pose in any fiscal year, when added to amounts made available from other sources, would be equal at least to the total amount collected during the preceding calendar year as receipts from the taxes on gasoline, diesel oil, and lubricating oil. The apportionment of amounts so appropriated would be on substantially the same basis—both as to types of expenditures and as to the applicable matching formula—as the apportionment of the corresponding amounts appropriated under the Federal-Aid Highway Act of 1952 and under H. R. 8127.

Section 3 of the bill authorizes an additional appropriation for the national system of interstate highways. The amount to be appropriated for this purpose in any fiscal year, when added to amounts made available from other sources, would be equal at least to the total amount collected during the preceding calendar year as receipts from the taxes on automobiles, tires and tubes, and accessories. The apportionment of amounts so appropriated would be made without any requirement of matching of funds by States, but otherwise would be on substantially the same basis as the apportionment of amounts appropriated for the national system of interstate highways pursuant to H. R. 8127.

The bill would establish a floor for highway appropriations by setting aside the proceeds of certain taxes, most of which are related to highway use; it is definitely not intended to exclude or diminish the need for the appropriation of additional money to supplement the amounts so set aside. It is intended that during the operative period of the bill, the taxes involved shall not be diverted to other than highway uses.

SENATE

THURSDAY, MARCH 25, 1954

(Legislative day of Monday, March 1, 1954)

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

Dr. Norman Salit, president, Synagogue Council of America, offered the following prayer:

Our God and God of our fathers: We bow our heads and turn our hearts unto Thee, giving profound thanks for the establishment and vitality of constitutional government in our blessed land. It has been the guardian of our Nation, one of the great sources of our vigor and achievements. May it continue to go from strength to strength.

Our country is one of mankind's mightiest advocates of human freedom. Grant that it persevere in this course, in ever-increasing measure. May our unalienable rights, among which are life, liberty, and the pursuit of happiness, forever flourish. For them our fathers pledged their lives, their fortunes, and their sacred honor. Vouchsafe unto all mankind that we be no less courageous in the preservation of this noble heritage against whatever assaults may be made upon it, from without or within our borders, so that justice may be established, domestic tranquillity be insured, the general welfare be promoted, and the blessings of liberty be secured to ourselves and our posterity.

Bless the Members of the Senate of the United States of America. Make them ever conscious of Thee, of the overwhelming need in these troubled times for Thy presence in their hearts and the hearts of all our inhabitants—so that through the resoluteness and dedication of this distinguished body, men the world over will look to our beloved country as the exemplar of liberty, the champion of men's rights, the unending foe of enslavement of the spirit, in whatever form it may appear, and the protagonist of Thy dominion in the affairs of men. Amen.

DESIGNATION OF ACTING PRESIDENT PRO TEMPORE

The legislative clerk read the following letter:

UNITED STATES SENATE,
PRESIDENT PRO TEMPORE,
Washington, D. C., March 25, 1954.

To the Senate:

Being temporarily absent from the Senate, I appoint HON. DWIGHT GRISWOLD, a Senator from the State of Nebraska, to perform the duties of the Chair during my absence.

STYLES BRIDGES,
President pro tempore.

Mr. GRISWOLD thereupon took the chair as Acting President pro tempore.

THE JOURNAL

On request of Mr. KNOWLAND, and by unanimous consent, the reading of the Journal of the proceedings of Wednesday, March 24, 1954, was dispensed with.

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. 8152) to extend to June 30, 1955, the direct home and farmhouse loan authority of the Administrator of Veterans' Affairs under title III of the Servicemen's Readjustment Act of 1944, as amended, to make additional funds available therefor, and for other purposes, in which it requested the concurrence of the Senate.

ENROLLED BILL SIGNED

The message also announced that the Speaker had affixed his signature to the enrolled bill (H. R. 5632) to provide for the conveyance of a portion of the Camp Butner Military Reservation, N. C., to the State of North Carolina, and it was signed by the Acting President pro tempore.

LEAVE OF ABSENCE

On request of Mr. JOHNSON of Texas, and by unanimous consent, Mr. GEORGE was excused from attendance on the sessions of the Senate because of illness.

ORDER FOR TRANSACTION OF ROUTINE BUSINESS

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

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

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

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

The legislative clerk proceeded to call the roll.

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

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

EXECUTIVE SESSION

Mr. KNOWLAND. Mr. President, if Senators are willing, I propose that we now have a brief executive session, in view of the fact that the Executive Calendar is rather short. In that way we shall be able to dispose of the Executive Calendar before the regular morning business.

So, Mr. President, I now move that the Senate proceed to the consideration of executive business, to act on nominations beginning with the new reports on the Executive Calendar.

The motion was agreed to, and the Senate proceeded to the consideration of executive business.

The ACTING PRESIDENT pro tempore. If there be no reports of committees, the clerk will proceed to state the nominations on the calendar, beginning with the new reports.

COAST AND GEODETIC SURVEY

The legislative clerk proceeded to read sundry nominations in the Coast and Geodetic Survey.

Mr. KNOWLAND. Mr. President, I ask unanimous consent that the nominations in the Coast and Geodetic Survey be confirmed en bloc.

The ACTING PRESIDENT pro tempore. Without objection, the nominations are confirmed en bloc.

POSTMASTERS

The legislative clerk proceeded to read sundry nominations of postmasters.

Mr. KNOWLAND. Mr. President, I ask unanimous consent that the postmaster nominations be confirmed en bloc.

The ACTING PRESIDENT pro tempore. Without objection, the postmaster nominations are confirmed en bloc.

Mr. KNOWLAND. Mr. President, I asfk unanimous consent that the President be immediately notified of the nominations which have been confirmed.

The ACTING PRESIDENT pro tempore. Without objection, the President will be notified forthwith.

AUTHENTICATED U.S. GOVERNMENT INFORMATION GPO

LEGISLATIVE SESSION

Mr. KNOWLAND. Mr. President, I move that the Senate resume the consideration of legislative business.

The motion was agreed to, and the Senate resumed the consideration of legislative business.

EXECUTIVE COMMUNICATIONS, ETC.

The ACTING PRESIDENT pro tempore laid before the Senate the following letters, which were referred as indicated:

PROPOSED PROVISION PERTAINING TO FISCAL YEAR 1948, TREASURY DEPARTMENT (S. DOC. NO. 109)

A communication from the President of the United States, transmitting a draft of a proposed provision pertaining to the fiscal year 1948 for the Treasury Department (with an accompanying paper); to the Committee on Appropriations and ordered to be printed.

PROPOSED PROVISION PERTAINING TO FISCAL YEAR 1954 FOR DISTRICT OF COLUMBIA (S. NO. 108)

A communication from the President of the United States, transmitting a draft of a proposed provision pertaining to the fiscal year 1954 for the District of Columbia (with an accompanying paper); to the Committee on Appropriations and ordered to be printed.

REPORT ON OVERALLOTMENT OF AN APPROPRIATION

A letter from the Acting Secretary of the Treasury, reporting, pursuant to law, of an overallotment of an appropriation in the Coast Guard (with an accompanying paper); to the Committee on Appropriations.

AMENDMENT OF COMMODITY EXCHANGE ACT, RELATING TO FEES FOR REGISTRATIONS, ETC.

A letter from the Secretary of Agriculture, transmitting a draft of proposed legislation to amend section 8a (4) of the Commodity Exchange Act, as amended (with an accompanying paper); to the Committee on Agriculture and Forestry.

EXTENSION OF PERIOD OF ELECTION UNDER UNIFORMED SERVICES CONTINGENCY OPTION ACT

A letter from the Secretary of the Navy, transmitting a draft of proposed legislation to extend the period of election under the Uniformed Services Contingency Option Act of 1953 for certain members of the Uniformed Services (with an accompanying paper); to the Committee on Armed Services.

DISPOSAL OF CERTAIN UNCOMPLETED NAVAL VESSELS

A letter from the Assistant Secretary of the Navy, transmitting a draft of proposed legislation to authorize the Secretary of the Navy to dispose of certain uncompleted naval vessels, and for other purposes (with an accompanying paper); to the Committee on Armed Services.

AMENDMENT OF UNITED STATES CODE TO MAKE IT A CRIMINAL OFFENSE TO JUMP BAIL

A letter from the Attorney General, transmitting a draft of proposed legislation to amend title 18, United States Code, to provide for the punishment of persons who jump bail (with an accompanying paper); to the Committee on the Judiciary.

TEMPORARY ADMISSION INTO THE UNITED STATES OF CERTAIN ALIENS

A letter from the Acting Commissioner, Immigration and Naturalization Service, Department of Justice, transmitting, pursuant to law, copies of orders entered in the cases of Jan Cwiklinski and No Kum Sok, relating to temporary admission into the United States of certain aliens (with accompanying papers); to the Committee on the Judiciary.

REPORT OF BOY SCOUTS OF AMERICA

A letter from the chief Scout executive, Boy Scouts of America, New York, N. Y., transmitting, pursuant to law, a report of that organization for the year 1953 (with an accompanying report); to the Committee on Labor and Public Welfare.

DISPOSITION OF EXECUTIVE PAPERS

A letter from the Archivist of the United States, transmitting, pursuant to law, a list of papers and documents on the files of several departments and agencies of the Government which are not needed in the conduct of business and have no permanent value or historical interest, and requesting action looking to their disposition (with accompanying papers); to a Joint Select Committee on the Disposition of Papers in the Executive Departments.

The ACTING PRESIDENT pro tempore appointed Mr. CARLSON and Mr. JOHNSTON of South Carolina members of the Committee on the part of the Senate.

PETITIONS AND MEMORIALS

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

By the ACTING PRESIDENT pro tempore:

Resolutions of the General Court of the Commonwealth of Massachusetts; to the Committee on Finance:

"Resolutions memorializing Congress relative to the Federal Social Security Act

"Whereas the matter of extension of Federal social security to public employees in positions covered under existing retirement systems, State and local, through the amendment of section 218 (d) of the 1950 Social Security Act, has been proposed and is now under consideraiton by the Congress of the United States; and

"Whereas the public employees now covered in existing retirement systems do definitely and unalterably oppose any detrimental change to their existing coverage and at the same time desire that provisions of some type be made to cover public employees not now covered in a retirement system: Therefore be it

"*Resolved*, That any amendments to the existing Social Security Act should provide in detail the conditions under which any such extension to public employees should be permitted; and be it further

"*Resolved*, That both active and retired members of such existing retirement systems shall be guaranteed any benefits enjoyed at the time of the enactment of such legislation without diminution or impairment; and be it further

"*Resolved*, That in case of such extension or integration, the members shall be assured that the benefits of such combined plan are equal to or better than those of the existing retirement system; and be it further

"*Resolved*, That such extension should be limited to those retirement systems in which at least two-thirds of the active members vote in the affirmative to accept a plan for coordinating their retirement system with the Federal social-security program; and be it further

"*Resolved*, That the General Court of Massachusetts hereby urges the Congress of the United States to enact legislation providing that no Commonwealth or State having a retirement system shall be required to have its employees brought under the provisions of the Federal Social Security Act, unless two-thirds of the members of the retirement system of such Commonwealth or State approves of such action; and be it further

"*Resolved*, That copies of these resolutions be sent forthwith by the State secretary to the President of the United States, to the presiding officer of each branch of Congress, and to the Members thereof from this Commonwealth."

A concurrent resolution of the Legislature of the State of Michigan; to the Committee on Armed Services:

"Senate Concurrent Resolution 21

"Concurrent resolution requesting the Air Force of the United States to establish a National Air Academy at Fort Custer and to utilize the facilities of the Percy Jones Army Hospital

"Whereas the assigned mission of the expanding Air Force today requires that it have top priority in the development of leadership and weapons within the Defense Establishment; and

"Whereas there has been under consideration for the past several years the establishment of a National Air Academy to train and educate our young men for leadership in the Air Force of the United States; and

"Whereas the establishment of such an academy is urgently in the interest of our national defense and security; and

"Whereas the Air Force is the one department of the Armed Forces within the establishment which has no institution comparable to the academies of the Army at West Point, N. Y., and the Navy at Annapolis, Md., dedicated to the special education required for its potential leaders; and

"Whereas the President of the United States of America, Dwight D. Eisenhower, has recommended the establishment of such an academy; and

"Whereas the State of Michigan, acting through a gubernatorial survey committee headed by Dr. John Hannah, president of Michigan State College, selected Fort Custer, Mich., as the No. 1 choice for the location of such an academy in Michigan; and

"Whereas Michigan is not only justly famed as the Arsenal of Democracy with great industrial resources and technical know-how, but also has within its confines the great University of Michigan and Michigan State College, together with numerous other fine schools, while such recognized institutions as the University of Chicago, Notre Dame University, the Argonne Laboratories and other institutions are almost equally available, thus creating an ideal educational and cultural environment for such an academy; and

"Whereas the State of Michigan lies in the temperature zone which is unsurpassed for contributing to human energy and intellectual achievement, and offers the best in recreation advantages as well; and

"Whereas at Fort Custer, Mich., the Federal Government now has immediately available for use all of the fort's 15,000 acres of ideally situated land, with railroad transportation and Kellogg Regional Airfield serving the area; and

"Whereas the utilization of Fort Custer would permit the Air Force Academy to be established with a minimum of expenditure of funds, and in addition the presence of Percy Jones Army Hospital, one of the Nation's finest, obviates the necessity of having more than a dispensary at the proposed academy, resulting in additional economies amounting to thousands of dollars in establishing the academy: Now, therefore, be it

"*Resolved by the senate (the house of representatives concurring)*, That the legislature, representing the people of the State of Michigan, respectfully requests the Air Force of the United States to establish a National Air Academy at Fort Custer and utilize the facilities of the Percy Jones Army Hospital; and be it further

"*Resolved*, That a copy of this resolution be transmitted to Dwight D. Eisenhower, President of the United States, to the President of the Senate and the Speaker of the House of Representatives of Congress, to the Michigan Members in the Senate and House of Representatives of Congress, and to Harold

Talbot, Secretary of the Air Force of the United States."

A letter in the nature of a petition signed by Aniceto Monge, and four other residents of Santurce, P. R., relating to the repair of Linda Vista Street in Santurce; to the Committee on Interior and Insular Affairs.

REPORT OF SELECT COMMITTEE ON SMALL BUSINESS (S. REPT. NO. 1092)

Mr. THYE. Mr. President, as chairman of the Select Committee on Small Business, I submit to the Senate the fourth annual report of the committee.

This report covers the activities, hearings, and reports and recommendations of the committee during 1953.

Since the junior Senator from Arizona [Mr. GOLDWATER] was named to our committee only a few days ago, he has naturally had no opportunity to join in the discussion of the report by the committee.

Otherwise, the report has been unanimously endorsed by all members of the committee.

I ask unanimous consent that the report be printed with illustrations.

The ACTING PRESIDENT pro tempore. The report will be received, and, without objection, will be printed with illustrations, as requested by the Senator from Minnesota.

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

Mr. THYE. I am glad to yield.

Mr. SCHOEPPEL. By reason of the time element involved during the morning hour, I merely wish to commend the Senator from Minnesota, but I wish the RECORD to show that sometime during the day the senior Senator from Kansas expects to speak to the report.

BILLS INTRODUCED

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

By Mr. BEALL:

S. 3182. A bill to authorize the issuance of a special series of stamps commemorative of the 200th anniversary of the founding of Fort Cumberland; to the Committee on Post Office and Civil Service.

S. 3183. A bill to enable certain widows of Foreign Service officers to obtain credit for prior Government service performed by such officers, for the purpose of securing the widow's annuity provided under title VIII of the Foreign Service Act of 1946; to the Committee on Foreign Relations.

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

By Mr. MARTIN (for himself, Mr. CASE, Mr. KUCHEL, Mr. BEALL, Mr. UPTON, Mr. CHAVEZ, Mr. HOLLAND, Mr. STENNIS, Mr. KERR, Mr. GORE, Mr. BURKE, and Mr. THYE):

S. 3184. A bill to amend and supplement the Federal-Aid Road Act approved July 11, 1916 (39 Stat. 355), as amended and supplemented, to authorize appropriations for continuing the construction of highways, and for other purposes; to the Committee on Public Works.

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

By Mr. BRICKER:

S. 3185. A bill to amend the Interstate Commerce Act in order to make the compliance with certain State filing requirements unnecessary with respect to mortgages, leases, equipment trust agreements, conditional sale agreements, and other instruments evidencing the mortgage, lease, conditional sale, or bailment of motor vehicles sold to or owned by certain carriers subject to such act; to the Committee on Interstate and Foreign Commerce.

By Mr. SMITH of New Jersey:

S. 3186. A bill for the relief of Kreste Fantulin; to the Committee on the Judiciary.

By Mr. HAYDEN:

S. 3187. A bill to authorize the United States of America to quitclaim all its right, title, and interest in and to certain lands in Arizona, and for other purposes; to the Committee on Interior and Insular Affairs.

By Mr. CORDON:

S. 3188. A bill authorizing the transfer of certain property of the United States Government (in Klamath Falls, Oreg.) to the State of Oregon; to the Committee on Interior and Insular Affairs.

By Mr. KNOWLAND (for himself and Mr. KUCHEL):

S. 3189. A bill providing for the conveyance by the United States to the Monterey County Flood Control and Water Conservation District, Monterey County, Calif., of certain lands in Camp Roberts Military Reservation, Calif.; to the Committee on Armed Services.

By Mr. BRICKER (by request):

S. 3190. A bill to amend section 3 of the act of January 2, 1951, prohibiting the transportation of gambling devices in interstate and foreign commerce; to the Committee on Interstate and Foreign Commerce.

By Mr. MANSFIELD:

S. 3191. A bill to outlaw the Communist Party and similar organizations; to the Committee on the Judiciary.

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

RULES OF PROCEDURE OF SENATE INVESTIGATING COMMITTEES

Mr. GILLETTE. Mr. President, I submit for appropriate reference a resolution providing for publication in the CONGRESSIONAL RECORD and also as a Senate document of any rules for the conduct of investigations which may have been or may be adopted by any Senate committee or subcommittee.

The resolution does not provide for the establishment of any such rules nor does it prescribe standards for a possible uniform code of procedure as recommended by the President and by the majority policy committee. It merely provides that such rules as are now in effect or such rules as may be adopted in the future shall be made public in the CONGRESSIONAL RECORD and in an official Senate document by the Secretary of the Senate.

The resolution requires that copies of rules governing the conduct of investigations by any Senate committee or subcommittee shall be submitted to the Secretary of the Senate within 30 days after adoption of this resolution, and thereafter once each year within 30 days after each new session of Congress begins. It also provides that any new rules or amendments or modifications of rules for the conduct of investigations shall be reported to the Secretary of the Senate within 10 days after a given committee or subcommittee adopts such rules or amendments. It further requires that the Secretary of the Senate shall have these rules and amendments published in the RECORD and also shall have them compiled at least once a year and published as a Senate document available to all interested persons.

The resolution (S. Res. 223), submitted by Mr. GILLETTE, was referred to the Committee on Rules and Administration, as follows:

Resolved, That (a) each committee of the Senate which shall have adopted rules for the conduct of investigations by such committee or by a subcommittee thereof, and each subcommittee of any such committee which shall have adopted rules for the conduct of investigations by such subcommittee, shall submit a copy of such rules to the Secretary of the Senate within 30 days after the date of adoption of this resolution and thereafter within 30 days after the beginning of each regular session of the Congress. Whenever any committee of the Senate or subcommittee thereof adopts any new rule or rules for the conduct of investigations, or makes any amendment or modification of any rule for the conduct of investigations, it shall submit a copy of such new, amended, or modified rule or rules to the Secretary of the Senate within 10 days after the date of the adoption, amendment, or modification of such rule or rules.

(b) The Secretary of the Senate shall cause to be printed in the CONGRESSIONAL RECORD all rules and amendments or modifications submitted to him under this resolution, and at least once each year shall cause such rules to be compiled and printed as a Senate document.

REDUCTION OF EXCISE TAXES—AMENDMENT

Mr. SMATHERS (for himself and Mr. HOLLAND) submitted an amendment intended to be proposed by them, jointly, to the bill (H. R. 8224) to reduce excise taxes, and for other purposes, which was ordered to lie on the table and to be printed.

HOUSE BILL REFERRED

The bill (H. R. 8152) to extend to June 30, 1955, the direct home and farmhouse loan authority of the Administrator of Veterans' Affairs under title III of the Servicemen's Readjustment Act of 1944, as amended, to make additional funds available therefor, and for other purposes, was read twice by its title and referred to the Committee on Banking and Currency.

FEDERAL COMMUNICATIONS COMMISSION LICENSE FEE SYSTEM—LETTER FROM WISCONSIN BROADCASTERS ASSOCIATION

Mr. WILEY. Mr. President, I was extremely interested to receive today from Harry D. Peck, president of the Wisconsin Broadcasters Association, a message opposing a proposal now being considered to impose license fees on the broadcast industry.

The message specifically opposes a bill in its present form, as introduced by the distinguished senior Senator from Colorado [Mr. JOHNSON], S. 2926.

I believe that the reasons carefully set forth by Mr. Peck will be of interest to my colleagues in the Senate.

I ask unanimous consent that the letter be printed in the RECORD.

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

MILWAUKEE, WIS., *March 23, 1954.*

Senator ALEXANDER E. WILEY,
United States Senate,
Washington, D. C.

DEAR SENATOR WILEY: I am writing you this letter in my capacity as president of the Wisconsin Broadcasters Association in regard to the proposal of the FCC to impose license fees on the broadcast industry. This rulemaking procedure by the FCC is strongly opposed by all broadcasters in the State. The following points are of vital importance.

1. We believe that the Congress rather than the administrative agencies should set policy on this matter.

2. That while the industry is opposed to the Johnson bill (S. 2926) in its present form which grants the right to the FCC to prescribe license fees, we believe this bill might be amended to specifically forbid the requirements of license fees for radio and television broadcasting. This would conform to the spirit of the Communication Act of 1934.

3. We would appreciate your conveying our views opposing the Johnson bill (S. 2926) in its present form to the Senate Interstate and Foreign Commerce Committee.

4. You can be particularly effective if you will advise the FCC of this opposition to the license fee principle and suggest that the FCC suspend its current rulemaking proceeding until Congress has acted on the pending legislation.

