industry was distressed, and in the examination before the committee—and I want to emphasize this because on last Wednesday or Thursday, whichever day it was when we considered this proposed legislation—we were summoned to a committee meeting at 10 a. m.—we went in and were presented with a bill introduced and numbered. There were not 5 minutes of hearings on that bill. Not one line of testimony. After the minority members of the committee had sought all morning long to obtain some equitable amendments to the proposed legislation, and we had been voted down, I point out invariably by straight-party-line votes, finally we went back in the afternoon and met here in the small committee room, and I turned to Dr. Smith, of the Treasury Department, and I asked Dr. Smith if he would be good enough

at this late hour to give us the benefit of the Treasury Department thinking on this tax legislation.

Now, that was the first time that any member of the committee had even sought the opinion of the Eisenhower administration on this legislation. I must tell you it was a bit difficult to get a reply. As a matter of fact, my colleague from Pennsylvania [Mr. EBERHARTER], who is normally a rather mild-manner gentleman, finally got a little riled up and starting writing down questions directed to Mr. Smith, and eventually the answer came back. The answer was that as far as the Treasury Department of the United States was concerned, there were only two areas where any relief was justified at this time. One of the areas, according to the Treasury Department, was the fur industry. The other area was the movie industry. So that of all the measures in this bill that you will be called upon to vote upon within the next 2 hours, the only one specifically recommended by the Treasury Department is the one affecting the movie industry. Why? Let me read these figures to you.

At the beginning of 1946 the total number of theaters and drive-ins in operation was 19,019. Since 1946 and until February 1954 there have been 4,725 new drive-ins and theaters, making a total of 23,744. Of these 23,744, 6,208 have closed since 1946, or 26.4 of all theaters built. This leaves 17,464 theaters operating now, including drive-ins. Of this total, 6,127 are operating in the red.

The CHAIRMAN. The time of the gentleman from Louisiana has expired.

Mr. COOPER. Mr. Chairman, I yield the gentleman 5 additional minutes.

Mr. BOGGS. Since last July alone, 1,117 additional theaters have closed their doors. The pending bill by reducing admissions 10 percent will relieve very few of these theaters. In fact, 4,820 will still be operating in the red. Most of those 4,820 are small-town theaters, where the admission charge is 50 cents or less.

Our distinguished minority leader on our committee, the gentleman from Tennessee [Mr. COOPER], moved in the committee to reduce admissions to 50 cents. His first motion was that all admissions be reduced to 50 cents, correspondingly identical with the motion to recommit, which you will have an opportunity to vote on shortly. That motion was rejected by a vote of 13 to 12. Then the gentleman offered a motion incorporating substantially the provisions contained in Mr. MASON's bill, and that motion was defeated by a tie vote of 12 to 12, with the gentleman from Illinois [Mr. MASON], author of the proposal, abstaining, and thereby defeating the proposed motion.

Mr. EBERHARTER. Mr. Chairman, will the gentleman yield?

Mr. BOGGS. I yield.

Mr. EBERHARTER. I just want to call attention to the fact that the motion to recommit will benefit the small theaters and mostly the people living in small towns where the movie theater is practically the only form of entertainment they have. To close them would certainly work a hardship on the small towns.

Mr. BOGGS. The gentleman is eminently correct.

Mr. BYRNES of Wisconsin. Mr. Chairman, will the gentleman yield?

Mr. BOGGS. I yield.

Mr. BYRNES of Wisconsin. I just wondered if it was the gentleman's purpose to reveal all the votes, motions, and actions in an executive committee meeting. Does the gentleman intend to do that? I notice the gentleman mentioned how various Members voted in executive session. I just wondered whether that was his purpose.

Mr. BOGGS. If the gentleman takes any offense at anything I said——

Mr. BYRNES of Wisconsin. I wondered if the gentleman was going to release executive session matters.

Mr. BOGGS. The matters I have mentioned have been of record elsewhere. I have seen them in various publications all over the country.

Mr. DEANE. Mr. Chairman, will the gentleman yield?

Mr. BOGGS. I yield.

Mr. DEANE. What assurance does the gentleman have that if the amusement tax is reduced the theaters will pass the savings along to the patrons?

Mr. BOGGS. I have no assurance.

Mr. Chairman, I wish to incorporate in the RECORD a brochure entitled "Motion-Picture Industries."

The CHAIRMAN. The gentleman understands, of course, that such request must be submitted in the House.

Mr. BOGGS. I will be glad to seek that permission in the House, Mr. Chairman.

This morning the gentleman from Ohio, I believe it was, made some mention of the motions that we had offered in the committee. As a matter of fact most of these motions were offered as alternative proposals; and the idea of taking them all and lumping them together to get a revenue total just does not make sense. For instance, take the case of the admissions motions, both of which were offered by the gentleman from Tennessee [Mr. COOPER]. Had the first one been adopted, naturally, there would have been no point in adopting a second; and the same thing applied, of course, to so many other motions considered by the committee while in executive session.

Finally, with reference to the policy involved here with reference to overall fiscal policy, and with reference to all of the statements about this great tax reduction that my good Republican friends are now giving the American people: In the first place this bill actually increases taxes; the net effect of this bill is to increase excise taxes by some $165 million, I believe; because, Mr. Chairman, do not forget that as the law is now written, that is, as of April 1, 1954, less than 30 days from now, the so-called Korean excise taxes expire, and this bill extends those taxes.

These excises were based on the Korean war. I presume it is over, I hope it is over—I do not know whether it is or not. But let us not be pushed around here and call this a tax-reducing bill.

My distinguished leader, the gentleman from Texas [Mr. RAYBURN], referred to the holy pleas of 1952, how you could hear the records playing: Reduce taxes. Balance the budget. Sound fiscal policy. Did any of you hear it? Every time you turned on a radio, every time you looked at television you heard: We are going to balance the budget, reduce taxes, do away with the deficit, have a sound dollar.

Mr. McCORMACK. And do not forget greater defense, too.

Mr. BOGGS. Yes. The gentleman from Illinois [Mr. MASON], talked about the national debt. That is interesting. Why, last summer my distinguished chairman came before this committee and he stated: You have to raise the national debt limit. How much has the national debt been reduced in the last 18 months? As a matter of fact, it would be much more interesting to look and see how much it has been increased.

How much have taxes been reduced? I am not talking about automatic cutoff dates, I am not talking about the cutoff provided in the law by a Democratic Congress; I am talking about actual tax reductions. Not one dime.

Let us talk about this deficit financing. I have before me the report of the Joint Committee on the Economic Report. The chairman of the Joint Committee on the Economic Report is my very beloved friend, the gentleman from Michigan [Mr. WOLCOTT]. This committee is dominated by the majority party. What did it say? First it asked that the national debt limit be increased. Then it is stated:

> We are driven inevitably to this view by recognizing that if general economic conditions should deteriorate much below present levels the Federal Government may be called upon to act promptly and vigorously, accepting a deficit as an unfortunate necessity but nonetheless the most appropriate fiscal policy.

Mr. Chairman, we have it now. We have tax increases, we have an unbalanced budget and we have deficit financing recognized as a proper policy to be pursued by this Government at this time.

Mr. REED of New York. Mr. Chairman, I yield 5 minutes to the gentleman from Iowa [Mr. MARTIN].

Mr. MARTIN of Iowa. Mr. Chairman, the bill now under consideration, H. R. 8224, has for its purpose the reduction of excise taxes and if enacted into law will be known as the Excise Tax Reduction Act of 1954.

In bringing this bill before Congress the Committee on Ways and Means does not claim that it is the product of a thorough study of excise taxation. It is rather a quick and incomplete approach to the problem and the incompleteness of this revision is due to two principal causes, namely, the serious need of the Federal Government for revenue and the shortness of time available for enactment of the bill into law if it is to become law before April 1 of this year. On April 1 the temporary excise-tax increases of the Revenue Act of 1951 will expire unless the expiration date of those increases is changed. Rather than undertake the impossible task of reviewing the entire

field of excise taxes the Committee on Ways and Means has developed this legislation to extend some relief over as broad a field as possible and establish a policy of placing a ceiling on all percentage excise-tax rates. Obviously this policy of establishing a ceiling can be carried further with the establishment of still lower ceilings by subsequent legislation whenever the Federal budget may justify such action. Most unfortunately it has been impossible within the time limits to give consideration to the complete repeal of any excise taxes and it has been impossible also to survey and take action on the adjustment of excise taxes that are imposed on any basis other than percentage of value.

The majority report of the Committee on Ways and Means states definitely that it is contemplated that the committee will review excise tax rates next year but it is my sincere hope that the reduction of some specific excise tax rates can be given consideration yet this session. The need for further relief from all taxes is very great and it is especially great in the field of excise taxes. Practically every Member of Congress can name at least one excise tax that, to his personal knowledge, imposes genuine hardship. I will not attempt to enumerate the excise taxes that should be reduced because the ability of Congress to extend such relief is largely dependent upon the condition of the Federal budget. Likewise the extent of relief and the number of items that may be given relief may vary from one item up to include all items covered by excise taxes.

In my own experience I opposed vigorously the imposition of the excise tax on fountain pens and mechanical pencils which was imposed for the first time in the 1951 Revenue Act and I am deeply sorry that it has been impossible to extend special consideration to that tax when it imposes such a burden upon so many of our people. The Members of Congress who were serving on the Committee on Ways and Means in 1951 will remember how strongly I opposed the imposition of the excise tax on fountain pens and mechanical pencils and I intend to continue my efforts to secure the repeal of that tax at the earliest possible date.

This is my 16th year in Congress and this is only the second time in all those years that I have been privileged to vote on a tax bill that will reduce taxes in any appreciable number of items. It is important to note that the other occasion was in the 80th Congress which you will remember was likewise a Republican Congress. Of course, the Democrats are going to claim credit for reductions based upon the expiration of some of their increases made in the 1951 act but I submit that those expiration dates could not possibly have been permitted to take effect if the Democrats themselves had been continued in power and the Truman budget had not been cut drastically by the Eisenhower administration. Let us tell the people of America that actual tax reduction can and will come only on the action of a Republican Congress on the budget and on the tax structure. It is amazing to realize that the highest Republican budget in all history prior to the present fiscal year was 5 billion dollars. How far we can go in reducing the swollen Federal budgets of today will depend upon the work of Republicans rather than Democrats in shaping the Federal budgets of the coming years and the determination of the Republican Party to encourage and expand private enterprise and consumer independence rather than high Government spending and high taxes. We cannot go back to 5 billion dollar budgets but we can reduce the budget to a far lower level than the Democrats foisted upon us in the 10 years before they were removed from power by the voters in November 1952.

Mr. COOPER. Mr. Chairman, I ask unanimous consent that our colleague, the gentleman from Michigan [Mr. DINGELL] may extend his remarks in the RECORD immediately following the remarks made by me.

The CHAIRMAN. Is there objection to the request of the gentleman from Tennessee?

There was no objection.

Mr. COOPER. Mr. Chairman, I yield 10 minutes to the gentleman from Rhode Island [Mr. FORAND].

Mr. FORAND. Mr. Chairman, I shall vote for this bill—this so-called excise tax reduction bill, H. R. 8224, which we are now considering although it is really not an excise reduction bill at all.

It does reduce some excise taxes and these the Democrats on the committee supported. The excises which were reduced will, in a full year of operation, save the consuming public $912 million a year.

However, this bid, as reported to the House, also raises certain other excise taxes by continuing indefinitely the rates which we in the Revenue Act of 1951 had provided were to terminate as of April 1, 1954. We opposed this action. This will cost the consuming public $1,077,000,000 a year.

In other words, in the disguise of an excise reduction bill, we really have before us an excise tax increase bill. The net effect of the committee's action was to increase the burden on consumers by $165 million. If you doubt this, I suggest that you look at pages 2 and 3 of the majority's report.

We appreciate the need for revenue under the present budgetary situation, although I cannot refrain from pointing out that this does not square with the Republican campaign promises of last fall.

The consuming public should not be saddled with these permanent excise tax increases. Making these increases permanent contrasts sharply with only a 1-year extension for the present corporate income tax rate which would be provided for in H. R. 8300, the Internal Revenue Code of 1954, which has already been reported out by the committee but not yet been brought to the floor.

It seems particularly inappropriate to increase excise taxes now in view of the fact that present economic conditions suggest that at the present time we need to encourage consumer spending. Instead of providing such encouragement, the Republicans seek to give business bigger depreciation allowances and stockholders lower income taxes on their dividends.

The bill in its original form was introduced only the day before the committee met to consider it, and the committee spent only 1 day in considering it. While the majority was very gracious in permitting us to offer any amendments we chose, it was perfectly obvious that most of them already had made up their minds that the bill was to be reported out as introduced.

The idea presented in the bill is simple, namely, reduce all ad valorem excise tax rates above 10 percent to 10 percent. This is done without any consideration of the impact of the tax rates on the industries involved or upon consumers.

It provides for example, the same 10-percent rate for the hard-pressed telegraph industry as for the relatively affluent long-distance telephone business.

The tax on freight bills, for example, is left unchanged merely because it is presently below 10 percent. This tax was retained despite general recognition of the fact that this tax discriminates against shippers who are far from their markets.

It appears to me that this idea of a 10-percent across-the-board tax rate is a step in the direction of a flat-rate sales tax and a step away from our selective excise tax system. In other words, failing to gain any public support for a sales tax, it appears to me that the Republican Party is attempting to gain this end by the back door by making the rate a uniform 10 percent.

At some future date I suspect that the Republicans will favor increasing excise now below 10 percent to 10 percent. Moreover, as new excise taxes are proposed by the Republicans, I suspect that 10-percent rates will be suggested. This eventually will lead to a de facto sales tax.

I am in favor of lowering excise tax rates, but I believe this should be done only after careful consideration by the committee of various factors. I believe special attention should be given to lowering the excise taxes which bear most heavily on the low-income groups, such as the tax on costume jewelry and the tax on ladies' handbags.

I believe that special attention should be given to the taxes which are having a depressing effect on the industries involved, such as the tax on jewelry, furs, and on automobiles.

I believe that special attention should be given to the excise taxes which enter into the cost of doing business, such as the tax on freight which I have already mentioned and the tax on lubricating oil.

I believe that the committee should have also considered the many technical problems which have arisen in connection with the present excise-tax system. These problems are too numerous to more than mention a few. Needless to say they were also too numerous for the committee, in its haste, to consider.

The minority did bring up a few of these problems, but it is difficult to obtain adequate consideration when the majority's only interest is to dispose of the problems by negative votes as fast as the roll can be called.

The suggestions members of the minority made included the repeal of the taxes on watches selling for less than $65 and alarm clocks selling for less than $5; eliminating the tax on the first 50 cents of any admission charge; eliminating the tax on admissions to amusement parks and rides where the charge does not exceed 15 cents; repealing the tax on clothes ironers and driers; and exempting college and school athletic games from the admissions tax.

While these and the other amendments offered by the minority may not be the most deserving of the technical problems, in large part they represented changes proposed by the committee in 1950, when full consideration was given to these problems. Had more time been devoted to this excise bill, instead of making it the stepchild to the revenue revision bill, I am sure that many of the present discriminatory features of the present excises could have been eliminated. Never during my service on the Committee on Ways and Means has a major tax bill been given such short shift as the bill now before us.

Mr. COOPER. Mr. Chairman, I yield such time as he may desire to the gentleman from Pennsylvania [Mr. GRANAHAN].

EXCISE TAX MEASURE IS A HALF MEASURE

Mr. GRANAHAN. Mr. Chairman, the bill before the House reenacting all of the excise taxes which were to expire April 1 and effecting reductions only in those excises other than alcoholic and tobacco products which were over 10 percent does some good and will, of course, be passed in approximately the present form. But I think we should recognize that it is only a half measure.

It does not get to the heart of the excise-tax problem. It does not even attempt to key changes in the excise taxes with economic conditions in the country today. True, it affords some relief to the furs, jewelry, luggage, cosmetics and the entertainment industries—relief we had previously voted in 1950 and which would have gone into effect then if the Korean war had not intervened to require vastly greater revenues for defense. And telephone taxes will come down some.

WHY NO CHANGE IN AUTOMOBILE EXCISES?

But although the report of the majority of the Ways and Means Committee declares that the changes made in the excises under this bill will stimulate business and employment, the refusal to take up or even consider any changes in excises at or below the 10 percent level means that there will be no change whatsoever in one of the biggest excise taxes the average consumer is called upon to pay—the tax on an automobile, which will remain at 10 percent. This is exceedingly high and exceedingly costly to the average family; it is $200 on a $2,000 car. Had the tax been allowed to go back to 7 percent, as the law presently provides for as of this coming April 1, it would mean a saving to the consumer of $60 on that same automobile, plus a saving, too, on the interest charges in financing the car.

CAN WE EXPECT MORE BOOTLEGGING ACTIVITY?

The failure to even touch gasoline taxes or cigarette taxes—both of which were to come down on April 1 under the law we passed several years ago—will also hit a lot of consumers on items they consider important in their own budgets. As for the beer and liquor taxes, while everyone agrees they represent logical items for excise taxes, still and all, we want to be mighty careful we are not encouraging bootlegging by overtaxing legitimate products in this field. I understand there has been an alarming increase in the sale of untaxed beverages in this field, and I am afraid we can look for an increase in that illicit traffic if people's incomes go down and more people get thrown out of work.

What I am attempting to point up, Mr. Chairman, is that I do not think the committee majority has done a careful job at all in assessing the kind of excise taxes to recommend, but has just apparently closed its eyes and drawn a line and said if the tax is over 10 percent we will cut it to 10, but if it is less than 10 percent we will not touch it at all, and as for beer and liquor and cigarettes, and so on, we will not even look at what is happening in the way of bootlegging, and so on.

DEMOCRATS WIN ON DEMAND FOR CUTOFF DATE

I am glad that the majority party, after refusing in the committee to heed the proposal of the Democrats to put a time limit on these reenacted taxes, as we had always done in the past, has now decided after a caucus of all the Republican Members that they had better agree to something like that before the measure came upon the floor of the House. So the minority Members—the Democratic Members—scored on that.

I personally want to pay tribute to the Democratic members of the Ways and Means Committee for the united effort they put forward on this measure to make it a better bill, recognizing their responsibilities not only to the citizens and businesses of the Nation but to the needs of the Treasury. I think they have given a fine illustration of how an opposition party should operate in a democracy—showing a real sense of responsibility that was not always present when the Republicans were in the minority.

IT WAS ONLY CAMPAIGN ORATORY

It is too bad, however, that we have to rush important legislation like this through the House without hearings, without a sufficient study of the economic effects of the proposals, and with all these steamroller features.

As the Democratic members of the committee noted in their minority report, this is the third time the majority party has had to eat its 1952 campaign pledges by raising taxes above what they were scheduled to be. The revenues are, of course, necessary, but a lot of that campaign oratory turns out now not only to have been unnecessary but completely misleading—and I am sure that come November some of our friends on the Republican side will be a whole lot less extravagant with their promises than they were in 1952.

Mr. COOPER. Mr. Chairman, I yield such time as he may desire to the gentleman from Massachusetts [Mr. PHILBIN].

Mr. PHILBIN. Mr. Chairman, I am greatly disappointed with this bill. There is no one in the House who stands higher among his colleagues than our friend, the chairman of the committee, Mr. REED, and surely no one in the House esteems him more than I do.

But I repeat, I am greatly disappointed with this bill. First, the administration is definitely pledged to tax relief and that means, as I believe the American people interpret it, substantial, and not merely colorable, or symbolic, tax relief. Secondly, this bill does not reduce, but definitely increases net excise taxes by about $165 millions. Thirdly, the Congress should, in my humble opinion, assume its obligation to the rank and file of the people to lift heavy tax burdens from their backs.

I have said many times that this Nation is tax-ridden to an unbelievable extent. There is no country in the world carrying such heavy, discouraging tax burdens. Our taxes now are higher than they were in wartime. They are, for the most part, at the highest level in history. Their weight upon the people is tremendous. Their effect is repressive to initiative and endeavor—an impairment of our free-enterprise system. They press down the standards of living, not of the wealthy or capable, but of the poor, the ordinary men and women, and those least able to pay. There can be no doubt of the unhappy and detrimental consequences of high taxation. It is stultifying to business, oppressive to the rank-and-file American citizen.

What I hoped for from the committee was an altogether different approach to the question of tax reduction. I hoped practical consideration would be given to the situation of the automobile industry. That of itself would prove a boon and a great help to that business at this time. It would mean also employment for very many. And also to many purchasers.

I had hoped attention would be given to the extortionate alcoholic beverages taxes which are rapidly extending illicit and criminal manufacture and activities in many parts of the Nation. Taxes can be confiscatory. They can be discriminatory. They can be in effect a prohibition, in large part, of existing legitimate businesses authorized by law. There is an element of injustice and lack of fairness and equity in such tax machinery. It cannot be defended. And there are other very unsound excises too numerous to recount at this time.

If there had been a complete overhaul of these taxes in relation to revenue, and if substantial cuts were made in foreign expenditures, exclusive of those for defense, many undesirable, harmful excise levies could be repealed.

There is at least one good provision in the bill, that is, reduction of taxes on amusements and moving-picture theaters, but it does not go far enough. To save some of these distressed businesses the excise taxes should be taken off altogether, and that is my strong view.

Different provisions of this bill virtually cancel each other. The bill blows hot and cold in the same breath. One set of excise taxes is reduced while at the same time another set of Korean war excise taxes, scheduled for repeal by Congress April 1, are herewith continued. These amounts practically cancel each other and on the whole this type of legislation smacks of the arts of the magician who puts a rabbit in one hat and pulls it out of another.

I would like to have the chance to vote for a real motion to recommit on this bill but, apparently, under the rules of the House applicable to this tax measure, I will not have that privilege.

If the administration and the Congress would appropriately trim foreign expenditures, exclusive of those for the national defense, we would have no difficulty giving the American people and the American businessmen some of the tax relief to which they are entitled and must ultimately have, and in the not too distant future, if this economic system is to be kept vigorous, healthy, and dynamic.

Mr. COOPER. Mr. Chairman, I yield such time as he may desire to the gentleman from Massachusetts [Mr. DONOHUE].

Mr. DONOHUE. Mr. Chairman, although this bill, H. R. 8224, to selectively grant excise tax reductions to 10 percent contains inequitable provisions, as well as being discriminatory, I am reluctantly impelled to support it. It obviously appears that we are permitted no choice by the leadership of the majority; it is either this bill to provide some much-needed tax relief or no relief at all.

I am supporting the measure because it is at least partially keeping faith with the people on the promise of the Congress to remove these so-called temporary and emergency excise and luxury taxes when vital need of them no longer exists. My reluctance in favoring the measure is because of my belief it does not go far enough, and it discriminates against many other items that should not be still considered luxuries and equitably ought to be afforded proportionate reductions.

Let it be made clear that any reduced revenue following these excise tax reductions will not in any way affect our continuing preparations for national defense and security. The military appropriation is, of course, a separate and distinct matter that can, when any necessity demands, be dealt with directly and immediately by the Congress.

One of the most compelling and forceful reasons for supporting this measure, inadequate as it is, arises out of the alarming current unemployment trend throughout the country. We all, I know, earnestly and sincerely hope this trend is short-lived and will be eliminated when the administration readjustment policies and programs are completed. Nevertheless, and without any partisanship, we would indeed be lax in our duty if we pretended that dangerous unemployment did not now exist. It is, therefore, imperative and timely that some effort must be made to increase consumer purchasing power, thereby stimulating production and helping to reverse the rising unemployment rate. It is fundamental in the American system that our tax policy should, to the fullest possible extent, encourage a constant expanding economy. I greatly hope the Members of this body will remember that fundamental tax principle when we are called upon to consider higher tax exemptions on individual incomes next week.

Because these excise-tax-cut proposals will provide a certain increase in the general purchasing power of American consumers to induce higher production at a time when it is most needed to lower unemployment levels, I intend to vote in favor of it.

Let us also plan now, barring any national or world emergency, to expand this program of excise-tax reduction and elimination so that the entire American purchasing public and all affected industries will be treated alike with fairness and justice. We have abundantly fulfilled all our pledges to our foreign allies and friends; let us keep faith with our own people who have suffered too long from too much taxation.