You are undoubtedly aware that the license fee matter has been raised in Congress on several occasions. It was considered at length during the formative days of the Communication Act of 1934. It has been activated several times since in specific legislative proposals. A study of the deliberations occasioned by congressional inquiries reveal several fundamental issues that run through all proceedings. These can be summed up as follows:

1. It is the will of Congress that nothing be done to afford any implications of the proprietorship in the frequencies by the licensees beyond the limits set forth in the Communication Act and for the specific periods therein established.

2. It is virtually impossible to relate the financial requirements for operating the Federal Communications Commission to a fixed set of license fees. The public interest demands that the Commission be free to conduct hearings and examine prospective licensees without regard to its capacity to maintain a self-sustaining base for these activities.

3. Any scale of license fees uniformly applied to the industry and sufficient to recoup FCC licensing expenses will actually result in a serious burden to some marginal broadcasting stations.

4. License fee formulas relating the size of the fee to the power, frequency, or gross revenue of a given facility actually result in a franchise tax rather than a license fee. In addition it has been pointed out that much of the revenue yield of such a system would be consumed in the arbitration, bookkeeping and collection operations which would be required.

5. The question has repeatedly been raised as to the discriminatory aspect of a fee applied to one segment of the mass media family as distinguished from the others. The Government's historic policy of preserving maximum freedom for the channels of the press and of speech would be altered by the interposition of a special license fee for the privilege of engaging in radio and television broadcasting.

We speak out in opposition to the license fee payment by radio and television stations on the principle that it imposes a discriminatory burden on the electronic mass media and places them at a disadvantage with their competitors in the market place of news, education and entertainment. In the United States in a manner most unique when contrasted with other parts of the world, we have championed a policy of maintaining maximum freedom for our channels of communication to the people.

Sincerely,

HARRY D. PECK,
President, Wisconsin Broadcasters Association.

AGRICULTURAL PROBLEMS—TELEGRAMS AND LETTERS

Mr. HUMPHREY. Mr. President, I just want to remind this body that 1 week from today is April 1, the day Secretary Benson proposes pulling the props out from under America's dairy industry.

Only five legislative days remain in which the Congress can and should act to avert this economic blow to a great segment of agriculture.

A choice of means is before the Agriculture Committee for warding off this disastrous slash, the simplest of which is the 4-months temporary extension which I have proposed in S. 3169 as a stop gap that doesn't commit this body to any future view on level of price supports, merely assuring that the present program shall be unchanged until our committees complete action on new farm legislation. Why cannot we at least give American dairying that much consideration?

Mr. President, I ask consent to have published in the body of the RECORD a telegram from the board of directors of the Cass Clay Cooperative Creamery in Moorhead, Minn., urging passage of this temporary extension.

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

MOORHEAD, MINN., *March 23, 1954.*

Hon. HUBERT HUMPHREY,
United States Senate:

We, the directors of the Cass Clay Cooperative Creamery, Moorhead, Minn., commend your action for extension of 90-percent support and urge that you put forth every effort for its passage. Dairy farmers cannot possibly produce dairy products at 75 percent of parity.

EDWIN MELBY,
Secretary, Board of Directors, Cass Clay Cooperative Creamery.

Mr. HUMPHREY. Mr. President, I ask consent to have published in the body of the RECORD another telegram from the Gonvick Community Club in Minnesota reflecting its unanimous stand against any lowering of price supports.

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

GONVICK, MINN., *March 23, 1954.*

Hon. HUBERT HUMPHREY,
United States Senate,
Washington, D. C.:

The Gonvick Community Club at its regular meeting held Thursday, March 18, passed the following resolution:

"*Resolved,* That we go on record as favoring no less than 100-percent parity for the basic farm commodities. This is essential, because there must be provided adequate price and income protection to the producer if we are to reach the goal of agricultural equality with the rest of the economy. We do not favor the present proposed flexible-price-support system. We urge continuation of production control and continuation of the soil-conservation program."

THE GONVICK COMMUNITY CLUB,
WILLIAM MCCRADY, *President.*

Mr. HUMPHREY. Mr. President, I also ask consent to have published in the body of the RECORD a letter from Charles L. McLaughlin, president and general manager of the Minowa Producers, Inc., producers of feeder pigs and purebred durocs at Ortonville, Minn., and an accompanying copy of Mr. McLaughlin's letter to Wheeler McMillen, editor in chief of the Farm Journal, protesting against Secretary of Agriculture Benson's policies.

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

MINOWA PRODUCERS, INC.,
Ortonville, Minn., March 20, 1954.

Senator HUBERT H. HUMPHREY,
United States Senate,
Washington, D. C.:

DEAR SENATOR HUMPHREY: Am enclosing a copy of a letter which I am sending to Mr. Wheeler McMillen, editor in chief of Farm Journal, which I thought you might be interested in. Farm Journal sometimes reads like the Wall Street Journal, so far as we are concerned.

Sincerely yours,

CHARLES L. MCLAUGHLIN.

MARCH 20, 1954.

Mr. WHEELER MCMILLEN,
Editor in Chief, Farm Journal, Washington Square, Philadelphia, Pa.

DEAR MR. MCMILLEN: About a year ago you wrote to me in answer to a letter I had written to Ray Dankenbring, stating that you thought we'd ought to let the new administration have a reasonable time to make its record before we go after them very hard. I believe the administration have now had that time, and they have also well demonstrated the path they plan to take, to the sorrow of most small family-type farmers. So let's look at Secretary Benson's record.

He has repeatedly stated that he would return farm programs to the "grass roots" for administration and control. In the past, farmers of Big Stone County, Minn., have selected the practices they thought most necessary in the conservation portion of the PMA program. This year the docket was sent out from St. Paul, telling us what our program would be. The "grass roots" had no choice in this program. True, the program is similar to those in the past, but the St. Paul office added the stipulation that to qualify for new seeding payments, a minimum of 60 pounds of available phosphorus must also be applied. I'm not saying that new seedings shouldn't be fertilized, but it does appear that the fertilizer industry had a great deal more to say about the program than Big Stone County farmers, and the program has departed from the "grass roots."

Secretary Benson reduced dairy supports by 15 percent, the maximum allowed by law, at a time when agriculture was already in financial trouble. At the same time, the Post Office Department requested wage increases amounting to some $500 million a year, and President Eisenhower asked for wage increases to Government workers. As you know, the second-class mail (to mail Farm Journal) costs the taxpayer in the neighborhood of 2½ times what the farm-support program has cost. If farmers must take cuts in income, let's all take them; industry, labor, Farm Journal, and Government workers alike.

But the prize Benson program was when he appeared before the Senate Agriculture

Committee in January and told them that farm-support prices have cost the Government $14 billion in the last 25 years, when it has actually cost some over $1 billion. This from the Secretary of Agriculture. And it's a funny thing, Benson's appearance before the committee evidently had enough news value to make the front page of the Minneapolis paper, but when Senator YOUNG made an honest man of him, that did not have news value. And so far as I know, the true cost of the price-support program has not yet appeared in any of the large newspapers in this area. I thought surely this story would be of interest to Farm Journal readers, but evidently you thought not. Here we have a specific example of our representative in Government, deliberately attempting to turn the consumer against the farmer, and he partially succeeded. We would be far better off with no representation at all. Brother Benson is killing us with kindness.

Another thing Mr. McMillan. Remember how Brannan was criticized for trying to sell a farm program? He was told, by the press, that his job was to administer whatever program Congress presented him with, and not to sell a program to the voters. I think you'll agree with me that Benson is outdoing Brannan in this respect, in his attempt to shove flexible supports down our throats. Let's be a little critical of him for this.

I think that you will agree that by now Secretary Benson has made a record, and the public, especially farmers, should know what it is. Farm publications have been especially generous to "sugar beet" Benson; not one of them brought his January appearance before the Senate Agriculture Committee to the attention of its readers. I think it's a long time past to stop patting Ezra Taft Benson on the back, and start kicking him a little lower.

Sincerely yours,

CHARLES L. MCLAUGHLIN.

Mr. HUMPHREY. Mr. President, perhaps I can shed some light for Mr. McLaughlin on why the Farm Journal seems more concerned with protecting Secretary Benson than in protecting the farmers it is supposed to serve.

Mr. McMillen's son happens to be a public relations adviser on Secretary Benson's staff, one of the many he has drafted since taking office to try and help sell his ideas to the country. Need more be said?

I wish to repeat what I said a few days ago. The Secretary of Agriculture has the chance of his lifetime to do justice and equity to the farm producers of the United States. His time is running out, and he will be held strictly accountable by the thousands and thousands of decent, hardworking farmers in the Nation if he does not take the remedial action which we have every right to expect him to take. I shall not stand idly by in the Senate and permit any action of our Government to cut the heart out of the farm income received by the farmers of the country.

ANNIVERSARY OF GREEK INDEPENDENCE

Mr. JOHNSON of Texas. Mr. President, I do not believe we should allow this day to pass without devoting some observance to this great anniversary of freedom. March 25 is Greek Independence Day—the anniversary of the occasion upon which that great nation regained the independence it had lost for so many centuries.

We of the Western World owe much to the Greeks. To this day, the thoughts of such men as Aristotle, Plato, and Euclid still affect our daily lives and habits of thought. The culture of ancient Greece is still in many respects a model for the modern world. The Greeks have lived by their ancient and honorable traditions. They have resisted the tyrannies of nazidom and the tyrannies of communism, and no amount of suffering has swayed them from their devotion to liberty.

All of us can celebrate this great day which marks the restoration to independence of the cradle of western civilization.

Mr. GREEN. Mr. President, it is with a great sense of satisfaction that I extend my congratulations to the people of Greece and to my fellow Americans of Greek descent, on this anniversary of Greek Independence Day. When, in 1821, Greece won her independence, liberty returned to the land which had given it birth.

Modern Greece sang a new hymn of liberty. This was literally true, in that Dionusios Solomos gave eloquent expression to it in his long poem entitled, "A Hymn to Liberty." My father, who was a Greek scholar, translated it into English, and I recall one verse which seems especially appropriate here and now:

Sprung from hero bones that, scattered,
Hallow every Grecian vale;
With thy pristine soul unshattered,
Spirit of freedom, hail, all hail.

At the completion of the war for independence, Greece appealed to the United States for aid. This appeal was answered promptly. We Americans felt privileged to lend our support to the people who first had formulated the principles of democracy.

But Greece did more than evolve the idea of democracy. Throughout the centuries Greece fought courageously for the preservation of democracy. From the time when the men of Athens waged war against tyranny, down through the Greeks' stand against nazism and communism, in our own day, Greece has set an outstanding example of bravery.

Today, Greece is a moral and physical bulwark in the struggle against Soviet imperialism. Once again we Americans can take pride because we were able to help the people of Greece, through a program of military, economic, and technical assistance.

The strength Greece regained in a miraculous recovery after the holocaust of the last World War gives courage to all the nations of the West. Nowhere else in the world has the aid we have extended paid such rich dividends. Those of us who have had the opportunity to observe the great contributions of Greek immigrants to this country are not surprised by that fact. Americans of Greek descent, applying the courage and industry which are a part of their heritage, have figured prominently in all phases of the development of the United States. I take this occasion to reaffirm our determination that, with our help, Greece shall also develop until her people can enjoy the full measure of prosperity, and that our two nations shall always be bound by the friendship which in the past has been, and will continue to be, of such great benefit to both of us.

I should like to conclude these brief remarks by quoting another inspiring verse from Solomos:

Think of how your faith was plighted,
Of how much remains to do;
Ever, if ye stand united,
Ever victory follows you.

Mr. IVES. Mr. President, today, March 25, we all join in commemorating the 133d anniversary of the independence of Greece, our firm friend and ally in the struggle against totalitarianism. I have prepared a statement for this occasion, and I ask unanimous consent to have it printed in the body of the RECORD following my remarks.

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

STATEMENT BY SENATOR IVES ON THE OCCASION OF THE 133D ANNIVERSARY OF THE INDEPENDENCE OF GREECE, MARCH 25, 1954

Once again it is my privilege to greet and congratulate those of my fellow citizens who trace their ancestry to the shores of Greece.

All of the free world owes an incalculable debt to Greece. It is a debt that can be traced back to the earliest glories of that nation—an era that gave the world so much of its culture, its art, its philosophy, its literature. The glory that was Greece has indeed become through the centuries the glory of the entire human race.

And in modern times, too, Greece has been able to inspire humanity. Though communism blazed at its very borders, Greece clung indomitably to its beliefs in the independence and in the dignity of man. It has never been afraid to fight for freedom. And while it fought for freedom it never allowed itself to be terrorized by greater odds.

We in America are proud of the fact that we were able to lend Greece support against such odds. The Greek people know that this country is a friend and ally which will never flinch in the common struggle to establish human liberty everywhere on this earth. When we observe Greece's day of independence, as we do on this March 25, we observe a day which is significant and symbolic of freedom the world over.

Mr. THYE. Mr. President, I wish to join my colleagues in paying tribute to Greece. In Minnesota we have many outstanding businessmen who came from Greece, and we are very proud of their accomplishments in our State.

Mr. HUMPHREY. Mr. President, the 133d anniversary of Greek independence is a fitting occasion to pay tribute to a proud and determined people which today upholds the cause of democracy and freedom on the Balkan Peninsula just as it did more than 2,000 years ago. After having suffered both Nazi-Fascist and Communist terror, Greece is today gradually inching its way forward to the goal of achieving economic and political stability within the democratic framework.

As Americans we can proudly say that we have helped make it possible for Greece to be free today. It was the courage of the former President Harry S. Truman, his determination not only to talk against Communists but to fight them where it really counted, that preserved the freedom of Greece against Soviet aggression. When many Americans were too complacent to concern themselves with the gathering storm on the international scene, Harry Truman

saw the danger. He called the Congress into special session late in 1947 to propose the now famous Truman doctrine. This was the step that alerted our country to the Communist danger and ultimately stopped the Soviet aggressor.

Thus Greece is free today, free to celebrate its Independence Day in the very country in which the democratic form of government was first evolved, and on this occasion it is appropriate for us to extend our felicitations to the descendants of the people from whom the Western World has derived so much of its heritage.

Mr. LEHMAN. Mr. President, today is the 133d anniversary of Greek independence in 1821 and the rebirth of that great and glorious nation. Throughout the 133 years the courageous people of Greece have constantly and nobly defended their liberties. As fighters for freedom and liberty in the world, they have earned our high admiration and heartfelt gratitude.

At this point, I ask unanimous consent to have printed in the body of the RECORD, in connection with my remarks, a statement by myself on this subject.

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

STATEMENT BY SENATOR LEHMAN

Today we celebrate the anniversary which must stir the heart and soul of every free man everywhere in the world. This is the 133d anniversary of Greek independence—of the rebirth of the great nation of Greece, whose past glories were, by the great events of 1821, given lineal continuity in the modern Greek nation.

All free men everywhere must be aware of the basic legacy which they have inherited from the ancient struggles and achievements of the Greek people. Wherever free men gather they must recall the courage and sacrifice of Leonidas at Thermopylae, the great ideological contributions of Plato and Socrates, and the great achievements in statecraft of Theseus and Pericles.

One hundred and thirty-three years ago the Greek people, armed with these great traditions, recaptured their independence. In very recent years they had to struggle again to regain and retain that independence and that freedom. Again, the people of Greece stood fast against the gathered forces of tyranny, and again they held firm. Today, the people of Greece, as acknowledged allies of the United States, stand guard on the borders of the Soviet Union. We are proud that we were able to assist in their historic victory of 1947–51 through the military-aid program and the Marshall plan. In more recent months we have been able to assist in the rehabilitation of Greece through the point 4 program. I believe firmly that we must continue to work with the Greek people in our mutual-aid programs.

We have another obligation to the valiant people of Greece which we have not fulfilled, and which we in the United States must rectify. I speak now of our immigration laws.

The McCarran-Walter Immigration Act allocates a pitifully small quota for individuals born in Greece desiring to come to the United States. The annual quota is only 310—and half of that number is mortgaged until the year 2013. This means that immigration from Greece is cut down to a trickle and reserved to those with a very high priority who have long been on the waiting list.

This disgraceful treatment of the Greek people is a result of the national origins quota system of the McCarran-Walter Act. I believe that all Americans must dedicate themselves to the elimination of this system which is an affront to the very concept of Americanism and an insult to our allies and friends throughout the world. We must replace the national origins quota system and the entire McCarran-Walter Act with a just and humane law that will reflect the great American traditions of justice, equality, and humanity for all peoples.

I had hoped that the Refugee Relief Act of 1953 would, in some small part, counteract the worst features of the McCarran-Walter Act and extend some additional immigration quotas to the Greek peoples. My hopes were not well founded. This emergency measure has so far turned out to be unworkable. In the first 8 months of its operation only 7 persons out of an overall authorization of 211,000 have been admitted to the United States. Unless the unworkable features of the Refugee Relief Act are removed, it will turn out to be a fraud not only upon the American people, but also upon our friends throughout the world.

On this anniversary of Greek independence, I wish to repledge my efforts to Americans of Greek descent, and to the people of Greece who are so fundamentally concerned with the operation of our immigration laws, to continue to work for the revision and liberalization of these laws.

Mr. DOUGLAS. Mr. President, I ask unanimous consent to have printed in the RECORD a statement by me in tribute to the Greek people.

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

STATEMENT BY SENATOR DOUGLAS

I want to pay tribute today to one of the great peoples of the world, the Greeks. Though a small nation, no peoples have had a more brilliant history than the Greeks in the sciences, arts, letters, and in government.

Today is the 133d anniversary of Greek independence. After centuries of oppression under tyrannical rule, it was in 1821 that the Greeks threw off the yoke of the Ottoman Turks and proclaimed their independence. The Greeks have always fought bravely for freedom and independence. They fought brilliantly in World War II, and emerged once again from subjection into the bright light of freedom. Communism, with the Greeks again fighting bravely, met its first real setback on this great little peninsula.

Who has not read and thrilled at the great plays of Aeschylus, Euripides, Sophocles, and the comedies of Aristophanes; the logic and wisdom of Plato and Aristotle; the histories of Thucydides and Xenophen. In the art of sculpture the Greeks have never been excelled.

To attempt to catalog the living stream of wondrous thought, arts, and sciences that has come down to us today from the people of Greece would be impossible in this place. Libraries of history will forever testify to their contributions to the human race. Moreover, they knew freedom—the freedom of debate and popular government—before the Western World had dreamed of such a radical innovation. It is not without cause that scholars have argued that man's Golden Age was achieved in Greece.

I am sure we all feel in our hearts thanksgiving for the great contributions of this noble race. And that we pray that Greece will continue to celebrate her anniversaries of independence in peace and in freedom.

THREE HUNDRED AND TWENTIETH ANNIVERSARY OF THE FOUNDING OF MARYLAND — ISSUANCE OF SPECIAL STAMPS COMMEMORATIVE OF THE 200TH ANNIVERSARY OF FOUNDING OF FORT CUMBERLAND, MD.

Mr. BEALL. Mr. President, the State of Maryland today celebrates the 320th anniversary of the founding of the Free State.

Three hundred and twenty years ago, exactly 320 men arrived at St. Clement's Island aboard the Ark and the Dove. Their crossing had been a dangerous one, in fact, almost disastrous. Those 320 men—history does not record the exact number of women with them—had fled England in order to establish in the New World a colony where they might worship as they pleased. The little group included members of both the Catholic and Protestant faiths.

When they arrived at St. Clement's Island, they established what was to become the State of Maryland, but they also created something even greater, and which had a marked effect on the future of the New World. They had come to this country so that they might follow the religion of their choice; but, contrary to the prevailing practice of those days, these colonists, while the majority were Catholics, did not insist that all those who lived in the new colony should be Catholics. For the first time, a society permitted a man to worship as his conscience dictated; and the Maryland Charter thus established the religious freedom which later was to be written into the Constitution of this great Nation.

Those 320 men created the spirit and the legal basis for the religious freedom now enjoyed by the 160 million people of this country. That was the most significant contribution which Maryland colonists made to this Nation.

However, during its history of 320 years the State of Maryland has added much to the welfare and progress of the Nation, and, in fact, can be said to have twice saved the United States.

The first time, it is reported, was during the Revolution, when a small battalion of Marylanders fought the Battle of Brooklyn. It will be recalled that the army of General Washington had been fairly well routed by the British. The little group of Marylanders acting as a rear guard held off the British until General Washington could evacuate his troops and regroup them. Had those Marylanders failed, it is almost a certainty that the colonists would then and there have lost the Revolutionary War.

The second time Maryland saved the Nation is said to have been during the War of 1812, when Marylanders defended Baltimore against a 3-day amphibious attack, which has been called "one of the decisive battles of the modern world."

Maryland's 320 years record many other historic events which helped shape this Nation. Because of the great contribution Maryland has made, because of our State's illustrious history, we

Marylanders proudly celebrate the anniversary of the founding of a great State.

Mr. President, I introduce for appropriate reference a bill to authorize the issuance of a special series of stamps commemorative of the 200th anniversary of the founding of Fort Cumberland. I am introducing this bill on a very appropriate day, which is Maryland Day, the 320th anniversary of the founding of the great Free State of Maryland, to which I have just addressed myself.

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

The bill (S. 3182) to authorize the issuance of a special series of stamps commemorative of the 200th anniversary of the founding of Fort Cumberland, introduced by Mr. BEALL, was received, read twice by its title, and referred to the Committee on Post Office and Civil Service.

FEDERAL-AID HIGHWAY AUTHORIZATIONS

Mr. MARTIN. Mr. President, I introduce a bill providing Federal-aid highway authorizations for the fiscal years 1956 and 1957. This bill is cosponsored by the following members of the Committee on Public Works:

The Senator from South Dakota [Mr. CASE], the Senator from California [Mr. KUCHEL], the Senator from Maryland [Mr. BEALL], the Senator from New Hampshire [Mr. UPTON], the Senator from New Mexico [Mr. CHAVEZ], the Senator from Florida [Mr. HOLLAND], the Senator from Mississippi [Mr. STENNIS], the Senator from Oklahoma [Mr. KERR], the Senator from Tennessee [Mr. GORE], the Senator from Ohio [Mr. BURKE], and myself. I ask to have the name of the Senator from Minnesota [Mr. THYE] added to the list of sponsors.