Mr. REED of New York. Mr. Chairman, I yield such time as he may desire to the gentleman from West Virginia [Mr. NEAL].

Mr. NEAL. Mr. Chairman, to citizens of the United States who for so long have labored under the increasing load of taxation, this day should offer a measure of renewed hope.

At long last, with shooting war no longer existing to justify extravagances and reckless spending, a gradual decline in demands for Government spending offers a ray of hope that the wage earners and the business people may once more begin to enjoy the fruits of their labors and the results of their capital. With the existing national debt, the unusually high level of fixed Federal commitments, and the potential decline in the national economy resulting from the transition from war to peace, no thinking citizen expects a tax bill based on prewar rates, individual or corporate.

Until the loose ends of former commitments are disposed of and the present level of Government activities are curtailed to conform to more normal standards, by taking $13 billion from last year's budget our citizens are being relieved of increases in rates that otherwise would have been reflected in the assignments for this year.

This bill, reducing excise taxes, will insure a measure of relief for every citizen by reducing the tax on commodities that make up a considerable part of the daily purchases of every householder. The general tax bill that is soon to follow will prove again that this administration intends to follow its determined policy of removing tax burdens from the shoulders of the people just as rapidly as the economic condition of the country will permit.

I hope this measure is adopted.

Mr. REED of New York. Mr. Chairman, I ask unanimous consent that the gentleman from Illinois [Mr. VURSELL] may extend his remarks in the RECORD at this point.

The CHAIRMAN. Is there objection to the request of the gentleman from New York?

There was no objection.

Mr. VURSELL. Mr. Chairman, the action we are taking here today in reducing excise taxes—which might be called nuisance or sales taxes—by a total of a little under $1 billion will be welcome news to millions of people throughout the Nation. It will give millions of people who daily shop in our stores throughout the Nation an opportunity to buy countless millions of articles at 10 percent less after April 1, when this bill goes into effect.

The people with large families in the lower tax brackets will be exempted by paying about one-half less in this sales tax, or excise tax, that has been on the books for a number of years.

I am glad that this is the second time in this session the Republican administration is bringing tax relief to its millions of overburdened taxpayers. We reduced income tax to those in the lower brackets about 10½ percent, with a lesser income-tax reduction to those in the higher brackets. Again, those in the lower brackets, earning up to $5,000, get the greater bulk of the income-tax reduction. Those in the higher brackets get a lesser tax reduction. Yet, those in the highest brackets get only about a 2-percent reduction.

Nevertheless, for political purposes, some of the Democratic leaders have the audacity to say that both of these tax bills favor the well to do, or rich. Of course, they know, and those in the lower income-tax brackets know there is not a single ounce of reasoning that can be given which would tend to prove their claim.

In addition to that, we removed the excess-profits tax, which will help business to expand and make more jobs for millions of people throughout the Nation. And the reduction of the excise tax will cause less of that tax to be passed on in the cost of merchandise the little people buy, which gives them additional tax relief, as they do their daily buying.

In other words, this administration, to date, with the passage of this bill today, will give the taxpayers of the Nation a little over $6 billion that they can keep and spend as they like, rather than to give it to the Government, to be given away to foreign nations and to be wasted as it has been done so many years in the past. And may I point out that next week we will have another tax-reduction bill before this House that will lower their taxes about $1,200,000,000. When this bill is passed next week, it will assure a total of over $7 billion this Republican administration will give to the people in this calendar year, that they can keep and spend as they like rather than for it to be swallowed up by big Government.

At this time I would like to point out that this is the second time in 22 years that we have had a Republican Congress, and the first time that we have had a Republican Congress and a Republican President.

EIGHTIETH REPUBLICAN CONGRESS

When we had a Republican Congress during 1947 and 1948, we reduced taxes by over $5 billion, and we raised the exemptions from $500 to $600, and, in addition, we provided that those over 65

years of age should have double exemption. By raising these exemptions and reducing taxes in the 80th Republican Congress, we made it unnecessary for over 6,500,000 people in the lowest tax bracket to pay any taxes. And in the debates on that bill, they called it then, as they are calling this tax-reduction bill now, "A rich man's tax bill." Of course, they are not serious in these charges, and it would appear that the only reason for making them is not an attempt to deceive the people.

Now, what made it possible for the Republican Congress and this administration to reduce taxes when the Democrats had been busy for over 20 years raising taxes, and never once reduced them? It is very simple. We could not be justified in reducing taxes unless we first reduced governmental costs. Last year we cut the $78,600,000,000 budget that President Truman said would all have to be spent, and which would have been spent had Stevenson been elected President. We cut out waste and extravagance and unnecessary spending, and reduced the Truman budget he left for President Eisenhower by $14 billion. That made it possible for this Republican administration to give the millions of people about a $7 billion tax reduction in the first session of this Congress. These tax reductions will allow the people to keep $7 billion, most of which will be spent in their own way. Such spending will increase the buying power; will greatly stimulate business; will help to prevent a serious depression, and will furnish millions of jobs for the working people of America as business expands.

Mr. COOPER. Mr. Chairman, I yield 10 minutes to the gentleman from Massachusetts [Mr. McCORMACK].

Mr. McCORMACK. Mr. Chairman, now that our Republican friends have seen the wisdom and the soundness of the position taken by the Democratic Party and of the leadership of the Democratic Party in connection with this bill, and the committee is going to offer an amendment to extend for 1 year the temporary taxes that expire on April 1, there remains only one question that the House will pass upon when we emerge from the Committee of the Whole. That is the question of whether or not further relief will be given to amusement places in the matter of taxes on admissions, exempting those admissions up to the price of 50 cents which will be offered by the gentleman from Texas [Mr. LYLE] on his own responsibility. We know that the main beneficiaries would be the small moving picture houses of the country.

That field has been covered very effectively by my friend from Tennessee [Mr. COOPER] and also my friend from Louisiana [Mr. BOGGS].

We all know the history of last year when this House almost unanimously, if not so, passed a bill eliminating completely the tax on moving picture admissions. We know the history of that. The bill passed the Senate, but was vetoed by President Eisenhower. I feel confident that if the veto had been submitted to the Congress, probably more than two-thirds of the Members of this House would have voted to override the veto.

It seems to me that a clear case was made out and while I am not going to offer a motion to recommit, I intend to vote for it. As I have announced heretofore and stated on the floor yesterday, I was going to offer the motion to recommit to provide for the temporary extension of certain excise taxes expiring on April 1 and the one in relation to admissions. Of course, the main part of my motion to recommit was the temporary extension. I could qualify in opposition to the bill if at that point in the consideration of the bill the House were faced with either a 1-year extension or a permanent extension, but I could not qualify in opposition to the bill in other respects on a motion to recommit.

I think the record should also show that the Republican leadership and the Republican Party in having this bill before us is in somewhat of a revolt against both President Eisenhower and Secretary Humphrey. We all know that President Eisenhower and Secretary Humphrey are opposed to the loss of revenue this bill provides for. However, the wisdom of the Republican leadership in the House is such that they think they can safely further unbalance the budget, and that is their responsibility. I see no reason why we Democrats in that particular respect should take any issue with them, and we are not doing so. However, the record should show that there is a further unbalancing of the budget of somewhat in excess of $900 million, and the record should also show, whether right or wrong, that the Republican leadership in the House and the Republican Party in the House in reducing excise taxes to 10 percent are doing so against the urgent request and recommendation of their own leader in the White House, President Eisenhower, and of their own Secretary of the Treasury, Mr. Humphrey.

Mr. EBERHARTER. Mr. Chairman, will the gentleman yield?

Mr. McCORMACK. I yield to the gentleman from Pennsylvania.

Mr. EBERHARTER. I wonder if the gentleman will call the attention of the Members to the fact that $300 million of this relief goes to those using long-distance telephone calls, and that is of course mostly a business charge, with no relief, practically, or very little relief to home users of telephones. In other words, one-third of the relief in this bill goes to the relief of business, which uses long-distance calls.

Mr. McCORMACK. The gentleman's statement speaks for itself.

Mr. CURTIS of Nebraska. Mr. Chairman, will the gentleman yield?

Mr. McCORMACK. I yield.

Mr. CURTIS of Nebraska. Those long-distance calls that are charged to business are a business deduction, so the Treasury does not get anything. The humble people I know never put in a long-distance call unless there is a death or sickness or some distress. The tax is 25 percent. It ought to come down to 10 percent.

Mr. McCORMACK. I hope my friend will remember those humble people he knows when the tax bill comes up next week and we try to increase the exemption from $600 to $700.

Mr. CURTIS of Nebraska. We want those people to have jobs. In due time the Republicans will increase the exemption. It is something you people have never done.

Mr. McCORMACK. I am glad to note my friend says "in due time." "In due time" is a question of fact. With reference to past promises by Republicans I have never seen that "due time" arrive yet.

Mr. BYRNES of Wisconsin. Mr. Chairman, will the gentleman yield?

Mr. McCORMACK. This is really getting interesting now. I just took the floor to make a few philosophical observations because my real argument was taken away by the fact that the Republican Party is following the Democratic position.

I yield to the gentleman from Wisconsin.

Mr. BYRNES of Wisconsin. The gentleman has made reference to the position of the President and the Secretary of the Treasury, Mr. Humphrey. Am I to assume from the gentleman's allusion to that position that it is the position the gentleman, too, supports, namely, that we should not be making any reduction in excise taxes in connection with this bill at this time?

Mr. McCORMACK. I have said that the Republican leadership and the Republican Party have taken issue with President Eisenhower and Secretary Humphrey. That part is correct, is it not?

Mr. BYRNES of Wisconsin. That is right. I was just wondering if you agreed with us or whether you agreed with the President.

Mr. McCORMACK. Then, I further said in the wisdom of the Republican leadership of the House, they have taken this action, and we, Democrats, have not made the decision that they can do it. You are not going to contest that, are you? Does the gentleman clearly understand my state of mind? Now the gentleman asked me a further question: Do I think tax reductions should take place? My answer is "No."

Mr. BYRNES of Wisconsin. Not even on the excise taxes?

Mr. McCORMACK. What is more important to the country than tax reduction, is greater national defense. If President Eisenhower had the courage to recommend more appropriations for national defense, the American people would welcome any sacrifices necessary for them to make in the form of extension of taxes or of additional taxes or otherwise. When I see promises of a reduced budget, and they are not carried out, when I see political insincerity, and I say that with a great mildness and a great calmness in my mind——

Mr. CURTIS of Missouri. Mr. Chairman, will the gentleman yield?

Mr. McCORMACK. I will yield to the gentleman in just a moment, but not now.

Mr. CURTIS of Missouri. But this is a good point for the gentleman to yield, however.

Mr. McCORMACK. If I can get some more time, that will be fine. As I was

saying, when I see your party making the decision that you will give a tax reduction under these conditions, then I say that we, Democrats, are justified in taking the position that it should be fair and equitable. That is what we, Democrats, are undertaking to do. Now, the very fact that you accept the amendment, which was the main part of my motion to recommit, shows that you recognized it—whether because you desire to or because of practical considerations, I do not care—but by reason of your action there is no difficulty here so far as opposition to the bill is concerned, but the responsibility for what is in the bill rests upon the Republican party and not upon the Democratic Party.

Mr. CURTIS of Missouri. Mr. Chairman, will the gentleman yield?

Mr. McCORMACK. I yield.

Mr. CURTIS of Missouri. I was very interested in the gentleman's remarks about proposing this personal exemption where you said you were in favor of extending the personal exemption and increasing it $100. You are not in favor of tax reduction according to your own statement; is that not correct?

Mr. McCORMACK. Oh, but the gentleman did not hear my last statement. He could not have heard my last statement, if he was listening.

Mr. CURTIS of Missouri. I was trying to listen to the gentleman, but the gentleman was talking pretty loud.

Mr. McCORMACK. I beg the gentleman's pardon.

Mr. CURTIS of Missouri. I say I was trying to listen, but the talking was so loud.

Mr. McCORMACK. The gentleman is very keen. What I did say was that the Republicans made the decision that there can be a tax reduction.

Mr. CURTIS of Missouri. I am not talking about that.

Mr. McCORMACK. We Democrats——

Mr. CURTIS of Missouri. I am talking about what you said and not what the Republicans said.

Mr. McCORMACK. We Democrats want to see that any reduction is fair and equitable.

The CHAIRMAN. The time of the gentleman from Massachusetts has expired.

Mr. COOPER. Mr. Chairman, I yield 5 additional minutes to the gentleman from Massachusetts.

Mr. CURTIS of Missouri. The reason I want to bring that up is this. Does the gentleman recall what the personal exemption was back in 1932, when the Republicans were in power?

Mr. McCORMACK. Oh, where was I 2 years ago? I cannot pick that out of the thin air, but I can discuss present conditions.

Mr. CURTIS of Missouri. I will tell you what it was.

Mr. McCORMACK. As I say, I can discuss present conditions.

Mr. CURTIS of Missouri. I will tell you this. It was $2,500.

Mr. McCORMACK. Yes, and there were 12 to 15 million people unemployed.

Mr. CURTIS of Missouri. Yes.

Mr. McCORMACK. Certainly, you cannot get away from that, can you?

Mr. CURTIS of Missouri. Will the gentleman pay attention to the particular point that I was trying to put across?

Mr. McCORMACK. The gentleman from Missouri does not have to accept this little colloquy on the gentleman's ground. I have some maneuverability.

Mr. CURTIS of Missouri. I am trying to put it on your ground. You are talking about personal exemptions.

Mr. McCORMACK. With all due respect to my friend, I could never think that the gentleman from Missouri has any generosity for me.

Mr. CURTIS of Missouri. Oh, but I have.

Mr. McCORMACK. Oh, for JOHN McCORMACK as an individual person you have, but not on this occasion.

Mr. CURTIS of Missouri. Oh, yes; on this occasion too. I am trying to put the gentleman right so far as his remarks are concerned.

Mr. McCORMACK. My dear friend, you are too clever to think that I think that.

Mr. CURTIS of Missouri. I am not clever, no, I am just trying to be fair.

Mr. McCORMACK. I have about 4 minutes left and I want to try to further educate my dear Republican friends. As we have in the past few days saved you from yourselves, I am going to try to save you from yourselves next week, if you will permit me.

Mr. CURTIS of Missouri. Oh, yes.

Mr. McCORMACK. You have heard that saying about real friendship, one who is trying to save a friend from himself.

Mr. CURTIS of Missouri. That is what I am trying to do.

Mr. McCORMACK. I like you all personally; but as to parties, that is a different situation.

Now let us go to next week. There will be a motion to recommit, to increase the individual exemptions from $600 to $700, and to wipe out the action taken in relation to dividends. President Eisenhower has said that we can stand a $3 billion deficit. So the question of deficit is something that has been determined. In his budget of 1955 he determined that question. We have a right to try to think about equity and justice to our people, if there is going to be a tax reduction. The Republicans have made that decision, and not the Democrats. We do hope it will be on fair and equitable grounds, if it is necessary to have a little further deficit.

The argument in relation to the individual income and the increase is well known, so I will not go into that. But what about dividends?

Now, you are back in your district this year and you are making a campaign. Somebody is running against you in the primary or in the election, if you are in a close district, and this provision goes through relating to dividends. The average person in my district makes anywhere from $2,500 to $5,000. I am not talking about the $100,000 class. That is over my head, and it is over the head of the average person. The great bulk of Americans earn from $3,000 to $5,000, or $6,000 to $7,000, or in around there.

Now, take the man with a wife and 2 children, and he has $3,000 earned income. He is out working with his hands or with his brain. He has to work to get that income. He has to pay $60 tax. What does the same man who has an income of $3,000 on dividends pay if this provision goes through? He will pay a tax of $20. How can you or I justify ourselves and say to our people in our district who work, the farmer on the soil, the man who works with his hands or with his brains, and obtains an earned income, where he makes $3,000 he will pay $60 tax, and the other man who gets it from dividends pays only $20 tax?

What about the man who earns $4,000 with a wife and 2 children?

The CHAIRMAN. The time of the gentleman from Massachusetts has expired.

Mr. COOPER. Mr. Chairman, I yield the gentleman 3 additional minutes.

Mr. McCORMACK. That man pays $240 tax, and the man who gets his income from dividends will pay $110 tax.

In other words, the man who earns $4,000 income will pay over a hundred percent more than the man who does not earn it.

What about the $5,000 man on earned income? He will pay $420 a year tax, and the man with a dividend income of $5,000, with the same family, will pay only $200 tax.

How can I defend that? As a matter of conscience, how can I defend it? Never mind the political situation. As a matter of conscience I cannot defend that. That is the question that will be before you next week on a motion to recommit—increasing the individual exemptions from $600 to $700, and saving $240 million the first year, and by the third year it will be between $800 and $900 million loss of revenue by wiping out this dividend provision.

I am very glad the Republican leadership and a sufficient number of members of the Republican Party saw the wisdom of following our leadership in connection with this bill on this occasion, and I strongly urge that you do the same thing next week.

The CHAIRMAN. The time of the gentleman from Massachusetts has again expired.

Mr. COOPER. Mr. Chairman, I yield such time as he may desire to the gentleman from South Carolina [Mr. McMILLAN].

Mr. McMILLAN. Mr. Chairman, I take this time during the discussion of this proposed tax legislation to call to the attention of the Members of the House the fact that tobacco, and especially cigarettes, at the present time are carrying more than their share of the tax burden.

Statistics from the Department of Agriculture, the Department of Labor and the Internal Revenue Department will prove to every Member in this Congress that the Federal Government is receiving more profit from every pound of tobacco produced in this country than the farmers who toil from morning to night for months growing the tobacco.

I am certain that the President of the United States could not be acquainted

with this situation or he would not have recommended that an additional tax, placed on cigarettes for the duration of the Korean conflict, be made permanent. The income of the farmers of this country is far below the income of industry and other segments of our economy and it is rather difficult to understand why the Federal Government, which collects far more than one billion dollars annually in taxes from tobacco farmers alone, should want to place an additional tax burden on tobacco at this time.

The farmers in my District alone produce annually approximately 175 million pounds of tobacco and the Government collects approximately $90 or $100 million in taxes annually from the cigarettes produced from the tobacco grown in my district. This, in my opinion, seems to be unreasonable when the farmers are barely making a living from the fruits of their work in producing this product.

I hope that the members of the Ways and Means Committee and the Members of the House will seriously consider the problem confronting the tobacco farmer today and vote to send this bill back to the Ways and Means Committee with instructions that the additional war time excise tax placed on cigarettes be removed on April 1st along with the tax on a number of other items that have been recommended by the committee and the President.

Mr. COOPER. Mr. Chairman, I yield such time as he may desire to the gentleman from Massachusetts [Mr. LANE].

Mr. LANE. Mr. Chairman, did you ever see something you needed and wanted to buy but changed your mind when you saw the discouraging tag marked: "Tax, 20 percent extra."

Of course, because the bite is too much.

In effect it is a ransom which reacts the wrong way on the American buying public which is more interested in a bargain instead of a commodity that is deliberately put into the luxury class by overtaxation.

The chilling result is: Limited sales, smaller production, minimum employment. The law of diminishing returns boomerangs right back on the Treasury's chin, because taxes that are too heavy are self-defeating.

The House Ways and Means Committee, reading storm signals on the economic barometer, has wisely decided to lower the excise tax ceiling from 20 to 10 percent for most items except those with rates that are scheduled to drop automatically on April 1.

This would apply to light bulbs, and tubes, pens, mechanical pencils, tickets to the movies, and all other admissions, luggage, club dues, photographic equipment, sporting goods and firearms, train, plane, and other transportation fares, jewelry, furs, long-distance telephone calls, and cosmetics.

Did you ever try to tell a woman that cosmetics are a luxury?

Would you prefer a more practical world in which women are as plain and drab as those in Russia?

And while we are on the question of practicality, I would like to point out that the committee recommended the continuance beyond April 1, of the excises on liquor, beer, wine, gasoline, cigarettes, and automobiles. These extensions will yield more than $1 billion a year in revenue, or more than enough to offset the cut in taxes on the other items I have listed.

Liquors, smokes, gas, and cars are taxed to the limit as it is, and these industries, as well as the consuming public they serve, certainly have a strong case when it comes to asking for tax relief.

But as long as we cannot reduce all taxes suddenly and completely, I would prefer to make the first concessions to women and their indispensable cosmetics, for there is a power beyond reckoning.

And as long as the administration favors a policy of helping business first on the theory that tax relief will stimulate lower prices, stepped-up consumer demand, and high employment, I believe we should give the administration this opportunity to try out tax cutting as a stimulus to the economy.

Women control the purse strings of America.

Let us try out a tax bargain to see if it will bring them on a buying march into the stores and salesrooms that are supplied by industry and its workers.

The administration refuses to help the unemployed by any other means. Perhaps this, plus similar measures, will correct the downtrend. I sincerely hope so.

Therefore, in the interests of the national economy, I believe we should cut excise taxes.

This is a trial run, supported on the implied understanding that if this tax policy fails the Government will move swiftly and directly to provide relief for the unemployed.

They, as always, must be our first concern.

Mr. REED of New York. Mr. Chairman, I yield such time as he may desire to the gentleman from Indiana [Mr. HALLECK].

Mr. HALLECK. Mr. Chairman, these are very entertaining days. Someone just showed me a little note from the ticker out here that the Capitol police had been alerted for another assassination attempt here in Congress; so I suppose I had better warn you all to get ready to duck right quickly in the event anything breaks loose. But I am quite certain that is not going to happen and certainly we hope that it is not. That may evacuate the galleries—I do not know—but we will certainly hope that that does not happen either.

In any event, apropos of that, this is the people's Congress, and those who are here today can see that we contend about these things in good spirit. I suspect on occasion they can detect here and there that a little politics is being played. Now, I am not against that, because I play a little myself. I would, however, have to grant first place in ability in that regard to my very good friend from Boston. He started his learning a little earlier than I did and has progressed much more rapidly than I, although out in Indiana we play a little politics on occasion.

The gentleman from Massachusetts and others have talked here quite a bit about this motion to recommit; and they say that now since the original motion they had suggested a day or so ago had been incorporated in an amendment which will be offered here very shortly that now their motion to recommit states the Democratic position.

Reference has been made to certain proposals that were made in the committee, and they were contained in the minority views filed by the Democratic members of the committee. The minority views begin on page 14 of the report, and I want to read this to you because you ought to have them in mind. Everyone knows of our solicitude for the motion-picture people, and knowing that they recognize that we tried to do something for them in the first session. We are really doing something for them in this session. You see, when you begin to take a look at what might be urged that would have a lot of appeal, just listen to this list. As I understand it, this is really the Democratic position:

> Among the additional adjustments which we attempted to make in the current bill and which were defeated by the majority, were the following, many of which were also included in the revenue bill of 1950: to repeal the tax on handbags, billfolds, key cases—

And so forth. A lot of people think there should not be any tax on those.

> Watches selling for less than $65, and clocks and alarm clocks selling for less than $5; household water heaters; mechanical pens and pencils; admissions; admissions where the admission price is 50 cents or under; admissions to moving-picture theaters where the admission price is 50 cents or under; admissions to amusement parks and rides where the admission price does not exceed 15 cents.

I do not know why they did not go down to 5 cents.

> Household ironers and driers; communications; leased wire service furnished to shut-in students; local telephone calls; college and school athletic games; and bowling alleys, billiard and pool tables operated without charge by nonprofit organizations or governmental agencies. We also proposed to cut the tax on transportation of property in half.

You see, in the committee they had a lot of good things that would just appeal to many people. But do you know what you have done here? It means you have abandoned all those people, you are taking the responsibility for shutting them out because, apparently, you have the votes to carry any kind of a motion to recommit particularly if you had all that sugar in it. How can anyone vote against that? But you did not put that in your motion to recommit. I would like to know why.

As a matter of fact, it is said of us that we are taking the responsibility for tax cuts. The eminent gentleman from Massachusetts stated that we should not cut taxes at all. Does he speak for the Democratic side? Is that the position you take? If it is, then what sort of a phony arrangement is it to cut below what the Republican members of the committee had already arranged to cut on that list of items? Let us cut out the monkey business and get down to the issue before us.