The bill (S. 3184) to amend and supplement the Federal-Aid Road Act approved July 11, 1916 (39 Stat. 355), as amended and supplemented, to authorize appropriations for continuing the construction of highways, and for other purposes, introduced by Mr. MARTIN (for himself and other Senators), was received, read twice by its title, and referred to the Committee on Public Works.

Mr. MARTIN. The bill represents hours of hard work by all members of the committee and particularly by the able and distinguished chairman of the Subcommittee on Public Roads, the Senator from South Dakota [Mr. CASE].

The Committee on Public Works agreed to report this bill, providing for continuation of Federal highway aid after extensive hearings and study. I think all members of the committee are very deeply concerned over the condition of our highways today. We know that our highway network is one of the principal transportation arteries which carry the lifeblood of American progress and prosperity. For many years our highways have not kept pace with traffic needs. We cannot afford to neglect them any longer.

The committee considered requests for Federal participation in highway improvement ranging from the current authorization of $712,500,000 up to $2,200,000,000 per year. The State and local governments have been stepping up their annual highway expenditures steadily. We were asked to give more consideration to the fact that the Federal Government is now collecting excise taxes on gasoline and automotive equipment in a total amount of more than three times the Federal contribution for highway improvement.

The total cost of completing the deficiencies in the Federal-aid system is a little more than $35 billion. Roughly half of this amount, or $17½ billion, would be the Federal Government's share under existing law. It was evident that the new authorizations must be stepped up if we are ever to bring our highways up to a reasonable state of improvement. Most members of the committee agreed with this view. The bill as approved by the committee provides for increasing the Federal contribution to a total of $1 billion per year for the fiscal years 1956 and 1957. This is still less than half of the annual collections from automotive taxes and is about equivalent to current collections for taxes on gasoline and oil alone.

I think this bill represents a realistic approach which will stimulate all authorities responsible for highway improvement toward greater progress and a quicker realization of the further benefits that will come with adequate highway facilities.

I have prepared a summary of the amounts recommended in the new bill together with a comparison of the amounts in existing law and in the bill recently passed by the House. I ask unanimous consent to have this summary printed at this point in my remarks.

Mr. McCLELLAN rose.

The ACTING PRESIDENT pro tempore. Is there objection to the request of the Senator from Pennsylvania? The Chair hears none, and the table may be printed in the RECORD, as requested.

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

Mr. MARTIN. I yield.

Mr. DOUGLAS. I ask the eminent Senator from Pennsylvania whether the authorization which is proposed is $1 billion a year for 2 years, or a total of $1 billion.

Mr. MARTIN. It is $1 billion a year.

Mr. DOUGLAS. Or a total of $2 billion?

Mr. MARTIN. A total of $2 billion.

Mr. DOUGLAS. How does that compare with the amounts appropriated in past years?

Mr. MARTIN. It is about 33½ percent above any appropriation heretofore made.

Mr. DOUGLAS. I ask the Senator how he can reconcile this proposed increase in appropriations with the declaration of the administration and of Republican leaders that the budget must be balanced.

Mr. MARTIN. I did not intend to get into a discussion of that subject, but for 50 years, as I have stated, I have favored greater appropriations for national defense. I would cut national defense appropriations and foreign aid to the point where we could reduce taxes and balance the budget, and also make increased appropriations for highway construction. It will require almost 10 years, even at the present rate of appropriations, to bring the roads of the United States up to the standard on which they should be right now. We are adding more than 3 million motor vehicles to the roads every year.

The ACTING PRESIDENT pro tempore. The time of the Senator from Pennsylvania has expired.

Mr. McCLELLAN. Mr. President, reserving the right to object, the Senator from Pennsylvania made a unanimous-consent request which was not granted.

The ACTING PRESIDENT pro tempore. What was the unanimous consent request?

Mr. MARTIN. I asked unanimous consent that a table which I presented, showing the amounts recommended in the new bill, together with a comparison of the amounts under existing law and in the bill recently passed by the House be printed in the RECORD.

The ACTING PRESIDENT pro tempore. That request was granted. There was no request for an extension of time.

Mr. BRICKER. Mr. President——

The ACTING PRESIDENT pro tempore. The Senator from Ohio is recognized.

Mr. McCLELLAN. Mr. President——

The ACTING PRESIDENT pro tempore. Does the Senator from Ohio yield to the Senator from Arkansas?

Mr. McCLELLAN. Mr. President, a parliamentary inquiry.

The ACTING PRESIDENT pro tempore. The Senator will state it.

Mr. McCLELLAN. I have been on my feet all through this discussion, trying to obtain recognition. I was on my feet before the unanimous-consent request was granted.

The ACTING PRESIDENT pro tempore. The Senator from Arkansas does not have the floor.

Mr. McCLELLAN. I was on my feet addressing the Chair from the moment the Senator from Pennsylvania used the words "unanimous consent." I did not hear the request acted upon.

The ACTING PRESIDENT pro tempore. The unanimous-consent request had been granted by the Chair.

Mr. McCLELLAN. It may have been, but if a Senator is on his feet addressing the Chair and seeking recognition——

The ACTING PRESIDENT pro tempore. The power of recognition rests with the Chair.

Mr. McCLELLAN. Mr. President——

Mr. JOHNSON of Texas. Mr. President, in the light of the circumstances, I ask unanimous consent that the action by which the unanimous-consent request was agreed to be vacated.

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

Mr. McCLELLAN. Mr. President, reserving the right to object—and I shall not object—I wish to commend the able

Senator from Pennsylvania and his committee for the action they have taken. I also wish to ask a question or two about the bill. I congratulate and commend the Senator and his committee. For years we have not been appropriating adequate funds for Federal highway construction. Having received information that the Senator's committee had acted as he has indicated on the bill referred, I invite the attention of the able Senator from Pennsylvania and other Senators to the fact that yesterday afternoon I submitted an amendment, which I expect to call up today, to the pending bill, to hereafter freeze the revenues from taxes on gasoline and fuel oil for the purpose of highway construction only.

In line with the recommendations of the able Senator's committee, I trust the Senate will adopt the amendment which I have proposed to the pending bill. It does not increase the taxes and it does not lower the taxes. However, it recognizes the seriousness of the highway problem. By adopting my amendment we can make sure that hereafter the Federal gasoline taxes and the Federal fuel taxes which are now imposed shall be made available only for the purpose of constructing highways.

I merely wished to call to the attention of the Senate the amendment which I shall offer to the pending bill later today, so that Members may be thinking about it in the meantime. If the committee of the Senator from Pennsylvania is correct and has acted wisely in taking its present position, as reflected by the bill just reported by the Senator from Pennsylvania, Congress can go one step further and insure that that program will be carried out.

I thank the Senator from Ohio.

The ACTING PRESIDENT pro tempore. Is there objection to the unanimous-consent request of the Senator from Pennsylvania?

Mr. JOHNSON of Texas. Mr. President, I thank the distinguished senior Senator from Ohio [Mr. BRICKER] for his usual courtesy.

The ACTING PRESIDENT pro tempore. Is there objection to the unanimous-consent request of the Senator from Pennsylvania?

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

Comparative data on highway authorization bills for fiscal 1956 and 1957

Types	Present law, fiscal 1954 and 1955	H. R. 8127 as passed by House	Senate committee bill
Federal-aid systems:			
Primary (45 percent)	$247, 500, 000	$270, 000, 000	$342, 000, 000
Secondary (30 percent)	165, 000, 000	180, 000, 000	228, 000, 000
Urban (25 percent)	137, 500, 000	150, 000, 000	190, 000, 000
Subtotal	550, 000, 000	600, 000, 000	760, 000, 000
Interstate system	25, 000, 000	200, 000, 000	150, 000, 000
Total Federal-aid systems	575, 000, 000	800, 000, 000	910, 000, 000
Federally built roads on or to federally owned or controlled lands:			
Forest highways	22, 500, 000	22, 500, 000	25, 000, 000
Forest roads and trails	22, 500, 000	22, 500, 000	25, 000, 000
Park roads and trails	10, 000, 000	10, 000, 000	12, 500, 000
Indian roads	10, 000, 000	10, 000, 000	12, 500, 000
Parkways	10, 000, 000	10, 000, 000	12, 500, 000
Public lands	2, 500, 000		2, 500, 000
Totals	77, 500, 000	75, 000, 000	90, 000, 000
Grand total for highways in United States	652, 500, 000	875, 000, 000	1, 000, 000, 000

Mr. THYE subsequently said: Mr. President, I wish to commend the Senator from Pennsylvania [Mr. MARTIN] for having introduced a bill relating to Federal aid in the construction of State highways. Our national highways must be improved. Far too many casualties occur on our highways because they are not in a safe condition. For that reason I am happy to have the privilege of joining with the Senator from Pennsylvania in the introduction of the bill.

Subsequently,

Mr. CASE, from the Committee on Public Works, to which was referred the bill (S. 3184) to amend and supplement the Federal-Aid Road Act approved July 11, 1916 (39 Stat. 355), as amended and supplemented, to authorize appropriations for continuing the construction of highways, and for other purposes, reported it without amendment, and submitted a report (No. 1093) thereon.

PROTECTING AMERICA'S HERITAGE OF FREEDOM

Mr. BRICKER. Mr. President, I wish to invite the Senate's attention to a handsome brochure prepared by the Mosler Safe Co. of Hamilton, Ohio, and entitled "Protecting America's Heritage of Freedom."

This beautiful publication contains facsimile reproductions of the three basic charters of American freedom—the Declaration of Independence, the Constitution of the United States, and the first ten amendments to the Constitution known as the Bill of Rights. The publication summarizes the history of each of our precious charters of freedom. In addition, the story is told of the exhibition and safekeeping of these priceless documents from 1776 to the present time.

It is particularly appropriate at this critical time in our history to find available for wide distribution such a splendid reproduction of America's birth certificates. Too many of our schools today place primary emphasis on new international charters, declarations and covenants. While no reasonable person would deny the value of such instruction, it must never be permitted to obscure the most magnificent and the most practical plan ever devised for maintaining inviolate the God-given and inalienable rights of man. The religious concept of freedom stated in the Declaration of Independence, legally embodied in the Constitution, and further protected by the Bill of Rights must always be held paramount to all other political documents.

It is a source of special pride to me that an Ohio company was chosen to provide for the physical security of our country's three most treasured documents. When these documents are not on display in the National Archives, or in case of emergency, they are lowered into a specially designed 50-ton safe constructed at Mosler's plant in Hamilton, Ohio. To the management and employees of the Mosler Safe Co., my sincere congratulations for the excellence of their work in securing the physical safety of America's irreplaceable documents. More important, those security precautions reflect a common determination to guard the principles no less vigilantly than the parchment.

THE CONSTITUTION AND THE SUPREME COURT

Mr. BUTLER of Maryland. Mr. President, yesterday, from the Committee on the Judiciary, I reported Senate Joint Resolution 44, proposing an amendment to the Constitution of the United States, relating to the composition and jurisdiction of the Supreme Court of the United States. I am the sponsor of the joint resolution.

In the January 1954 issue of the Insurance Counsel Journal there appears a very excellent article entitled "The Constitution and the Supreme Court," which discusses the resolution and urges its adoption. It is written by Mr. Henry W. Nichols, member of the standing committee on jurisprudence and law reform of the American Bar Association.

I ask unanimous consent that the article be printed in the RECORD at this point as a part of my remarks.

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

THE CONSTITUTION AND THE SUPREME COURT

(By Henry W. Nichols, member of the standing committee on jurisprudence and law reform of the American Bar Association)

The inspired leadership of our forefathers put together age-old principles to form a constitutional government for freemen, such as the world had never known. The built-in checks and balances established in and between our executive, legislative, and judicial branches is one of our great heritages. Every lawyer has an abiding faith in our triune form of government and is jealous of its preservation. Every lawyer worthy of the great traditions of his office has a deep affection for the Supreme Court of the United States and is gravely concerned with what happens, not only to that august tribunal but to our entire judicial system. It is with this in mind that attention is brought to a proposed amendment to the Constitution of the United States which would affect the personnel and jurisdiction of the Court. It arose from the attempt to pack the Supreme Court and, among other things, would fix permanently the number of justices. The proposed amendment has for its purpose the preservation of the efficiency and independence of the Court. The Supreme Court is not now constituted in the manner in

which most people of the country believe it to be.

This proposed amendment is now before Congress in a joint resolution of the Senate and House of Representatives.[1] While it has been in the making for several years and has been debated and approved by the American Bar Association[2] and by several prominent local bar associations,[3] the proposed amendment is not generally known. Most lawyers who have given the subject thoughtful consideration favor the proposed amendment. The matters involved are not political but are fundamental. I feel confident that bar associations everywhere will support it when it has been properly presented.

The first official hearing upon the proposed amendment was held in Washington on January 29, 1954, before the Subcommittee on the Constitution of the Senate Judiciary Committee. This hearing was given publicity by the press and it is expected that from here on the proposed amendment will be more and more before the public. It is expected that before long the proposed amendment will be weighed by the full Judiciary Committees of the Senate and House. Lawyers will debate its merits. Therefore, it is timely that the International Association of Insurance Counsel bring it to the attention of the readers of its journal.

There is nothing presently immutable about the number of Justices who constitute the United States Supreme Court. By legislation, Congress may fix the number of Justices at 15 or even 21, should it ever see fit to do so. Presently the Court consists of a Chief Justice and eight Associate Justices. The number of Associate Justices has in the past been changed a number of times. "From its number of 5 in the original Judiciary Act of 1789, it had been increased to 6 in 1807, to 8 in 1837, and to 9 in 1863. An act of 1866 would have reduced the Associate Justices to 6 but before sufficient vacancies had occurred thus to reduce the Court, the act of 1869 was passed, which reconstituted the Court with a Chief Justice and 8 Associate Justices, as it remains at present."[4] No doubt, a variety of considerations, political and otherwise, prompted the Congress from time to time to alter the number of Justices constituting the Court. The expansion of our western frontier and the establishment of new circuits resulting in an increased volume of litigation coming before the Court were contributing factors. Historians tell us that political considerations arising out of the emotional issue of slavery had their effect. The desire to influence the Court's position with respect to slavery and the collateral questions flowing therefrom probably induced some in Government to seek changes in the number of Justices.[5] The 1866 act was enacted to prevent President Andrew Johnson from having the opportunity to make appointments as vacancies might occur and thereby perpetuate his ideas on reconstruction in Supreme Court decisions. With Johnson out of office the Court was again increased to a Chief Justice and eight Associate Justices, as it remains at present.

The omission of the Constitution to fix the number of Justices of the Supreme Court has been characterized as "a weak point, a joint in the Court's armor through which a weapon might some day penetrate."[6] We are told that this constitutional omission is impressive because the intention to secure the independence of the judiciary was clearly expressed in the Constitution by the provisions that the President was not permitted to remove Justices, nor Congress to diminish their salaries.

In any period of unrest and of conflicting political, economic, and social ideas, the law and the courts that administer it are peculiarly the target of attacks by enemies both within and without the country.[7] It is easy to find loopholes in the Constitution through which other hostile attacks could be made without violating the letter of the Constitution.

We are all familiar with the attempt in 1936–37 to "pack" the Court. The bar of the country was shocked into vigorous action by this attack upon the Supreme Court at the point where James Byrce thought that it was vulnerable. Although 16 years have elapsed since the New Deal court-packing plan was suppressed, the memory of this hard fought battle is fresh in the minds of lawyers and there is always danger that sooner or later similar attacks from without may be made upon our Supreme Court. We, as lawyers, can take justifiable pride in the fact that great lawyers had a major part in establishing this triune Government and that lawyers have closely watched over its developments. At times we may have seemed indifferent or to lack in providing needed leadership for which our profession is so qualified, but worthy lawyers have never failed to stand shoulder to shoulder as a formidable phalanx when serious attacks have been made upon our Government or any one of its three great divisions.

It is disturbing to contemplate the thin margin by which the most recent major assault upon our Supreme Court was repelled. The 1936–37 court-packing plan, disguised as a plan to replace the "nine old men," was defeated largely because it became evident during the bitter controversy that the normal processes of time soon would accomplish the desired result through deaths and retirements. This proved to be the case.

No political controversy now exists among the executive, legislative, and judicial branches of our Government which could cause this proposed amendment to be the subject of political party passions. It is approved by both prominent Republicans and Democrats. Those who have studied the proposals believe that basically they are noncontroversial. Some slight revisions are expected in the language of the joint resolution as originally introduced. The protection of the jurisdiction of the Supreme Court is of vital concern, and if this proposed amendment is worthy of adoption there would seem to be no reason to delay it until the subject again becomes one of peculiar urgency.

Senator JOHN MARSHALL BUTLER of Maryland introduced the proposed amendment into the Senate on February 16, 1953, and in his introductory speech made a statement which may well become an American classic when he said: "Wherever courts suffer invasion of their independence, law ends."

The judiciary must, at all times, be free from executive or legislative control. This proposed amendment seeks to protect an independent judiciary from the executive and legislative branches of our Federal Government, which sometime again may endeavor to penetrate the constitutional loopholes which expose the Court to possible interference and undue restraints. This joint resolution is designed to plug three constitutional loopholes and, in addition, would provide for an age limit for Justices in active service.

The proposed amendment would affect the Supreme Court in these four ways: (1) It would fix the number of Justices at nine. (2) It would make their retirement compulsory at age 75 with full emoluments of office. (3) It would render the Justices ineligible to become President or Vice President within 5 years after leaving the bench. (4) In cases arising under the Constitution it would remove from the Congress its present power to impair the appellate jurisdiction of the Supreme Court.

The suggested amendment has the clarity and simplicity that is found in the original phraseology of the Constitution. It is confined to the governmental framework to which the Constitution is and should be so largely devoted.

COMPULSORY RETIREMENT FOR AGE

Before we consider the three loopholes we will treat of the fourth element which is the age limitation. It is true that some most distinguished work in the Supreme Court has been done by Justices over 75 years of age whose faculties were unimpaired and whose wisdom had been enriched by long experience. There have been instances where adverse criticism justly has been brought upon the Court by aging Justices. One of our outstanding authorities on standards of judicial administration is firmly convinced that the age limit of judges generally should be 70. The view has been expressed by many authorities, including former Justices themselves who had passed the age of 75 years, that it would be well to require Justices to retire upon attaining that age. This, of course, would remove the chief ground of criticism of the Court urged in the 1936–37 campaign against the "nine old men."

A fixed retirement age, 75 as here planned, would give each administration greater opportunity to add new Justices to the Court. There are responsible voices in both major parties who believe that it is a bad thing for an administration to run so long as Franklin D. Roosevelt's did, before a single opportunity arose to name a Justice to the Supreme Court.

In the long run the advantages to be gained from compulsory retirement will outweight the advantages to be gained from keeping the few older men who retain their physical and mental vigor. It is not possible to have compulsory retirement apply only to those who should retire. Any retirement provision must apply automatically to all Justices alike and it has been the consensus of those who have considered the subject that 75 is an appropriate age.

FIX THE NUMBER OF JUSTICES

Now as to the so-called loopholes, the first of these is the possibility of packing the Court as was attempted during 1936–37. The close fight on the plan to enlarge the Court made it abundantly clear that without an amendment to the Constitution, such as is here proposed, a President, failing to obtain Supreme Court decisions to effectuate his policies, could with congressional cooperation bring about a complete reversal of the legal, social, and economic philosophy of the Court. As we have seen, the Court has been reduced or enlarged several times in history when the change was motivated by social and political considerations.

The number to sit upon the Supreme Court can be debated but experience has demonstrated to those best qualified to express an opinion that 9, including a Chief Justice and 8 Associates, is the most satisfactory number. Fewer might render the work too burdensome and make the Court less representative of diverse interests and backgrounds. More than nine would seem to make the functioning of the Court less efficient. The larger the number the more difficult it becomes to promptly arrive at a consensus of opinion.

"You will remember the great letter that Chief Justice Hughes wrote to the Congress

[1] S. J. Res. 44 (and H. J. Res. 194) appended.

[2] Proceedings, ABA house of delegates, February 28, 1950, and September 20, 1950.

[3] Report of committee on proposed amendments to the Federal Constitution to New York State Bar Association, December 22, 1949.

[4] Encyclopedia Britannica, vol. 21, p. 587.

[5] The Supreme Court in the United States, Warren.

[6] The American Commonwealth, James Bryce.

[7] Hon. Arthur T. Vanderbilt, Minimum Standards of Judicial Administration.

in 1937, when the plan to increase the personnel of the Court was under consideration. He said justly then, as I think, that a Court of nine is as large a Court as is manageable. The Court could do its work, except for writing of the opinions, a good deal better if it were 5 rather than 9. Every man who is added to the Court adds another voice in council, and the most difficult work of the Court, as you may well have imagined, is that that is done around the council table; and if you make the Court a convention instead of small body of experts, you will simply confuse council. It will confuse council within the Court, and will cloud the work of the Court and deteriorate and degenerate it. I have not any doubt about that.

"The remedy for the weight of work that is placed on the Court is to increase the discretionary jurisdiction and not to increase the personnel of the Court." [8]

"It seems clear beyond the need of argument that only those who believe that executive and legislative power should not be hampered by any judicial restraint can be opposed to a specific constitutional limitation on the number of Justices of the Supreme Court." [9]

PRECLUDE POLITICAL AMBITIONS

What may be referred to as a second loophole which this proposed constitutional amendment would close is the present position of Justices of the Supreme Court with respect to other offices. Section 5 of the Joint Resolution provides that no person who hereafter shall become Chief Justice of the United States or Associate Justice of the Supreme Court, shall be eligible to serve as President or Vice President of the United States until 5 years have passed after the termination of his service as Chief Justice of the United States or as an Associate Justice of the Supreme Court, unless the termination of his service as a member of the Supreme Court occurred before the ratification of the amendment proposed. The proposed amendment is limited to the offices of President and Vice President on the assumption that no other office would hold political attractions so tempting to Justices of the Supreme Court. It has been argued, however, that this provision should be broadened.

It has long been the view of many that when accepting a place on the Supreme Court a man should forego any political ambitions. As was said by the New York State Bar Association Committee on Proposed Amendments to the Federal Constitution, not only should his judicial decisions actually be free from the pressure of political ambition, but there should be no room for public suspicion that political considerations have affected his judgment. This provision would remove political temptation from the Justices and at the same time would remove any suspicion that their judicial deliberations were colored by political aspirations. Is it not fair to say that once a person has accepted the responsibility of the judiciary, and more especially of our highest Court, he should be entirely devoted in this capacity without the slightest thought that some day he might lay aside his judicial robe to assume a different political or governmental role? Such an amendment as the one proposed would protect the Justices from any suspicion or accusation that they might be seeking political or public favor.

The best known instance of a member of the Supreme Court becoming involved in partisan politics was that of the late Chief Justice Charles Evans Hughes. After his appointment to the Court in 1910, an effort was made to draft him as a presidential candidate in 1912. He absolutely refused to allow his name to be used in the campaign and said he would not accept the nomination if it were offered to him. At that time Justice Hughes said: "The highest service that I can render in this difficult situation is to do all in my power to have it firmly established that a Justice of the Supreme Court is not available for political candidacy. The Supreme Court must be kept out of politics."

Nevertheless, 4 years later when Justice Hughes was nominated at the Republican Convention, he was persuaded to accept the nomination, resigned his post on the Bench, and entered the political campaign for the Presidency.

There are those who believe that Charles Evans Hughes was right in 1912 and wrong in 1916. It has been said that in later years Chief Justice Hughes expressed regret that he had not been precluded by law from leaving the Court to run for the Presidency.[10]

"It is a fact, as I think you know, that every Justice who has ever sat on that Court who was bitten by political ambition and has actively promoted his own candidacy for office has hurt his own career as a Judge and has hurt the Court. Instances run pretty far back in the history of the Court." [8]

Judges are supposed to be entirely independent. This was recognized by the Founding Fathers when the tenure of office was made dependent upon good behavior and when they provided that salaries of Judges could not be reduced during their terms of office. This independence should not be tarnished by the possibility of political advancement. Judges, in writing their opinions, should at all times be free of any suspicion that they are consciously or unconsciously slanting their work in the direction of any pressure group or political party.

APPELLATE JURISDICTION

The third loophole which the proposed amendment would correct is perhaps the most important. Its purpose is to protect the appellate jurisdiction of the Supreme Court in constitutional cases against impairment by action of the legislative branch. The appellate jurisdiction of the Supreme Court depends upon legislation; that is, the original Judiciary Act passed in the first session of Congress and the amendments that have since been made. Congress sets forth in what cases the Supreme Court can entertain an appeal. It is strange how little this basic law is understood by our people, including many lawyers.

The Constitution now provides [11] that in all cases except those affecting ambassadors, ministers, and consuls, and those in which a State is a party (in which cases the Supreme Court has original jurisdiction), the Supreme Court shall have appellate jurisdiction, both as to law and fact "with such exceptions, and under such regulations as the Congress shall make." The amendment under consideration provides that in all cases arising under the Constitution the Supreme Court shall have appellate jurisdiction, both as to law and fact and that as to other cases the appellate jurisdiction shall be subject to congressional limitation. If the proposed amendment is adopted, Congress could no longer limit the Supreme Court's appellate jurisdiction over cases arising under the Constitution, whether those cases come from the lower Federal courts or from the State courts.

Congress has exercised its power to limit the jurisdiction of the Supreme Court in constitutional cases in at least one very important case.[12] It arose in the midst of political passion that followed the Civil War. In 1867 Congress had amended the Judiciary Act so as to give the Federal courts power to grant writs of habeas corpus in all cases where any person might be restrained of liberty in violation of the Constitution or of any law of the United States. The amendment expressly provided that an appeal might be taken to the Supreme Court of the United States in habeas corpus cases.

After the amendment, one McCardle, a newspaper editor in Mississippi, was taken into custody by the military authorities for trial before a military commission on charges of publication of articles in his newspaper which were alleged to be incendiary and libelous. McCardle petitioned for a writ of habeas corpus. The petition was denied by the lower Federal courts and McCardle appealed to the Supreme Court. The case was argued before the Supreme Court in March 1868, and was taken under advisement. While the case was under consideration by the Court, Congress, in March 1868, passed a further amendment to the Judiciary Act which expressly eliminated the right of appeal to the Supreme Court in habeas corpus cases, whether such appeals were taken before or after the amendment. The amending act was passed over the President's veto. It seems obvious that the amendment was designed to deal solely with the McCardle situation. Presumably, Congress feared a reversal by the Supreme Court and desired to be sure that McCardle would be left to the military authorities in accordance with the decisions of the lower courts.

Argument was then had in the Supreme Court on the effect of the amendment to the Judiciary Act, it being strongly urged that the amendment could not affect the Court's jurisdiction over a case already argued and awaiting decision. The Court, acting upon the doctrine of the separation of powers, held that Congress had right under the Constitution to determine the extent of the Supreme Court's appellate jurisdiction and that, jurisdiction over habeas corpus cases having been taken away from the Supreme Court, it could not hand down a decision on such an appeal after the passage of the amendment, even though the case had been briefed and argued prior to the passage of the act restricting the Court's jurisdiction.

The power of Congress exercised in the McCardle case constitutes an ever-present threat to the independence of the judiciary. If Congress could take away jurisdiction over the specific type of case represented by the McCardle case, it could, of course, take away all appellate jurisdiction in constitutional questions, so that the State courts and the lower Federal courts could decide constitutional questions without appeal to the Supreme Court. It is difficult to think that constitutional rights might be differently interpreted in each State, in accordance with the views of the courts of the several States, yet that is not beyond the realm of possibility. It was the matter of States rights which caused the appellate jurisdiction of the Supreme Court to have been pretty thoroughly neglected at the Constitutional Convention. Or so it seems from records of our early history. Apparently the subject of appellate jurisdiction was soft-pedaled in order not to stir up further States' rights issues.

When the proposed constitutional amendment now embodied in section 3 of Senate Joint Resolution 44 was considered by the American Bar Association at several annual meetings, opposition was expressed to it apparently on the theory that sleeping dogs should not be disturbed.[13] It was argued that since Congress had only once in all our history taken advantage of its power to restrict the Court's jurisdiction it was unlikely

[8] Justice Owen J. Roberts, ABA Journal, January 1949.

[9] Leonard D. Adkins before subcommittee of Senate Judiciary Committee, January 29, 1951.

[10] Speech of Senator JOHN MARSHALL BUTLER in the Senate, February 16, 1953.

[11] U. S. Constitution, art. III, sec. 2.

[12] *Ex parte McCardle* (7 Wallace 506 (1868)).

[13] Frank W. Grinnell, 35 ABA Journal 648.

that it would do so again and it was said to be unwise to bring the question up for public discussion. Those arguments did not prevail in the end, although they did postpone approval of that particular provision of the proposed amendment for some years after the other proposals had been approved. When, however, at the Washington meeting in 1950, former Justice Roberts appeared before the house of delegates of the American Bar Association and stated clearly and strongly his reasons for support of the proposed amendment, it was approved by a substantial vote and that approval was reaffirmed at the Boston meeting in 1953.

"It is the existence of a power to curtail the protection given by the appellate jurisdiction of the Supreme Court in constitutional questions that is dangerous, irrespective of the frequency with which that power has been exercised. Of course, if one believes that Congress should have the power, the proposed amendment is not desirable. If, however, one believes that the Constitution should constitute a check on congressional power and State power and that the Supreme Court should have the power and duty of interpreting the Constitution, there does not seem to be any intelligent reason for not making sure by constitutional amendment that that protection will continue to exist. It is not material that the Congress is not likely to exercise the power." [14]

We have seen briefly stated here what the dangers are. It would seem to be just good insurance to act in time of peace in anticipation of possible future trouble. There are some who object to ever touching the Constitution on any ground. What can be wrong with putting into our Constitution what most of the people of our country have thought to be there all the time? Why should we not make the Supreme Court as secure from attack as our Founding Fathers apparently expected it to be in our triune Government?

Mr. BUTLER of Maryland. Mr. President, after the article by Mr. Nichols had gone to press, the joint resolution was amended to include an additional section applying to judges of the lower Federal courts. This provision as presently written provides that all such judges shall retire at the age of 75, shall receive the emoluments of their office but may be called back by the chief judge of the circuit to perform active duty. The provision in connection with the Chief Justice and Associate Justices of the Supreme Court referred to by Mr. Nichols in his fine article remain unchanged.

THE NATIONAL GOVERNORS' CONFERENCE ON MENTAL HEALTH

Mr. WILEY. Mr. President, for many years, ever since I came to the Senate, I have been a deep believer in the States and localities reasserting their basic responsibilities in a great many fields which have tended to be abandoned to the Federal Government in Washington.

For that reason, I have been a cosponsor of legislation to establish a National Commission on Intergovernmental Relations.

One of the basic private responsibilities in connection with the State and local governments is the field of health.

I was extremely interested to read, therefore, of the first National Governors Conference on Mental Health, which was held in Detroit, Mich., on February 8 and 9.

Mental health is one of the most important phases of the health problem in our Nation.

While the responsibility is basically a State and local one, the Federal Government, from many standpoints, also can and should lend a helping hand.

The National Institute for Mental Health, the Veterans' Administration program, and other Federal phases, are evidences that Uncle Sam is not forgetting his share of the responsibility.

At this time there is pending before the Senate Judiciary Committee, Senate Joint Resolution 130 for Presidential proclamation of National Mental Health Week, May 2–8, 1954. I trust there will be early action on it.

I am glad that the Council of State Governments at 1313 East 16th Street, in Chicago, has an Interstate Clearing House on Mental Health.

This is another splendid demonstration of State responsibility being exercised. There is a tremendous area of constructive activity still to be undertaken.

I present the text of the 10-point program which was adopted by the Governors' Conference in Detroit, and I ask unanimous consent that it be printed at this point in the body of the RECORD.

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

A 10-POINT PROGRAM ON MENTAL HEALTH ADOPTED BY THE GOVERNORS ATTENDING THE NATIONAL GOVERNORS' CONFERENCE ON MENTAL HEALTH, DETROIT, MICH., FEBRUARY 9, 1954

1. By far the major share of a State's mental health resources must be used for the care and treatment of patients in State hospitals for the mentally ill. Psychiatric treatment with the fullest use of existing knowledge can return many more people to productive and useful lives. Increased appropriations for additional qualified mental health personnel (including psychiatrists, psychologists, social workers, nurses, and related personnel) and intensive treatment programs should be provided by the States at their next legislative sessions to increase the number of patients discharged from State mental hospitals.

2. Training and research in the field of mental health are essential elements of effective mental health programs. The serious accumulation of patients and costs can only be reduced by discovering new knowledge and new methods of treatment and by more adequate training and development of mental health personnel. State legislatures are urged to appropriate specific sums for training and research in addition to the regular appropriations for care and treatment.

3. Ultimate reduction of the population in State mental hospitals can only be achieved by efforts to prevent mental illness. This requires facilities for early identification, for early treatment and for aftercare and supervision of those on leave from State hospitals. State governments should take the initiative with both financial and professional assistance in stimulating local public and private agencies to participate actively in preventive programs.

4. At present it is estimated that less than 1 percent of total State mental health budgets is expended for research—$4 million out of a total expenditure of about $560 million. Based on a comprehensive survey of State mental health officials, it is recommended that the States should devote a much larger percentage of their total mental health budgets to basic and applied research in the biological and behavioral sciences and to the training of personnel in research methods.

5. Effective training and research programs cannot be achieved without effective organization. A position of director of training and research should be established within the mental health agency in each State to assume responsibility for the coordination of mental health training and research within the State's jurisdiction. A technical advisory committee, composed of scientists and educators in the field of mental health, cooperating with scientists in universities and industry, should be established in each State to advise and assist the mental health agency and other State departments concerned with the coordination of training and research activities.

6. State institutions which are not accredited for residency or as affiliate training centers for psychiatrists, clinical psychologists, social workers, nurses, and other professional groups should receive support from governors and legislatures in their endeavors to raise the level of teaching and supervision in their institutions to secure accreditation.

7. The States should provide stipends for graduate training in the psychiatric field, should adjust salary scales, and should provide educational leaves of absence so that State mental hospitals may compete effectively for the limited personnel available to fill treatment, teaching, and research positions.

8. One of the important obstacles to adequate evaluation of procedures and therapies is a lack of uniformity in statistical methods in mental hospitals and clinics throughout the country. All States should cooperate with the United States Public Health Service and the American Psychiatric Association in the adoption of uniform terminology for statistical reporting procedures in the field of mental health.

9. Joint action by groups of States may provide one of the most fruitful means of attacking mental illness. This can be partially achieved by periodic regional mental health conferences, regional programs such as that now sponsored by the Southern Regional Education Board, and by active participation in the Interstate Clearinghouse now established through the Council of State Governments by request of the Governors' Conference. The clearinghouse, in cooperation with existing public and private agencies, will provide a medium for exchange of pertinent information among the States, will assist the States in organizing more effective mental health programs, and will help in developing interstate agreements so that groups of States can utilize to the fullest extent existing training and research facilities.

10. State and community mental health organizations should play important roles in educating the public to the problems of mental health and to the methods of improving psychiatric services. The States should encourage and support mental health education in the schools, good relationships between hospitals and their surrounding communities, and the provision of adequate community psychiatric services. These may, in the long run, be most important in determining the mental health of the Nation.

Govs. C. Elmer Anderson, Minnesota; Edward F. Arn, Kansas; Frank G. Clement, Tennessee; George N. Craig, Indiana; Frank J. Lausche, Ohio; William C. Marland, West Virginia; Robert B. Meyner, New Jersey; Johnston Murray, Oklahoma; William G. Stratton, Illinois; G. Mennen Williams, Michigan.

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[14] Leonard D. Adkins, Statement to Subcommittee on Constitution of Senate Judiciary Committee, January 29, 1954.

BIPARTISANSHIP IN THE FORMULATION OF MILITARY AND FOREIGN POLICIES

Mr. LEHMAN. Mr. President, the Milwaukee Journal, one of America's great newspapers—a politically independent paper—published on March 21 a lead editorial calling for a return to bipartisanship in the formulation of our military and foreign policies. This is a matter to which too little attention has been paid in recent months. Because of the importance of this editorial I ask that it be printed in the body of the RECORD.

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

IF IKE WANTS BIPARTISAN POLICY, HE BETTER CONSULT DEMOCRATS

Both major political parties have consistently pledged that "politics stops at the water's edge"—that foreign policy must be bipartisan.

Two things, however, currently threaten bipartisan foreign policy, and therefore weaken the country in facing its world problems:

1. There have been consistent attacks by administration speakers on past policy, which in fact was largely bipartisan and which remains basically the policy of today.

2. The Eisenhower administration has virtually ignored the Democratic Party in the field of foreign policy and military policy, which today is an inseparable adjunct of foreign policy.

Attacks on past policies are, by implication, also attacks on top Republicans who helped create or carry out those policies. Included in this group are President Eisenhower himself and Secretary of State Dulles, who were identified with the foreign policy of the previous administration. Yet attacks are made not just by the rabid fringe of the Republican Party. Vice President Nixon, for instance, charged the other night that Truman-Acheson policies resulted in turning 600 million persons over to the Communists (nobody has shown how it could have been prevented).

Even the President has at times gone political to say nasty things about past policies in which Republicans played a big part. An example is the President's implication the other day that former President Truman should have gone to Congress before fighting to save South Korea. There was no time to go to Congress and Eisenhower himself praised the decision at the time.

The President has appointed far fewer of the opposition party to share the administration responsibility of policymaking in foreign affairs and defense than Roosevelt and Truman did. The few Democrats Eisenhower has appointed are largely those who deserted their party in the last election—such as Governor Byrnes, of South Carolina, who holds a United Nations assignment as a Democrat.

Further, the President has not consulted Democratic leaders—including those in Congress—in shaping major defense and foreign policies. No Democratic Senators accompany Dulles to international meetings, as Republicans used to accompany Dean Acheson. No Democrats sat in on the New Look defense policy or Secretary Dulles' massive retaliation policy.

The administration demands support for these policies—but apparently it must be blind support. When Adlai Stevenson questioned the New Look, Defense Secretary Wilson brushed the questions aside with "I'm too busy," and the statement that he saw no reason to listen.

The President has irritably brushed Democratic questions aside and the Vice President has called them divisive. If there had been bipartisan consultation, these questions would have been more or less automatically answered. Yet to date neither the Democrats nor the Nation have been given clear explanations of what New Look or massive retaliations mean.

This ignoring of the opposition party, representing half the Nation, was not true under the Truman administration after the war. Truman usually rose above partisanship where defense and foreign policy were concerned.

Under the administration preceding Eisenhower's, Republicans held many of the Nation's top posts. Dulles, present Secretary of State, was Ambassador at Large and negotiated the Japanese peace treaty. Dwight Griswold, of Nebraska, headed the American mission to Greece. Warren Austin headed the United States delegation to the United Nations.

Paul Hoffman headed the Marshall plan. Robert Lovett was Secretary of Defense, William Foster was Economic Cooperation Administrator, Walter Gifford was Ambassador to Great Britain, John J. McCloy was German High Commissioner, Senator Vandenberg was a bulwark of strength behind foreign policy.

There are many other names—Henry Cabot Lodge, John Sherman Cooper, Charles P. Taft, George W. Perkins, Charles M. Spofford, Paul H. Nitze, Thomas D. Cabot, Charles A. Coolidge high among them.

In 1949 the late Senator Vandenberg said: "During the last 8 years, certainly, there has been a clear disposition on the part of the Executive to work in far more intimate cooperation and liaison with his constitutional partners in the Congress in respect to foreign policy."

There was consultation constantly with Congress. In some few instances, Republicans did not agree with subsequent policy, and in even fewer instances felt they had not been consulted enough. But, by and large, they had full voice in both shaping and execution of policy.

Today neither participation nor consultation exists. That lies at the base of current squabbling. It is responsible for the feeling of top Democrats that they are being ignored in foreign affairs and defense policies—areas vital to them not as Democrats, but as Americans. It is responsible for growing cries for fuller explanations.

The President is, as he says, President of all the people. He will succeed in foreign and military affairs only if he consults with the representatives of all the people. He will succeed only if he returns to that old and sound thesis that in foreign and military affairs, policy must be bipartisan—in formation as well as in execution.

SECURITY RISKS IN GOVERMENT AGENCIES

Mr. CARLSON. Mr. President, I ask unanimous consent to have printed in the body of the RECORD a letter which I have received from Hon. Philip Young, Chairman of the Civil Service Commission, with reference to an article which appeared in the Washington Evening Star of Last Tuesday. I also ask unanimous consent that the article itself be printed.

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

UNITED STATES
CIVIL SERVICE COMMISSION,
Washington, D. C., March 25, 1954.

Hon. FRANK CARLSON,
Chairman, Senate Committee on Post Office and Civil Service,
United States Senate.

DEAR SENATOR CARLSON: The Evening Star for Tuesday, March 23, carried an article written by Mr. L. Edgar Prina, which indicated that the General Services Administration in testimony before the House Appropriations Committee listed a total of 168 security risks and that these were included in the total of 2,486 security risks which I submitted to your committee.

You will recall that when I appeared before the Senate Committee on Post Office and Civil Service I furnished to that committee figures for each department and agency of the Government showing the number of security risks that had been fired and the number which had resigned where there was derogatory information in the hands of the agency pursuant to section 8 (a) of Executive Order 10450. That agency breakdown shows for the General Services Administration 100 terminations and 50 resignations. The additional 18 which made up the total GSA figure of 168 were other types of separations, including deaths. These 18 were not included in the figures submitted to your committee or in the total of 2,486.

I called this to the attention of the Evening Star and on Wednesday, March 24, the Star printed a retraction and regretted its error. I attach a copy of the original story and the retraction for your information and that of your committee.

Sincerely,

PHILIP YOUNG,
Chairman.

DEAD PERSONS FOUND IN TOTAL OF 168 GSA SECURITY RISKS—ONE OR TWO DIED DURING INVESTIGATIONS—SUBVERSION HELD ISSUE IN 10 CASES

(By L. Edgar Prina)

General Services Administration's security risks include dead persons.

This was revealed today with the release of testimony given by the GSA security chief to the House Appropriations Subcommittee on Independent Offices last month.

Thus, a charge first made by the Star on January 3 and subsequently denied by Chairman Young, of the Civil Service Commission, has been confirmed.

In explaining to Democratic members who were digging into the 1953 GSA figure of 168 security risk separations, Baron Shacklette, director of the agency's compliance division, said:

"Those who were not terminated either voluntarily resigned or died or were caught in a reduction in force, or something of that nature."

ONE OR TWO DEATHS

Representative YATES, Democrat, of Illinois, asked:

"You mean, of the 168 there is included those who died while the investigation was going on?"

"There were 100 terminations, 50 resignations for their own reasons, and 18 separations for other causes, among which there would be reduction in force and one or two deaths," Mr. Shacklette replied. "I don't know exactly how many."

In testifying before the Senate Civil Service Committee earlier this month, Chairman Young denied that any deaths were included in the 2,486 risks separated last year throughout the Government.

In 10 of the 168 GSA cases there was "an issue of disloyalty * * * or an issue of subversion," Mr. Shacklette testified. He said he did not think any one of the 10 was a member of the Communist Party.

ARREST RECORDS CITED

Mr. Shacklette told the subcommittee that 583 other persons had derogatory information in their files as of December 31 and 144 of the cases involved charges of disloyalty. All were pending further investigation or adjudication.

The security officer gave this explanation of the high number of security risk cases in GSA, which employs some 27,000 persons:

"We have a lot of people in the laboring force. A large number of those people have arrest records."

Representative COTTON, Republican, of New Hampshire, interrupted: "You aren't counting traffic violations in that total, are you?"

"No, sir," Mr. Shacklette replied. "Arson, assault, burglary, crimes against the family and children, aggravated disorderly conduct, embezzlement, falsification of Government documents, forgery, gambling, homicide, larceny, narcotic offenders, robbery, sexual perversion. At the end of December we had 17 cases of sexual perversion against whom we had issued security restrictions. Five rape cases."