You talk about playing politics? What we are trying to do in this bill is to pro-

vide fair treatment for everybody. It does not go as far as everyone would like. A gentleman from one of the Carolinas asked: Why did you not take the tax off tobacco? Somebody else: Why did you not take it off automobiles, or why did you not take it off on some of these items or cut them down some more?

But, you know, here is the situation. This bill is so good that you just had trouble finding anyone to qualify over there to offer the motion to recommit who would say he is against the bill. JOHN LYLE, of Texas, God bless him, I understand has elected not to come back to this great body. I say that I shall miss him because I think he is one of the greatest Members I have known here in my time. JOHN has had a little fun with me in the last day or two. I know he would not mind my having a little fun with him and others over there on this occasion. But they had to get JOHN LYLE to offer this motion to recommit. Very likely he is against the bill altogether. But I wonder how many of you would stand up and qualify to offer the motion to recommit by saying you are against the bill.

I do not know whether we are going to call the roll or not. It does not make much difference. Then JOHN LYLE would have to vote against it. He would not have to, but he probably would. Everybody else would vote for it. That is about the best evidence I have ever heard that it is a good bill.

It is a Republican bill. The Republican members of the Ways and Means Committee worked it out. So instead of relying on anything like a motion to recommit, what you are doing is getting in with us. You are taking our bill and you are going to vote for it because it is a good bill.

The gentleman from Massachusetts chides us because, he says, we are bucking the administration. You take a look at this entire tax program as it is unfolded this week and as it will be unfolded next week, and overall the administration is not finding very much fault with us in respect to the manner in which we are handling taxes. So do not try to disturb us there.

The gentleman from Massachusetts, on one of his rare occasions, shows here, as he says, great solicitude for the deficit. This is all in good fun; we know about this. So now his solicitude for the balancing of the budget, as I say, is a rather new-found solicitude. I am glad to have him come up to the altar here these days. He says we should not cut taxes, but since we have assumed the responsibility, why, he is going along with us. I am glad to know we have the responsibility and, folks, we have, and I am not afraid of it, and I do not believe anybody on my side is. But let me show you how well he is doing about it. You see, when we cut these admissions from 20 to 10 percent we cut the revenue—so the Treasury tells us—from $200 million to $100 million. Now that is rather far-reaching relief, is it not? That is pretty fair. So the gentleman from Massachusetts is going to help us out from having a deficit by coming along with a motion to recommit to have us lose $40 million more revenue. He has got one even better than that for next week, and I want to address my remarks at this point to the responsible Members on my side of the aisle, people who believe that there is such a thing as fiscal responsibility, and that there come times when we ought to quit playing politics and have a real concern for the welfare of the country. Next week he says the motion to recommit is going to be tied to an attempt to raise exemptions from $600 to $700. In connection with that you are going to move to strike out the provision that provides for a beginning in respect to double taxation on dividends. You are going to trade a horse for a rabbit there, because such a motion, if it prevails, would lose us an additional $2.4 billion of revenue and would avoid the loss of $230 million in revenue. Thus the final result, may I say to my Democratic and Republican friends alike, would be to put the Government $2 billion more in the red. Now how do you justify that? Moreover, it is obvious that the gentleman must approve of the other provisions of the bill which will come before us, since he is apparently going to let them stand in his motion to recommit. You people who sit on the right side of the aisle have within 2 or 3 votes of as many as we have got. With our Members still in the hospital, I would guess perhaps we have been outnumbered. I do not know when they will come back, and we have some people sick—but you carry a responsibility in this matter that you cannot shrug off just because the Speaker happens to be a Republican and the leader happens to be a Republican. And I challenge you to stand up and meet the issue.

Now, let us get back to this further situation. I said this was a good bill, and it is. Last year we had a bill the committee reported out and passed to remove entirely the tax on movie admissions. I voted for it, but the President, in what I believe to be his wisdom, decided that in the circumstances he ought to veto the bill. He took that position and he so explained it because he thought he had to maintain a position. On all sides we have been beset by all manner of people in all sorts of industries and occupations, even as you Democrats have outlined them there in your minority views, who have urged upon us the complete removal of excise taxes, sales taxes, if you please, because they said their business was being strangled and they were being driven to the wall. So, the President took the position that these movie admissions, along with all these other things, should be considered in a general, comprehensive bill to the end that there be no discrimination and that everybody alike be treated fairly and squarely. That is exactly what the members of this great committee have undertaken to do. They have attempted to treat these people alike, and in my opinion they have treated them alike. The appeal of many of our folks in certain business areas to be completely relieved cannot be ignored.

But may I say that in respect to these articles, such as household goods, ladies' handbags, and cosmetics, you can find a lot of people who think that they, too, should be completely relieved. But, Mr. Chairman, we are losing around a billion dollars in these excise-tax reductions. It is a good bill. We ought to support it. That money will go right into the pockets of the taxpayers who will want to spend that money for those things they would like to have. It will help business generally up and down the line. So I say it is a good bill and I am just sorry that my friends on the Democratic side have seen fit to offer this motion to recommit. They probably think it is putting someone in the hole. Maybe it is. But if it puts me in the hole, I am glad to get in it, because no one can challenge my sincerity of conviction, which I had a long time ago, to do something for the very people for whom you seek to do more here. We demonstrated that in the past. We demonstrate it here again today.

So I say this motion to recommit should be voted down. It does not make any difference whether we argue that by failing to include these other things you take on yourselves the final responsibility for the form of this excise-tax reduction bill, because really you do. But if you say it is our responsibility, then let us carry the responsibility and vote against this motion to recommit.

I do not know what is going to happen to this bill when it gets over into the other body. I hope that it has there the same courageous, fair, nondiscriminating treatment that it has had in this body. I have no reason to believe it will not. But why should we start here by setting a pattern to open the door to all manner of amendments and finally wrecking and shattering this bill so that possibly the people we are trying to help will finally receive no help at all?

Let us stand up and be counted and vote down this motion to recommit.

Mr. BENDER. Mr. Chairman, I wish to commend the Committee on Ways and Means and particularly the chairman, my good friend, Congressman DAN REED, of New York, and the ranking majority member, my fellow Ohioan, Congressman TOM JENKINS, for the outstanding job performed in bringing this bill to the floor of the House of Representatives. H. R. 8224 includes the provisions of the bill H. R. 7618, which I introduced some weeks ago, providing for cuts of excise taxes on telephones, long distance calls, buses, railroads, and airplane transportation. These two types of excise taxes which my bill embraced were those which the general public disliked most in a nationwide poll conducted in the American Institute of Public Opinion. The passage of H. R. 8224 will result in putting more money in the pockets of the taxpayers and thereby strengthening business and contributing to our general economy. This Republican Congress promised to reduce taxes. Today's action is another evidence of performance. I have no idea what the motion promoted by the minority will contain, but I am sure after the defeat of the motion, not a single vote in this House will be cast against this meritorious legislation.

The CHAIRMAN. Under the rule, the bill is considered as having been read for amendment. No amendments are in

order to the bill, except those offered by direction of the Committee on Ways and Means.

Mr. REED of New York. Mr. Chairman, by direction of the Committee on Ways and Means, I offer a committee amendment.

The CHAIRMAN. The Clerk will report the amendment.

The Clerk read as follows:

Committee amendment offered by Mr. REED of New York: Page 11, strike out line 9 and all that follows through line 13 on page 13 and insert in lieu thereof the following:

"TITLE VI—ONE-YEAR EXTENSION OF CERTAIN EXCISE TAX RATES

"SEC. 601. One-year extension of certain excise tax rates.

"(a) Extension of rates: The following provisions are hereby amended by striking out 'April 1, 1954' each place it appears and inserting in lieu thereof 'April 1, 1955':

"(1) The last sentence of section 2450 (relating to tax on diesel fuel).

"(2) The second sentence of section 2800 (a) (1) (relating to distilled spirits generally).

"(3) The last sentence of section 2800 (a) (3) (relating to imported perfumes containing distilled spirits).

"(4) Section 3030 (a) (1) (A) (relating to tax on still wines).

"(5) Section 3030 (a) (2) (relating to tax on sparkling wines, liqueurs, and cordials).

"(6) The second sentence of section 3150 (a) (relating to tax on fermented malt liquors).

"(7) The second sentence of section 3412 (a) (relating to tax on gasoline).

"(8) Section 2000 (c) (2) (relating to tax on cigarettes).

"(9) Section 3403 (relating to tax on automobiles, etc.).

"(b) Technical amendments:

"(1) Section 1656 (relating to floor stocks refunds on distilled spirits, wines and cordials, and fermented malt liquors) is hereby amended by striking out 'April 1, 1954' each place it appears and inserting in lieu thereof 'April 1, 1955', and by striking out 'May 1, 1954' and inserting in lieu thereof 'May 1, 1955'.

"(2) Section 3412 (g) (relating to floor stocks refunds on gasoline) is hereby amended by striking out 'April 1, 1954' each place it appears and inserting in lieu thereof 'April 1, 1955', and by striking out 'July 1, 1954' and inserting in lieu thereof 'July 1, 1955'.

"(3) Section 2000 (g) (relating to floor stocks refunds on cigarettes) is hereby amended by striking out 'April 1, 1954' each place it appears and inserting in lieu thereof 'April 1, 1955', and by striking out 'July 1, 1954' and inserting in lieu thereof 'July 1, 1955'.

"(4) Section 320 (1) (5) (relating to drawback in the case of distilled spirits used in the manufacture of certain nonbeverage products) is hereby amended by striking out 'March 31, 1954' and inserting in lieu thereof 'March 31, 1955'.

"(5) Section 497 of the Revenue Act of 1951 (relating to refunds on articles from foreign trade zones) is hereby amended by striking out 'April 1, 1954' each place it appears and inserting in lieu thereof 'April 1, 1955.'

"(c) Floor stocks refunds on automobiles, etc.: Section 3403 (relating to tax on automobiles, etc.) is hereby amended by adding at the end thereof the following new subsection:

"'(f) Floor stocks refunds:

"'(1) Where before April 1, 1955, any article subject to the tax imposed by subsection (a) or (b) has been sold by the manufacturer, producer, or importer, and is on such date held by a dealer and has not been used and is intended for sale, there shall be credited or refunded (without interest) to the manufacturer, producer, or importer an amount equal to the difference between the tax paid by such manufacturer, producer, or importer on his sale of the article and the amount of tax made applicable to such article on and after April 1, 1955.

"'(2) As used in this subsection, the term "dealer" includes a wholesaler, jobber, distributor, or retailer. For the purposes of this subsection, an article shall be considered as "held by a dealer" if title thereto has passed to such dealer (whether or not delivery to him has been made), and if for purposes of consumption title to such article or possession thereof has not at any time been transferred to any person other than a dealer.

"'(3) Under regulations prescribed by the Secretary, the refund provided by this subsection may be made to the dealer instead of the manufacturer, producer, or importer, if the manufacturer, producer, or importer waives any claim for the amount so to be refunded.

"'(4) When the credit or refund provided for in this subsection has been allowed to the manufacturer, producer, or importer, he shall remit to the dealer to whom was sold the article in respect of which the credit or refund was allowed so much of that amount of the tax corresponding to the credit or refund as was included in or added to the price paid or agreed to be paid by the dealer.

"'(5) No person shall be entitled to credit or refund under this subsection unless (A) he has in his possession such evidence of the inventories with respect to which the credit or refund is claimed as may be required by regulations prescribed under this subsection, and (b) claim for such credit or refund is filed with the Secretary before July 1, 1955.

"'(6) All provisions of law, including penalties, applicable in respect of the tax imposed under subsections (a) and (b) shall, insofar as applicable and not inconsistent with this subsection, be applicable in respect of the credits and refunds provided for in this subsection'."

The CHAIRMAN. Under the rules of the House, 5 minutes of debate are permitted on each side.

The Chair recognizes the gentleman from New York [Mr. REED] for 5 minutes.

Mr. REED of New York. Mr. Chairman, the amendment which I have offered does two things:

First. It provides that the extension of the present tax rates on distilled spirits, wine, beer, cigarettes, gasoline, automobiles, trucks, buses, motorcycles, parts and accessories, and diesel fuel be for 1 year only. Under the amendment the present rates will expire April 1, 1955.

Second. The amendment provides for floor stock tax refunds in the case of automobiles, trucks, buses, and motorcycles. This will prevent dealers being stuck with the higher tax on vehicles on hand and unsold after the April 1 termination date.

The committee has instructed its staff to study the possibility of extending floor stock refunds to other excise taxes.

Mr. HALLECK. Mr. Chairman, will the gentleman yield?

Mr. REED of New York. I yield.

Mr. HALLECK. Of course, it should be understood that the amendment which the gentleman has offered for the committee does not involve any loss of revenue.

Mr. REED of New York. None whatever.

Mr. COOPER. Mr. Chairman, I requested recognition to speak on this amendment, but I most certainly am not in opposition to the amendment. The amendment as presented here was unanimously adopted by the Committee on Ways and Means. It consists of two parts. The first part limits the extension of these excise taxes to 1 year from the present expiration date of April 1 of this year. That is the position that has been taken by the Democratic Members of the Committee on Ways and Means all the way through and conforms to the motion that we made in the committee during the consideration of the bill. The second part of the amendment relates to a refund of the floor stock tax on automobiles, trucks, and motorcycles. That is fair and the Democratic members of the committee supported that provision in the consideration of the bill this morning in our committee. So those of us on the minority side are strongly supporting the committee amendment which in the first part conforms to the position we have taken all the way through, and the second part of which contains a provision which is eminently fair, and which also received our support.

The CHAIRMAN. The question is on the committee amendment offered by the gentleman from New York [Mr. REED].

The committee amendment was agreed to.

The CHAIRMAN. Under the rule, the Committee rises.

Accordingly the Committee rose; and the Speaker having resumed the chair, Mr. H. CARL ANDERSEN, 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. 8224) to reduce excise taxes, and for other purposes, pursuant to House Resolution 465, he reported the bill back to the House with an amendment adopted by the Committee of the Whole.

The SPEAKER. Under the rule, the previous question is ordered.

The question is on the amendment.

The amendment was agreed to.

The SPEAKER. The question is on the engrossment and third reading of the bill.

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

The SPEAKER. The question is on the passage of the bill.

Mr. LYLE. Mr. Speaker, I offer a motion to recommit.

The SPEAKER. Is the gentleman opposed to the bill?

Mr. LYLE. I am, sir.

The SPEAKER. The gentleman qualifies. The Clerk will report the motion to recommit.

The Clerk read as follows:

Mr. LYLE moves to recommit the bill, H. R. 8224, to the Committee on Ways and Means with instructions to report the same back to the House forthwith with amendments as follows:

Page 3, line 8, insert the following before "For": "Section 1700 (a) (1) (relating to tax on single or season tickets and subscriptions) is hereby amended by striking out the second sentence and inserting in lieu thereof the following: 'No tax shall be imposed on the amount paid for admission if the amount paid is 50 cents or less'."

And in line 20, strike out "(a) and (b)" and insert "(a), (b), and (d)."

The previous question was ordered.

The SPEAKER. The question is on the motion to recommit.

Mr. LYLE. Mr. Speaker, on that I demand the yeas and nays.

The yeas and nays were ordered.

The question was taken; and there were—yeas 200, nays 213, not voting 21, as follows:

[Roll No. 28]

YEAS—200

Abbitt
Abernethy
Addonizio
Albert
Alexander
Andrews
Ashmore
Aspinall
Bailey
Barden
Barrett
Bennett, Fla.
Bentsen
Blatnik
Boggs
Boland
Bolling
Bonner
Bowler
Brooks, La.
Brooks, Tex.
Brown, Ga.
Buchanan
Buckley
Burleson
Byrd
Byrne, Pa.
Camp
Campbell
Cannon
Carlyle
Carnahan
Celler
Chudoff
Colmer
Condon
Cooley
Cooper
Crosser
Davis, Ga.
Dawson, Ill.
Deane
Delaney
Dempsey
Dies
Dingell
Dodd
Dollinger
Donohue
Donovan
Dorn, S. C.
Dowdy
Doyle
Durham
Eberharter
Edmondson
Elliott
Engle
Evins
Feighan
Fernandez
Fine
Fisher
Fogarty
Forand
Fountain
Frazier
Friedel
Garmatz
Gary
Gathings
Gentry
Gordon
Granahan
Grant
Green
Gregory
Hagen, Calif.
Haley
Hardy
Harris
Harrison, Va.
Hart
Hays, Ark.
Hays, Ohio
Heller
Herlong
Holtzman
Howell
Ikard
Jarman
Johnson, Wis.
Jones, Ala.
Jones, Mo.
Jones, N. C.
Karsten, Mo.
Kee
Kelley, Pa.
Kelly, N. Y.
Keogh
Kilday
King, Calif.
Kirwan
K'ein
Kluczynski
Landrum
Lane
Lanham
Lantaff
Lesinski
Long
Lucas
Lyle
McCarthy
McCormack
McMillan
Machrowicz
Mack, Ill.
Madden
Magnuson
Mahon
Marshall
Matthews
Metcalf
Miller, Calif.
Miller, Kans.
Mills
Mollohan
Morgan
Morrison
Moss
Moulder
Multer
Murray
Natcher
Norrell
O'Brien, Mich.
O'Brien, N. Y.
O'Hara, Ill.
O'Neill
Passman
Patman
Patten
Perkins
Pfost
Philbin
Pilcher
Poage
Polk
Powell
Preston
Price
Priest
Rabaut
Rayburn
Regan
Rhodes, Pa.
Richards
Riley
Robeson, Va.
Rodino
Rogers, Colo.
Rogers, Fla.
Rogers, Tex.
Rooney
Roosevelt
Secrest
Selden
Shelley
Sheppard
Shuford
Sieminski
Sikes
Smith, Miss.
Smith, Va.
Spence
Staggers
Steed
Sullivan
Teague
Thomas
Thompson, La.
Thompson, Tex.
Thornberry
Trimble
Tuck
Vinson
Walter
Watts
Wheeler
Whitten
Wickersham
Wier
Williams, Miss.
Williams, N. J.
Willis
Winstead
Yates
Yorty
Zablocki

NAYS—213

Adair
Allen, Calif.
Allen, Ill.
Andersen, H. Carl
Andresen, August H.
Angell
Arends
Auchincloss
Ayres
Baker
Bates
Beamer
Becker
Bender
Bennett, Mich.
Berry
Betts
Bishop
Bolton, Frances P.
Bolton, Oliver P.
Bonin
Bosch
Bow
Boykin
Bramblett
Bray
Brown, Ohio
Brownson
Broyhill
Budge
Busbey
Bush
Byrnes, Wis.
Canfield
Carrigg
Cederberg
Chatham
Chenoweth
Chiperfield
Church
Clevenger
Cole, Mo.
Cole, N. Y.
Coon
Corbett
Cotton
Coudert
Cretella
Crumpacker
Cunningham
Curtis, Mass.
Curtis, Mo.
Curtis, Nebr.
Dague
Davis, Wis.
Dawson, Utah
Derounian
Devereux
Dolliver
Dondero
Dorn, N. Y.
Ellsworth
Fenton
Fino
Ford
Frelinghuysen
Fulton
Gamble
Gavin
George
Golden
Goodwin
Graham
Gross
Gubser
Gwinn
Hagen, Minn.
Hale
Halleck
Hand
Harden
Harrison, Nebr.
Harrison, Wyo.
Harvey
Heselton
Hess
Hiestand
Hill
Hillelson
Hillings
Hinshaw
Hoeven
Hoffman, Ill.
Hoffman, Mich.
Holmes
Holt
Hope
Horan
Hosmer
Hruska
Hunter
Hyde
Jackson
James
Javits
Jenkins
Johnson, Calif.
Jonas, Ill.
Jonas, N. C.
Judd
Kean
Kearney
Kearns
Keating
Kersten, Wis.
Kilburn
King, Pa.
Knox
Laird
Latham
LeCompte
Lipscomb
Lovre
McConnell
McCulloch
McDonough
McGregor
McIntire
McVey
Mack, Wash.
Mailliard
Martin, Iowa
Mason
Meader
Merrill
Merrow
Miller, Md.
Miller, Nebr.
Miller, N. Y.
Morano
Mumma
Neal
Nelson
Nicholson
Norblad
Oakman
O'Hara, Minn.
O'Konski
Osmers
Ostertag
Patterson
Pelly
Phillips
Pillion
Poff
Prouty
Radwan
Ray
Reams
Reece, Tenn.
Reed, Ill.
Reed, N. Y.
Rees, Kans.
Rhodes, Ariz.
Riehlman
Robsion, Ky.
Rogers, Mass.
Sadlak
St. George
Saylor
Schenck
Scherer
Scott
Scrivner
Scudder
Seely-Brown
Shafer
Sheehan
Short
Simpson, Ill.
Simpson, Pa.
Small
Smith, Kans.
Smith, Wis.
Springer
Stauffer
Stringfellow
Taber
Talle
Taylor
Thompson, Mich.
Tollefson
Utt
Van Pelt
Van Zandt
Velde
Vorys
Vursell
Wainwright
Wampler
Warburton
Westland
Wharton
Widnall
Wigglesworth
Williams, N. Y.
Wilson, Calif.
Wilson, Ind.
Withrow
Wolcott
Wolverton
Young
Younger

NOT VOTING—21

Battle
Belcher
Bentley
Burdick
Chelf
Clardy
Davis, Tenn.
D'Ewart
Fallon
Forrester
Hébert
Holifield
Jensen
Krueger
O'Brien, Ill.
Rains
Rivers
Roberts
Sutton
Weichel
Wilson, Tex.

So the motion to recommit was rejected.

The Clerk announced the following pairs:

On this vote:

Mr. Hébert for, with Mr. Bentley against.

Mr. Forrester for, with Mr. Clardy against.

Mr. O'Brien of Illinois for, with Mr. Weichel against.

Mr. Wilson of Texas for, with Mr. Krueger against.

Mr. Battle for, with Mr. Belcher against.

Until further notice:

Mr. Jensen with Mr. Fallon.

Mr. Burdick with Mr. Holifield.

Mr. D'Ewart with Mr. Rivers.

The result of the vote was announced as above recorded.

The SPEAKER. The question is on the passage of the bill.

Mr. COOPER. Mr. Speaker, on that I demand the yeas and nays.

The yeas and nays were ordered.