CORRECTION—YOUNG'S 2,486 TOTAL OF SECURITY RISKS INCLUDED NO DEATHS

Chairman Philip Young, of the Civil Service Commission, in a letter to the Star has pointed out that in testimony before the Senate Post Office and Civil Service Committee concerning 2,486 security risks among Government employees he did not include dead persons in the 100 discharges and 50 resignations credited to the Government Services Administration.

In a story printed in the Star yesterday it was stated that General Services Administration security risks included dead persons and that this charge previously had been denied by Mr. Young. Yesterday's account quoted Baron Shacklette, director of GSA compliance division, as testifying in response to this question from Representative YATES, Democrat, of Illinois:

"You mean of the 168 there is included those who died while the investigation was going on?"

"There were 100 terminations, 50 resignations for their own reasons, and 18 separations for other causes, among which there would be reduction in force and 1 or 2 deaths."

Mr. Young in his testimony before the Senate committee stated that the 2,486 security risks included only those persons discharged or those who resigned where derogatory information was at hand. He presented a breakdown of the figures which included for GSA 100 discharges and 50 resignations. The 18 other separations referred to by Mr. Shacklette were not included.

The Star regrets the error.

NEW MEXICO SENATORIAL ELECTION

Mr. ANDERSON. Mr. President, during the past few days I have received a great many requests from New Mexico for copies of the minority views dealing with the Chavez-Hurley election contest. So far as it is possible for me to do so, I intend to comply with the requests and to send to all persons throughout New Mexico who request them copies of the minority views. The people of New Mexico have been very much interested in the matter, and they appreciate the thorough attention which was given to it by Members on both sides of the Senate. I am going to send to residents of New Mexico, so far as it is possible for me to do so, copies of the excellent brief prepared by the minority member of the subcommittee, the distinguished senior Senator from Missouri [Mr. HENNINGS]. I think it will be possible for the people of New Mexico who read that fine report to obtain a very satisfactory idea of the work which he, together with other persons, did in the preparation of the document.

I hope the people of New Mexico will be as interested in reading that report as I have been.

REDUCTION OF EXCISE TAXES

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

The Senate resumed the consideration of the bill (H. R. 8224) to reduce excise taxes, and for other purposes.

Mr. JOHNSON of Texas. Mr. President, the Senator from Georgia [Mr. GEORGE] has asked me to announce to the Senate that he desires to be recorded against all amendments which may be offered to the pending measure except those which may be accepted by the chairman, the distinguished Senator from Colorado [Mr. MILLIKIN].

The PRESIDING OFFICER (Mr. SCHOEPPEL in the chair). The bill is open to further amendment.

THE DAIRY-FARM SITUATION

Mr. KEFAUVER. Mr. President, I want to speak briefly today with reference to a problem which is becoming acutely serious in my home State of Tennessee. It is concerned with the dairy-farm situation.

Mr. MILLIKIN. Mr. President, will the Senator from Tennessee yield?

Mr. KEFAUVER. I yield.

Mr. MILLIKIN. Is the Senator addressing himself to an amendment to the excise-tax bill, or to another subject?

Mr. KEFAUVER. To another subject.

Farmers in my State are experiencing the most drastic cut in income on record. Let me give the Senate an example.

In January 1952 the farm value of a milk cow in Tennessee was $181. In January 1954 the farm value of that same cow had dropped to $96.

Between those 2 periods total dairy herds in Tennessee had increased, in round numbers, by about 68,000 animals.

But the total value of those herds had dropped by about $50 million.

Thus, the total investment of the dairy farmers of Tennessee in herds alone has dropped $50 million in a 2-year period.

That is the investment drop. What about day-to-day income? Here the picture is just as dark.

In 1952 condensery milk was selling at $4.98 per hundredweight. In 1954 the prospective price is $3.57 per hundredweight.

In the Knoxville market class I milk is down $1.40 per hundred pounds; in Memphis the drop is $1.20; in Nashville it is $1.47; and in Chattanooga the drop has been $1.29.

SUPPORT-PRICE DROP

Mr. President, this picture itself would be serious enough—a drop in inventory value of $50 million in 2 years and a 20-percent drop in milk prices—but an even more serious blow is aimed at the dairy farmers of Tennessee—scheduled for April 1, in fact.

The Secretary of Agriculture has announced a drop in support prices from 90 percent of parity to 75 percent of parity as of that time.

Mr. President, this amounts to an additional drop of 60 cents per hundred pounds of milk to the farmers.

Mr. President, if anyone thinks the dairy farmers of Tennessee are not concerned about the problem, they should see the letters which I have been receiving. Whenever letters which are written in longhand on plain pieces of paper come to me, I know that the writers are concerned. Here is one, Mr. President, which I received this morning from Rockvale, Tenn., which I should like to read:

I want to ask you to do all you can to prevent the price of milk being cut so much under the reduced dairy support program announced by Secretary Benson recently. I understand that bills have been introduced in Congress to prevent the Secretary from making such a big drop in these supports in any one year. I would like to ask you to give all the time and effort that you can toward getting these bills passed.

Dairying is our chief industry here in the South. If the price of milk is ruined, the farmers will be ruined. We have built up our dairy herds, built expensive dairy barns, and sown much of the land to permanent pastures. It has taken years to do this and would take many more years for the dairy farmer to shift to some other enterprise, meantime ruining most of us. We have already taken a tremendous beating on the price of our cattle. Cows selling for $300 to $350 18 months ago are bringing $100 to $125. As long as corn is supported at 90 percent of parity, we dairymen simply can't feed our cows and sell milk at 75 percent of parity. I will appreciate you doing all you can to help us.

Sincerely,

W. E. MCKNIGHT.

Mr. McKnight is not alone in this type of letter. I picked these up at random before coming over here to the floor. They come from all over the State. Here is one signed Willie Roy Sewell, Loudon, Tenn., pointing out his difficulties as a small farmer with four children in school. They are from East, Middle, and West Tennessee—all telling the same story, but I will not take the time of the Senate to read them.

Thus it appears that under such a program the 1954 income of farmers from milk in Tennessee will be one-third less than in 1952. Net farm income will drop much more than that because many of the farmers' expenses are fixed—they do not change.

Most of us in the Senate are old enough to remember the days when we thought that a wage of $5 a day was a good wage in industry. I believe that Henry Ford pioneered the $5 day back in the twenties.

Do Senators know the number of hours it would take a farm operator in Tennessee to work in order to earn $5 a day under these conditions? It may take a 20-hour day. Returns to the dairy farm operator and his family for their labor will be less than one-half what they were in 1952, and may well be as little at 25 cents an hour, if Mr. Benson's program goes into effect.

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

Mr. KEFAUVER. I am happy to yield to the distinguished junior Senator from Minnesota, who has taken so much interest in this problem, and is cosponsoring with the distinguished senior Senator from Minnesota [Mr. THYE] a bill

to provide some relief for the dairy farmers.

Mr. HUMPHREY. I was very much interested in the figures which the Senator from Tennessee has just cited. I thought he would be interested to know that a study has been made in my State of Minnesota, which is one of the two greatest dairy-producing States in the country. To the people of Minnesota, dairying is not an avocation; it is a vocation; it is the life of agriculture itself.

The study revealed that under the 90 percent price-support program, the dairy farmer was averaging about 45 cents an hour for his work. The study was not made by some mere fly-by-night character; it was made in cooperation with the University of Minnesota, the County Extension Service, creameries, and farm producers. As I have said, under the 90 percent price-support program, according to the study, the dairy farmer was averaging about 45 cents an hour.

As the Senator from Tennessee is pointing out, when the price support is reduced to 75 percent of parity, 75 percent being the official figure, the yield will be less than 75 percent in the market place, and the parity will go down considerably. It may go down as low as 68 percent or 69 percent of parity in the market place.

Mr. KEFAUVER. The Senator from Minnesota is entirely correct about that.

Mr. HUMPHREY. I merely wish to say to the Senator from Tennessee that I appreciate his citing the general analogy with respect to wages and hourly rates for farm producers, because when the Senate fully understands what is happening to the dairy farmers, all I say is that we had better not vote ourselves any pay increase. When we see what the Government is doing to agricultural producers, I suggest that before we consider any more bills providing for salary increases for Members of Congress, we should do a little equity to some of the people of the country.

Mr. KEFAUVER. I appreciate very much the observation of the distinguished Senator from Minnesota, who has given so much thought and effort to the objective of providing some relief for the farmers of the Nation, and dairy farmers in particular. The figures given as to the decrease in the income of dairy farmers in Minnesota are reflected throughout the Nation. It is about the same percentage decrease as that which has occurred in Tennessee.

I may say to the Senator from Minnesota that I have received a statement prepared by Mr. John C. York, economist for the Eastern Milk Producers' Cooperative Association, Syracuse, N. Y., who represents the dairy industry of all the New England States. The statement shows that the dairy farmers of the Northeast are experiencing the same disastrous result as is being experienced in Minnesota and Tennessee.

Mr. President, this is a shocking thing, is it not?

With investments and income on dairy farms representing more than one-fifth of the total farm income in Tennessee, these drastic drops in prices promise to be a severe shock to the State's entire economy.

You can be assured that they will be felt—in fact already are being felt—in the factories and in the stores of the towns and cities. Farm economy is a basic leg of our economy. When it starts on the slide, then other facets of the economy are quick to follow.

Mr. President, last week 7 or 8 of the leading dairy farmers from various sections of Tennessee came to the Nation's Capital. They related experiences which not only they were having, but which other dairymen also were having. If anyone desires to know why there is a recession and unemployment, why factories are closing, why business is bad, he will find a substantial part of the answer, in Tennessee as in other States, in the poor treatment which is being given to the dairy farmers.

One of the gentlemen who came to Washington in support of legislation to prevent the sliding price support program of the Secretary of Agriculture from becoming effective said that a few days ago a painter came by his farm and wanted to paint his barn, which needs painting very badly. Ordinarily the farmer would have entered into a contract with the painter, but farm income, particularly dairy income, has decreased so greatly that the farmer decided to put off the painting for at least another year.

Another farmer told of needing a tractor and some other dairy equipment for his farm, but because of the sliding price scale he decided to repair his old equipment and to forego buying a new tractor.

Such occurrences are adversely affecting industries and employment in factories throughout the Nation.

Furthermore, it is a decrease that is not doing the consumers any good, because the drop is not reflected in the prices which they pay.

In Memphis, the average price of a quart of milk delivered to consumers was 21.6 during 1953. The price of that same quart was 23 cents in January of this year, and 22 cents in February and March of this year.

In Nashville, the 1953 average was 22.3 per quart and in January and February of 1954 it was 23 cents a quart. It had dropped only a penny a quart for the month of March.

That is a very small decrease, compared with the decrease which milk producers are undergoing in the price of their product.

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

Mr. KEFAUVER. I yield to the distinguished Senator from New Mexico.

Mr. ANDERSON. I am very happy to observe that the Senator from Tennessee is dealing with the dairy situation. As he knows, when the proposal to restore a part of the capital stock of the Commodity Credit Corporation was recently before the Senate, I had a good many things to say about dairy prices. I intend to continue speaking about dairy prices from time to time, and I am glad to know that the Senator from Tennessee intends, from time to time, to call attention to the situation.

I am happy also to observe that the distinguished junior Senator from Minnesota has been very active in this field.

Mr. KEFAUVER. I thank the Senator from New Mexico very much. No one is in a better position than is the Senator from New Mexico, who was formerly Secretary of Agriculture, to know the tremendous nationwide importance of the dairy industry.

Mr. President, if it were not for the fact that I have inquired about the situation in the rest of the United States I might be driven to think that there was just something wrong with Tennessee, as far as dairying is concerned.

But that is not the case at all. The same general picture prevails everywhere, with only slightly differing tones.

I should like to quote just a few paragraphs from the testimony of Russell S. Waltz, president of the National Milk Producers Federation, before the House Agriculture Committee just a few days ago in this connection.

Mr. Waltz told the committee:

We now would like to point out to you the effect—on dairy farmers and the national economy—of reducing price supports on dairy products from 90 to 75 percent of parity. Let us review a few facts.

In the 1937–41 period, our total national income averaged $80 billion as compared to $308 billion in 1953. The purchasing power of the 1953 dollar is, of course, smaller, but even on the basis of the purchasing power of 1937–41 dollars, our national income in 1953 was 1.9 times that in 1937–41. We believe that this upward trend in national income is dependent on all important segments of the economy being prosperous.

The dairy farm family income has declined continuously since 1952. With supports dropped from 90 to 75 percent of parity, its purchasing power in 1954 will be even less than in the recession period of 1937–41. Dairy farm prices averaged 101 percent of parity in 1952. In 1953, dairy farmers realized 93 percent of parity on all whole milk; 84 percent of parity on manufacturing milk; and 89 percent of parity on butterfat in cream sold from farms. From November 1952 to January 1954, the prices received by farmers for all milk sold at wholesale dropped from $5.38 to $4.38 per hundredweight, or 18.6 percent.

At this point I should like to add that it is difficult for me to understand why the Secretary has not been supporting farm products at 90 percent of parity. Even though we had the 90-percent law, in Tennessee last year some products brought as little as 81 percent of parity.

The testimony of Mr. Waltz continues:

In 1953, approximately 104 billion pounds of milk equivalent were sold from farms—6 percent more than in 1952. Yet, total farm income from dairy products sales was approximately $400 million less than in 1952.

Now, the Secretary of Agriculture has announced that support prices for dairy products after March 31 will be reduced 16.7 percent. In manufacturing milk prices, this means a drop of 60 cents per 100 pounds. If this results in all milk equivalent sold from farms dropping a similar amount, it will mean that dairy farm product sales in the next 12 months will bring $600 million less than in 1953; $1 billion less than in 1952. Only in the depression years of 1930–33 and 1938–39 have dairy prices averaged as low as 75 percent of parity. In both cases milk production continued to expand.

The annual purchasing power per dairy farm family in 1954—in 1937–41 dollars—will

be less than $700. Hourly purchasing power of farm operator and family labor in 1954—in 1937–41 dollars—will be about 17 cents per hour, after expenses and interest charges are paid. This is less than half that of hired farm labor or minimum wages in industry; and only one-fifth that of workers engaged in manufacturing.

Mr. President, this certainly is no time to be dropping the price supports on milk products from 90 to 75 percent, as proposed by the Secretary of Agriculture.

It is time, instead, for this Senate to remember what President Eisenhower said when he was a candidate for office:

The Republican Party is pledged to the sustaining of the 90-percent parity price support and it is pledged even more than that to helping the farmer obtain his full parity, 100-percent parity, with the guaranty in the price supports of 90 percent.

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

Mr. KEFAUVER. I am very happy to yield to the Senator from Minnesota.

Mr. HUMPHREY. Does the Senator from Tennessee recall where that statement was made?

Mr. KEFAUVER. Yes; it was made in Minnesota.

Mr. HUMPHREY. It was made in Kasson, Minn.

Mr. KEFAUVER. The Senator is correct.

Mr. HUMPHREY. Would the Senator be interested to know that the farmers around Kasson, Minn., are contemplating building some form of memorial there, and of spreading forget-me-nots over that hallowed ground?

Mr. KEFAUVER. I had not heard about that. I think it would be appropriate.

Mr. HUMPHREY. I should like to inform the Senator from Tennessee and my other colleagues that I have been receiving letters from some of the farmers in that area. As my colleague may recall, it was on the farm of Henry Snow, a very fine farmer in that area, that Mr. Snow introduced President Eisenhower, the candidate at the time the statement about supports was made. There were 100,000 or more people in attendance on that great and wonderful occasion. Mr. Snow's farm is located in Dodge County, one of the very finest agricultural counties in Minnesota.

I received such communications over the weekend. I shall send to my office and have the letters brought to the Senate floor so that I may read them into the RECORD. Word has reached me that there is a feeling among the farmers in the area that the occasion referred to should be commemorated. The farmers have been trying to ascertain how best such an occasion could be commemorated. They thought that a little memorial to what happened in the past should be provided, because it apparently would be to the past, and that forget-me-nots should be spread over the beautiful landscape in that area, in which the words "ninety" and "one hundred percent of parity" were spoken—"forget me not, Mr. President and Mr. Secretary." I think that such a memorial would be appropriate. I appreciate the esthetic qualities of our fine people.

Mr. KEFAUVER. I think it would be a very appropriate memorial. I hope the Senator from Minnesota will let us know the day of the dedication, because I am sure the dairy farmers of Tennessee would like to send a full basket of forget-me-nots to be spread around, and I am sure dairy farmers in various other sections of the country would like to do the same.

Mr. HUMPHREY. Of course, we thank the Senator from Tennessee, who is always very generous and considerate.

Does the Senator know that on April 1 in some parts of the great dairy-producing State of Minnesota there is to be a day of economic mourning? I believe on Monday of this week I stated that some of our farmers have called upon us to have April 1 declared a day of economic mourning.

This morning my office received a telephone call from a large dairy producer at Grove City, Minn., a man by the name of Elmer Swenson, a good Minnesota name. He said the dairy farmers were planning to have a little march on the city hall. They thought they would let the city folks know how some of the farm people feel.

I bring this to the attention of the Senate, because anybody who thinks the farm people are fooling should be in the plaza of that city on April Fool's Day, which is the day on which the incredible policy of the Secretary of Agriculture goes into effect. As I stated the other day, the Secretary of Agriculture is not fooling anybody. He is not fooling the farmers or the Senators.

Mr. KEFAUVER. I thank the Senator for his statement. The letters I have been receiving show that dairy farmers are tremendously concerned. Not only are they concerned, but so are the people who are unemployed because factories which make equipment for dairy farmers are not employing adequate numbers of workers.

There is a way by which the administration could head off mourning day on April 1. One way would be by favoring passage of the Thye-Humphrey bill, or at least adopting a simple resolution extending the 90 percent of parity until more time can be had for discussion of the bill. I think that would be the least which could be done to try to avert the catastrophe which will befall the dairy farmers on April Fool's Day.

Mr. HUMPHREY. Mr. President, will the Senator yield again to me?

The PRESIDING OFFICER. Does the Senator from Tennessee yield to the Senator from Minnesota?

Mr. KEFAUVER. I yield.

Mr. HUMPHREY. Of course, the Senator from Tennessee, as one who is vitally interested in all agricultural legislation, is fully aware that the House and Senate Committees on Agriculture and Forestry are now holding hearings on the overall agricultural program.

Mr. KEFAUVER. Yes, I know that is the case.

Mr. HUMPHREY. The Senator from Tennessee is also aware, is he not, of the fact that there is now before the respective House and Senate Agricultural Committees, a comprehensive measure dealing with all agricultural products, and also other measures which deal specifically with the dairy situation?

Mr. KEFAUVER. Yes; I know there are several measures of that sort in the House of Representatives, and I know that in the Senate a great many of us have joined in sponsoring the bill introduced by the two distinguished Senators from Minnesota.

Mr. HUMPHREY. The Senator from Tennessee is known for his fairness and his good judgment——

Mr. KEFAUVER. Before the Senator from Minnesota proceeds further, let me thank him for that statement.

Mr. HUMPHREY. That is commonly accepted. There may have been a time when it would have been interpreted as a compliment, but now it is regarded as the simple truth about the Senator from Tennessee.

Because the Senator from Tennessee is that sort of man, I should like to ask him this question: In view of the fact that the administration has an agricultural proposal before the Congress, and in view of the fact that a number of Members of the House and the Senate have introduced separate measures which are before the respective Committees on Agriculture and Forestry, would it not seem only simple justice and elemental fair play that before such a drastic change is made in the price-support program the congressional committees have an opportunity to review the overall situation? What is the great rush? The Secretary of Agriculture has presented an overall program to the Congress. Yet in the case of price supports for dairy products, is it not true that the Secretary of Agriculture says, in effect, "Come April 1, Mr. Farmer, 15 percent of your economic hide will be taken off"?

Mr. KEFAUVER. I could not agree more fully with the Senator from Minnesota. It seems outrageous, to me, that the administration will not even give Congress a real opportunity to help the President carry out his campaign platform of at least 90 percent of parity, and to try to work toward 100 percent of parity—the promise he made so eloquently in his speech in Minnesota. It is very difficult for me to understand how there can be any objection on the part of the congressional leadership or the Secretary of Agriculture to allowing the adoption of a simple resolution extending the 90 percent of parity price-support program for dairy products while the congressional committees are considering the Secretary's overall farm program and also the various and sundry related bills which have been introduced by Members of Congress.

As a matter of fact, we in the Senate have been meeting early and adjourning late; but so far as the enactment of legislation is concerned, our accomplishments have been almost nil. We spent a great deal of time debating the Bricker amendment, which posed a constitutional question. It would not have made any difference whether the debate on that issue came in July or September or, so far as I am concerned, whether it ever came at all.

Following that debate, and after having delayed for more than a year—the investigation had taken more than that

long—the Senate spent several days debating the Chavez-Hurley dispute. Certainly the urgency of those matters was not so great as that of the situation applying to the dairy farmers of the Nation. I do not see why room on our calendar could not have been made for early consideration of the Thye-Humphrey bill, to extend 90 percent of parity on dairy products for the time being, instead of taking up the other measures, consideration of which could have been deferred for many months.

The only conclusion which I believe the dairy farmers of the Nation will reach—and certainly such a conclusion will be based upon the facts, and it will be inevitable that they reach it, unless something is done immediately to alleviate their plight—is that the administration has no concern for their welfare, and purposely wants the prices of dairy products to go lower and lower and the income of dairy families to continue to decline, because that is what will happen. The Secretary of Agriculture and the other members of the administration have an opportunity to do something about that situation even at this late hour, but I see no evidence that they expect to do so.

Mr. HUMPHREY. Mr. President, will the Senator from Tennessee yield further to me?

The PRESIDING OFFICER (Mr. UPTON in the chair). Does the Senator from Tennessee yield to the Senator from Minnesota?

Mr. KEFAUVER. I yield.

Mr. HUMPHREY. The distinguished Senator from Tennessee will recall that in the middle of February, just after the announcement by the Secretary of Agriculture of the price-support reduction, in the case of dairy products, from 90 percent to 75 percent of parity—an announcement which shocked even his most ardent fans and his most ardent supporters——

Mr. KEFAUVER. It must also have shocked all the people who in the last election voted on the basis that price supports at 90 percent of parity would be continued.

Mr. HUMPHREY. I should say it did. On February 16, I spoke, following the Secretary's announcement. At that time the Secretary made it clear that one of the reasons for lowering the price supports—at least, in his mind—was that it would reduce the surplus; that the Government's stocks were too large.

Mr. KEFAUVER. Yes, I remember that statement.

Mr. HUMPHREY. I hold in my hand a clipping from yesterday's Washington Star, reading in part as follows:

DAIRY FARMERS HASTEN TO SELL TO UNITED STATES AS 90 PERCENT ERA NEARS END

Dairy farmers are giving the Government plenty of opportunity to add to its surplus stocks of dairy products, the Agriculture Department reports.

I point this out because on February 16, I said the lowering of price supports would neither basically increase consumption nor lower the stocks of Government surpluses, but in fact would add to them.

I say now the record proves I was definitely correct in making that statement.

Mr. KEFAUVER. Yes; certainly the Senator from Minnesota was correct. I remember when he made the statement. What has happened shows that he was correct in making it.

Of course, Mr. President, what will happen if we permit the economy to deteriorate further because of unthoughtful action—such as that on the part of the Secretary of Agriculture—is that there will be more and more unemployment, and fewer and fewer persons will be able to purchase dairy products, as time goes on.

Mr. HUMPHREY. Mr. President, will the Senator from Tennessee yield further to me?

Mr. KEFAUVER. I yield.

Mr. HUMPHREY. I am pleased to observe that the Senator from Tennessee is pointing out the direct relationship between agricultural income and factory employment or the direct relationship between the welfare of city consumers and the welfare of country producers. It is quite interesting that sometimes those who would divide and conquer, attempt to tell the people living in a city—such as the city of Minneapolis, Minn., in which I live—that it would be desirable to have lower farm-product prices because then the people in the cities would be able to enjoy cheaper food prices. The trouble is that in such a situation the city man often does not have a job to enable him to buy any food. That is what the Senator from Tennessee is pointing out. We are greatly indebted to him for his studious presentation of the facts in this situation. It should be noted that he is not presenting mere generalities, but he is presenting specific economic data which reveal the pending economic catastrophe.

Mr. KEFAUVER. I thank the Senator very much, indeed.

I know the Senator from Minnesota has seen the figures to the effect that the dairy industry, in proportion to its size, adds more to the economy of the other segments of the Nation than does any other kind of farming. Dairy farmers usually buy more machinery and spend more for things which are made in factories.

Mr. President, I have before me a statement by a distinguished economist who prepared some of these figures. I ask unanimous consent to have portions of the statement printed in the RECORD at this point as a part of my remarks. It shows the tremendous importance of the dairy industry to the manufacturing industry, to merchants, and to the workingmen.

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

A PROGRAM FOR THE DAIRY INDUSTRY—STATEMENT OF EASTERN MILK PRODUCERS COOPERATIVE ASSOCIATION PRESENTED BY JOHN C. YORK, ECONOMIST

Eastern Milk Producers Cooperative, the largest dairy farmers bargaining cooperative in the United States, is comprised of over 8,000 members located in the North Atlantic States. The following statement is presented on behalf of that association:

In an effort to sustain stability in our economy, Congress has established certain price safeguards for the benefit of all people. It appears that, in some instances, these benefits may have accrued to the advantage of one group more favorably than to another. It has been said that the dairy industry supports the livelihood of 1 out of every 12 people in the United States, either directly or indirectly. This does not take into account the fact that the dairy industry has an effect on many independent industries, including such important ones as the farm implement industry, automotive industry, durable goods industry, and many others.

In establishing certain price safeguards, the Government has supported through its price support program, many agricultural commodities, including dairy products at 90 percent of parity. Yet, it seems to be unknown to many of the rank and file laymen that Government supports are used to support prices of other agricultural commodities apart from the dairy industry as well as industries not characterized as agricultural. Such ignorance may explain the frequent criticism of support prices, particularly dairy support prices. Butter, for example, has been singled out for criticism under the support program, although other commodities have been supported by the Government to a larger extent than butter. Perhaps this is caused by the fact that the average consumer can easily understand the significance of a pound of surplus butter, while it may be difficult to see the importance of a bushel of surplus wheat, a pound of surplus cottonseed oil, or a bale of surplus cotton. Therefore, it seems important to outline some aspects of the support price structure and its impact on our total economy, particularly in view of the present program to support dairy products at 75 percent of parity, a reduction from 90 percent, as announced on February 15, 1954.

Dairy products contributed an average of 13.3 percent of the national farm income during the 4-year period, January 1, 1949, to December 31, 1952. Relative to wheat, dairy products were more than twice as important; to corn, they were over 3 times as important; and peanuts were less than one-twentieth as important.

The Commodity Credit Corporation spent $555 million, or about 9 percent, of its total price support funds on dairy products during the period January 1, 1949, through November 30, 1953. During this period, peanuts received about one-half as much price support money as did dairy products. It will be recalled from the previous discussion that dairy products contributed over 20 times as much farm income as did peanuts. During the 5-year period, 1949–53, $280.4 million were spent in supporting butter prices, while $289 million were spent on peanuts.

Peanuts and tobacco together represented 9 percent of CCC expenditures in supporting prices between June 1, 1949 and November 30, 1953. During the same period these commodities contributed less than one-third toward total United States farm income as compared with the total contribution of dairy products. Also, during the same period the CCC spent almost two and one-half times as much money on supporting cotton prices as it did on supporting dairy prices. In terms of its contribution to United States farm income, dairy products were 1.7 times as important as cotton.

Support spending on wheat and corn present a striking contrast to the amounts spent on dairy supports. The CCC expenditures amounted to $4.3 billion on these two commodities of which wheat received the lion's share. As compared to the $550 million spent on dairy supports, wheat and corn together received 780 percent more Government aid. Of the total CCC investment, wheat and corn together received 49 percent, as compared to dairy products' 8 percent. Wheat and corn contributed together 10.4 percent of the national farm income, while dairy products contributed 13.3 percent.

The price-support programs administered by the Commodity Credit Corporation have resulted in a total net loss to the Government of about $1.2 billion since they were started in 1933. Of this loss, dairy products contributed only about 14 percent.

It is interesting to note that as of January 6, 1954, the Government held 260 million pounds of butter and 968 million pounds of cottonseed oil, a principal ingredient in the manufacture of oleomargarine, exclusive of other vegetable oils held by the Government. These amounts represent $174 million for butter and $178 million for cottonseed oil. The public hears a great deal about the former. Not only does the Government hold more pounds of cottonseed oil than butter in storage, but also the Government's holdings represent more money invested in cottonseed oil than butter.

Dairy farming requires a relatively heavier investment in machinery and equipment than other types of farming. In terms of the average net income on dairy farms in the three regions, Central Northeast, east Wisconsin, west Wisconsin for 1952, the investment in machinery and equipment was 111 percent. In other words, the value of machinery and equipment on dairy farms in 1952 was 11 percent greater than the annual net income.

In the case of cash grain farms in the Corn Belt, on the other hand, the investment in machinery and equipment was only 65 percent of annual income. Other types of farming ranged as low as 10 percent of annual income in machinery and equipment investment.

The obvious conclusion is that dairy farmers are the greatest spenders for these industrial products which are vital to the health of our economy.

Dairy farmers have suffered increasingly during the last 2 years. Their plight has become well known as the cost-price squeeze. The cost of producing a hundred pounds of milk in 1952 was $5.72. The average uniform price for milk testing 3.7 percent butterfat that year was $4.68 per hundredweight. The average producer in the New York pool makes 395 pounds of milk per day, or 144,570 pounds in 1952. His gross income on his dairy operation was $6,768. His gross dairy-production costs were $8,269, giving him a net loss of $1,501.

A reduction of 5 percent in the parity level will reduce the average annual gross income of the dairy farmer of the Northeast by about $200. A 15-percent cut, or reducing dairy supports to 75 percent of parity, will lower the average dairyman's income about $600.

With parity slashed to 75 percent, New York milkshed farmers will lose about $2 million per month. Milk producers in the North Atlantic States will lose annually approximately $67 million, and producers in the United States will lose approximately three-quarter billion dollars.

These remarks do not deal with the economic interdependence of dairy farming in the national economy. Suffice it to say that agriculture is the greatest single industry and that the dairy industry is the greatest agricultural industry. Consequently, any price change in the dairy industry affecting the returns of dairy farmers will, in turn, affect the national economy. A prosperous agriculture, a prosperous dairy industry, is essential to a prosperous national economy.

Based on the above considerations, Eastern Milk Producers Cooperative Association, speaking not only for its own 8,000 members but in the interest of all dairy producers, is of the firm belief that dairy products must be supported at 90 percent of parity. This level of support prices is essential to avert a serious national financial disaster among milk producers.

Given the desirable support level of 90 percent of parity, Eastern Milk Producers Cooperative Association is of the opinion that a sound program for the dairy industry must provide first of all for the disposal of existing surplus stocks in the hands of the Government, in such a manner that there will be no interference with normal marketings of milk and dairy products. We believe with President Eisenhower that the threat of huge surpluses must be removed from current markets. The President very wisely indicated in his message of January 11, 1954, to the Congress that the surplus stocks "can be insulated from the commercial markets and used in constructive ways."

To dispose of existing stocks of butter we submit two suggestions:

First, the Armed Forces and the Veterans' Administration should cease purchasing oleomargarine and should purchase butter instead from the Commodity Credit Corporation at a price competitive with oleomargarine. Insofar as the Armed Forces are concerned, a plan for this was announced in the spring of 1953. Nevertheless, purchases of butter by the Army, which does the buying for all the Armed Forces under this arrangement, have been at a rate considerably lower than oleomargarine consumption in 1952. In that year oleomargarine consumption by the Armed Forces amounted to 54 million pounds, according to figures released by the Department of Agriculture. Compared with this, purchases of butter by the Army under the special arrangement with the Commodity Credit Corporation have amounted to only 19 million pounds since June 10, 1953.

With respect to the Veterans' Administration, it is our understanding that this agency is only now getting started in purchasing butter for hospitalized veterans from the Commodity Credit Corporation.

It is obvious, therefore, that in both the Armed Forces and in the Veterans' Administration there exists an outlet for surplus butter which has not been fully utilized.

Second, an intensive effort should be made to utilize overseas outlets. In this connection, we recall that in 1951 the Congress appropriated $190 million for the purchase of wheat for shipment to India on a basis which was little short of donation. While we recognize that the incentive for this action was something other than the disposal of surplus wheat, we nevertheless feel that India offers a possible outlet for butter. Butter can be converted to the oil product known as "ghee," which is commonly used by the population of India. We would suggest that our Government undertake negotiations with the Government of India with a view of disposing of our surplus stocks of butter in that country.

With respect to stocks of cheese, we believe that, given a sufficient period of time, these can be disposed of through the school-lunch program and other institutional feeding plans, provided that the permanent dairy program adopted does not call for substantial further purchases of this commodity.

Stocks of dry skim milk can be disposed of to special areas in Western Europe and Asia without interfering with normal channels of trade.

These remarks relate to the problem of disposing of existing surplus stocks. There remains then the question of the broader program for the future, a program which would avoid the accumulation of such stocks.

In his message of January 11 to the Congress, the President recommended a program for wool which would embody among other things, the following features:

1. Prices of domestically produced wool are to be permitted to seek their level in the market.

2. Direct payments are to be made to domestic producers at a rate sufficient to give producers an average return equivalent to 90 percent of parity.

We fail to see why a program of this nature should not be feasible also for milk and dairy products, and we suggest that this approach be further examined.

Recent press reports indicated that the Department of Agriculture plans to dispose of existing stocks of butter to domestic consumers through some arrangement whereby the average cost of the butter procured by consumers would be lowered. The question may justifiably be raised as to how this plan differs from the proposed wool-type of program. To us the only difference seems to be that the butter operation was roundabout, cumbersome, and administratively costly. It would seem that rather than buy butter at the support price, only to dispose of it later at lower prices in domestic markets, it might have been better to sell it at the lower prices to begin with, and thus avoid all the costly purchasing and storage operations. A further advantage of the wool-type of program approach would be that the lower price could be made applicable to all dairy products, which would obviate the need for funneling all the surplus milk through the creamery and cheese factory, as at present. In other words, under the wool-type of program, the surplus would be consumed without being first purchased and stored.

CONCLUSIONS

1. Dairy products contribute more toward the national farm income than any other agricultural commodity.

2. The Government has spent less money on supporting dairy products than any other important agricultural commodity.

3. Losses incurred by the CCC in supporting dairy products have been relatively low.

4. Dairy farmers invest relatively more money on machinery and equipment and a reduction in dairy farm income will seriously affect the industrial economy.

5. A reduction in the support price on dairy products is discriminatory and further aggravates the current cost-price squeeze on dairy farmers.

6. New York milkshed dairymen will lose $2 million per month.

7. The survival of dairy farmers requires the maintenance of the support price for dairy products at 90 percent of parity.

8. Existing surplus stocks of dairy products should be disposed of to the Armed Forces, Veterans' Administration hospitals, the school-lunch program, and overseas outlets.

9. A permanent dairy program should follow the lines of the proposed wool program.

Mr. KEFAUVER. It should be pointed out that according to the report of the Joint Committee on the Economic Report, in January, 1954, it was found that production of farm equipment was down 29 percent between January, 1953, and January, 1954, and it has continued to go down since that time. We find also that the 1953 monthly average of prices received by farmers was down 10 percent below the 1952 monthly average.

The President's Secretary of Agriculture may not agree with what the President of the United States said in connection with continuing the 90 percent support program, when he was speaking in Minnesota before the election; but I agree with what the President had to say; and I hope that we will see to it that his words of that time remain the law of this time.

Mr. President, dairy products, in particular butter, seem to have been singled out for criticism under the support program. Many persons do not seem to think of other things that are supported. I do not want to make any invidious comparisons, because I have been for the overall support program, but under it many things of less overall importance to the national economy than dairy products are supported.

Dairy products contributed an average of 13.3 percent of the national farm income during the 4-year period, January 1, 1949, to December 31, 1952. Peanuts, which are supported at 90 percent of parity, were less than one-twentieth as important. Peanuts have received about one-half as much price-support money as have dairy products. I am not criticizing the supports on peanuts—I am simply attempting to show an almost self-evident fact, that dairy products are more important to the national economy and have been receiving proportionately far less support.

I think that instead of this sudden blow by a further reduction in price support levels, a sound program for the dairy industry must provide first of all for the disposal of existing surplus stocks in the hands of the Government. I believe, with President Eisenhower, that the threat of huge surpluses must be removed from current markets. As he indicated in his message of January 11, 1954, surplus stocks "can be insulated from the commercial markets and used in constructive ways."

An intensive effort should be made to utilize overseas outlets. We all remember the appropriation for the purchase of wheat for shipment to India—which, of course, had incentives other than the disposal of surplus wheat. Nevertheless, India is a potential outlet for milk products, and I suggest that the Government undertake negotiations with India with a view toward that end.

Stocks of dry skim milk can be disposed of to special areas in Western Europe and Asia without interfering with normal channels of trade.

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

Mr. KEFAUVER. I am very happy to yield to the distinguished Senator from Minnesota.

Mr. HUMPHREY. I am very appreciative of the fact that the Senator is giving attention to the subject of international trade and outlets for surplus agricultural commodities. It has been very disturbing to me to see our representatives in the State Department going from one conference to another, bringing forth one resolution after another, and pointing out that everyone is against communism. I should suppose that every decent-minded human being would be. But they never get down to economics. For example, take the Conference at Caracas, Venezuela. Every day I read in the newspapers about an American resolution to line up everyone with the North American and Latin American countries against communism. I am delighted that our Secretary of State sees fit to propose such resolutions, but I remind our State Department that one of the greatest diet deficiency areas in the world is south of the Rio Grande, all the way down to the tip of South America. There is an opportunity in our own hemisphere to do business, to trade, and at times to do some good deeds and gain good will.

I have noticed that the South American countries have asked our State Department to arrange another conference, where they can talk about eating. Some people worry about men's dying conditions. Others worry about their living conditions. I prefer for the moment to worry about their living conditions. Members of the Latin American delegations have suggested to the United States, the richest and most powerful Nation on the earth, that perhaps some of the other countries would like to talk about economics and not merely ideology. When we get down to the economics of some of these problems, we shall solve some of the idelogical problems. We can pass resolutions from now until doomsday against Communists in South America; but when workers are exploited, when there is poverty, misery, hunger, and economic unbalance, there will be more Communists than we can pass resolutions against.

The Senator from Tennessee is pointing out something that is necessary, namely, to move ahead on the practical economic fronts of trade and assistance in areas of the world close at hand. We do not need to go all the way around the globe to do it. There is some work to be done in our own back yard.

Mr. KEFAUVER. I thank the Senator from Minnesota for his excellent contribution to the discussion. Undoubtedly, as he has so well said, democracy looks a great deal better to people who have full stomachs. I agree with him that one mistake we have been making is in not taking more aggressive steps to try to build up our foreign trade. Undoubtedly one of the difficulties with our agricultural economy and the surplus of many manufactured products is that our trade with other nations is down very substantially. Some efforts are now being made by the Secretary of Agriculture to find foreign markets, but not sufficient attention is being given to the subject, and the State Department is not doing very much about it.

I feel, as does the Senator from Minnesota, that the resolution adopted at Caracas was a fine expression; but in order to maintain and build up the anti-Communist attitude in South America, which has been neglected by this Nation far too long, as well as in other parts of the world where we have at least potential friends, we ought to be considering the fact that a great many people in those areas are hungry. They are living on a substandard diet. They need food. They would like to use many of the surpluses we have. The people who live in other nations have things they could sell us, things which we should be willing to take in return. We need to build up our world trade. Such a program would not only help the farmer. It would help us in our fight to show the people of the neutral nations of the world who may be tempted to be attracted to communism that their best chance of getting more of the good things of this earth lies in siding with us, and not with the Communists, in the contest which is going on today.

With respect to stocks of cheese, why cannot these be disposed of to a greater extent through the school-lunch program and other institutional feeding plans?

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

Mr. KEFAUVER. I yield.

Mr. HUMPHREY. We shall not be able to dispose of surplus cheese, milk, or butterfat products under our school-lunch program which suffers a budgetary cut of $15 million.

I am becoming a little fed up with all the talk about humanitarianism, to the effect that we are going to have a better health program and a better food program and new outlets. It all sounds good. But those programs are not one bit better than the budget that is provided to support them. It is like the man who professes great love for his wife and family and then refuses to provide shelter and food.

What the Senator is bringing out is important. All of us can use some of the cheese to which he has been referring. It is a very rich food, and could be very well used in our school-lunch program. That is all very well. More children are going to school today than at any other time in our history, and more of them are going without lunches at school than at any time in the last 10 years. Why is not something being done? Because we are humanitarian with our words, but slightly conservative, to say the least, with the pocketbook.

I have never found anyone who could feed his family on words alone. He must put the groceries on the table. That is what it all comes down to.

The Senator from Tennessee is absolutely right in what he says, but too much is being talked about it and not enough is being done about it.

Mr. KEFAUVER. The Senator from Minnesota is right. The recommendation of the Budget Bureau with reference to the school-lunch program is a very unthoughtful act. The school-lunch program is a program which is furnishing about the only hot meal that many schoolchildren get during the day. I believe it is a much better program than any other that I can think of.

I trust that this year Congress will be able to increase the school-lunch program, as was done last year, so as to bring it somewhere in the vicinity of an adequate program.

It would be far better for the schoolchildren of America who participate in the school-lunch program and receive the hot meals at school if a little more money were to be appropriated for the purpose of providing them with cheese and with more milk in their lunches at school. It would not only help them, but it would take some of the burden off the surplus food program.

The use of milk certainly could be increased by the Armed Forces and the Veterans' Administration.

I have talked to a number of men in the training camps of the Nation. On the average I would say that they get much more milk in camp than they got at home. Probably they get as much as a bottle of milk a day. Many of them stated that if they were offered more milk they would certainly like to have it. They think they could use it and that it is needed in their diet.

The use of milk certainly could be increased by the Armed Forces and Veterans' Administration.

Over the long run, I do not see why the Department of Agriculture cannot

restudy the dairy program in line with the program recommended for wool, which would embody, among other things, the following features:

First. Prices of domestically produced wool are to be permitted to seek their level in the market.

Second. Direct payments are to be made to domestic producers at a rate sufficient to give producers an average return equivalent to 90 percent of parity.

If this is a sound program for wool—and I am frank to say that I do not know whether it is or not, as only experience can show—then why would it not be sound for dairy products, or why should we not at least be giving some consideration and study to the subject as it relates to dairy products?

Certainly the present plan, or lack of plan, does not strike me as being sound.

The emergency is on us. I hope that as an interim measure the administration leadership will at least let us pass a resolution which will hold in effect the 90 percent of parity support program on dairy products until the Committees on Agriculture of the House and the Senate can consider the Thye-Humphrey bill and other bills which have been introduced to relieve the plight of the dairy farmers of the Nation.

Mr. President, that does not seem to be asking too much. It is very little to be asking. As a matter of justice, it seems to me that Congress ought to have an opportunity to decide what kind of program it wants to enact for the dairy farmers of the Nation, particularly in view of the fact that the President in his campaign promises stated that the farmers would continue to receive 90 percent of parity. At least, we ought to be given an opportunity to help the President carry out his campaign promises.

The Thye-Humphrey bill seems to me to be reasonable, and I hope before long the bill may be passed. At least, it would prevent a sudden drop in the price-support program.

The second paragraph of the second section of the bill is of particular interest and of great value to the dairy farmer. It provides that no reduction in the price support program below 90 percent of parity can be put into effect unless there is a corresponding decrease in the price of the articles the dairy farmer must buy.

Mr. President, that is the crux of the situation. The dairy farmer, as is true of other farmers, would not mind taking something less for his products if he did not continue to have to pay the same prices or higher prices for the things he must buy.

If farm machinery and fertilizer and other things the farmer needs would go down correspondingly in price with farm prices—and that applies also to the cost of farm labor—then he would not be so badly affected.