The question was taken; and there were—yeas 411, nays 3, not voting 20, as follows:

[Roll No. 29]

YEAS—411

Abbitt
Abernethy
Adair
Addonizio
Albert
Alexander
Allen, Calif.
Allen, Ill.
Andersen, H. Carl
Andresen, August H.
Andrews
Angell
Arends
Ashmore
Aspinall
Auchincloss
Ayres
Bailey
Baker
Barden
Barrett
Bates
Battle
Beamer
Becker
Belcher
Bender
Bennett, Fla.
Bennett, Mich.
Bentsen
Berry
Betts
Bishop
Blatnik
Boggs
Boland
Bolling
Bolton, Frances P.
Bolton, Oliver P.
Bonin
Bonner
Bosch
Bow
Bowler
Boykin
Bramblett
Bray
Brooks, La.
Brooks, Tex.
Brown, Ga.
Brown, Ohio
Brownson
Broyhill
Buchanan
Buckley
Budge
Burleson
Busbey
Bush
Byrd
Byrne, Pa.
Byrnes, Wis.
Camp
Campbell
Canfield
Cannon
Carlyle
Carnahan
Carrigg
Cederberg
Celler
Chatham
Chenoweth
Chiperfield
Chudoff
Church
Clevenger
Cole, Mo.
Cole, N. Y.
Colmer
Condon
Cooley
Coon
Cooper
Corbett
Cotton
Coudert
Cretella
Crosser
Crumpacker
Cunningham
Curtis, Mass.
Curtis, Mo.
Curtis, Nebr.
Dague
Davis Ga.
Davis, Wis.
Dawson, Ill.
Dawson Utah
Deane
Delaney
Dempsey
Derounian
Devereux
D'Ewart
Dies
Dingell
Dodd
Dollinger
Dolliver
Dondero
Donohue
Donovan
Dorn N. Y.
Dorn, S. C.
Dowdy
Doyle
Durham
Eberharter
Edmondson
Elliott
Ellsworth
Engle
Evins
Feighan
Fenton
Fernandez
Fine
Fino
Fisher
Fogarty
Forand
Ford
Fountain
Frazier
Frelinghuysen
Friedel
Fulton
Gamble
Garmatz
Gary
Gathings
Gavin
Gentry
George
Golden
Goodwin
Gordon
Graham
Granahan
Grant
Green
Gregory
Gross
Gubser
Gwinn
Hagen, Calif.
Hagen, Minn.
Hale
Haley
Halleck
Hand
Harden
Hardy
Harris
Harrison, Nebr.
Harrison, Va.
Harrison, Wyo.
Hart
Harvey
Hays, Ark.
Hays, Ohio
Heller
Herlong
Heselton
Hess
Hiestand
Hill
Hillelson
Hillings
Hinshaw
Hoeven
Hoffman, Ill.
Hoffman, Mich.
Holmes
Holt
Holtzman
Hope
Horan
Hosmer
Howell
Hruska
Hunter
Hyde
Ikard
Jackson
James
Jarman
Javits
Jenkins
Johnson, Calif.
Johnson, Wis.
Jonas, Ill.
Jonas, N. C.
Jones, Ala.
Jones, N. C.
Judd
Karsten, Mo.
Kean
Kearney
Kearns
Keating
Kee
Kelley, Pa.
Kelly, N. Y.
Keogh
Kersten, Wis.
Kilburn
Kilday
King, Calif.
King, Pa.
Kirwan
Klein
Kluczynski
Knox
Laird
Landrum
Lane
Lanham
Lantaff
Latham
LeCompte
Lesinski
Lipscomb
Long
Lovre
Lucas
McCarthy
McConnell
McCormack
McCulloch
McDonough
McGregor
McIntire
McMillan
McVey
Machrowicz
Mack, Ill.
Mack, Wash.
Madden
Magnuson
Mahon
Mailliard
Martin, Iowa
Mason
Matthews
Meader
Merrill
Merrow
Metcalf
Miller, Calif.
Miller, Kans.
Miller, Md.
Miller, Nebr.
Miller, N. Y.
Mills
Mollohan
Morano
Morgan
Morrison
Moss
Moulder
Multer
Mumma
Murray
Natcher
Neal
Nelson
Nicholson
Norblad
Norrell
Oakman
O'Brien, Mich.
O'Brien, N. Y.
O'Hara, Ill.
O'Hara, Minn.
O'Konski
O'Neill
Osmers
Ostertag
Passman
Patman
Patten
Patterson
Pelly
Perkins
Pfost
Philbin
Phillips
Pilcher
Pillion
Poage
Poff
Polk
Powell
Preston
Price
Priest
Prouty
Rabaut
Radwan
Ray
Rayburn
Reams
Reece, Tenn.
Reed, Ill.
Reed, N. Y.
Rees, Kans.
Regan
Rhodes, Ariz.
Rhodes, Pa.
Richards
Riehlman
Riley
Robeson, Va.
Robsion, Ky
Rodino
Rogers, Colo.
Rogers, Fla.

Rogers, Mass.	Smith, Wis.	Walter
Rogers, Tex.	Spence	Wampler
Roooney	Springer	Warburton
Roosevelt	Staggers	Watts
Sadlak	Stauffer	Westland
St. George	Steed	Wharton
Saylor	Stringfellow	Wheeler
Schenck	Sullivan	Whitten
Scherer	Taber	Wickersham
Scott	Talle	Widnall
Scrivner	Taylor	Wier
Scudder	Teague	Wigglesworth
Secrest	Thomas	Williams, Miss.
Seely-Brown	Thompson, La.	Williams, N. J.
Selden	Thompson, Mich.	Williams, N. Y.
Shafer		Willis
Sheehan	Thompson, Tex.	Wilson, Calif.
Shelley	Thornberry	Wilson, Ind.
Sheppard	Tollefson	Winstead
Short	Trimble	Withrow
Shuford	Tuck	Wolcott
Sieminski	Utt	Wolverton
Sikes	Van Pelt	Yates
Simpson, Ill.	Van Zandt	Yorty
Simpson, Pa.	Velde	Young
Small	Vinson	Younger
Smith, Kans.	Vorys	Zablocki
Smith, Miss.	Vursell	
Smith, Va.	Wainwright	

NAYS—3

Jones, Mo.	Lyle	Marshall

NOT VOTING—20

Battle	Fallon	Rains
Belcher	Forrester	Rivers
Bentley	Hébert	Roberts
Burdick	Holifield	Sutton
Chelf	Jensen	Weichel
Clardy	Krueger	Wilson, Tex.
Davis, Tenn.	O'Brien, Ill.	

So the bill was passed.

The Clerk announced the following pairs:

Mr. Bentley with Mr. O'Brien of Illinois.
Mr. Jensen with Mr. Hébert.
Mr. Krueger with Mr. Forrester.
Mr. Weichel with Mr. Wilson of Texas.
Mr. Burdick with Mr. Rivers.
Mr. Clardy with Mr. Fallon.
Mr. Belcher with Mr. Holifield.

The result of the vote was announced as above recorded.

A motion to reconsider was laid on the table.

GENERAL LEAVE TO EXTEND

Mr. REED of New York. Mr. Speaker, I ask unanimous consent that all Members of the House may have 5 legislative days within which to extend or revise and extend their remarks on the bill H. R. 8224 just passed.

The SPEAKER. Is there objection to the request of the gentleman from New York?

There was no objection.

Mr. REED of New York. Mr. Speaker, under leave to extend my remarks in the RECORD, I include the following editorial from the New York Times of March 11, 1954:

TAXES AND A FREE ECONOMY

Two tax bills have emerged from the House Ways and Means Committee this week. Since they differ enormously in character and scope, it is important, for purposes of avoiding possible confusion, that they be clearly identified at the outset.

One of these bills, which is sponsored by Representative REED and which was passed by the House of Representatives yesterday, is concerned entirely with excise taxes. It is concerned, to be more specific, with the question of what should be done about the top layer of emergency excise taxes passed under the previous administration in 1951 as part of the jerry-built program of financing the rearmament effort.

The second of the two tax measures is much more comprehensive and fundamentally more important. Like its companion bill (which it preceded by a day) it touches the issue of tax relief, but it goes far beyond such immediate considerations. As the accompanying report said of this 875-page document:

"This bill is a long-overdue reform measure which is vitally necessary regardless of momentary conditions and should not be confused with other measures which may be, or might become, appropriate in the light of a particular short-run situation."

Since this measure includes all but 1 or 2 of the proposals contained in the tax message of the President in January, it has already, in effect, been under fire from the political opposition for some time past. The burden of the criticism has been that it stresses relief to business at the expense of relief to the individual. It would be unfortunate if this fantastically oversimplified and distorted picture of the Eisenhower tax program should prevail. Criticism of this kind stems essentially from the philosophy, only too widely encouraged in recent years, which was aptly described by Benjamin Fairless in a recent address. This is the philosophy that "anything which is bad for business is automatically good for the country."

The individual taxpayer has, of course, already benefited under the administration's budgetary and economic program from a stable level of living costs and from a 10-percent reduction in his income tax. As a matter of fact, in the omnibus bill just reported out, while the reforms proposed will cost an estimated $1.4 billion in revenues in fiscal returns in 1955, it is corporate enterprise that is being asked to underwrite this. That is so because while the measure provides relief both for the individual, the entrepreneur, and the corporation, it proposes to continue for another year the 52 percent corporate tax rate, scheduled to expire at this time and which is counted upon to bring in $2 billion between now and April 1, 1954.

But in financing this legislation the administration has not done so with the idea that the relief granted business was in conflict with that granted the individual, or vice versa. It has asked, first, what are the demonstrable inequities that should be corrected? At what points can fiscal practice be reformed in such a way as to encourage investment—not for its own sake, but in the interest of creating jobs, which are the key to prosperity?

Perhaps the best illustration of this approach is the proposal to give the businessman and the farmer more leeway in writing off the cost of his plant and machinery. At present, companies are required to deduct their depreciation allowances in equal annual installments over the expected life of the facility. What the administration measure would do would be to permit the businessman or the farmer to deduct a greater part of the total in the years when his machinery was new. The theory is that under this arrangement he would be encouraged to spend more for new and better equipment and to purchase new and better products at lower cost.

Provisions such as this don't have the simple handout appeal of proposals for increasing individual tax exemptions. But they reflect the economic philosophy that alone can assure continued growth of our private enterprise economy. That philosophy is that the problems of our economy are not going to be solved by attacking them from the side of the consumer alone—but they must be attacked from the consumer side and the investor side at one and the same time.

CONSOLIDATION OF CERTAIN DISTRICT OFFICES OF THE VETERANS' ADMINISTRATION

Mrs. ROGERS of Massachusetts. Mr. Speaker, I ask unanimous consent to address the House for 1 minute, to revise and extend my remarks, and to include a letter from the Administrator of Veterans' Affairs.

The SPEAKER. Is there objection to the request of the gentlewoman from Massachusetts?

There was no objection.

Mrs. ROGERS of Massachusetts. Mr. Speaker, I have asked to have this letter inserted in the RECORD because the Administrator of Veterans' Affairs has announced the consolidation of the Atlanta district office with the Philadelphia district office, and the Dallas office with the Denver office. I do this because it is of concern to the Members from the States affected.

(The letter referred to follows:)

VETERANS' ADMINISTRATION,
Washington, D. C., March 10, 1954.

Hon. EDITH NOURSE ROGERS,
Chairman, Committee on Veterans' Affairs, House of Representatives, Washington, D. C.

DEAR MRS. ROGERS: After careful consideration it has been determined that certain economies in administrative costs without impairment of service can be accomplished by further consolidation of Veterans' Administration district offices. Two years ago 11 of the 13 original district offices were consolidated at 3 locations—Philadelphia, St. Paul, and Denver. Only two offices, Dallas and Atlanta, were left undisturbed at that time, because rent-free Government-owned space was not obtainable into which these two offices could be merged.

While the original plan of consolidation provided for four district offices, I am convinced that veterans holding national service life insurance policies can be served equally as well from fewer offices. Therefore, the Dallas and Denver offices will be merged at Denver and the Atlanta and Philadelphia offices at Philadelphia where Government-owned space is available. Attached are statements showing estimated annual savings that will result from these consolidations and an estimate of the one-time cost of making the moves. There is also attached a statement for public release.

It is not possible to escape concern for the personnel that will be affected by moving of operations from one location to another, and the consolidation of two operating entities into one. Those most affected will be in the higher grades in which determination as to retention of employees occupying similar positions in two offices where only one such position will exist after merger will be made in accordance with civil service reduction-in-force rules. Employees in grades GS-5 and below, with very few exceptions, will be offered positions of equal grades at the new location. All transfers will be made at Government expense. Even though these moves will adversely affect a number of employees, it is believed that the resulting reduction in operating costs fully justifies them.

Sincerely yours,

H. V. HIGLEY,
Administrator.

Estimated savings and costs associated with consolidation of the Dallas and Denver offices at Denver

ANNUAL SAVINGS FROM CONSOLIDATION

Personal services (minimum of 115 man-years)		$491,109
Communication services		5,000
Rents and utility services:		
Savings at Dallas (GSA estimate)	$125,000	
Less additional 33,000 square feet required in Denver at $2 per square foot	66,000	
		59,000
Total estimated annual savings		555,109

Estimated savings and costs associated with consolidation of the Dallas and Denver offices at Denver—Continued

COST OF CONSOLIDATION (ONE-TIME COST)	
Transfer of personnel and dependents	$11,700
Shipment of household and personal effects	56,730
Transfer of records and equipment	114,471
Training of personnel and overtime	165,000
Relocating other agencies into vacated building in Dallas (GSA)	67,000
Alterations and moving cost in Denver	41,000
Total one-time cost	455,901

VETERANS' ADMINISTRATION,
INFORMATION SERVICE,
Washington, D. C., March 10, 1954.

The Veterans' Administration announced today that work will be started immediately on the consolidation in 2 locations of the activities now being handled at 4 district offices.

Under the plan the Dallas district office will be merged with the Denver district office in Denver and the district activities now in Atlanta will be consolidated with the Philadelphia district office in Philadelphia.

The consolidations will save $1,024,000 in annual salaries. Savings in rent payments will further increase anticipated economies. The transfer of functions will involve a one-time cost of $1,016,000. Once these costs are paid, savings thereafter will be net.

In 1949 the Veterans' Administration had 13 district offices. Since that time, through a series of consolidations, this number has been reduced to 5 operating district offices. This experience has demonstrated conclusively that the consolidation of offices in no way reduces services to veterans as the offices do a mail-order business and continue to be as convenient to veterans as the corner mailbox.

The consolidation of the Atlanta and Philadelphia offices will make it possible to operate efficiently with at least 126 fewer persons than are required in 2 separate locations.

This will result in an annual minimum saving in salaries of $533,493.

The Veterans' Administration will be vacating rented space in Atlanta into which the General Services Administration plans to move other Government operations, resulting in still further economies to the Government.

The consolidation of the Dallas and Denver offices will require at least 115 fewer employees than now are employed in the 2 locations.

This will result in a minimum saving of $491,109.

The Veterans' Administration is occupying federally owned space in Dallas, so there will be no direct savings in rental. However, the vacated space will become available for other Government operations now in rented space.

To minimize the impact of the consolidation on personnel, Veterans' Administration plans to poll all employees to ascertain how many will accept transfer. All personnel transactions will be effected in accordance with civil-service rules and regulations and vigorous efforts will be made to assist in placing employees not desiring to transfer to a new location.

After this consolidation is completed, Veterans' Administration will have district offices at Philadelphia, Denver, and Fort Snelling, Minn.

POSTAL AND AGRICULTURAL POLICIES

Mr. MOULDER. 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 Missouri?

There was no objection.

Mr. MOULDER. Mr. Speaker, yesterday a distinguished and able Member of Congress, the gentleman from Virginia [Mr. HARRISON], made a serious and factual statement concerning the Post Office Department and in his statement the gentleman from Virginia presented an interesting but shocking report on the manner and method adopted by the Republican administration in eliminating hundreds of rural post offices and substituting the service with Republican appointed rural carriers at greater cost to the taxpayers. No Member of this body denied the charges presented by the distinguished gentleman from Virginia, and I want to congratulate him for bringing to our attention this shameful disregard of civil service by the Republican administration. In addition to the practice mentioned, in the 11th District of Missouri, which I represent, the Post Office Department has, without just cause or reason, preferred petty and ridiculous removal-from-office charges against efficient and honorable men serving as postmasters. Men whose reputation and service in office has never before been questioned. And I am reliably informed that such charges are preferred at the request of the Republican committees for the purpose of creating postmaster vacancies for Republican political patronage.

Now in addition to that, and of great concern to the farmers of America, is the ruthless partisan domination of the Agricultural Stabilization and Conservation Service by the Republican leaders in the administration. They not only changed Production and Marketing Administration to Agricultural Stabilization and Conservation Service, they are building and organizing a vast Republican political machine out of the Agricultural Stabilization and Conservation Service agriculture program. I will read to you a few of the letters I have received on this subject:

Hon. MORGAN M. MOULDER,
Missouri Congressman,
Washington, D. C.

DEAR SIR: I am writing to you in regard to the politics being played in our county agricultural stabilization and conservation office (formerly Production and Marketing Administration). In the past, the county office has been operated by the three elected (yearly) committeemen. They have employed their own help and have never employed anyone just because they were Democrats. We even had a Republican as a county committeeman for 12 years. What I am trying to say is this—that politics has never been played in our county office in the past. But now under the new administration, a new position has been set up in every county—that of county office manager. Our county is still holding them off, but I don't know how long we will be able to do this.

You may know who is giving the orders as well as I do—the State GOP chairman. They are using the lowest tactics imaginable to get their man in over the one recommended by the county committee. This office manager will hire and fire as he sees fit. I understand that before the county committee can even hire a day laborer, he will have to be approved by the State Republican Committee, or in counties that already have their office manager he will hire all help.

This is purely politics as you can see. If they get the job done, they will really have some political machine. I understand that at present there are already 80 in the State and listen to this—in 1953 all three members of the county committee drew $5,300. If we have an office manager in our county, he will draw $4,280.

I guess you have been seeing in the papers recently of the suspensions of some of our county committeemen. On Friday, January 22, another was suspended in Saline County.

We have worked for 20 years to build up our farm program where it is, and now it looks like a shame to see it torn down. Can't you see what is going to happen after they get all their county managers appointed? They will freeze them on their job. I don't know what you can do about this, but I want you to hear about it in case you have not already.

ROBERT D. DODGE.

FOREST GREEN, MO.

MALTA BEND, MO.

Congressman MORGAN M. MOULDER,
Washington, D. C.

DEAR CONGRESSMAN MOULDER: I was in the Production and Marketing Administration office the other day, which is now the Agricultural Stabilization and Conservation Service office, I believe, and they told me that they had received word from the State office not to loan any money on any corn or wheat or beans stored in the Missouri River bottom, so I am writing to you now to see what you and the two Senators can get done on this matter, before our 1954 crop is ready to harvest, providing we raise any.

I do not see how they can discriminate against we farmers that are farming in the bottom; neither do I see how they can put quota allotments on us and not give us the benefit of the loan price. If they take the loan away from us, I think then that we should be able to raise all the crops we want to without any penalty attached. If they do not live up to their bargain, I do not think we should be made to live up to our bargain. If we do not get the advantage of the loan, then I do not propose to stay within the allotment, and I intend to sell all of my crop without a penalty, and I think through the law of equity I could beat them in any court.

Of course, all of we farmers want to do the right thing and we expect them to do the right thing also; so I am writing to you now asking you to see what can be done about this matter. I have my cribs built on a high ridge that the 1951 flood did not get over and that flood was the granddaddy of them all.

I think the law reads that if a farmer stays within the quota allotment, alloted to him or that farm, then he is entitled to get a farm loan, so according to the law I do not see how they can do otherwise.

I hope you can get some action on this matter as it means a lot to all of we farmers in the bottom.

Yours sincerely,
GEORGE W. HACKLEY, Jr.

Congressman MORGAN M. MOULDER,
House of Representatives,
Washington, D. C.

DEAR CONGRESSMAN MOULDER: I know you are a busy man and I seldom write to you unless I have something I think is important to take up with you. I wish you would take this matter up with our two Senators and see what they have to say about the matter also.

I have been reading in the papers that the Republicans are not playing any politics in the Department of Agriculture. This statement like all the other statements they have made are lies, I will not say they are false as that is too soft a word for me to use against them. Anyone that disputes my word on this matter is what I have called them and I will be glad to make a trip to Washington, D. C., and back it up, as I am a pretty good man weighing around 230 pounds and love to have a battle when it is necessary.

The first thing they have done is to make another job in each and every Production and Marketing Administration office all over the Nation, this job is to pay $6,200 per year and the county committee does not have the qualifications for the job unless they are Republicans. The men that have been operating the county Production and Marketing Administration offices throughout the Nation for years are not smart enough to run the office unless they as I say are Republicans. Take Missouri alone, we have 114 counties, which would be that many additional jobs, which would be $706,800 additional tax money every year for the Department of Agriculture and 48 States would be approximately 48 times that or $33,926,400. This looks like they are trying to conserve and lower taxes.

Now so much for that. The other day one of our county committeemen from Saline County was suspended, why because he was a Democrat. This man is Rufus E. James. This man is a good man and a very conscientious worker which everyone will tell you.

I have been informed that past we elected our township committeemen from the people that attended the township committeemen election meeting, then we would elect a delegate at large from each township and they would meet and elect or select the county committeemen. That is the way we did this year, or last year rather, and of course we will have another election this year. I happen to be one of the township committeemen. Now if the people in the townships and the county elect the county committeemen, how in the world can they suspend one of them unless he has done something illegally.

I can remember when I lived in Lafayette County and as you know it has always been Republican, and you know we did not do any different there as they were all Republicans in the county committee and practically all Republicans on the township committee.

Yours sincerely,

GEORGE W. HACKLEY, Jr.

Hon. MORGAN MOULDER,
United States Representative,
Washington, D. C.

DEAR SIR: I am taking the privilege of writing to inform you of a recent development in the Agricultural Stabilization and Conservation Office in Saline County.

On January 22, Mr. R. E. James, vice chairman of the Saline County committee, was suspended by the chairman of the Agricultural Stabilization and Conservation Committee, Mr. Murry Colbert. A copy of this letter is enclosed.

Here are some facts leading up to the suspension of Mr. James. About 6 weeks to 2 months ago a Mr. Payne, who is supervisor for the western half of Missouri for Commodity Credit, was in the county agricultural stabilization and conservation office to inspect records, etc. This was Payne's first visit to the local office since his having been appointed to the job, and the manner in which he introduced himself and made his inspection of records most certainly did not make a favorable impression with the office personnel. During his inspection he recommended to Mr. James that he discharge 2 men who were employed at 1 of the bin sites. At no time during the remainder of his visit did Payne go into the matter further. Mr. James did not discharge the two men, as he knew of no reason other than Payne recommended it.

Upon receipt of the letter suspending him, Mr. James and the other 2 members of the county committee went to see a Mr. Ernest Baker, who is supervisor on all phases of the program for 13 counties, of which Saline is 1. Mr. Baker told them that he and Payne had made an inspection of the Marshall bin site unbeknown to the county committee and that the bin site supervisor reported to them, Baker and Payne, that one of the men spent a lot of time loafing at the sale barn which is located a short distance from the bins. This was never reported to any member of the county committee by the bin-site supervisor, and therefore the county committee was not aware of this and could not remedy the situation. Since Mr. James was responsible for this part of the program, he was suspended for a situation of which he knew nothing, and was given no chance to defend himself.

The other interested parties, mentioned in the letter of suspension, refers to a Mr. John Crosswhite, of Marshall. Mr. Crosswhite is the husband of the Republican county chairman, and also is part owner of the sale barn mentioned before.

The letter suspending Mr. James stated he was entitled to a hearing if he desired one. This hearing was held Friday, January 29. Only two members of the State committee were present, Mr. Colbert and Mr. Bailey. Mr. James was informed in so many words at the outset of the hearing that regardless of what he and the other members of the county committee, who were present, said, his suspension would continue. The State committee stated that Mr. Payne and Mr. Baker were to make another inspection, and if they should recommend Mr. James be reinstated, he would be.

Mr. MOULDER, Mr. James has been associated with the program since 1936 and has been an elected county committeeman since 1948. Any person will have people who do not agree with them on all things when in such a position as Mr. James has. However, it is my belief, and the belief of all with whom I have talked and those people have been members of both political parties, that no person in Saline County will say that Mr. James is a "discredit," to the program. One fact which will bear this out is that Mr. James was reelected as a director and president of the board of the Co-Operative Association No. 1, Slater, Mo. on January 30. If this does not show that the people of the community in which Mr. James lives have confidence in his judgment and integrity, then I do not know what does.

The Missouri situation is most certainly in a deplorable state and will most certainly affect the program. The State committee is making a political issue out of this and the people do not want that. What the present administration has to offer is little enough without sabotaging what they do have.

Mr. MOULDER, we are wondering if it is legal for an appointed committee to remove any elected member of a committee, especially with no more reason than given in this case. The statutes and bylaws governing the Department of Agriculture are not available locally and we are wondering if these should not be checked very carefully in Washington.

I have been associated with Mr. James as operator of his farm for the past several years and therefore have a personal knowledge of this situation. I accompanied Mr. James to Columbia for his hearing but was not present during his interview with the State committee.

Mr. MOULDER, we are very concerned with this matter here in Saline County and the State as a whole. We would appreciate your doing whatever is possible to help the success of the program in our State. Also we will appreciate your advice to us in any way which will help the local conditions.

Very truly yours,

FRANCIS M. CLEVE,
Route 1, Miami, Mo.

The farmers of America, both Republicans and Democrats, resent political bosses interfering with and dominating the Agricultural Stabilization and Conservation Service as is now being administered by the Republican administration.

HONEST, COURAGEOUS REPORTING

Mr. PRICE. 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 Illinois?

There was no objection.

Mr. PRICE. Mr. Speaker, it is indeed a rare thing when a television network will stick its neck out by initiating or permitting to go out over its facilities a really hard-hitting, honest, unvarnished report on a highly charged, completely controversial issue. We have learned to expect television to pull its punches in a situation like that in order not to offend any articulate section of the population, or the sponsor, or some network vice president with a bad case of timidity.