However, the farmer seems to be about the only one who is taking it on the chin. He is taking it on the chin with the assistance of the Secretary of Agriculture. It is unthoughtful and unfair that the Secretary of Agriculture should put into effect the reduction in parity for dairy farmers on the 1st of April, in view of the tremendous losses the dairy farmers have already sustained during the past year and a half.

Mr. President, let us at least adopt a resolution which will hold the support price program as it is until we can have further time to study the whole subject, and an opportunity to decide upon a permanent agricultural program.

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

Mr. KEFAUVER. I yield to the Senator from Minnesota.

Mr. HUMPHREY. Does the Senator from Tennessee agree with me that it is the determined decision of the administration not to have any action taken on the dairy price support question before April 1?

Mr. KEFAUVER. In response to the question of the Senator from Minnesota I would say that time is running out. As of now the only conclusion we can come to is that it is a determined decision of the administration to push further down the income of the dairy farmer by putting into effect the sliding scale program proposed by the Secretary of Agriculture, and that it is the further determined policy of the administration not too let Congress do anything about it.

Mr. HUMPHREY. I thank the Senator. That is the view of the junior Senator from Minnesota. I recall that a few days ago a wool bill was scheduled to come before the Senate for consideration. To that bill the junior Senator from Minnesota and the senior Senator from Wisconsin [Mr. WILEY] offered an amendment, which would act as a stopgap, to afford time for Congress to move ahead in a constructive manner on the overall legislation pertaining to agriculture. However, the bill has been laid aside. Five legislative days are left between now and April 1.

Mr. KEFAUVER. I thank the Senator for his further observations.

Every Senator and every Member of the House of Representatives has a great interest in the serious plight of the dairy farmers. They know something must be done which is different from the Secretary's program and plan. With all the interest and concern of Members of Congress with reference to the dairy problem, I should think it would not take more than 3 minutes in the Senate and 3 minutes in the House of Representatives for a concurrent resolution to be adopted holding the price supports exactly where they are until the question can be further studied. If that is not done, Members of the Congress and the dairy farmers of the Nation will have to reach the inevitable conclusion that it is the determined program and policy of the administration to force prices down, and that the administration is so anxious to force down the prices of milk products that it will not even give Congress the opportunity of doing something to remedy the situation.

Mr. President, I yield the floor.

ANNUAL REPORT OF THE SELECT COMMITTEE ON SMALL BUSINESS

Mr. SCHOEPPEL. Mr. President, the formal submission today of the annual report of the Select Committee on Small Business by the Senator from Minnesota [Mr. THYE] is a matter in which I have a rather deep interest.

The report is a voluminous one, running some 170 printed pages. It is a comprehensive summary of the work of the Small Business Committee during the first session of this Congress and additionally discusses current problems.

As a member of the committee and chairman of its monopoly subcommittee, I have a direct responsibility for a number of sections, and I should like to say for the record very frankly that I have not had the time nor the opportunity to go over the original staff-prepared draft as carefully as I should have liked. When work was started on the report and from time to time thereafter, discussions were had with staff members in which pertinent points, summaries, and observations were made. Last month the draft report was delivered for checking and editorial revision.

Last week I was amazed to learn that the report had been printed in committee print form and copies delivered to the press with a statement announcing release of the report Wednesday, March 17.

After some difficulty, I also was able to obtain a copy of the report Tuesday, and hastily looked over some sections concerning studies and hearings which directly involved the work of the Monopoly Subcommittee.

In several particulars I found the report unsatisfactory. In the case of one section dealing with the problems of independent motion-picture exhibitors—a subject on which I worked for more than a year and held extensive hearings, both in Washington and in the field—the annual report, in my judgment, contained inconsistences and substantial variances with an earlier special report on this subject. The earlier report—Senate Report No. 835, filed last August 3—was one on which I had expended considerable personal effort and care. When I read the annual report on this subject, I found it hard to believe that an earlier report had been made.

I promptly got in touch with the staff and asked that the formal submission of the annual report be held up. I want at this point to extend my personal thanks and deep appreciation to the Senator from Minnesota [Mr. THYE], chairman of the committee, for his courtesy and helpfulness in agreeing to withhold formal submission of the report until today, thus giving me time to make certain minimum changes which I considered essential. Unfortunately, the report had already been released to the press by the staff and has now been published in its original form.

Mr. THYE. Mr. President, will the Senator from Kansas yield?

Mr. SCHOEPPEL. I yield.

Mr. THYE. Mr. President, I have just heard the Senator from Kansas refer to the earlier draft of the report and state that it had been made available to the press. I must say in defense of the committee action that on February 5 a draft of the report went to every committee member, and I instructed the staff to check with each committee member and find out whether there was any objection

to the draft and if it might be printed. The report had been before each committee member since the 5th day of February when I mailed it. Last week, not having received any objection to the report, and the committee members having had the draft of the report all these weeks, I thought there could be no objection, and, therefore, we filed the report.

I regret exceedingly that the Senator from Kansas had not seen fit to check the report, or perhaps it had not been brought to his attention. The unfortunate circumstance was that we had the report printed and filed, and then the Senator from Kansas raised an objection. I did not submit the report to the Senate until such time as new prints could be made up and the Senator from Kansas could have an opportunity to check the report. I had the reprint made and reported it.

I regret exceedingly that the Senator from Kansas was disappointed in either the committee's action or the committee staff's action.

Mr. SCHOEPPEL. Mr. President, unfortunately no staff member of the Select Small Business Committee conferred with the senior Senator from Kansas. That happens to be the fact. But I appreciate the fine courtesy that was extended by the distinguished Senator from Minnesota, the chairman of the committee, when this matter was brought to his attention. The matter was drawn to the attention of some of the other members of the committee, and they very quickly saw some of the disparities which appeared in the report which I am attempting to cover, and the report now filed will show in very definite detail the changes which, in my opinion, should have originally been made.

Mr. President, working as rapidly as I could, I made changes which I deemed essential, submitted and checked these changes with members of the monopoly subcommittee and the full committee, and received their approval, and I sent the changes back to the committee staff for revised printing.

I make this statement for the record so that Senators and the press will know that in several particulars the released form of the report differs from the final form, submitted today. This is particularly true with respect to the section dealing with the problems of the motion picture exhibitors, in whose welfare I have a deep concern.

It is important to emphasize, I think, that findings and conclusions made in the committee's special report of last August 3 still stand today. Unfortunately, the motion picture trade press stories, based of course on the earlier version of the annual report, suggest that the Small Business Committee appears to have shifted its views with respect to a number of problems in the motion picture exhibition field. Despite any inferences to this effect that may be drawn from the preliminary draft of the annual report, I would like to state plainly and firmly that this is not a case of a later brief supplanting an earlier one. The revised version of the annual report filed today is designed to make this clear.

I think this situation points up a development which should concern all Members of the Senate. Most of us are extremely busy men. Speaking only for myself, since the beginning of this Congress I have averaged 14 to 16 hours a day of uninterrupted work here in the Capitol. As a member of the majority policy committee, the Agriculture Committee, the Interstate and Foreign Commerce Committee, and the Small Business Committee, I am in almost constant committee hearings or consultations on legislative problems with my colleagues. I am not complaining about that; that is why Kansas sent me here, and I enjoy every minute of it.

But what concerns me, and I think should concern other Members, is that a Senator should be put into a position by staff employees that he has a deadline in which to say yes or no to a report. I find it hard to accept the proposition that a report may be released before it is formally approved by all Members and issued by the committee chairman.

Particularly is this bad when there is no law or rule requiring a report to be submitted at some particular time. So far as I know, there is no requirement that the annual report of the Select Committee on Small Business be submitted on March 15.

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

Mr. SCHOEPPEL. I yield.

Mr. MORSE. Did the committee have a meeting to discuss the question as to when the report should be issued?

Mr. SCHOEPPEL. The senior Senator from Kansas had no knowledge of such a meeting.

Mr. MORSE. Would it be correct to say, then, that if a meeting was held, it was held without the knowledge of a member of the committee?

Mr. SCHOEPPEL. Speaking only for myself, that happens to have been the case.

Mr. MORSE. I have listened with great interest to the remarks of the Senator from Kansas. I am interested in them, not only from the standpoint of this particular instance, but also from the standpoint of Senate precedents.

I, for one, would be opposed to any Senate committee—and, after all, they are but the children of the parents, we, the total Senate—proceeding to issue reports without the full knowledge of all members of the committee.

Mr. SCHOEPPEL. In any event, I cannot yield my responsibility and duty to others. As a lawyer, it is my judgment that the entire practice is bad, and is one bound to bring reproach and criticism upon committees and upon the Senate as a whole.

In my view, the Senators who are members of a committee are ultimately responsible to this body and to the people for their actions. They cannot delegate or transfer this responsibility to others, however competent and efficient. The business of yielding responsibilities to those who cannot be held accountable by citizens is dangerous and may become evil. I sincerely hope that it will be curbed hereafter.

SOUND ECONOMY

Mr. CARLSON. Mr. President, during recent weeks and recent months we have heard much discussion about the general economic trends in the United States.

Purchasing power, unemployment, recession, the stock market, and inventories are main topics of conversation. It is only natural that these problems should cause grave concern during this period of readjustment between a program of production for war and one of production for peace.

Despite these adjustments, our economic structure is not only sound, but it is operating at a very high capacity.

One of the problems confronting the Nation during the period of readjustment has been swollen inventories, and progress is being made in reducing them at a very substantial rate.

Since last September there has been an inventory reduction of more than $2 billion, and many industrial companies are getting their inventories in line with normal sales.

The year 1953 broke all records for gross production; and while the final figures for the first quarter of this year are not available, present indications are that the drop in gross national product will be around 1 percent, compared with the fourth quarter of 1953, or to a level a little below 360 billion on an annual basis.

The 1-percent drop in gross national product for the first quarter of this year would compare with a drop of approximately 1½ percent in the gross national product between the third and fourth quarters of last year.

Consumer spending is holding at about the same rate, or at the annual rate of 230 billion, as in the last quarter of 1953.

It seems to me that we should devote more time to talking about some of the bright spots in our economy, rather than looking through dark-colored glasses.

REDUCTION OF EXCISE TAXES

The Senate resumed the consideration of the bill (H. R. 8224) to reduce excise taxes, and for other purposes.

Mr. BUSH. Mr. President, I desire to address myself to the pending business, the consideration of the report of the Committee on Finance on H. R. 8224. In that bill we come to grips with the first element of the new tax program. This must be dealt with immediately, of course, because of the April 1 deadline.

H. R. 8224, as now amended, seeks to make a reduction in existing excise tax rates, which it is estimated will cost the Treasury about $1 billion. Probably the cost will be more than that, with the amendment which was agreed to yesterday. If this reduction in Government income becomes effective, if other conditions remain unchanged, and if other estimates prove to be accurate, there will be a corresponding increase in the estimated deficit of the budget of approximately $2,900,000,000.

This presents by no means a satisfactory picture. On the other hand, it must be remembered that the budget submitted by the administration esti-

mated a cash balance, which is to say that if the trust fund income, including social security payments, is to be taken into account, the Government should receive in the next fiscal year an amount of total cash equivalent to the total estimated expenditures. Thus, on a cash basis, the budget would be balanced. If a budget is in balance on a cash basis, inflationary effects do not exist.

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

Mr. BUSH. I yield.

Mr. DOUGLAS. Is it not true that if the consolidated cash basis is adopted, the Truman budgets were not only in balance, but showed a surplus in 5 out of the 7 full years during which President Truman was in the White House?

Mr. BUSH. If the Senator from Illinois says that is true, I am not prepared to dispute it.

Mr. DOUGLAS. I think it is true.

Mr. BUSH. I do not know that it is true.

Mr. DOUGLAS. I think it is true.

Mr. BUSH. I think I should like to see the figures which would substantiate that statement. I am not under the impression that the Senator from Illinois is correct, but I do not dispute his statement because I do not have figures earlier than 1950. I have figures as far back as 1950.

It is true that during the 80th Congress, in the fiscal years 1947 and 1948, there was a cash balance. In 1949 there was not a cash balance. In 1950, the balance was $450 million. In 1951 it was $1,244,000,000. In 1952 there was a deficit of $1,600,000,000.

In 1953, there was a deficit of $6 billion.

So I do not know if what the Senator from Illinois says is true or not, but I do not think his statement is very convincing. I do not know what the record shows earlier than 1950.

Mr. DOUGLAS. I merely wished to point out that when the Democrats were in power, our Republican friends insisted that the standard of judgment should be the administrative budget, and there were steady deficits in the administrative budget, with the exception of 1 year.

But since the Republicans have come to power, they seem to have switched to the consolidated cash budget, and to claim credit for the Social Security funds. What is sauce for the goose is sauce for the gander.

Incidentally, the seven full calendar years during which the Truman administration was in power were those from 1946 to 1952 inclusive. The official publication, Economic Indicators, for March 1954, page 32, shows that in the calendar years 1946, 1947, 1948, 1950, and 1951 there were surpluses in the consolidated cash budget, while only in 1949 and 1952 were there deficits. For the 7 years as a whole, the sum of the 5 surpluses amounted to $15.4 billion, and of the 2 deficits, to $2.9 billion. Taking the 7 years as a whole the net surplus for the consolidated cash budget was $12.5 billion.

Mr. BUSH. I may say to the distinguished Senator from Illinois that I do not believe it makes any difference what the Republicans may say about it. I do not think that makes it right. I think the fact that the administrative budget is out of balance, and is likely to continue out of balance, is most unfortunate. I am not making any justification of it.

The only point I am making is that if the cash budget is in balance, there is not monetary inflation; there is sufficient cash with which to pay bills.

Mr. DOUGLAS. With the exception of 2 years, then, there was no governmental cause for net inflation under the Truman administration. For this period as a whole there was a net surplus in the cash budget.

Mr. BUSH. I shall not debate that point with the Senator from Illinois. I should say he is wrong, because I suggest that the figures prove that in the fiscal years 1949, 1952, and 1953 there were large deficits in the budget. I submit those figures for the Senator's perusal.

When Federal Government finances a cash deficit by borrowing, that begins the inflationary process. Borrowing to correct the cash deficit does have an inflationary effect, as any economist will agree. Generally speaking, borrowing is always inflationary in effect. If everybody borrows money to spend, that has an inflationary effect. If everybody turns around and uses all their savings to pay off debts, that would have a deflationary effect because it would take out of the spending stream those amounts which went to retire debt.

But it is most important, in connection with the Federal Government, to have a cash balance, because the inflationary forces of a cash deficit affect everyone.

I will say parenthetically to my friend, the Senator from Illinois, that I am not making any justification of the deficit in the administrative budget.

Inflationary forces caused by a cash deficit particularly affect the people in the lowest income-tax brackets. Wealthy people can take care of themselves, because inflation raises the value of what people have in the form of property. So inflation is really a condition that hurts people in the lowest income-tax brackets, and they suffer the most.

The reason for this, of course, is that borrowing to satisfy a cash deficit increases the money supply without changing the supply of goods. No one will dispute the statement that if the money supply is increased without the supply of goods being changed, the effect is inflationary. It would cause increases in prices. Or, to put it another way, and more realistically, perhaps, it would decrease the purchasing value of the dollar, and thus decrease the purchasing value of the savings, the pensions, the insurance policies, and the fixed salaries of workers all over the United States. We have had some experience with inflation, and its effect upon our people, and that experience has been so disagreeable that certainly it was one of the issues in the 1952 election campaign. This administration took a position at that time and pledged itself to stop inflation. And it did stop inflation.

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

Mr. BUSH. I yield for a question.

Mr. DOUGLAS. Does the Senator from Connecticut think that the danger now is inflation, or is the danger economic contraction or recession?

Mr. BUSH. I will say to the Senator from Illinois, eminent economist that he is, that there is still a danger of inflation, and certainly there is such a danger if we are forced to adopt a system of deficit financing. If we do not produce sufficient cash from taxes to pay expenses as we go along, the effect will be inflationary. I am sure the Senator will not deny that.

Mr. DOUGLAS. I certainly do deny it, because there is idle plant capacity and idle labor, and the main problem is to put this idle capacity and labor to manufacturing goods which otherwise would not be produced.

Mr. BUSH. I suggest, with all due respect, that what the Senator has stated is not in point. I am talking about monetary inflation created by a cash deficit, to which the Senator from Illinois has frequently referred, and I shall quote him in a few moments.

The forces of inflation have been checked, and the purchasing power of the dollar has been stabilized. So it must remain.

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

Mr. BUSH. I love to talk with my good friend, and if he will let me proceed a little further, perhaps I can yield to him again. I do not mind yielding, if it does not happen too often.

The administration has been criticized by its opponents, who were willing to play with the dangerous fires of inflation, for what it has done to stop inflation. Inflation is a tempter, like the Devil himself. The inflationary devils tempt us to tread the primrose path. They tempt us to spend more money than we have. They tempt us to keep on borrowing money to spend. They tempt us to believe that the hypodermic needle, with the inflationary medicine, is good for us. And they hide from us the fact that the medicine of inflation is just another form of dope, if you will—a dope that dulls the senses; a dope that dulls the sense of responsibility; and it dulls the moral fiber.

I can recall a character in Dickens, perhaps it was Micawber, who once said, "Income, 100 pounds; expenses, 99 pounds; result, happiness. Income, 100 pounds; expenses, 101 pounds; result, misery." It was a good many years ago, of course, when a family could live on a hundred pounds sterling. But the philosophy of that statement—the economic philosophy of that statement—is just as true today as it was then. Every one of us knows that it is true, by what we see in our own daily lives, and the daily lives of those around us. Those who form the habit of spending up to the hilt, and spending more than their incomes, usually find themselves in trouble.

So it is that the forces of inflation which have had play in our economy off and on during the period of the past 20 years, have had a bad effect on the financial morals of the United States.

LEGAL DEBT LIMIT

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

Mr. BUSH. I yield for a question.

Mr. MALONE. I shall be very brief. I should like to ask the distinguished Senator if he is in favor of raising the debt limit. The question was before the Senate Committee on Finance last year and was rejected; probably will be brought in again this year, according to the rumors.

Mr. BUSH. Of course I am not in favor of raising the debt limit, but I will say to the Senator that, while my every inclination is to oppose raising the debt limit, I am not saying at the moment that under every conceivable condition I would oppose it.

If the Senator will remain on the floor of the Senate for a few minutes, he will realize that I am arguing for a case which I believe will not require any increase in the debt limit, because I think it is a very bad thing to increase the debt limit.

Mr. MALONE. Will the Senator yield further?

Mr. BUSH. I yield for another question.

Mr. MALONE. There are circumstances, for instance, if a war is imminent or in progress, when none of us would oppose raising the debt limit. However, if we are to have a semblance of economic stability we must live within our income in peacetime. I wondered what the opinion of the distinguished Senator would be with regard to raising the debt limit in view of his most excellent address?

Mr. BUSH. I suggest, after listening to the Senator, that I do not believe I have a philosophy different from that expressed by him.

Mr. MALONE. I agree with the philosophy expressed in the Senator's address—but with the persistent rumor that the request will again be made—it is the votes that count. I can answer the question I asked.

Mr. BUSH. I thank the Senator for his suggestion.

The distinguished senior Senator from Illinois who is with us this afternoon again, has frequently pointed out to this body, and to the people generally, the dangers and evils of inflation. He has laid before the Senate a body of information on the subject of inflation which should never be forgotten. Specifically, he pointed out that the forces of inflation which were rampant in 1951 cost the Defense Department alone upward of $6 billion.

May I ask the distinguished Senator from Illinois if the figure of $6 billion is correct?

Mr. DOUGLAS. The increase in prices occurred from July 1950 to February or March 1951, but prices stopped increasing after that and were steady from then, wholesale prices fell slightly, consumers' prices increased slightly so that the average of the two was constant.

Mr. BUSH. The figure which the Senator used in his published remarks, as I have found them in the RECORD, was upward of $6 billion. He pointed out that the forces of inflation cost the consumer of this country, generally, an estimated eighteen to twenty billion dollars. I hope very much that the distinguished Senator from Illinois will continue to fight the forces of inflation this spring, as he has in the past.

I stress again this question of inflation, because if this excise tax reduction bill passes through the Congress in substantially its present form, it will, as I said, if other estimates hold up, create a cash deficit for the Federal Government—unless something is done to offset this decrease in tax income.

Next, therefore, comes the question, what can we do about that? The budget calls for expenditures of $65 billion. If we are to close up the prospective cash deficit, we should take a billion dollars out of that sixty-five billion. This, of course, is primarily the responsibility of the Committees on Appropriations. I have reason to hope that the Appropriations Committee in the House is conscious of this responsibility, and will knock $1 billion, or more, out of the budget for expenditures.

What will the Senate do? I suggest that the Senate should do no less. Historically, and traditionally, the Senate has been supposed to exercise the restraining influence. For many years past, however, that has not been the case. The Senate has been the spender, rather than the conservator. Already, we see the Senate Finance Committee has certainly not acted as a conservator in connection with this excise-tax reduction act. It has reported out a bill increasing the tax cuts recommended by the House by approximately $50 million, and by the vote yesterday, we added tax cuts of at least $100 million more.

Mr. LONG. Mr. President, will the Senator from Connecticut yield to me?

Mr. BUSH. I yield briefly for a question, to my friend, the Senator from Louisiana.

Mr. LONG. Of course, the Senator from Connecticut knows I was not one of those who voted yesterday to open up the floodgates on this bill. Nevertheless, in fairness to the Senate, I believe it should be pointed out that the House of Representatives considered the bill under a closed rule, which prevented an amendment of this type being offered. It would have been interesting to have seen what would have happened in the House of Representatives if such an amendment had been in order.

Mr. BUSH. I share the curiosity of the Senator from Louisiana as to what might have happened. I think the rule in the House is a fairly good one, and it impresses me favorably from time to time.

Mr. MORSE. Mr. President, will the Senator from Connecticut yield to me at this point?

Mr. BUSH. I yield for a question.

Mr. MORSE. Does the Senator from Connecticut mean, by what he just said, that he thinks the rule is a good one when it denies to a majority of the Members of the House of Representatives the right to represent the people who elected them?

Mr. BUSH. That is not what I had in mind. I simply had in mind the effectiveness in restraining the spending influences which crop up in the House, and which, certainly, also crop up in the Senate.