Last night, however, the Aluminum Company of America again sponsored and the Columbia Broadcasting System again carried over its facilities the kind of objective analysis of a hot—really hot—issue which, to my mind, redeems television journalism and puts it into the journalistic bigtime. I am referring, of course, to the Edward R. Murrow-Fred W. Friendly See It Now program. Last night it was devoted to the much-publicized probes.

I trust many of my colleagues saw the Murrow program. I trust they were impressed by the facts brought out in that telecast. It was a devastatingly effective program—accompanied, it might be noted, by an offer to the subject of the program for an opportunity to answer it if he cares to.

In any event, Mr. Speaker, I did not want the occasion to go by without rising here in the House to express my thanks—as a newspaperman by occupation, as one who learned professionally to seek out the truth and be satisfied with nothing less than the accurate facts—for the really excellent job done last night in behalf of accuracy in political discussion by the Murrow-Friendly team over CBS.

And I should like to express my thanks to the Aluminum Company of America for having demonstrated an enlightened faith in the American system of free discussion of controversial issues by sponsoring the Murrow program and by giving it the complete editorial freedom last night's program again proved it enjoys.

It was an outstanding example of honest, courageous reporting.

THE LATE HONORABLE JOSEPH R. BRYSON

Mr. ASHMORE. 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 South Carolina?

There was no objection.

Mr. ASHMORE. Mr. Speaker, I should like to memorialize my late friend, and predecessor who was a Member of this august body for many years, the Honorable Joseph R. Bryson. One year ago today he departed this life. His going left a vacant place which has not been filled, but we love and respect his memory.

Through the years, Joe, was my personal friend; and I valued his friendship. I sincerely share with Mrs. Bryson and members of that devoted family the memory of one so near and dear to them.

Those of us who knew Joe Bryson think of him as a gentle, Christian spirit, one always ready to serve his fellow man. His influence will live on and on—until eternity. He loved his fellow men and their fellowship. He was devoted to serving his district and his country. He was one of the—

Tall men, sun-crowned, who live above the fog,
In public duty, and in private thinking.

He was also one of those—

Men whom the lust of office does not kill;
Men whom the spoils of office cannot buy;
Men who possess opinions, and a will;
Men who have honor, who will not lie.

THE DAIRY INDUSTRY

Mr. MARSHALL. 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 Minnesota?

There was no objection.

Mr. MARSHALL. Mr. Speaker, I have introduced H. R. 8276 to establish a comprehensive dairy program that will encourage a stable, prosperous, and productive dairy industry. Dairying is a vital part of our farm economy. Sixty percent of our farmers depend upon the dairy cow as a major source of their income. Ten million people depend upon the dairy industry for their livelihood. It is a big industry made up of family farms and family businesses. It deserves our best efforts to promote its steady growth.

Important as the dairy industry is to the farm family and to the independent businessman, it is of even greater importance to the consumer. No other food known to man provides so valuable and nutritious a diet as dairy foods. The efficiency of the dairy farmer in his constant effort to provide the best quality product humanly possible makes this wholesome diet within the reach of every pocketbook. No food dollar is more wisely spent than the dairy dollar which buys a balanced diet of milk products so essential to the healthy development of the human body.

Despite the misleading propaganda of the past months, the dairy farmer is a friendly and neighborly man. He and his family work their farms long hours, day in and day out, for a modest financial return. Every dairy farmer I know wants to produce food for the dinner table, not the storage warehouse. He knows that milk, butter, and cheese provide better living at the family table and he wants the food he produces to be eaten by the families of America.

The limitations and restrictions of past laws have sometimes tended to hamper the flow of rich dairy foods into the family household. The need and market for dairy products were there, but artificial barriers arose to keep the food from reaching the table. In order to correct these inequities and to move food from the farm to the dinner table, I offered this bill as one approach to the problem. We have tried to learn from the past and meet the present so that our suggestions will be constructive. My sole intent is to provide the mechanics whereby an industry that is basically sound can better serve the people for whom it produces.

Farmers are a proud and independent people, in the American tradition, and they do not ask any government to do what they, themselves, can do. Like other Americans, they want government to be not an autocratic master but a wise servant of the people. I have tried to maintain this democratic spirit in the legislation offered for the consideration of this Congress.

The bill proposes a council composed of farmers themselves, consumers, and industry representatives to determine the best means by which to carry out the intent of the law. From among the council members a board is chosen to actually administer the programs needed to put this intent into action. A spirit of cooperation between farmers, consumers, and processors is, I believe, the firm foundation upon which the success of any program for the improvement of agriculture must depend. In our great American economy, we are interdependent upon one another and all of us need to cooperate freely and unselfishly to solve the many and complex problems that face us. This is probably more important to the dairy industry than any other since it is so intimately related to the necessities of human life and the processes of human enterprise.

I have no cure-all to offer. There is still thinking to be done and there are still suggestions to be made. But I think it is time that all of our study be brought to some constructive and productive use. In every activity there is a time when further talk is fruitless and when some action, imperfect as it may be, must be taken. I think that time has come in the dairy industry.

My basic proposal, I believe, is in the best traditions of our Government's service to the people. It relies both upon self-help and government assistance where government can best assist. It is left to a board of the people most intimately concerned to determine the fine balance at which both means can work to the best advantage of all.

My primary intent, as I have said, is to move dairy food to the dinner table at prices people can afford with a fair return to the farmer. We will all admit that this is an admirable goal. But it will not be reached by study clubs and good intentions; it needs immediate constructive action designed to accomplish in fact what we all admit to be true in theory.

The immediate purpose of this legislation is to create an agency within our Department of Agriculture that can respond freely and immediately to conditions as they exist at any given time. It needs to be able to operate in the direction of increase in production to meet the needs of the consumer. At the same time it must be able to operate as a governor upon unreasonable surpluses and to prevent chaos.

By encouraging improved quality and more efficient marketing, the dairy council program can help to reduce the spread between the price the farmer receives and the price the consumer pays. Consumer representation on the council and board determining and administering the policies of the program will keep our industry in closer contact with consumer needs and consumer preferences. Every industry in the final analysis depends upon pleasing its customers. By bringing the customer into the deliberations of the dairy farmers, I believe we can solve some of the problems that plague us today.

To assist the industry in converting its plants and facilities to meet new or changed consumer demands, this bill would authorize the Bank for Cooperatives to make loans to creameries and other manufacturers with the approval of the Dairy Council. This will make it possible for the industry to respond promptly to necessary shifts in production.

From the farmer's standpoint, I feel that a program related to feed-cost ratios will provide a more realistic basis for stabilized and profitable production and consequently for a more stabilized and prosperous industry. While it is a departure from the parity concept, it will give added protection to the dairy farmer since it will balance his return more evenly with feed costs. It will insure him against disaster from increasing production costs by relating his price to the cost he pays to produce milk and its products.

Under present law, dairy products are supposed to be supported at 90 percent of parity. However, the national average price farmers actually received for butterfat on February 15, 1954, was 65.1 cents a pound, which was only 85 percent of parity. Unless the recent order of the Secretary of Agriculture is changed, the support price on butterfat would drop to 75 percent of parity on April 1, 1954. This would be 57 cents a pound under present conditions.

To demonstrate the effect of my bill a comparison of the price levels will be useful. If the provisions of this act were in effect, dairy farmers would have received 70.3 cents a pound for butterfat at a time when they were actually only receiving 65.1 cents a pound under the present law.

It takes about 5.9 pounds of grain concentrates, 10 pounds of good hay, and

22.4 pounds of good silage to produce a pound of butterfat. Based on effective parity prices in February, it took 23.8 cents worth of grain concentrates to produce a pound of butterfat. Similarly, it took 30.5 cents worth of hay and silage. Capital investment and labor costs are estimated to be 16 cents in producing the same pound of butterfat, making a total cost of 70.3 cents a pound. The same formula would apply under my bill in determining the cost of producing 100 pounds of milk.

Milk producers and importers would pay a graduated fee based on the market price of their products as compared to the adjusted price level determined under the bill to help pay the cost of the program. The adjusted price level under my bill would have been 70.3 cents a pound on February 15, 1954, but since the farmer was receiving 65.1 cents a pound, his fee would be based on 93 percent of the adjusted price level. Under the act the fee would then be 4 percent of the market price or 2.6 cents a pound on the butterfat sold.

If the price received on the market was 45 cents a pound, the producer would be receiving about 64 percent of the adjusted price level so that his fee would be 1 percent of the market price or about one-half cent a pound for all butterfat he sold. When the market price of butterfat is high, the fees collected would build a financial reserve for those years when the price dropped.

It is my hope that if the cost ratio proves to be a successful principle upon which to base a dairy program that it can be extended to other phases of the livestock industry. Stable farm income is recognized as vital to our entire economy and a proper relationship between phases of our agriculture is essential to that stability.

By giving the board a free hand in marketing the surplus of our production I believe we can overcome the fear that hangs over the industry today. By permitting the dairy board to take advantage of every market that exists at home and abroad, we can move our production into use and eliminate the costs of storage and the threat of dumping. It is always cheaper to have our food eaten than have it wasted. My bill would permit dairy products to be used to relieve hardship at home and as instruments of our foreign policy abroad. Every new customer we make for American agriculture in the United States and the world will assure us of the stable markets we need for the future.

In further recognition of this principle, I have included provisions to permit the Board to cooperate in advertising to the extent of 1 percent of the fees collected under the program. It may also take part in promotion programs using sample products so that many still unfamiliar with old and new dairy foods will find that a dairy diet is not only wholesome but delicious. The dairy industry has been making a strenuous effort to tell the story of dairy foods and it is proper that any comprehensive program should provide cooperation in that worthwhile endeavor.

By encouraging greater use of dairy foods in the armed services and in the school lunch program we will be making a sound investment in the future health of our Nation. Similarly, more extensive use of these foods to raise the subsistence diets of our needy, aged, and disabled will be an investment in the national well-being even apart from the great humanitarian motives which have always been a part of the American system.

Offering our products at competitive prices in the world market is not only good business but good government. Expanding and extending the channels of peaceful trade is a contribution to our own security and to the security of our friends, many of whom need food as badly as they need guns in their fight against communism.

Taken all together, I believe that the program we are offering will be less costly to the American taxpayer than the present program while giving him more of the fruits of our production. While it may not be self-supporting in the first years of its operation it includes within itself the machinery to bring production and consumption into a better balance, which is the ultimate hope of eliminating cost to the Government.

Following is a brief summary of the legislation itself and I hope every Member of Congress will give it his serious study and his constructive criticism.

Purpose: To assure dairy farmers a stabilized income, to provide consumers with an adequate supply, and to promote the production of quality dairy products.

Federal Dairy Council: Creates a Federal Dairy Council under the Department of Agriculture to determine policies under the act. Composed of 45 members appointed by the President from nominees submitted by the governors of the States, 30 of whom must be milk producers, 8 to represent consumers, and 7 to represent dairy centralizers.

Federal Dairy Board: Creates a Federal Dairy Board to administer the policies and programs of the Council. Composed of five members of the Council, one of whom must be a consumer representative.

Method of operation: Program based on self-help and Government price supports. Board with the approval of Council to determine production goals, support the price of dairy products by purchase program and payment of adjusted price payments as fixed by the act. Will collect adjusted price fees from producers and importers under formula in the act to help pay cost of program. Board has authority to invoke production quotas. Board has authority to recommend production shifts within industry and would make loans through Bank for Cooperatives to convert plants and facilities to meet consumption demands. Board would not purchase if consumption meets production.

Adjusted price level: Determined by the Dairy Council to be the price which would return to milk producers 100 percent of the cost of producing dairy products.

Adjusted price payments: Board shall make adjusted price payments to producers based on 100 percent of the adjusted price level. No specific authorization made for appropriations but believed that the cost for the first year will be less than cost of present program. Later self-help features will be in operation.

Adjusted price fee: To be collected from all producers and importers on basis of market price. No fee if market price is less than 60 percent of adjusted price level. When market price is 60 to 70 percent of the adjusted price level, fee is 1 percent and then graduated to 15 percent if market price is 130 percent or more of adjusted price level.

Surplus production: The Commodity Credit Corporation to act as agent for Board in purchasing and removing surplus production from domestic consumption channels at such levels as to return 100 percent of the adjusted price level to producers. Board may sell surplus at less than current price for export, to the armed services, to school lunch program, or to rotate stocks by such sales as the Board may determine. Present dairy products held by the Commodity Credit Corporation would be turned over to the Board for disposal. Board also has authority to distribute surplus production to needy, public and private welfare agencies, and foreign relief agencies such as CARE. Board could not sell any stock acquired for less than cost if stocks were for use in usual channels of domestic consumption.

COMMITTEE ON POST OFFICE AND CIVIL SERVICE

Mr. HAGEN of Minnesota. Mr. Speaker, I request unanimous consent that the Committee on Post Office and Civil Service, which has recommended favorably H. R. 7774, a bill to establish a uniform system for the granting of incentive awards to officers and employees of the United States, and for other purposes, have until midnight tonight in which to file its report on this legislation.

The SPEAKER. Is there objection to the request of the gentleman from Minnesota?

There was no objection.

MINORITY VIEWS ON H. R. 6052 TO READJUST POSTAL RATES

Mr. HAGEN of Minnesota. Mr. Speaker, I ask unanimous consent to file additional minority views on H. R. 6052, a bill to readjust postal rates, and for other purposes.

The SPEAKER. Is there objection to the request of the gentleman from Minnesota?

There was no objection.

THE BURGESS BONER

Mr. PATMAN. 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 Texas?

There was no objection.

Mr. PATMAN. Mr. Speaker, immediately after the present administration took office, they quickly put into operation the hard money, high interest policy. Interest rates were raised three-fourths of 1 percent by the issuance and sale of long-term Government bonds at 3¼ percent instead of the previous long-term rate of 2½ percent. This was setting the policy for an increase in interest rates on Government securities which when put into effect on the entire debt, would mean a $2 billion a year increase to the taxpayers. This issue is now selling at a premium of more than $9 on $100, or a capital gain of $100 million for those fortunate enough to have obtained the bonds. It is referred to as the Burgess boner.

Dr. Burgess is now pushing a policy of deflation by extending the maturity of the national debt at the very worst time possible to do so. There is only one good reason to lengthen the maturity of national debt at a time like this and that is to increase interest payments to banks and other lenders, and to give a few people in the Treasury Department, handling the national debt, more leisure time and fewer problems. It will result in higher cost to the taxpayers for decades to come.

LESSONS OF HARD MONEY

First. It was not difficult to restrict business by tight-money measures, but once business had been restricted it is proving difficult to expand it by easy money. It is easy to pull on a string, but difficult to push a string.

Second. In curbing the boom the administration substituted neither price stability nor economic stability but produced a recession instead.

Third. Hard money was intended only to clip the wings of the "goose that lays the golden eggs" but if the Democrats had not been effective in opposing this policy they would have killed the bird instead.

PROSPERITY FROM THE TOP DOWN—TRICKLE DOWN ECONOMICS

The present administration policy of trying to spread prosperity by helping a few wealthy individuals who would not use their increased wealth to buy goods or services, is like the cattleman trying to fatten his herd by feeding the bull.

Our productive capacity is sufficient now. Our present problem is consumption of the production. Automobile plants are capable of turning out 8 million cars this year, but only 5 million cars are likely to be produced. Steel companies capable of operating at 109 per cent of theoretical capacity are producing at the rate of 72 percent. There are two essentials for an economy operated in the interest of the general welfare of the people. They are: first, maximum production; and second maximum purchasing power.

But production and purchasing power cannot be maintained unless production is consumed. This makes it necessary that our purchasing power be spread were it will do the most good.

There is no urgent need at this time for additional savings to be used to finance investment for more production expansion, for two reasons: First, we have an excess of inventory at this time and second, manufacturing companies are obtaining such a large part—almost 100 percent of their financial requirements for expansion and modernization, by retained earnings, depletion, and depreciation allowances.

If additional tax savings are to be put into the hands of a wealthy few who do not need the money to buy consumer goods, it may result in bidding up the price of existing securities and start us down the road that we followed in the late twenties and preceding the bust of 1929.

Under the administration's tax program of being kind to coupon clippers a taxpayer with three dependents who receives $12,000 a year in dividends may pay no Federal income tax at all after 1956 whereas the taxpayer with three dependents who works and earns $4,000 per year or one-third the amount, will pay several hundred dollars in taxes.

It is important that we not encourage speculation and again make the mistake of the late twenties, by diverting more and more money from the hands of those who need it for consumer goods, and, who will spend it for consumer goods, into the hands of those who will use it for speculation in securities.

> The rapid growth of money savings as compared with consumer expenditures in the twenties retarded rather than accelerated the growth of productive capital. The excess savings which entered the investment market served to inflate prices of existing capital goods and to produce financial instability. A larger relative flow of funds through consumptive channels would have led to a larger utilization of existing productive capacity and also to a more rapid growth of plant and equipment.

The above excerpt is from Controlling Factors in Economic Development, by Harold Glenn Moulton of the Brookings Institution, Washington, D. C., 1949.

FLEXIBLE ECONOMICS FOR FARMERS, FOR LENDERS

The flexible farm program has its greatest support from the farmers who "farm" the farmers.

The flexible farm program means less money to the farmer. It will cause the farmer to work harder because he must produce more in order to make up for his lower price under the flexible program.

The flexible monetary program works the other way. It allows those who manufacture the money of the country, banks create money, to get more interest for this money, and means higher incomes and more leisure for lenders generally.

The largest cotton crop in the United States in any one year was in 1937. It was 19 million bales. The price at the time of making the crop was 53 percent of parity, which is an outstanding example of farmers working twice as hard to double their lower income so they would have the same amount for their standard of living.

HEAD-IN-THE-SAND ECONOMICS

Testimony before the Joint Committee on the Economic Report was that you cannot talk a country, with a sound economy, into a depression.

The National Association of Manufacturers' chief economist, Martin R. Gainsbrugh, of the National Industrial Conference Board, said before the Joint Committee on the Economic Report on February 17, 1954:

> What has happened to production in virtually every major manufacturing industry since last summer warrants the technical label of "recession."

The staff of the Joint Congressional Committee on the Economic Report has warned that—

> The possibility of inadequate total demand to sustain maximum employment and production amounts to $2 billion in fiscal 1954 and $13 billion in fiscal 1955. If this estimate of public and private programs is correct, for the first time in several years these programs add up to less demand than the economy can satisfy at maximum levels of employment and production.

The day after this staff report was published Secretary of the Treasury Humphrey announced he would urge the President to veto legislation providing for tax relief for lower and middle income groups by raising personal exemptions.

> Mr. Humphrey stressed that he was optimistic that things are picking up already. (New York Journal of Commerce, March 1, 1954.)

This attitude brings to mind wishful thinking of an earlier day:

> Prosperity is just around the corner. (President Hoover, January 21, 1930.)

SAE DISTINGUISHED SERVICE AWARD

Mr. HARRIS. Mr. Speaker, I ask unanimous consent to address the House for 5 minutes, to revise and extend my remarks and include a copy of an award to the Honorable CLIFFORD DAVIS, of Tennessee.

The SPEAKER. Is there objection to the request of the gentleman from Arkansas?

There was no objection.

Mr. HARRIS. Mr. Speaker, yesterday was the 98th anniversary of Sigma Alpha Epsilon fraternity. Last evening we had the privilege of attending the 98th anniversary Founders' Day dinner sponsored by the Washington Alumni Association at the National Press Club here in Washington.

The Washington Alumni Association of Sigma Alpha Epsilon arranged a most interesting program, which was enjoyed by several hundred SAE's. Dr. H. C. "Curly" Byrd, an SAE from Maryland Beta, and president emeritus of the University of Maryland, was the guest speaker. Two 50-year certificates were awarded to Rev. Edward Slater Dunlap, New York Sigma Phi, and Dr. Frederick M. Feiker, Massachusetts Delta. A special athletic award was presented to Bernie Faloney, Maryland Beta, Maryland's all-American quarterback last year.

A most outstanding feature of the program was the presentation of a distinguished service award to our colleague,

the Honorable CLIFFORD DAVIS, Mississippi Gamma. The Honorable Paul A. Walker, former Chairman of the Federal Communications Commission, who recently retired from many years of outstanding service, and who was awarded a certificate of 50-year membership as an SAE, a year ago, presented on behalf of the Washington, D. C., Alumni Association of SAE, the distinguished service award to CLIFF DAVIS, in recognition of outstanding service to the fraternity and his country. The signal honor is well deserved and due to its special significance, I include it in the RECORD:

THE WASHINGTON, D. C., ALUMNI ASSOCIATION OF SIGMA ALPHA EPSILON DISTINGUISHED-SERVICE AWARD—THE HONORABLE CLIFFORD DAVIS

For distinguished service to the Sigma Alpha Epsilon Fraternity beyond the call of duty, the Washington, D. C., Alumni Association of Sigma Alpha Epsilon presents its distinguished-service award to the Honorable CLIFFORD DAVIS, of Memphis, Tenn., a Member of the United States Congress for the past 14 years.

Initiated by the Mississippi Gamma Chapter of Sigma Alpha Epsilon in 1918, CLIFFORD DAVIS has since continuously served his fraternity by guiding young worthy students into the fold of Sigma Alpha Epsilon and by being ever ready to go anywhere at any time to lend his services as adviser to young college men of the active chapters and to the alumni associations of the fraternity.

As speaker and toastmaster at alumni association and college chapter meetings and founders' day banquets, he has brought sound guidance and advice, as well as entertainment of the highest caliber and inspiration.

As a statesman, CLIFFORD DAVIS has served his city, State, and Nation with patriotism and devotion. His record of public service, ably and patriotically performed, stands as a lasting tribute to his honor, courage, and integrity.

A near victim of assassination on the floor of the House when on March 1, 1954, fanatics fired pistol shots from the Gallery, wounding him and other Members of Congress, he exhibited the same unwavering courage which has characterized his conduct throughout his life.

The Washington, D. C., Alumni Association of Sigma Alpha Epsilon, therefore, proudly presents to CLIFFORD DAVIS this distinguished-service award.

PAUL A. WALKER,
WILLIAM STELL,
CARLTON U. EDWARDS II,
HARRY HENKLE,
HEBER RICE,
CHARLES HOLLEY,
Committee on Awards.

WASHINGTON, D. C., *March 9, 1954.*

RESIGNATION FROM JOINT COMMITTEE ON IMMIGRATION AND NATIONALITY POLICY

The SPEAKER laid before the House the following communication, which was read:

MARCH 10, 1954.

Hon. JOSEPH W. MARTIN, Jr.,
Speaker, House of Representatives,
Washington, D. C.

DEAR MR. SPEAKER: I herewith submit my resignation from the Joint Committee on Immigration and Nationality Policy.

Most sincerely,

PATRICK J. HILLINGS,
Member of Congress.

The SPEAKER. Without objection, the resignation will be accepted.

There was no objection.

The SPEAKER. Pursuant to the provisions of Public Law 414, 82d Congress, the Chair appoints as a member of the Joint Committee on Immigration and Nationality Policy to fill the existing vacancy thereon the gentleman from Maryland, Mr. HYDE.

UNITED STATES v. WARREN L. STEPHENSON

The SPEAKER laid before the House the following communication, which was read:

WASHINGTON, D. C., *March 9, 1954.*

The honorable the SPEAKER,
House of Representatives,
Washington, D. C.

SIR: From the District Court of the United States for the District of Columbia, I have received a subpena duces tecum directing me to appear before said court as a witness in the case of the *United States* v. *Warren L. Stephenson* (Criminal Case No. 1838–53), and to bring with me stenotype notes of testimony of June 26, 1953, before subcommittee on defense activities of House Committee on Armed Services.

The rules and practice of the House of Representatives indicate that papers and records of the House may not be produced in a court of law either voluntarily or in obedience to a subpena duces tecum without the consent of the House being first obtained.

The subpena in question is herewith attached and the matter is presented for such action as the House may see fit to take.

Respectfully yours,

CLIFTON HUNT.

The SPEAKER. The Clerk will read the subpena.

The Clerk read as follows:

UNITED STATES DISTRICT COURT FOR THE DISTRICT OF COLUMBIA—UNITED STATES OF AMERICA *v.* WARREN L. STEPHENSON, CRIMINAL CASE NO. 1838–53

NOTE.—Report to new courthouse between 3d Street and John Marshal Place on Constitution Avenue NW., Courtroom No. 8.

Spa ad test: Court of Chief Judge Laws.

THE PRESIDENT OF THE UNITED STATES TO CLIFTON HUNT,
1832 Michigan Avenue NE.

(Bring with you stenotype notes of testimony of June 26, 1953, before Subcommittee on Defense Activities of House Committee on Armed Services.)

You are hereby commanded to attend the said court on Monday, March 15, 1954, at 9 o'clock a. m., to testify on behalf of the United States, and not depart the court without leave of the court or the district attorney.

Winess the Honorable Bolitha J. Laws, chief judge of said court, this ____ day of _____, A. D. 19____.

HARRY M. HULL, *Clerk.*
By HAROLD G. DODD,
Deputy Clerk.

MARSHAL'S RETURN

Summoned the above-named witness ____
_____

W. BRUCE MATTHEWS,
United States Marshal.
By _____,
Deputy.

The SPEAKER laid before the House the following communication, which was read:

WASHINGTON, D. C., *March 9, 1954.*

The honorable the SPEAKER,
House of Representatives,
Washington, D. C.

SIR: From the District Court of the United States for the District of Columbia, I have received a subpena duces tecum directing me to appear before said court as a witness in the case of the *United States* v. *Warren L. Stephenson* (Criminal Case No. 1838–53), and to bring with me all stenotype notes of July 31, 1953.

The rules and practice of the House of Representatives indicate that papers and records of the House may not be produced in a court of law either voluntarily or in obedience to a subpena duces tecum without the consent of the House being first obtained.

The subpena in question is herewith attached and the matter is presented for such action as the House may see fit to take.

Respectfully yours,

SAM FRIEDMAN.

The SPEAKER. The Clerk will read the subpena.

The Clerk read as follows:

UNITED STATES DISTRICT COURT FOR THE DISTRICT OF COLUMBIA—UNITED STATES OF AMERICA *v.* WARREN L. STEPHENSON, CRIMINAL CASE NO. 1838–53

NOTE.—Report to new courthouse between Third Street and John Marshall Place on Constitution Avenue NW., courtroom No. 8.

Spa ad test: Court of Chief Judge Laws.

THE PRESIDENT OF THE UNITED STATES TO SAM FRIEDMAN,
939 D Street NW.

(Bring with you all stenotype notes of July 31, 1953.)

You are hereby commanded to attend the said court on Monday, March 15, 1954, at 9 o'clock a. m., to testify on behalf of the United States, and not depart the court without leave of the court or the district attorney.

Witness the honorable Bolitha J. Laws, chief judge of said court, this _____ day of _____A. D., 19__.

HARRY M. HULL, *Clerk.*
By HAROLD G. DODD,
Deputy Clerk.

MARSHAL'S RETURN

Summoned the above-named witnesses
_____

W. BRUCE MATTHEWS,
United States Marshal.
By _____
Deputy.

Mr. HALLECK. Mr. Speaker, I offer a resolution (H. Res. 469) and ask for its immediate consideration.

The Clerk read the resolution, as follows:

Whereas in the case of United States against Warren L. Stephenson (Criminal Case No. 1838–53) pending in the United States District Court for the District of Columbia, subpenas duces tecum were issued by the said court and addressed respectively to Clifton Hunt, 1832 Michigan Avenue NE., and to Sam Friedman, 939 D Street NW., sometimes employed under contract as stenotype reporters of proceedings of committees of the House of Representatives, directing them to appear as witnesses before the said court on the 15th day of March 1954, at 9 o'clock antemeridian to testify and to bring with them certain stenotype notes in the possession and under the control

of the House of Representatives: Therefore be it

Resolved, That by the privileges of this House no evidence of a documentary character under the control and in the possession of the House of Representatives can, by the mandate of process of the ordinary courts of justice, be taken from such control or possession but by its permission; be it further

Resolved, That when it appears by the order of the court or of the judge thereof, or of any legal officer charged with the administration of the orders of such court or judge, that documentary evidence in the possession and under the control of the House is needful for use in any court of justice or before any judge or such legal officer, for the promotion of justice, this House will take such order thereon as will promote the ends of justice consistently with the privileges and rights of this House; be it further

Resolved, That Clifton Hunt and Sam Friedman be authorized to appear at the place and before the court named in the subpenas duces tecum beforementioned, and take with them, respectively, the stenotype notes called for in said subpenas duces tecum, which said stenotype notes may be used to assist the said Clifton Hunt and Sam Friedman in testifying before the said court, but which stenotype notes shall remain the property of the House of Representatives and shall be returned to the House of Representatives immediately upon the return of the verdict in the instant case; and be it further

Resolved, That a copy of these resolutions be transmitted to the said court as a respectful answer to the subpenas aforementioned.

The resolution was agreed to, and a motion to reconsider was laid on the table.

LEAVE OF ABSENCE

By unanimous consent, leave of absence was granted to:

Mr. HÉBERT (at the request of Mr. PASSMAN), for the balance of the week, on account of official business.

Mr. PATTEN, for an indefinite time beginning March 11, 1954, on account of official business.

Mr. BRAMBLETT, indefinitely, on account of official business.

EXTENSION OF REMARKS

By unanimous consent, permission to extend remarks in the RECORD, or to revise and extend remarks, was granted to:

Mr. STRINGFELLOW in two instances and to include in one instance extraneous matter.

Mr. RAY on the bill H. R. 2344.

Mr. SHEEHAN.

Mr. CELLER in four instances.

Mr. BURDICK in two instances.

Mr. JOHNSON of Wisconsin.

Mr. CURTIS of Missouri to include in the remarks he made in the Committee of the Whole today certain tables.

Mr. DORN of New York.

ADJOURNMENT

Mr. HALLECK. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 5 o'clock and 25 minutes p. m.) the House adjourned until tomorrow, Thursday, March 11, 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:

1341. A letter from the Secretary of the Treasury, transmitting a draft of a proposed bill entitled "A bill to amend section 14 (b) of the Federal Reserve Act, as amended"; to the Committee on Banking and Currency.

1342. A letter from the Assistant Secretary of the Interior, transmitting a letter to Fred Harvey which, when approved by the regional director, region 3, National Park Service, will renew for the period January 1, 1954, through December 31, 1954, concession permit No. I-29np-43, under which the company is authorized to operate the Painted Desert Inn, Petrified Forest National Monument, Ariz., pursuant to the provisions of the act of July 31, 1953 (67 Stat. 271); to the Committee on Interior and Insular Affairs.

1343. A letter from the secretary, American Chemical Society, transmitting the annual report of the American Chemical Society for the calendar year 1953, pursuant to section 8 of Public Law 358, 75th Congress; to the Committee on the Judiciary.

1344. A letter from the Secretary of the Army, transmitting a letter from the Chief of Engineers, United States Army, dated November 30, 1953, submitting a report, together with accompanying papers and an illustration, on a preliminary examination and survey of the harbor at Anaheim Bay, Calif., with a view to shore protection, authorized by the River and Harbor Act approved on July 24, 1946 (H. Doc. No. 349); to the Committee on Public Works and ordered to be printed with one illustration.

1345. A letter from the Comptroller General of the United States, transmitting a report on audit of the Railroad Retirement Board for the fiscal year ended June 30, 1952, pursuant to the Budget and Accounting Act, 1921 (31 U. S. C. 53), and the Accounting and Auditing Act of 1950 (31 U. S. C. 67); to the Committee on Government Operations.

1346. A letter from the Attorney General, transmitting a draft of proposed legislation entitled "A bill to amend the act of June 27, 1952, to provide for judicial review of deportation orders under the immigration laws, and for other purposes"; to the Committee on the Judiciary.

1347. A letter from the Managing Director, Export-Import Bank of Washington, transmitting the 17th Semiannual Report of the Export-Import Bank of Washington, covering the period July-December 1953, pursuant to section 9 of the Export-Import Bank Act of 1945, as amended; to the Committee on Banking and Currency.

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. WOLVERTON: Committee on Interstate and Foreign Commerce. Report pursuant to section 136 of the Reorganization Act of 1946 pertaining to a health inquiry; without amendment (Rept. No. 1338). Referred to the Committee of the Whole House on the State of the Union.

Mr. JOHNSON of California: Committee on Armed Services. Senate Joint Resolution 63. Joint resolution authorizing the District of Columbia to enter into interstate civil-defense compacts; with amendment (Rept. No. 1339). Referred to the Committee of the Whole House on the State of the Union.

Mr. JOHNSON of California: Committee on Armed Services. H. R. 7308. A bill to repeal section 307 of title III of the Federal Civil Defense Act of 1950, as amended; without amendment (Rept. No. 1340). Referred to the Committee of the Whole House on the State of the Union.

Mr. JOHNSON of California: Committee on Armed Services. H. R. 7329. A bill to repeal section 1174 of the Revised Statutes, as amended, relating to the cooperation of medical officers with line officers in superintending cooking by enlisted men; without amendment (Rept. No. 1341). Referred to the Committee of the Whole House on the State of the Union.

Mr. JOHNSON of California: Committee on Armed Services. S. 2247. An act to authorize certain members of the Armed Forces to accept and wear decorations of certain foreign nations; without amendment (Rept. No. 1343). Referred to the House Calendar.

Mr. HAGEN of Minnesota: Committee on Post Office and Civil Service. H. R. 7774. A bill to establish a uniform system for the granting of incentive awards to officers and employees of the United States, and for other purposes; with amendment (Rept. No. 1344). 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. MILLER of Nebraska: Committee on Interior and Insular Affairs. H. R. 3854. A bill to authorize the sale of certain public land in Alaska to the Rabbit Creek Community Club of Anchorage, Alaska; with amendment (Rept. No. 1342). 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. DAVIS of Georgia:

H. R. 8311. A bill to provide that a district office of the Veterans' Administration shall be maintained in the city of Atlanta, Ga.; to the Committee on Veterans' Affairs.

By Mr. HAGEN of Minnesota:

H. R. 8312. A bill to modify the act of October 8, 1940 (54 Stat. 1020) and the act of July 24, 1947 (61 Stat. 418) with respect to the recoupment of certain public-school construction costs in Minnesota; to the Committee on Interior and Insular Affairs.

By Mr. LANTAFF:

H. R. 8313. A bill to provide that Members of Congress shall be paid mileage at the rate of 10 cents per mile for 6 trips to and from their homes in each year; to the Committee on House Administration.

By Mr. LYLE:

H. R. 8314. A bill to amend the Tariff Act of 1930 so as to increase the duty imposed upon the importation of broom corn; to the Committee on Ways and Means.

By Mr. REED of Illinois:

H. R. 8315. A bill to limit the operation of sections 281 and 283 of title 18, United States Code, and section 190 of the Revised Statutes of the United States (5 U. S. C. 99) with respect to counsel in a certain case; to the Committee on the Judiciary.

By Mr. VELDE:

H. R. 8316. A bill to amend chapter 75 of title 18, United States Code; to the Committee on the Judiciary.

By Mr. WALTER:

H. R. 8317. A bill to amend section 1507 of title 18, United States Code, to prohibit the picketing of United States courts and the Congress, and for other purposes; to the Committee on the Judiciary.

By Mr. YORTY:

H. R. 8318. A bill to provide mandatory price supports through 1957 for dairy products, hogs, cattle, poultry and eggs, oats, soybeans, rye, flaxseed, barley, grain sorghums, and other commodities; to the Committee on Agriculture.

H. R. 8319. A bill to safeguard the health, efficiency, and morale of the American people; to provide for improved nutrition through a more effective distribution of food supplies through a food-allotment program; to assist in maintaining fair prices and incomes to farmers by providing adequate outlets for agricultural products; to prevent burdening and obstructing channels of interstate commerce; to promote the full use of agricultural resources; and for other purposes; to the Committee on Agriculture.

By Mr. CURTIS of Massachusetts:

H. R. 8320. A bill to revise, codify, and enact into law title 43 of the United States Code, entitled "Public Lands"; to the Committee on the Judiciary.

By Mr. YORTY:

H. R. 8321. A bill to provide adequate diets for the unemployed and their families in distress areas of unemployment; to the Committee on Agriculture.

H. R. 8322. A bill to amend the Agricultural Adjustment Act of 1938, as amended; to the Committee on Agriculture.

By Mr. YOUNG:

H. R. 8323. A bill to allow credit in connection with certain homestead entries for military or naval service rendered during the Korean conflict; to the Committee on Interior and Insular Affairs.

By Mr. FINE:

H. R. 8324. A bill to amend the Civil Service Retirement Act of May 29, 1930, as amended, to provide annuities for widows of certain former Federal employees who had rendered 35 years of service; to the Committee on Post Office and Civil Service.

By Mr. GUBSER:

H. R. 8325. A bill making an appropriation for a comprehensive survey of the San Francisco Bay area to be made by the Chief of Engineers in coordination with the Water Project Authority of the State of California; to the Committee on Appropriations.

By Mr. HAGEN of California:

H. R. 8326. A bill declaring the Communist Party and similar revolutionary organizations illegal; making membership in, or participation in the revolutionary activity of, the Communist Party or any other organization furthering the revolutionary conspiracy by force and violence a criminal offense, and providing penalties; to the Committee on the Judiciary.

By Mr. HORAN:

H. R. 8327. A bill to increase the consumption of United States agricultural commodities in foreign countries, and for other purposes; to the Committee on Agriculture.

By Mr. MILLER of Nebraska (by request):

H. R. 8328. 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 Interior and Insular Affairs.

By Mr. O'KONSKI:

H. R. 8329. 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 Agriculture.

By Mrs. ROGERS of Massachusetts:

H. R. 8330. A bill to extend the time for filing application by certain disabled veterans for payment on the purchase price of an automobile or other conveyance and to authorize assistance in acquiring automobiles or other conveyances to certain disabled persons who have not been separated from the active service; to the Committee on Veterans' Affairs.

By Mr. SIKES:

H. R. 8331. A bill to authorize a survey of the Capitol Buildings for civil defense and for other purposes; to the Committee on Public Works.

By Mr. SPRINGER:

H. R. 8332. A bill to amend the Railroad Retirement Act, the Railroad Retirement Tax Act, and the Railroad Unemployment Insurance Act; to the Committee on Interstate and Foreign Commerce.

By Mr. UTT:

H. R. 8333. A bill to amend the Fair Labor Standards Act of 1938, as amended; to the Committee on Education and Labor.

By Mr. WILLIAMS of New Jersey:

H. J. Res. 465. Joint resolution authorizing the creation of a Federal memorial commission to formulate plans for construction in the District of Columbia of an appropriate permanent memorial to Christopher Columbus; to the Committee on House Administration.

By Mr. KELLEY of Pennsylvania:

H. J. Res. 466. Joint resolution authorizing the creation of a Federal memorial commission to consider and formulate plans for the construction in the city of Washington, D. C., of an appropriate permanent memorial to the memory of the great Italian navigator and discoverer of America, Christopher Columbus; to the Committee on House Administration.

By Mr. HAGEN of Minnesota:

H. Con. Res. 207. Concurrent resolution establishing a joint congressional committee to conduct an investigation and study of potato surpluses; to the Committee on Rules.

H. Con. Res. 208. Concurrent resolution providing funds for the expenses of the joint committee created pursuant to House Concurrent Resolution 207; to the Committee on House Administration.

By Mr. HOFFMAN of Michigan:

H. Con. Res. 209. Concurrent resolution authorizing the printing of additional copies of parts 1 and 2 of the hearings held by the Committee on Government Operations during the 83d Congress, 1st session, relative to commercial- and industrial-type activities in the Federal Government; to the Committee on House Administration.

By Mr. VELDE:

H. Con. Res. 210. Concurrent resolution providing for 35,000 additional copies of the report entitled "Organized Communism in the United States"; to the Committee on House Administration.

MEMORIALS

Under clause 4 of rule XXII, memorials were presented and referred as follows:

By Mr. FORAND: Resolution of the Rhode Island General Assembly memorializing Congress to make a thorough and complete investigation of the housing situation in the city of Newport with respect to all the available housing for military and service-connected civilian employees in the Newport area; to the Committee on Rules.

By the SPEAKER: Memorial of the Legislature of the State of Virginia, memorializing the President and the Congress of the United States relative to transmitting certified copies of interstate civil-defense compacts between the State of Virginia and the States of Alabama, Florida, Oklahoma, and Tennessee, pursuant to the Federal Civil Defense Act of 1950, Public Law 920, 81st Congress; to the Committee on Armed Services.

Also, memorial of the Legislature of the State of Virginia, memorializing the President and the Congress of the United States relative to requesting the Congress of the United States to compensate local governments for lands acquired for Federal purposes; to the Committee on Interior and Insular Affairs.

Also, memorial of the Legislature of the State of New York, memorializing the President and the Congress of the United States to condemn the act of terrorism which took place in the House of Representatives on March 1, 1954, and to express confidence in the loyalty of the people of the Commonwealth of Puerto Rico; to the Committee on Interior and Insular Affairs.

PRIVATE BILLS AND RESOLUTIONS

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

By Mr. BATES:

H. R. 8334. A bill for the relief of Helmut Cermak and Hana Cermak; to the Committee on the Judiciary.

H. R. 8335. A bill for the relief of Miroslav Slovak; to the Committee on the Judiciary.

H. R. 8336. A bill for the relief of Antonin Volejnicek; to the Committee on the Judiciary.

H. R. 8337. A bill for the relief of Bohumil Suran; to the Committee on the Judiciary.

By Mr. CROSSER:

H. R. 8338. A bill for the relief of Mrs. Margaret Geordt; to the Committee on the Judiciary.

By Mr. LANTAFF:

H. R. 8339. A bill for the relief of Edythe Buesse; to the Committee on the Judiciary.

H. R. 8340. A bill for the relief of Mrs. Margaret C. Haines; to the Committee on the Judiciary.

By Mr. MAILLIARD:

H. R. 8341. A bill for the relief of Kleoniki Argendeli; to the Committee on the Judiciary.

By Mr. McMILLAN:

H. R. 8342. A bill for the relief of Hal H. Harbin; to the Committee on the Judiciary.

By Mr. MILLER of Maryland:

H. R. 8343. A bill for the relief of Wilmore E. Balderson; to the Committee on the Judiciary.

By Mr. MILLS:

H. R. 8344. A bill for the relief of Elza H. Byler; to the Committee on the Judiciary.

By Mr. O'NEILL:

H. R. 8345. A bill for the relief of Sister Ramona Maria (Ramona E. Tombo); to the Committee on the Judiciary.

H. R. 8346. A bill for the relief of Biricio O. Ocosta; to the Committee on the Judiciary.

H. R. 8347. A bill for the relief of Luis Laca Cristobal; to the Committee on the Judiciary.

By Mr. SIEMINSKI:

H. R. 8348. A bill for the relief of Joseph Antoniak; to the Committee on the Judiciary.

By Mr. WILLIAMS of New Jersey:

H. R. 8349. A bill for the relief of Bernard L. Barker; to the Committee on the Judiciary.

PETITIONS, ETC.

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

555. By the SPEAKER: Petition of the secretary, Italian Barbers Mutual Aid Society, Philadelphia, Pa., endorsing enthusiastically the decision made on October 8, 1953, by the Government of the United States and the Government of Great Britain relating to the territory of Trieste; to the Committee on Foreign Affairs.

556. Also, petition of the director, State Legislative Council, Oklahoma City, Okla., relative to a resolution adopted by the roads and highways committee of the State Legislative Council recommending passage of H. R. 7124; to the Committee on Public Works.

EXTENSIONS OF REMARKS

Protest Made of Failure To Cut Liquor Tax and Warning Given Against Increasing Moonshine Menace

EXTENSION OF REMARKS

OF

HON. EMANUEL CELLER

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 10, 1954

Mr. CELLER. Mr. Speaker, the following is the text of a letter I have addressed to the Honorable DANIEL A. REED, chairman of the House Ways and Means Committee:

MARCH 4, 1954.

Hon. DANIEL A. REED,
Chairman, House Ways and Means Committee, House of Representatives, Washington, D. C.

DEAR MR. REED: The action of the Ways and Means Committee in refusing to reduce the distilled spirits excise tax from the present excessive rate of $10.50 a gallon to $9 compels me to write to you to point out certain basic facts in our Government's handling of the distilled spirits industry. The increase of $1.50 was to have been temporary and only for the recent emergency.

This industry is a legal industry; in fact, the only industry whose legality is specifically mentioned in the Constitution. For the most part it is an industry financed by the savings of many thousands of private bond and stockholders. The Government has an obligation for the stability of this industry and should express the same concern as it does for any other segment of our Nation's economy.

We must take cognizance of the growing bootleg problem fostered by these high taxes which give rise to corruptive conditions in our society and gnaw away at the sales of the legal distilled spirits industry.

Except in the most narrow sense—that is, medicinal use—whiskey is a luxury and it should be taxed as a luxury and the industry which produces it should be treated with the same consideration as that accorded other luxury industries.

Yet the Ways and Means Committee now has voted drastic reductions to 10 percent in other luxury taxes but simultaneously has voted to continue the excessive rate of 43 percent on legal spirits. It has done this in the face of a fiscal 1955 budget showing that legal sales would greatly increase and produce additional revenue under a $9 tax.

Furthermore, you have been quoted in the press the last few days as saying that "there is no rhyme or reason" to a discriminatory system of taxes and that no article or service should be subjected to an ad valorem excise tax in excess of 10 percent except as a penalty. It is obvious that the distilled spirits industry is being discriminated against, when its rate is left at 43 percent.

The liquor excise tax since the beginning of World War II has gone from $4 to $10.50 a gallon, an advance of $6.50. These high taxes make legal liquor a rich man's luxury. The average consumer should not be compelled to turn to a cheaper, untaxed illicit product.

The Congress in the past, recognizing that it was fixing too high a taxload on this industry, always set a cutoff date when the excise tax would revert to the lower rate. When the larger revenue was required for defense, the excise tax was raised to $10.50. Again, a cutoff date, that of April 1, 1954, just a few weeks away, was enacted. Congress would be guilty of bad faith to disregard this date.

Your committee has voted to continue the $10.50 rate permanently. Certainly, your committee cannot disregard the encouragement this high rate gives to bootleggers and moonshiners and racketeers.

Moreover, the administration, in the face of the growing bootleg menace and attendant lawlessness, has not asked the Congress for adequate funds for proper enforcement of our laws. At the present level of expenditures for the enforcement—which rate the fiscal 1955 budget does not propose to increase—the Government offers little protection to the public and to the legal industry. Millions of dollars of public revenues are lost through inadequate enforcement.

Presently we are having a revival of the evils of prohibition. Assuredly, the Ways and Means Committee does not wish to encourage these evils.

Unless your committee reconsiders and reduces the rate at least to $9 we will continue to play into the hands of moonshiners and hoodlums.

With cordial greetings, I am,
Sincerely yours,

EMANUEL CELLER.

Thomas Masaryk

EXTENSION OF REMARKS

OF

HON. THOMAS A. BURKE

OF OHIO

IN THE SENATE OF THE UNITED STATES

Wednesday, March 10, 1954

Mr. BURKE. Mr. President, Sunday, March 7, marked the anniversary of the birth of Thomas Masaryk, which thousands of Americans commemorated in honor of this great man who was the father of Czechoslovakian independence. I ask unanimous consent to have printed in the RECORD the text of a message I have prepared, marking the anniversary of the birth of Thomas Masaryk.

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

STATEMENT BY SENATOR BURKE

Thomas Masaryk, father of Czechoslovakian independence, was a man whose vision was equal to his courage, and whose beliefs were never compromised for the sake of expendiency. He was born in a little Slovak town of Hodonin, the son of a coachman and a cook on a Hapsburg domain. Although he was apprenticed to a blacksmith, his extraordinary capabilities led to his becoming a university professor, first at Vienna and later at Prague, and eventually to his position among the great statesmen of Europe.

If we were to single out the strongest drive forces in Thomas Masaryk's life, they would probably be truth and democracy. His devotion to truth often led him along the more difficult, the more arduous path. He gained distinction as a scholar, but also made many enemies among fanatic nationalists when he exposed some Czech folk songs as skilled, 19th century forgery.

Time and again as he saw his students promoted above him at Prague University, he never questioned the price of truth or of his belief. His ethical disposition of mind enabled him to remain above the level of politics, and, for this reason, the source of his support was widespread. Neither were his national sympathies so fanatic that he could not fit the aspiration of the Czechoslovakian people into the needs of Europe in general. He was a great patriot but, above all, he was a great humanitarian.

Thomas Masaryk's career is singuar because he lived to see the happy conclusion of his life-long struggle for an independent Czechoslovakia. On October 28, 1918, Czechoslovakia was born, with Thomas Masaryk as President. It was the culmination of his work, not only as a patriot but as a democrat. By birth, by teaching and by conviction he was a democrat, and it was as an expression of his democratic ideals that he conceived of the first Czechoslovak Republic. His struggle was not only against an alien oppressor, but against a despotic monarchy. Czechoslovakia was therefore founded as a democratic republic, and its whole development was in the western tradition of the rights and dignities of man.

Today, Masaryk's beloved Czechoslovakia is under the hands of dictatorial absolutism. That degrading misery, which Masaryk felt only democracy could abolish, lies heavy on the land. Although the Soviet tyranny has wiped out Thomas Masaryk's beloved democratic republic, and has tried to oppress the last vestiges of the timeless Czechoslovakian tradition of democracy, the spirit and the memory of the past remains. In this memory, the people of Czechoslovakia have found hope that their beloved republic will once again take its place among the countries of the free world. In paying tribute to Thomas Masaryk today, we keep alive that hope for the people of Czechoslovakia and honor one of the great men of western democracy.

Postal Pay Raise

EXTENSION OF REMARKS

OF

HON. FRANCIS E. DORN

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 10, 1954

Mr. DORN of New York. Mr. Speaker, under leave to extend my remarks, I should like to include the following statement I gave to the House Committee on Post Office and Civil Service in behalf of an increase in pay for the postal workers:

STATEMENT OF HON. FRANCIS E. DORN, OF NEW YORK, BEFORE THE HOUSE COMMITTEE ON POST OFFICE AND CIVIL SERVICE, MARCH 9, 1954

Mr. Chairman, the postal employees of Brooklyn and elsewhere, especially in the metropolitan communities, are urgently in need of a pay raise, and as one of their Representatives in the Congress, I urge you to give favorable consideration to the legislation giving them $800 pay raise as provided in H. R. 2344.

Since the last postal pay raise the cost of rent, food, and other necessities has risen to the point where postal employees must seek outside employment in order to support their families. But what is worse, their wives—mothers of small children—must also seek employment. This is detrimental to the

postal service, as well as to the family life of the postal workers.

Employment in the post office has always been considered a career—a desirable career—which would provide sufficient return to enable the employees to raise their families properly and in decent surroundings, and to give their children a good education. It is important that it continue to be a desirable career in order that it attract the same high quality of personnel that is now in the postal service.

There has been a high turnover in postal employees due in considerable part to inadequate pay. This decreases the efficiency of the Department, and increases the cost of postal service. New men must be trained in order that they may take their places next to the seasoned workers, and this is costly.

I cannot urge you gentlemen too strongly to support a sizeable pay increase and I can tell you that in my section of the country they need at least an $800 increase.

Constitutional Amendment Introduced Providing That No Citizen Under 21 May Have the Right To Vote

EXTENSION OF REMARKS

OF

HON. EMANUEL CELLER

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 10, 1954

Mr. CELLER. Mr. Speaker, President Eisenhower, in his state of the Union message, recommended that the voting age be lowered to 18. The President has never given us his reasons for this proposal except to state that "if one is old enough to fight, one is old enough to vote." But voting is as different from fighting as chalk is from cheese, and it is, therefore, most important to examine the meaning of this glib slogan.

If a person is too old to fight, is he too old to vote? Does the President mean that if a person votes, he must also fight? And does the President mean that girls must also fight? Many young men are unable to fight because they are physically unqualified to do so. Could it be that these men who cannot fight cannot vote?

When the draft age was lowered from 21 to 18 years of age, the generals told us that this was a necessary move because young men under 21 were more easily molded into good soldiers than were their elders who had grown to maturity. Young men under 21 are more pliable and more amenable to indoctrination. They are not likely to exercise critical judgment in matters demanding instant obedience. Instant and unquestioning obedience may be most desirable from soldiers in the battlefield, but in a voter such obedience would be most undesirable. Self-interested groups and corrupt politicians would find such obedience a fertile playground.

The President must undoubtedly have been ill-advised. His proposal requires a constitutional amendment, and I believe he is unaware of the action taken by the individual States on this issue. In the past 3 legislatures, 35 States have rejected the proposal that the voting age be reduced, and 2 States rejected the same proposal in a referendum. Therefore, 37 States have already expressed their opposition to the measure. The President's suggestion would not have much of a chance. Only one State has adopted the 18-year-old voting age limit, namely, Georgia, and there it has proved to be a poor example. Teenagers usually vote along family lines. They vote like ma and pa. They register and cast a "novelty" vote when they reach the age of 18, and then lose interest in subsequent elections. During the primaries, the teen-agers' excitement in the election rises to a fever pitch, to the detriment and disregard of their studies. Though the 18-year-old can vote in Georgia, he is not permitted to make a contract, buy a car, cow or mule, inherit property, or transact business without a guardian. He cannot serve on a jury, hold office, buy liquor, or marry without the consent of his parents. These activities are for the age of maturity.

Fixing the age of 21 as the age of maturity, is the result of the accumulated wisdom of the centuries. It has been tested through the ages. The teen-ager is not sufficiently mature because he has not as yet had to face life's major problems and complexities. The teen-ager is likely to take the extreme point of view. He does not know how to compromise, and the essence of politics is compromise. In the United States, we have so many groups with conflicting interests, both of a national and sectional nature, that compromise is an essential to our unity. It is the dictators with their absolute doctrines who have abused the extremism of youth, and put it to their own advantage. Hitler, Mussolini, Stalin all gave the teen-agers the right to vote and herded them all into line.

Since the President has put a searchlight on the subject of lowering the voting age, I feel that a positive stand must be taken against it, by imbedding in the Constitution, the provision that no one who has not reached the age of 21—that is the age of maturity—can be given the right to vote. I am, therefore, this day introducing a bill to provide that no citizen of the United States shall have the right to vote in any political election or primary unless such citizen shall have reached the age of 21.

Do the People Voluntarily Approve of the Soviet Regime?

EXTENSION OF REMARKS

OF

HON. USHER L. BURDICK

OF NORTH DAKOTA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 10, 1954

Mr. BURDICK. Mr. Speaker, do the people of a Communist country support the government voluntarily? I have repeatedly said that they do not. Here is more proof of it. Of the Chinese prisoners of war we had in Korea and were willing to turn over to the Chinese Communist Government if they, themselves, so determined, 74.5 percent of them said "No" time and time again. The dilatory tactics of the United Nations kept this decision kicking around for weeks and weeks. The Communists were permitted to go before these prisoners and do all the coaxing they wanted, but in the end they still said "No," that they preferred Formosa, and that is where they are now. We have never advertised this victory in propaganda—or at least not enough.

The Chinese papers made much of the fact that 21 American soldiers refused to return to the United States. The reason for their action was not that they believed in communism, but were afraid to come back, as they felt they had betrayed their buddies while all were prisoners. They were afraid of their buddies. In order to avoid the violent and inhuman punishment meted out to our prisoners who refused to say what the Communists wanted them to say, they signed statements against the interests of the United States. We have one such case under inquiry now, but when it is known what punishment awaited them, it is no wonder that some of the weaker ones played with the Communists. This meant that they made the condition of their buddies more terrible, but some men cannot stand torture for long. Instead of coming home and confessing the reason they gave false information, relying on the fairness of the American people to understand their action, they took an opposite course, and elected to stay with the Communists. Even though these 21 have stayed, it is no comparison to the 14,000 Communist soldiers who refused to go back to China and North Korea. This is a complete demonstration that those behind the Iron Curtain want liberty and not slavery. Millions of Russians and Chinese would do as these soldiers have done if they had a chance.

No iron-heeled dictatorship in all the world's history has lasted for long, and we should screw up our courage here in this country and not permit the Russian scare to unbalance our judgment. How well we can withstand anything they have to offer depends upon how united we are here at home. Strip the Soviets of the aid of their friends right here among us, and there need be no fear of a country that keeps her own people under a despotic and autocratic rule. When intrigue, secret police, and the firing squad are the only means of perpetuating such a regime the people thus ruled by force and fear will break away at the first opportunity.

This is the only country on earth that unqualifiedly holds that government exists for the people. Many countries hold to the opposite doctrine that the individual exists for the government, and that doctrine is nothing more nor less than the doctrine of slavery.

The Government of China is the same ruthless dictatorship, more to be feared than Russia, yet there are many Americans who believe we should sit down at the council table with Red China and come to a peaceful solution for permanent peace, knowing that Red China holds that all people exist for their government, and that no government should exist for the people. Those doctrines will

not mix. It will always remain oil and water, no matter how many attempts are made to make one common ingredient of the mixture.

I think the one-worlders realize that the theory of government adopted by us—that a government exists for the people—cannot be a social partner with a government that holds that the people exist for the government; and realizing this, they are determined to change our Government to fit the pattern of a world government which they are contriving to build. How else can it be explained why such assaults have been and are now being made on the Constitution of the United States? Why is it necessary to rewrite the provisions in the Constitution pertaining to free speech, a free press, and free religion? Why is it necessary to establish a world court of law and justice, and make citizens of the United States amenable to the courts of the world government? Why do the advocates of world government want to take citizens of this country out of the United States for trial? Why do they seek to have them tried by United Nations laws, and deny them the protection of the Constitution and laws of the United States?

It all appears plainly enough that our theory of government—where government exists for the people—must be changed to accord with their theory that the people exist for the government.

Group of Congressmen Oppose Arms to Arab States

EXTENSION OF REMARKS

OF

HON. EMANUEL CELLER

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 10, 1954

Mr. CELLER. Mr. Speaker, last week following up a letter which we addressed to the Secretary of State on February 8 expressing our grave concern over current and incipient developments in our Government's program for the Near East, we met with Under Secretary of State Walter Bedell Smith and Assistant Secretary of State for Near Eastern Affairs Henry A. Byroade at the Capitol for a full dress exchange of views about the situation in that area.

All of us strongly favor a continuation of economic-aid programs to all the countries of the Near East, including the Arab States who so greatly need economic aid. We surely believe that the best way to strengthen this entire region against Communist subversion is to continue our efforts to raise the depressed living standards of the Arab people. Most of all they need more bread and more land, not more guns. They are in no position otherwise to fortify the free world's security in the Near East.

We expressed our concern over published reports that our Government is proposing to use the military aid appropriated for the Near East under the Mutual Security Act in part to give arms and other military aid to individual Arab States. We expressed the fear that such proposals may undermine rather than strengthen our defenses in this area. Furthermore, we pointed out the Arab States show no desire to make peace with Israel, and there is every reason to fear, in view of mounting tension in the Middle East recently that our arms may be used, not to defend the Middle East against communism, but for a renewal of warfare against Israel and even against some of our NATO allies who have interests in this region. The guns we give to the Arabs may be used not to advance the security of the area, not to promote peace and security, but to attack our own essential interests. At this time there is no dependable assurance to the contrary.

We also sought from the Secretary reassurance that the administration would maintain a firm position in the current discussions in the Security Council designed to bring an end to the illegal Egyptian blockade of the Suez Canal and that the United States would take the position that whatever resolution is adopted on this subject by the Security Council should be implemented and enforced.

We expressed the above views and continue to maintain them.

Those in attendance at the meeting referred to above—and joining together in the above statement—were Senators PAUL H. DOUGLAS, of Illinois; IRVING M. IVES, of New York; HERBERT H. LEHMAN, of New York; and Representatives EMANUEL CELLER, of New York; ALBERT W. CRETELLA, of Connecticut; ISIDORE DOLLINGER, of New York; SIDNEY A. FINE, of New York; SAMUEL N. FRIEDEL, of Maryland; LOUIS B. HELLER, of New York; LESTER HOLTZMAN, of New York; CHARLES R. HOWELL, of New Jersey; JACOB K. JAVITS, of New York; ROBERT W. KEAN, of New Jersey; KENNETH B. KEATING, of New York; EDNA F. KELLY, of New York; EUGENE J. KEOGH, of New York; ARTHUR G. KLEIN, of New York; ALBERT P. MORANO, of Connecticut; ABRAHAM J. MULTER, of New York; HAROLD C. OSTERTAG, of New York; HUGH SCOTT, of Pennsylvania; and HORACE SEELY-BROWN, JR., of Connecticut.

Leif Erickson and the Scandinavians

EXTENSION OF REMARKS

OF

HON. LESTER JOHNSON

OF WISCONSIN

IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 10, 1954

Mr. JOHNSON of Wisconsin. Mr. Speaker, I introduced House Joint Resolution 372 on February 9, 1954, requesting the President to proclaim October 9 as Leif Erickson Day. This resolution was introduced at the request of the Leif Erickson Memorial Association of America, Inc. October 9 has been similarly designated by statute in a number of States including Illinois, Minnesota, South Dakota, and Wisconsin. At this time I would like to discuss Leif Erickson and the contributions of the Scandinavians.

Many years ago, when as a young lad I visited Lincoln Park in Chicago, I remember standing in awe before an inspiring exhibit. Perhaps many of you have gazed with equal pride and admiration at the faithful replica of Leif Erickson's ship. For many years it has occupied a commanding site where thousands of visitors have been afforded an opportunity to see a Viking ship at close hand. Standing there on a specially constructed platform, amist the security of the neighboring buildings and trees, it causes one to marvel at its ability to challenge, without quarter, the furious onslaught of the North Atlantic, particularly during a dark and fearsome passage. Beginning over a thousand years ago, the Norsemen proved to the world that they were capable and accomplished sailors. Yet these hardy and able mariners, who discovered so much and sailed so far, were without many of the modern navigational aids such as maps, charts, compasses, and other basic equipment.

Modern historians and researchers continue their diligent search through old documents seeking new data, and sometimes give voice to controversial statements. But the fine details of agreement or disagreement are of little importance to us, to the admirers, and to the descendants of those brave and wondrous people. We have ample evidence that they did actually reach our shores in about the year 1000. Authorities are generally agreed that Leif Erickson preceded other Europeans to the North American Continent. A number of subsequent voyages resulted in the establishment of a settlement, even though it survived but a few years. Inscriptions, remains, and manuscripts have been discovered proving these basic facts and conclusions to be true.

Matthias Thordarson in the Vinland Voyages, 1930, stated that—

> The story of his (Leif Erickson's) discovery and that of his countrymen in America is especially known from a collection of various sagas made some six centuries ago by Hauk Erlendsson, an Icelandic lawman. This work is known as Hauksbok (Hauk's Book); one of the important portions of it is the Saga of Eric the Red. It derives its name from Eric, Leif's father, and there one finds the clearest and most reliable accounts of Vinland. The original manuscript of Hauk's Book is in the Arna-Magnaean collection in Copenhagen; and there is another vellum manuscript of the Eric saga in the same collection.

When making the voyage upon which he discovered America, it appears that Leif was seeking a new route between Norway and a previously established settlement in Greenland. The accounts indicate that his ship was overtaken by a violent storm and tossed about on the ocean for a long time and came upon lands that he had no knowledge of before. Although estimates of the location of the precise landing vary from New Brunswick to Maryland, it seems probable that New England was the locality described in the ancient writings.

The expeditions and achievements of the early Norsemen in their voyages to Iceland, Greenland, and America form

perhaps the most dramatic and interesting account of travel and discovery in the entire history of man.

The Vikings also traveled in other directions. Beginning in the ninth century, they had reached and become masters of Ireland, England, Scotland, and Normandy in France. The Encyclopedia Britannica reports that while some Vikings were conquering in the west, others were founding Garoariki in Russia, and another group continued pressing farther south until they reached Constantinople. This encyclopedia also explains that a chieftain named Ulfijot had returned from Iceland to Norway in the 10th century to study political forms and procedures because Iceland needed a central government. As a result, the first Parliament of Iceland met in session at what was later called Thingvellir in 930 A. D.

It may be of interest to note that Ferdinand, a son and biographer of Christopher Columbus, describes a voyage that Columbus made to Iceland in 1476–77. Although research is still continuing to determine how much Columbus may have learned about Vinland—America—while in Iceland, there is little doubt that he profited from the sailing experience and adventure.

What Leif Erickson had so nobly and heroically begun, Scandinavians of later generations have continued. American life has been enriched in many ways. Eminent contributions in both Europe and America have been made in such fields, for example, as commerce and industry, science, medicine, literature, and statesmanship. While it would not be possible to cover even the highlights of these many and varied activities, perhaps it may be of interest to describe a few typical instances that demonstrate how American culture or development have been advanced.

In one of the Chronicles of America series—volume 35—Samuel P. Orth stated that—

> They made of the Northwest a new Scandinavia, larger and far more prosperous than that which Gustavus Adolphus had planned in colonial days for his colony in Delaware. One can travel today 300 miles at a stretch across the prairies of the Dakotas or the fields of Minnesota without leaving land that is owned by Scandanavians. They abound also in Wisconsin, northern Illinois, eastern Nebraska, Kansas, and nothern Michigan. Latterly the lands of Oregon and Washington are luring them by the thousands, while throughout the remaining West there are scattered many prosperous farms cultivated by representatives of this hardy race.

Noteworthy achievements of Scandinavian peoples are well known, and many have been described by Adolph B. Benson and Naboth Hedin in Americans From Sweden—1950. Leola Nelson Bergmann reports similar achievements in her volume entitled "Americans From Norway"—1950. Several publications also describe accomplishments of the Danes, as for example Johannes Knudsen and Enok Mortensen have done in the Danish-American Immigrant—1950.

In America's political scene, one of the early men was John Hanson—1721–83—a revolutionary leader, related to the Swedish royal family. After the Articles of Confederation were ratified in 1781, he was elected President of the United States in Congress assembled. Although this position was not comparable to that of President of the United States as subsequently established under the Constitution, it was nevertheless an office of high honor.

The first and one of the most distinguished Norwegian-Americans to serve in Congress was Knute Nelson, an emigrant from Voss, near Bergen in Norway. He had filled in the meantime the role of Governor of Minnesota. Since 1883, when Knute Nelson first entered Congress, about three dozen Americans of Norwegian descent have served in the House of Representatives, about a dozen in the Senate. Nearly two dozen men of Norwegian descent have occupied governorships. Among them have been Floyd Olson, Elmer Benson, Edward J. Thye, and John Erickson. Leola Bergmann, in Americans From Norway, continues to discuss many more famous leaders who held office as governor, Member of Congress, justice, or mayor.

One of the early Swedes elected to the Congress was John Lind, of Minnesota. He was born in Sweden in 1854. Lind served 3 terms in the House as a Republican, 1 as a Democrat, and still managed to serve as Governor of Minnesota.

In the fields of education and sociology, we may again note the significant contributions of our Scandinavian forebears and colleagues. I am able to mention but a few of those who actually merit inclusion in our present listing.

The Norwegians had established two colleges to enrich the stream of American life. Luther College started in Decorah, Iowa, in 1862, and St. Olaf College in Northfield, Minn. Many department heads and other officials of Norwegian ancestry have served in the State universities and other schools of the Middle West.

Probably the most distinguished president of a major American university of Swedish derivation was the late George Norlin, of the University of Colorado. The first Norwegian to achieve a similar position was Edward Olsen, who advanced from a professorship of Greek to be president of the University of South Dakota. Other Norwegians also successful as university administrators were Aven Nelson, of the University of Wyoming, and John A. Widtsoe, of the University of Utah. Another descendant of the 19th century Swedish immigrants was Elam Jonathan Anderson, former head of Linfield College, in Oregon, who, at his death in 1944, was president of the University of Redlands, Calif. Ernest O. Melby was president of the University of Montana, Bryn Hovde was head of the New School for Social Research, while Frederick Hovde became president of Purdue University in 1946. The famous Springfield plan, which originated as a special program in the teaching of mutual racial and religious tolerance among varied ethnic groups, was devised in the Springfield, Mass., school system under Dr. John E. Granrud, the superintendent.

Literature and journalism have also been generously enriched by the participation of Scandinavian contributors. My entire time could be devoted to a discussion of Carl Sandburg alone. His fame rests most solidly, perhaps, upon his monumental achievement—the Pulitzer prize-winning biography of Abraham Lincoln, the Prairie Years and the War Years. Of equal fame and interest are his Chicago Poems, Cornhuskers, Smoke and Steel, Rootabaga Stories, and the American Song Bag.

Ole Edvart Rölvaag achieved national as well as international fame with his Giants in the Earth. Desiring to preserve his cultural heritage, he had written this masterpiece in Norwegian. It was first published in Norway then translated into English and brought out by Harper & Bros. In the same year, 1927, it became a Book-of-the-Month Club selection.

Denmark has made noteworthy contributions in the field of literature through her native sons. A few of them should be mentioned. Kristian Ostergaard published From Forest and Prairie, Pioneers, and Valley Dwellers. Carl Hansen wrote Children of the Prairie and Nisqually. Frederik L. Grundtvig achieved popularity through the Songbook for the Danish People.

Among many more names that deserve attention I must include a small selection: Martha Ostenso's Wild Geese, Gudrun Thorne-Thomsen's East o' the Sun and West o' the Moon, Neil Harmon Swanson's The Judas Tree, The Phantom Emperor and The First Rebel, and Gosta Larsson's Our Daily Bread and Ships in the River.

In journalism we note there has been a Norwegian press in the United States since 1847. Among the outstanding men have been the late Governor of Minnesota, John A. Johnson, who had also been editor of the St. Peter Herald; Everett Norlander, managing editor of the Chicago Daily News, whom the New York Times called the dean of American newspaper publisher; and Neil Harmon Swanson, the previously mentioned author, who has been, since 1941, executive editor of the Baltimore Sun papers. William T. Evjue is doing an excellent job as editor of the Madison Capital-Times. Eric Sevareid is well-known with the Columbia Broadcasting System.

Among the other professions in which we take just pride for consistently high achievements is that of engineering and its related industrial phases. William S. Knudsen, who had been an apprentice mechanic in his brother's bicycle shop in Copenhagen, became the president of General Motors Corp. in 1937. During World War II he was appointed War Department Production Director with the rank of lieutenant general. This was unprecedented in the history of the United States; no other civilian has ever entered the Army with a rank as high as lieutenant general. Our famous engineer and inventor, the Swedish-born John Ericsson, played a highly significant role for the Union forces in the War Between the States. It was his design that resulted in the *Monitor*, the iron-clad vessel which saved the day for the North as far as sea power was concerned.

While dealing with important participants whose work profoundly influenced the Civil War, we call attention to Adm.

John Adolph Dahlgren, an accomplished designer of ordnance, after whom the well-known Fort Dahlgren was named. Americans from Norway have built tunnels and bridges, skyscrapers and factories, and transportation systems from coast to coast. Gunvald Aus and Kort Berle built the Woolworth Building in New York, the Supreme Court Building in Washington, among many others. Ole Singstad constructed the Holland, Lincoln, and Queens midtown tunnels in New York. Olaf Hoff was responsible for the Detroit and Harlem River tunnels. A General Electric Co. engineer, C. W. Larson, submitted the successful designs for the electric locomotives used to tow ships through the Panama Canal. Associated with the same company was Oscar Junggren, a native of Sweden, and the firm's chief designer of electric power plants.

The most prominent of all Swedish engineers in America is unquestionably Ernst Fredrick Werner Alexanderson, former chief engineer of the General Electric Co. and a pioneer in wireless telephoning, broadcasting, and television. He holds over 300 United States patents. American industrial progress owes a large debt to the precision gages of the Johansson type manufactured by Erik Aldeborgh who had been a colleague of Johansson in Sweden.

Scandinavians have practiced medicine, contributed to professional journals, published noteworthy titles, or have made valuable contributions to research techniques for over 300 years. One of the early barber-surgeons who sailed from Gothenburg in 1649 for America was Timon Stidden. The father of surgery in America was Dr. William W. Keen, born in Philadelphia in 1837. He was subsequently president of the American Surgical Association and the Congress of American Physicians and Surgeons. Dr. Adolph Gundersen was one of a well-known Norwegian-American family of surgeons. Together with Dr. Christian Christensen he established a clinic which later became a medical center and still continues to expand. Dr. Gundersen's later appointment to the board of regents of the University of Wisconsin provided him with an active role in planning the university medical school and hospital. One of the most distinguished cancer research specialists has been Dr. Ludvig Hektoen, a Norwegian, of Chicago. At various times he has been director of the John McCormick Institute of Infectious Diseases, head of the department of pathology at the University of Chicago, president of the Chicago Tumor Institute, and chairman of the medical section of the National Research Council. In the field of dentistry Dr. Alfred Owre's name will be long remembered.

Due to the limitation of time at my disposal and not the lack of accomplishments, I can only confirm our corresponding achievements in other fields of human endeavor. Illustrious names and events could easily be recalled in the fields of religion, astronomy, business, and finance.

In the course of my discussion I have dwelt at length on the exploits of the illustrious, but the equally important influence of the common man deserves acknowledgement. Samuel P. Orth, who was mentioned previously, states that it is the consensus of opinion among competent observers that these northern peoples have been the most useful of the recent great additions to the American race.

And so we may well be proud of Leif Erickson and of the varied achievements and contributions of the Americans from Scandinavia.

The Turtle Mountain Indians of North Dakota

EXTENSION OF REMARKS

OF

HON. USHER L. BURDICK

OF NORTH DAKOTA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 10, 1954

Mr. BURDICK. Mr. Speaker, if there ever was an Indian tribe in the United States which Government management has brought to the verge of starvation and complete ruin, it is the Turtle Mountain Indians of North Dakota. This tribe is a mixture of Chippewa Indians, Cree Indians, and French.

When the Government took charge, these Indians from time immemorial had owned all the land from the Red River of the North westward for 200 miles, and extending from Canada 80 miles south. They cultivated the soil where it was fit for gardens and corn patches. Game was abundant, and there was no want among them.

The first thing the Government did was to propose a treaty under which these Indians were to give up this huge and valuable tract of agricultural land, which the United States was to purchase for 10 cents an acre, and most of which is now worth $50 per acre. The regular chiefs of the tribe refused to sign such a treaty, and the Government sent men to the reservation who appointed chiefs who would do their bidding, obtained the signatures of these spurious chiefs, and so the fertile land was taken. The principal chief, Little Shell, was bypassed in the Government sleight-of-hand performance, never approved the treaty, but by its dextrous maneuvers the Government took the land in spite of this chief.

Today those Indians number about 9,000 and, if they were all there, would be cooped up on two of the poorest townships of land in North Dakota, which is all that is left of their reservation. The Turtle Mountains are rocky, covered with scrub timber, and the grass, what there is of it, is slough grass which has very little feed value. The result is that now these Indians, especially the older ones, are hungry and ill-clothed. There is nothing they can do with this rocky land, and the Government now seeks to turn them loose and make them full citizens, when even the most stupid must know that they cannot survive by their own efforts.

The North Dakota Indian Commission, under the direction of John Hart, has been doing good work in getting employment for these Indians; but it is a huge undertaking and it will take at least 20 years more to bring the younger Indians up, through education and training, to where they can make a living for themselves. The old Indians are helpless, but in spite of this situation, which every agent of the Indian Bureau must know, and which Congress must know, it is difficult to obtain public funds enough to permit these Indians to exist on even a substandard plane of living.

Right now it is up to Congress to undo what the Government has done for the past 70 years. The older Indians must be fed and clothed, and the younger ones trained and fitted to earn their livings. That is the obligation of this Government; for the Government, itself, insisted on making these Indians its wards. The Government insisted on being their guardian, and I now insist that this guardian perform its duty under the law. In the case of white children, a guardian who acted toward them as the Government has toward the Indians, would have been locked up long ago for failure, almost criminal failure, to care for its helpless wards.

Attacks Made Upon Secretary of Agriculture Ezra Taft Benson

EXTENSION OF REMARKS

OF

HON. DOUGLAS R. STRINGFELLOW

OF UTAH

IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 10, 1954

Mr. STRINGFELLOW. Mr. Speaker, I would like to comment at this time upon the recent critical attacks upon Secretary of Agriculture Ezra Taft Benson for calling to the attention of Mr. Charles Loring, Chairman of the Emergency Board, Railway Labor Act, the fact that the American farmer and general public would be seriously injured by a prolonged strike of railroad workers or by an increase in railroad operating costs large enough to justify another general increase in freight rates.

During both 1952 and 1953 farmers have been caught in a price-cost squeeze—that is, high cost and low price. One of the historical high costs farmers have always been confronted with is that of high freight rates. Are freight rates high today? What are they compared to Canada's for instance? Senator YOUNG gave us the answer on the Senate floor on February 23, 1954:

> Freight rates on grain in western Canada are set by statute at 3 percent less than they were in 1897. These extremely low transportation rates are provided by Parliament as one part of their farm program. As a result it costs the Canadian farmer at Coutts, Alberta, only 8⅓ cents per bushel to move his oats to Port Arthur. His neighbor across the border at Sweetgrass, Mont., has to pay freight of 24⅓ cents a bushel to move his oats to Duluth.

Now would not Secretary Benson be a poor Secretary of Agriculture if he was not concerned about any governmental

action, which, at a time like this, would increase the costs of marketing farm products? The Department of Agriculture was created to administer to the needs of American farmers and to represent their just interests. If this is not the case, why did the Congress in the Agricultural Adjustment Act of 1938 authorize and direct the Secretary of Agriculture to—

(a) Make complaint to the Interstate Commerce Commission with respect to rates, charges, tariffs, and practices relating to the transportation of farm products, and to prosecute the same before the Commission.

(b) Cooperate with and assist cooperative associations of farmers making complaint to the Interstate Commerce Commission with respect to rates, charges, tariffs, and practices relating to the transportation of farm products.

Not only that, but the same act provided, that if any rate, charge, tariff, or practice complained of is one affecting the public interest, the Commission, upon application by the Secretary, shall make him a party to the proceeding.

You will recall that it was this one single factor—high freight rates—more than any other which gave rise to the Grange movement of the late 19th century and the establishment of the Interstate Commerce Commission itself. Acting under the authority of the Agricultural Adjustment Act of 1938, the Solicitor's office of the Department of Agriculture is continually engaged in freight rate hearings before the Interstate Commerce Commission and maintains a staff of 3 or 4 attorneys who devote the major portion of their time to such matters.

Clearly, the charge that the Secretary's action "involved an intervention in a field in which Mr. Benson is anything but an expert" cannot be substantiated. The Secretary's legal staff has been engaged in just such activity for many years. This letter of the Secretary's to Mr. Loring, therefore, merely represents a normal extension of the Secretary's concern for the American farmers' welfare, of which high freight rates are not a part.

By no stretch of the imagination does the Secretary's action represent, as his critics have charged, "an attempt to interfere with the judicial processes."

The Research and Marketing Act of 1946 directed and authorized the Secretary of Agriculture to assist in obtaining equitable and reasonable transportation rates and services and adequate transportation facilities for agricultural products and farm supplies by making complaint or petition to the Interstate Commerce Commission, the Maritime Commission, the Civil Aeronautics Board, or other Federal or State transportation regulatory body with respect to rates, charges, tariffs, practices, and services.

Now we all know that wage increases are passed along to the consumer in the form of higher prices for the product sold or service rendered. In this case, higher wages mean that the freight carrier will be petitioning the Interstate Commerce Commission for higher freight rates before long as they have done and been granted 11 increases since 1945.

Why is the Secretary concerned? Why the letter to Mr. Loring? Because, in the interests of the American farmer, whose general welfare is his legal concern and responsibility, he felt it his duty to urge the emergency board to find a solution which will not give any justification for another increase in agriculture freight rates. The Secretary's reasons:

First. Since February 1951 farm prices have dropped 19.5 percent.

Second. Net farm income fell from $14.6 billion in 1951 to $13.5 billion in 1953. This decline from 1951 to 1953 equals 14.4 percent.

Third. The worsening of the farm situation cannot be laid to a drop in consumer demand. Retail food prices, for example, are 14.4 percent higher than they were 3 years ago.

Fourth. One of the main causes of the drop in farm prices and farm income is the continued increase in marketing costs, of which railroad freight rates are an important part. They are now 10 percent higher than in 1951.

Quite to the contrary, I would be shocked if the Secretary of Agriculture did not use every means at his disposal to protect the interests of American farmers. This Secretary Benson has done repeatedly the last year, with speed and effectiveness. He is to be commended, not censored, for supplying this information to the emergency board.

The United Nations and Private Property Rights

EXTENSION OF REMARKS

OF

HON. TIMOTHY P. SHEEHAN

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 10, 1954

Mr. SHEEHAN. Mr. Speaker, last week the United Nations Human Rights Commission made a very important decision, the gravity of which the American people are not cognizant.

Since the Eisenhower Republican administration took over, our Ambassador to the United Nations, Mr. Henry Cabot Lodge, Jr., has insisted that in the consideration of the human-rights covenants, the United Nations should include an article recognizing the right to own private property. During the latter part of February, the Commission held a week's debate on this subject which is of such great interest to the United States. However, on March 3, by a vote of 12 to 2, the Commission decided to adjourn, thus postponing indefinitely the inclusion of an article recognizing the right to own private property.

This means that our request that the rights of private property be recognized is denied and that the right to own property is to be looked upon not as a private right but as a political right. Insofar as we are by treaty a member nation of the United Nations, this failure to recognize the right to own private property as a human right contains far-reaching and dangerous implications. It will remain, of course, for the experts on constitutional law and the courts to eventually determine the extent to which we will be bound by such a covenant which does not include this most important right which is one of the fundamental guaranties in our Constitution.

In going back to the Declaration of Independence, we find these most significant words:

> We hold these truths to be self-evident that all men are created equal, that they are endowed, by their Creator, with certain unalienable rights, that among these are life, liberty, and the pursuit of happiness. That to secure these rights, governments are instituted among men.

On the basis of these words of the Declaration of Independence, we set up our own Government under the written Constitution and all of the signers of the Declaration of Independence and of the Constitution recognized property rights the same as they recognized human rights. The history of the times of our Founding Fathers shows unequivocally that before they would sign the Constitution they insisted that the first 10 amendments, known as the Bill of Rights, be added to the Constitution. Based on the principle that "to secure these rights, governments are instituted among men," the Founding Fathers laid out in the fifth amendment to the Constitution definite words as to the protection of private property. In article V of the Constitution, they said, "nor shall any person be deprived of life, liberty, or property, without due process of law; nor shall private property be taken for public use without just compensation."

The Constitution plainly states that private property was to be regarded as a right the same as life or liberty and laid out the necessary protection of such property. Some time ago, the National Association of Real Estate Boards wrote to Mr. Warren Austin, who was then our United States representative to the United Nations, about the proposed United Nations covenant on human rights, which did not recognize the right to own private property as a human right, but which stated that it was the obligation of the governments becoming parties to the covenant to guarantee adequate housing to their citizens as a matter of political right. I have been informed that no reply was ever received from Mr. Warren Austin on this matter. Subsequently, on February 1, 1954, I wrote to Henry Cabot Lodge, Jr., calling his attention to this matter in the letter set forth below:

> DEAR AMBASSADOR: It is my understanding that there is pending in the United Nations a Covenant of Human Rights, which covenant is intended to be presented to the United Nations for ratification. It has been brought to my attention that under this proposed covenant, the right to own property is not being considered a human right, and the language of the covenant would obligate the government that became a party to the covenant to guarantee adequate

housing to its citizens as a matter of political right.

Would you be good enough to inform me of the proposed language of this Covenant of Human Rights covering the problem of housing, and your opinion as to how this proposed covenant will affect the United States if adopted.

Very truly yours.

Ambassador Lodge immediately replied, and his letter of February 8 is as follows:

MY DEAR MR. SHEEHAN: In reply to your recent letter let me say that the present drafts of the Covenants on Human Rights, as you suggest in your letter of February 1, 1954, do not contain any mention of the right to own property. These drafts were written in previous years long before I became the United States representative and, of course, I have no responsibility for them whatsoever and, in fact, I strongly condemn the omission to which you refer.

As a matter of fact, in order to correct this, on January 6, 1954, I officially informed the United Nations of the United States position that "the right to own property is important and that an article recognizing this right should accordingly be included in this covenant" (on economic, social, and cultural rights). It will undoubtedly be considered at the next session of the Commission opening February 23. The proposal reads as follows:

"The states parties to this covenant undertake to respect the right of everyone to own property alone as well as in association with others.

"This right shall be subject to the laws of the country in which the property owned is situated.

"Expropriation may not take place except in cases of public necessity or utility in circumstances defined by law and subject to fair compensation."

An article including housing appears in the draft Covenant on Economic, Social and Cultural Rights. It reads:

"The states parties to the covenant recognize the right of everyone to adequate food, clothing and housing" (art. II).

The President announced in 1953 that the United States would not sign or ratify either of the covenants. In reiterating this position to the Commission on Human Rights last year, the United States representative presented a new program which would encourage progress in the promotion of human rights among the various nations of the world without imposing treaty obligations upon them. We anticipate that this new program will receive consideration at the forthcoming session.

Sincerely yours,

HENRY CABOT LODGE, Jr.

Mr. Speaker, to the credit of the Republican Party, Mr. Lodge set out unequivocally the announced position of President Eisenhower and the Republican administration when he stated the President would not sign or ratify either of the covenants. The United States presented a new program which would encourage progress in the promotion of human rights among the various nations of the world without imposing treaty obligations upon them.

It is to be noted that the draft of the United Nations Covenants on Human Rights is still in the tentative stage and has not been voted upon in its entirety by the General Assembly or by any of the United Nations Commissions concerned with it. At present the various articles of the covenant are still the subject of individual discussions, preparatory to being agreed upon and presented to the United Nations General Assembly.

According to the Department of State bulletin of June 25, 1951, it was stated that the Commission on Human Rights had adopted article 23, providing that "states parties to the covenant recognize the right of everyone to adequate housing." The United Nations Human Rights Commission, by their action in turning down the United States proposal that an article be included in the covenant recognizing the right of everyone to own private property, indicates that there is little chance that the United Nations will recognize private property rights as we know them under our United States Constitution.

It is needless to comment on the socialistic implications of this covenant, because property would then be a political right and not a private right, and the taking over by the state of property of any kind would then become the right of the state, and the protection implicit in our Constitution of due process of law might be done away with. I feel that as far as the United States is concerned it will be up to the Supreme Court to decide whether or not the United Nations Covenant, if adopted, will affect the internal laws of the United States. From recent and past decisions and from the Court's interpretations of treaties being the supreme law of the land, I personally feel that we are in danger if this Covenant on Human Rights be adopted, until such time as the Supreme Court makes its final decision on the rights to own private property under the United Nations treaty agreement.

In the United States, there are an estimated 40 million owners of private homes, not counting the owners of land tracts, both agricultural and commercial, which ownership could be seriously jeopardized by this Covenant on Human Rights if officially adopted by the United Nations.

It is imperative that the American people be alerted to the inherent dangers of the socialistic proposals which are contained in the draft of the international Covenant on Human Rights. By being denied the right to own private property, men's rights to life, liberty, and the pursuit of happiness would be endangered in that without private property the people would be dependent upon the state because of their lack of a reserve of private property.

Postal Pay Increases

EXTENSION OF REMARKS

OF

HON. JOHN H. RAY

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 10, 1954

Mr. RAY. Mr. Speaker, under leave to extend my remarks in the RECORD, I include herewith the following statement which I submitted to the House Committee on Post Office and Civil Service regarding H. R. 2344:

Mr. Chairman and members of the committee, I appreciate this opportunity to place before you my support of H. R. 2344. The length of time since the last pay increase, the rise in the cost of living, and other related factors emphasize the need for an increase in the pay of postal workers and the importance of making that increase now.

Decision as to just what increase should be granted requires both expert knowledge and painstaking study of the mass of evidence which the committee has heard and will hear. Since I am not an expert in the field and have not had a chance to study the evidence, I can not give advice in detail. I am sure the members of this committee and its staff are experts, that they will give fair and conscientious consideration to the facts and that they will reach a just decision.

Postal employees generally, and I can speak particularly of those employees who live in the 15th District of New York which I have the honor to represent, are a hard-working, loyal group. They deserve pay treatment which is fair to all ranks and which reflects the generous appreciation of the public and the Government for the good work they do and the loyalty they show. The talks I have had with the men and women in the postal service and the evidence they have shown me in support of their requests make me feel they have a strong case. I hope it will impress the committee in that same way.

Case No. 2

EXTENSION OF REMARKS

OF

HON. EMANUEL CELLER

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 10, 1954

Mr. CELLER. Mr. Speaker, here is another case of undue hardship which highlights the need for drastic revision of the McCarran-Walter Act. This is one of many discussed in the recent book by J. Campbell Bruce, called the Golden Door, the Irony of Our Immigration Policy:

Prof. Lawrence Schwartz, one of the world's most noted abstract mathematicians, and a professor at the University of Nancy, France, was invited to deliver a paper at the International Mathematical Congress at Harvard University. He spent many weary months awaiting his visa, which was finally granted to him. However, he was permitted to appear officially at no other university in this country, either to hear any lectures or to give any. If he wished to travel about, he was permitted to do so, only if he gave written notification of each change of address to immigration authorities.

The noted professor delivered his paper at Harvard University. Then, disheartened by the extreme restrictions on his movements, returned immediately to France.

How unfortunate, indeed, to give so shallow a welcome to an esteemed man of learning.

Agriculture Is in Relatively Good Shape

EXTENSION OF REMARKS

OF

HON. DOUGLAS R. STRINGFELLOW

OF UTAH

IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 10, 1954

Mr. STRINGFELLOW. Mr. Speaker, to hear some of the politicians speak it sounds as if agriculture and the farmers were on the brink of disaster. Nothing could be further from the truth. Farmers frequently get 100 percent of parity, thousands are getting such prices now and will continue to get their fair share of the national income. For example, hog prices are about 120 percent of parity and have averaged 100 percent of parity or more for 10 out of the past 12 months. Corn sold through hogs, as three-fourths is, is bringing about $2.50 per bushel or 139 percent of parity. Wheat if sold through hogs will bring near 100 percent of parity. Soybeans are now selling at 100 percent of parity; a year ago when Secretary Benson took office they were selling at 96 percent of parity; eggs selling at 101 percent of parity a year ago are now selling at 104 percent of parity.

The price decline, almost 2 years in progress when Secretary Benson took office, has now been checked. The parity ratio had gone down from 113 to 94 percent in January 1953 with 10 percent of this drop coming in 1952 with Secretary Brannan at the helm, or more appropriately apparently without either a helm or a charted course. During 1953 the ratio went down only 4 percent and now is back within 2 percent of where it stood a year ago. Not a bad record at all for a new Secretary confronted with the problems Secretary Benson was upon taking office.

The average prices for all farm products is now 92 percent of parity. It is not too difficult for capable farmers to pick up the other 8 percent, by producing what the market wants, producing high-quality products, and timing sales to get better prices. It is time some of the politicians seeking votes realized that Government can no more guarantee inefficient farmers a living than it can assume the debts of the 4 out of 5 new businesses that fail every year.

It is time we realized that the agricultural problems of this country will not be solved primarily by the Government, but by teamwork on the part of farmers, businessmen, and Government. All of the 161 million citizens of the United States must be constructively served if farmers are to be most prosperous. No narrow, selfish, or shortsighted farm program will meet the test.

SENATE

THURSDAY, MARCH 11, 1954

(Legislative day of Monday, March 1, 1954)

The Senate met at 11 o'clock a. m., on the expiration of the recess.

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

O God of grace and mercy, in whose love and wisdom lies all our hope: In the midst of the distractions of a mad and sad world we turn for this hallowed moment to be still and know that Thou art God. Immersed in this world of facts and figures, facing demanding duties, we pause to acknowledge that we cannot live by bread alone, nor in the flesh alone; that our spirits must have an escape into that higher realm measured not by clocks nor calendars, that kingdom within whose radiant realities are its faith, its ideals, its visions of beauty and of truth, its aspirations that lay hold of God and goodness. Drinking deeply at these hidden springs, may we be strengthened with might and our jaded souls refreshed as Thou dost lead us into green pastures and beside still waters. We ask it in the dear Redeemer's name. Amen.

THE JOURNAL

On request of Mr. KNOWLAND, and by unanimous consent, the reading of the Journal of the proceedings of Wednesday, March 10, 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. Tribbe, one of his secretaries.

MESSAGE FROM THE HOUSE

A message from the House of Representatives, by Mr. Maurer, its reading clerk, announced that the House had passed a bill (H. R. 8224) to reduce excise taxes, and for other purposes, in which it requested the concurrence of the Senate.

COMMITTEE MEETINGS DURING SENATE SESSION

On request of Mr. KNOWLAND, and by unanimous consent, the Permanent Subcommittee on Investigations of the Committee on Government Operations was authorized to sit during the session of the Senate today.

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

ORDER OF BUSINESS

Mr. KNOWLAND. Mr. President, I should like to make a brief statement regarding my understanding of the parliamentary situation. Today, starting at 11 o'clock, the time is to be equally divided, and controlled by the Senator from New Mexico [Mr. ANDERSON] and the Senator from Oregon [Mr. CORDON], the vote on the pending amendment to be taken at 4 o'clock.

Just prior to the recess last night, and with the approval of the Senators who have control of the time, and under agreement between the then acting leader for the minority and myself, I secured a unanimous-consent agreement that, despite the prior order, the Senate might have a brief morning hour this morning for the introduction of bills and resolutions, and the transaction of other routine business, under a strict limitation on remarks of 2 minutes.

Pursuant to that amending order, I am now going to suggest the absence of a quorum, and ask that the Senate, following the quorum call, proceed with the morning hour.

CALL OF THE ROLL

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

The Chief Clerk called the roll, and the following Senators answered to their names:

Anderson	Gillette	Payne
Bennett	Gore	Robertson
Bricker	Hayden	Russell
Bridges	Hill	Saltonstall
Bush	Johnson, Tex.	Schoeppel
Carlson	Kilgore	Smith, N. J.
Clements	Knowland	Sparkman
Cordon	Lehman	Thye
Dirksen	McClellan	Wiley
Ferguson	Murray	
George	Neely	

Mr. SALTONSTALL. I announce that the Senator from Maryland [Mr. BEALL], the Senator from Maryland [Mr. BUTLER], and the Senator from Pennsylvania [Mr. MARTIN] are necessarily absent.

The Senator from Iowa [Mr. HICKENLOOPER] is absent by leave of the Senate attending the sessions of the 10th Inter-American Conference at Caracas, Venezuela, as a congressional adviser on the United States delegation.

Mr. CLEMENTS. I announce that the Senator from Rhode Island [Mr. GREEN] is absent by leave of the Senate, attending the sessions of the 10th Inter-American Conference at Caracas, Venezuela, as a congressional adviser on the United States delegation.

The Senator from Minnesota [Mr. HUMPHREY] is absent on official business.

The Senator from Nevada [Mr. MCCARRAN] is necessarily absent.

The Senator from Rhode Island [Mr. PASTORE] is absent on official committee business.

The PRESIDENT pro tempore. A quorum is not present.

Mr. KNOWLAND. Mr. President, I move that the Sergeant at Arms be directed to request the attendance of absent Senators.

The motion was agreed to.

The PRESIDENT pro tempore. The Sergeant at Arms will execute the order of the Senate.

After a little delay, Mr. AIKEN, Mr. BARRETT, Mr. BURKE, Mr. BUTLER of Nebraska, Mr. BYRD, Mr. CAPEHART, Mr. CASE, Mr. CHAVEZ, Mr. COOPER, Mr. DANIEL, Mr. DOUGLAS, Mr. DUFF, Mr. DWORSHAK, Mr. EASTLAND, Mr. ELLENDER, Mr. FLANDERS, Mr. FREAR, Mr. FULBRIGHT,