So, Mr. President, as we approach the vote on the first money bill of the year, I plead with the Senate for caution. With those who will vote for this excise-tax reduction, I plead that they resolve that, in some way, or in a combination of ways, we shall reduce the appropriations at least $1 billion below the budget of $65 billion. In other words, I plead that through reduction in expenses, we shall recapture at least this $1 billion, or whatever the amount turns out to be when the bill comes to final passage, after conference.

As for myself, I certainly pledge myself to work to attain that end, and even more. I think we should go further; not only should we close the cash gap of $1 billion, which would be created by the passage of House bill 8224, but we should make further cuts, if that can possibly be done without imperiling the national defense, which now takes approximately 70 percent of the national budget.

On that basis, and for other reasons which I shall state immediately, yesterday it was my intention to support the excise-tax reduction bill and to vote for it. What I shall do if the reductions becomes too large, I have not yet decided. I do not know how large the reductions will become. Before the vote was taken yesterday, I thought I would be able to support the bill. At the present time I am a little uncertain.

My own study of the hearings and the report on the bill, indicates to me that there is much to be said for the fact that the proposed reductions in excise taxes may act as a real stimulus to business. This is admitted by officials in the Treasury Department and in the Bureau of the Budget. It is also the opinion of eminent members of the Congress whose judgment is sharpened by long and difficult years of service in the Capitol.

At this point I would observe that this bill on excise taxes cannot be considered entirely apart from the big tax-revision bill which soon will be coming before us for consideration. The latter has already passed the House and is now in the Senate Finance Committee, I believe.

Since these matters are related, because both of them affect substantially the income of the Federal Government, at this point I should like to quote from a letter which was published in the New York Times of March 18. The letter is signed by Albert Hart and William Vickrey, who are connected with the Department of Economics of Columbia University. The headline given to the letter by the New York Times, in publishing it on its editorial page is "Reductions in Excises Favored Over Change in Exemptions."

Mr. President, I shall not read the entire letter; but I now ask unanimous consent to have it printed in full in the RECORD at the conclusion of my remarks.

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

(See exhibit A.)

Mr. BUSH. Mr. President, the main points of the letter from these gentlemen are:

Heavy Federal taxation is a bad thing in itself, acceptable only to avert the greater evil of inflation.

I now skip a paragraph, and then read:

If tax cuts are to be made with the aim of arresting the downswing, it is important that they take effect as soon as possible. For this purpose, immediate reductions in excises and in the income tax withholding rates are more appropriate than income-tax credits, which would not have their main impact before next year. It is fruitless, if not dangerous, to attempt to provide now for tax cuts to take effect at some later date, since by then conditions may have improved to the point where the cuts would contribute to inflation.

If, as we all hope, the recession can be promptly overcome, then toward the middle of 1955 we may again face inflationary pressures. If so, increased taxes will be needed. To raise exemptions—and especially to provide now for a further increase in January 1955, as has been proposed in Congress—would make it very hard to bring revenue up again.

Mr. DOUGLAS. Mr. President, will the Senator from Connecticut yield at this point to me?

Mr. BUSH. I am glad to yield to the Senator from Illinois.

Mr. DOUGLAS. The Senator from Connecticut is well aware, is he not, that the bill now under consideration is the excise-tax bill, and that a group of us are proposing reductions in excise taxes? Is the Senator from Connecticut making an argument in support of such a reduction in excise taxes? Certainly the letter from which he has been reading is precisely to that effect—namely, that regardless of what we do in respect to raising the income-tax exemption, excise taxes should be reduced. So I wish to thank the Senator from Connecticut for reading the letter to support my position. He has been a real aid although perhaps an unconscious one.

Mr. BUSH. I thank the Senator very much for his kindness, although I am not entirely in sympathy with his interpretation. However, I read the letter because I wished to bring out the facts referred to in it.

I have said to the Senator from Illinois that we must relate the several tax bills to each other. As a matter of fact, we should consider all of them at once.

I have been raised, politically, in a small New England town, where we still operate under the old town-meeting system. When our budget comes in from the board of estimate and taxation, we pass the budget; and the next thing we do, before we adjourn, is to fix the tax rate, based on the assessed valuation of the town. We fix it high enough to raise sufficient revenue to cover the budget. That is what I am discussing in the course of this speech.

Mr. DOUGLAS. I, too, grew up in New England; and I used to go to town meetings. But let me ask him which party has the majority in the House and the Senate, and thus is able to determine the order in which the tax bills are considered?

Mr. BUSH. It seems to me that over a period of a great many years both parties have fallen into very bad habits so far as that matter is concerned. I am not trying to pin any roses on either of the parties in this connection; I am simply trying to point out the situation and to discuss how we should meet it. I think the record shows that these tax measures are related.

Mr. DOUGLAS. Is the Senator from Connecticut saying that the leadership of his party has made a mistake by not bringing in both bills to be considered together? If so, I would agree with him. But, unfortunately, the minority has not had the chance to remedy the errors of the majority.

Mr. BUSH. I think we have made a mistake. I do not know that it would have been possible to avoid it; but, if so, I think we have made a mistake—just as the party of the Senator from Illinois did for a great many years, as he knows so well.

Mr. BENNETT. Mr. President, will the Senator from Connecticut yield to me?

Mr. BUSH. I yield.

Mr. BENNETT. Does the Senator from Connecticut realize that the expiration date of April 1 was set by the party of the Senator from Illinois, and that the party now in power has to adjust its program to meet that date?

Mr. BUSH. I thank the Senator from Utah for that reminder, which is quite correct, of course.

Mr. DOUGLAS. However, the party now in power might have speeded up consideration of the other tax bill, so that the two bills could have come to us together.

Mr. BUSH. Following what the Senator has said, I may say the Congress has a very messy way of approaching the biggest business problem in the world; and I hope to live long enough and to be in Congress long enough to see that system changed, so that it will be impossible for us to budget a deficit except in time of war or conditions equivalent to war.

The Senator from Illinois does not seem to share that hope, and I do not blame him.

Mr. President, I am disposed to agree—reluctantly, to be sure—that this reduction in excise taxes is, on the whole, desirable, as I said a while ago; and the bill and report as they have come to us are certainly far more desirable than they would be if they were in the form of increasing exemptions.

Of course, later on we shall discuss the question of proposed exemptions and the unfairness involved, the discrimination involved, the very heavy deficit involved, and the inflationary implications involved in all the exemption proposals heretofore made, of which, of course, the most extreme is that offered by the distinguished senior Senator from Georgia [Mr. GEORGE] upon whom I have looked for many years as a Rock of Gibraltar in this body. But perhaps it can be said for this excise-tax bill that it will offer a stimulus to business. It will offer a stimulus to consumer spending, I believe, because it lowers the barriers. It should offer a stimulus to employment. Thus it will serve to check any recessionary forces which may exist today; and once that is done, it will stimulate an upturn in industrial activity, and in trade and commerce.

When we change over from an economy which is based upon the prospect of war, the threat of war, the danger of war, to an economy which is based on the prospect of peace, we then face a reduction in Government spending; and a reduction in Government spending causes loss of jobs. It is inevitable. Other activity, therefore, must be developed to create jobs.

If we are correct in the assumption that the proposed excise-tax reduction will be a stimulus to business and employment, we can assume further that it will also be a stimulus to corporate earning power. Thus it would tend to increase corporate profits, and an increase in corporate profits would result in an increase in income to the Treasury, which would continue to tax such profits at an effective rate of 52 percent, I believe.

Thus a portion—an unmeasurable portion, to be sure, but a portion—of the estimated loss in revenue resulting from the excise-tax cut may be recaptured by the Treasury through the corporate tax route. If this excise-tax cut is a stimulus to business, it is a stimulus also to employment. Conversely, it will help to check any increase in unemployment. I believe that these propositions are sound and reasonable.

So we are presented with a gamble. Is it best to cut excise taxes as proposed in the bill or not? On the one hand, we vote to decrease estimated revenue by more than $1 billion, or approximately $1 billion. The Senator from Illinois would have it a little more, I am afraid. That is bad, because it increases the cash deficit, if other budgetary factors remain equal. It creates a cash deficit.

On the other hand, if we vote for a bill which should act as a stimulus to business, and should act as a stimulus to increasing employment and checking unemployment, it should have an immediate effect on the economy when it goes into effect April 1, and a favorable effect. Its favorable effect on the taxpayers should be universal, and not selective, although we admit that in dollars some may receive greater benefit from it than others. However, it would benefit everyone, including even the unemployed. They would not receive any benefit from increases in the exemptions.

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

Mr. BUSH. I yield.

Mr. DOUGLAS. If a reduction in excise taxes of $950 million will stimulate the economy, why will not the reduction of $500 million more stimulate the economy still further? What is the magic in the figure of $950 million? The Senator says that a reduction of $950 million would stimulate the economy, but that further reductions would not stimulate it.

Mr. BUSH. I will say to the Senator that the additional reductions which he is suggesting would take the excise taxes below 10 percent. I think we must draw the line somewhere, as the Senator knows. The reductions proposed in the bill would reduce the tax to 10 percent,

so as to bring it down to the level of other taxes and bring about a uniform rate of 10 percent.

As the Senator was reminded yesterday, there is no magic in 8 percent or 6 percent. Perhaps there is none in 10 percent. But if we fix all excise taxes at 10 percent we are consistent. That is the best defense I can make at the moment.

Mr. DOUGLAS. Does the Senator maintain, therefore, that a 10-percent tax cut on diamonds, minks, sables, and cabarets will stimulate industry, but that a cut in the taxes on home appliances, automobiles, and radios would not?

Mr. BUSH. I will say to the Senator that I am not able to continue that line of discussion with him as ably as my distinguished colleague, the Senator from Colorado [Mr. MILLIKIN] did yesterday. However, I remind him that the cut on jewelry and fineries is on cheap merchandise. That is where the big cut is to come, as the Senator from Colorado so ably pointed out.

Mr. DOUGLAS. Is it not true that the cut is on all types of jewelry?

Mr. BUSH. That is true.

Mr. DOUGLAS. Is it the contention of the Senator from Connecticut that jewelry is worn primarily by poor people?

Mr. BUSH. I do not say primarily, but I will say to the Senator that if he goes into a restaurant or store he will find that the girls behind the counter will be wearing jewelry. That is true in practically every store in Chicago, and practically every restaurant in Chicago, or any other town in Illinois or in my State, too, for that matter. I am glad that they can do it. They like it. They like to dress up.

Mr. DOUGLAS. Would the Senator also say that it is the poor people of the country who wear furs?

Mr. BUSH. I will say to the Senator that I think a great many of them do. They want to; and they should want to.

Mr. DOUGLAS. Do they do so in the same proportion as the very well-to-dos?

Mr. BUSH. If the Senator has any proportionate figures on that subject, I should like to see them.

Mr. DOUGLAS. The Senator can use his commonsense, of which he has an abundance.

Mr. BUSH. I do not possess too much of that? Perhaps that is what the Senator is implying. At any rate, I thought the Senator from Colorado made it very clear yesterday that this bill is designed to affect everyone. Every woman likes to wear jewelry, whether it costs little or much. The Senator knows that perfectly well. So this is not in any sense a discriminatory cut, so far as jewelry and finery items are concerned. I think everyone, in all walks of life and at all levels of income, will be very glad to be able to buy these little fineries at reduced prices; and I think they should be.

Mr. DOUGLAS. In other words, the poor workinggirl who cannot now buy a $10,000 sable because there is a tax of $2,000 imposed upon it will be able to buy it if the tax is reduced to $1,000. She can then go out wearing a sable choker, is that correct?

Mr. BUSH. I do not know about that. I thought the sable market was pretty well cleaned up, together with the mink market, a few years ago.

Mr. DOUGLAS. Sales of sables have increased since January 1953.

Mr. BUSH. The Senator is speaking about a kind of fur which we have never had in my family. If the Senator is familiar with it from use, I congratulate him. I am afraid I cannot pursue the subject of sables with the distinguished Senator.

Mr. DOUGLAS. Yesterday morning I telephoned to several prominent furriers in Washington, and I was told that the market for sables had increased very markedly in the past year.

Mr. BUSH. That shows that there is more prosperity than the Senator seems to think there is.

Mr. DOUGLAS. Only amongst the people who now congregate in Washington.

Mr. BUSH. Mr. President, I shall require only a few minutes to complete my statement. I am delighted to yield to the Senator from Illinois, but I think the majority leader would like to make a little headway.

In addition to the benefits which I have mentioned, we also have the opportunity to cut budget expenditures. I refuse to believe that at least $1 billion cannot be cut out of the $65 billion budget. I understand that the distinguished Senator from Virginia [Mr. BYRD], who is a recognized expert in these matters, and whose views always carry great weight and command respect in both Houses of Congress, has indicated that he believes that $3 billion, as a minimum, might be taken out of the budget on the expenditure side. He has made specific suggestions to that end. I have examined them, and they certainly appear quite reasonable to me.

In conclusion, let me say that in pledging my support to the bill as it came from the committee, I also pledge my efforts toward reductions of at least $1 billion on the expenditure side of the budget, and I look forward eagerly to an opportunity to help effect reductions of much larger amounts. I hope other Senators will feel the same way, so that we may get the Government back on a basis of decent fiscal practices and live within our income. It is perfectly possible to do so, and the Congress should have the courage to support the administration to that end so as to take evil inflationary forces out of our economy.

Mr. President, I yield the floor.

EXHIBIT A

[From the New York Times of March 18, 1954]

TAX POLICY DISCUSSED—REDUCTIONS IN EXCISES FAVORED OVER CHANGE IN EXEMPTIONS

To the EDITOR OF THE NEW YORK TIMES:

A word on tax policy, centering on the objections to raising income-tax exemptions:

The general wish for lower taxes is a healthy one. Heavy Federal taxation is a bad thing in itself, acceptable only to avert the greater evil of inflation.

Whether or not the present level of unemployment presages a serious depression it is serious enough to make it prudent for policy to err on the inflationary rather than the deflationary side. Tax cuts on the scale now being discussed in Washington could scarcely generate inflation in 1954 or early 1955. Letting weakness of consumer markets accentuate the downswing we have been experiencing could do major damage.

If tax cuts are to be made with the aim of arresting the downswing, it is important that they take effect as soon as possible. For this purpose immediate reductions in excises and in the income-tax withholding rates are more appropriate than income-tax credits, which would not have their main impact before next year. It is fruitless if not dangerous to attempt to provide now for tax cuts to take effect at some later date, since by then conditions may have improved to the point where the cuts would contribute to inflation.

If, as we all hope, the recession can be promptly overcome, then toward the middle of 1955 we may again face inflationary pressures. If so, increased taxes will be needed. To raise exemptions—and especially to provide now for a further increase in January 1955, as has been proposed in Congress—would make it very hard to bring revenue up again.

PRIORITY TO CUTS

Insofar as we can afford permanent tax concessions this year, priority goes to reducing excises and eliminating nuisance taxes. These taxes seriously impair the efficiency of our economy. Cutting excises, incidentally, spells tax relief for the unemployed and for others who will not gain much from income-tax reduction.

The case for further tax cuts in 1954 rests on a presumably temporary need to ward off a further decline of production and employment. Accordingly, the appropriate form for any change in personal income tax is a temporary abatement—either by a percentage of net income or a stated dollar amount per person—in the amount of tax otherwise due. Corresponding adjustments would of course be made in the withholding of income tax at source. Regular rates would go back into force at the end of a stated period, unless circumstances justified new legislation to prolong the abatement. A suitable expiratory date, giving time for the incoming Congress to survey the situation in early 1955, would be March 31, 1955.

ALBERT GAILORD HART.
WILLIAM S. VICKREY.

NEW YORK, *March 18, 1954.*

AIRPOWER POLICY

Mr. SYMINGTON. Mr. President, in 1946 an effort was made to put into effect a coordinated policy with respect to America's airpower.

The problem was laid before what at that time was called the Air Coordinating Committee.

The effort failed. As a result, in 1947 the President of the United States appointed a committee called the President's Air Policy Commission—and also was known as the Finletter Commission.

In addition, during the same year, Congress appointed the Joint Congressional Aviation Policy Board, of which a distinguished Member of one House served as chairman and a distinguished Member of the other House as vice chairman.

As a result of the reports made by these two eminent bodies, there appeared, in 1948, two illuminating and masterful documents with analyses, conclusions, and recommendations about our airpower.

I have always believed that if the recommendations of the two Commissions had been followed, we would not have had the Korean war.

That was 7 years ago. Many things have happened since that time. The Soviets have exploded both an atomic bomb and a hydrogen bomb. We now know that their long-range air force is far superior to what it was formerly. Very recently there were startling new facts in that connection.

It seems to me that at this time it would be most advisable for the President of the United States to appoint another Air Policy Commission. I have in mind the names of certain people whom the President might wish to consider for appointment to such a Commission—such citizens as Mr. T. K. Finletter, Mr. John McCone, Mr. Robert Sprague, Mr. Roger Kyes, Mr. B. M. Baruch, and Mr. Robert Lovett.

I would also suggest that this Congress give serious consideration to the appointment of another Joint Congressional Aviation Policy Board.

One of the reasons it seemed advisable to make these comments today is that I understand there has been considerable effort, and comparable failure to that of the 1946 effort, to set up an overall airpower policy in this administration through the current air coordinating committee.

As of now, I am not at all clear as to just what is the airpower policy of this administration. Therefore, I recommend that consideration be given to the appointment of these two commissions in this year of 1954, particularly because two similar bodies were so eminently successful in their reports and recommendations in 1948.

REDUCTION OF EXCISE TAXES

The Senate resumed the consideration of the bill (H. R. 8224) to reduce excise taxes, and for other purposes.

Mr. KNOWLAND. Mr. President, I am about to propound a unanimous-consent agreement. Before doing so, I suggest the absence of a quorum.

The PRESIDING OFFICER. The Secretary will call the roll.

The legislative clerk called the roll.

Mr. KNOWLAND. 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. KNOWLAND. Mr. President, on behalf of myself as majority leader, and of the minority leader, I send forward a proposed unanimous-consent agreement which I ask the clerk to read for the information of the Senate.

The PRESIDING OFFICER. The clerk will read the proposed unanimous-consent agreement.

The legislative clerk read as follows:

Ordered, That during the further consideration of H. R. 8224, an act to reduce excise taxes, and for other purposes, debate on any amendment or motion (including appeals) shall be limited to not exceeding 60 minutes, to be equally divided and controlled, respectively, by the mover of any such amendment or motion and the chairman of the Finance Committee [Mr. MILLIKIN]; that no amendment or motion that is not germane to the subject matter of the said bill shall be in order: *And provided further*, That debate upon the bill itself shall be limited to not exceeding 2 hours, to be equally divided and controlled, respectively, by the Senator from Colorado [Mr. MILLIKIN] and the Senator from Texas [Mr. JOHNSON].

Mr. KNOWLAND. Mr. President, for the information of the Senate, and following consultation with the minority leader, it is my hope that if the unanimous-consent request is accepted by the Senate and we proceed with the debate today, we can complete it today. In that event, I shall recommend that the Senate take a recess until Monday next. Undoubtedly, if the agreement is entered into, we will run at least until 7:30 this evening or perhaps a little later. If we can conclude the consideration of the bill in that time, I shall recommend that the Senate recess until Monday next at 12 o'clock.

The PRESIDING OFFICER. Is there objection to the unanimous-consent request? The Chair hears none, and it is agreed to.

Mr. KNOWLAND. Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER. The Senator will state it.

Mr. KNOWLAND. What is the pending question before the Senate?

The PRESIDING OFFICER. The pending question is House bill 8224, to reduce excise taxes, and for other purposes. The bill is open to further amendment.

Mr. KNOWLAND. Is there an amendment pending?

Mr. DOUGLAS. Mr. President, I was about to offer an amendment, if recognized by the Chair.

The PRESIDING OFFICER. The Chair recognizes the Senator from Illinois.

Mr. DOUGLAS. Mr. President, I call up my amendment 3-23-54-C, and ask that it be stated.

The PRESIDING OFFICER. The clerk will state the amendment offered by the Senator from Illinois.

The LEGISLATIVE CLERK. On page 22 it is proposed to strike out lines 11 and 12 and to insert the following:

(8) Section 3403 (a) (relating to tax on truck and bus chassis and bodies) and section 3403 (c) (relating to tax on automobile and truck parts and accessories).

On page 23, after line 19, to insert the following:

(1) Where before April 1, 1954, any article subject to the tax imposed by subsection (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, 1954.

On page 23, line 20, to strike out "(1)" and insert "(2)."

On page 23, line 21, to strike out "or (b)."

On page 24, line 6, to strike out "(2)" and insert "(3)."

On page 24, line 14, to strike out "(3)" and insert "(4)."

On page 24, line 20, to strike out "(4)" and insert "(5)."

On page 25, line 3, to strike out "(5)" and insert "(6)."

On page 25, to strike out lines 8 and 9 and insert the following: "and (B) in the case of a claim for credit or refund under paragraph (1), such claim is filed with the Secretary before July 1, 1954, or (C) in the case of a claim for credit or refund under paragraph (2), such claim is filed with the Secretary before July 1, 1955."

On page 25, line 10, to strike out "(6)" and insert "(7)."

The PRESIDING OFFICER. The question is on agreeing to the amendment offered by the Senator from Illinois [Mr. DOUGLAS].

Mr. DOUGLAS. Mr. President, I yield myself such time as may be required within the total limit of 30 minutes. The general case for this amendment was made yesterday, and it is not necessary to repeat the arguments at great length today. In brief, what the amendment proposes is that the contemplated reduction in the excise tax on automobiles be carried into effect on April 1, namely, a reduction from 10 percent to 7 percent. The amendment also carries with it a provision for a refund on floor stocks of automobiles not sold to consumers and which are in the possession of automobile dealers.

Assuming that the volume of production should be the same as it was last year, it would cost approximately $275 million. But it is our belief that the actual cost will not be so great as that, and that there will be intangible gains in the form of stimulation of sales, so that more cars will be demanded and produced than would otherwise be the case, and, therefore, that we shall be able to levy taxes on more units.

Mr. KILGORE. Mr. President, will the Senator from Illinois yield for a question?

Mr. DOUGLAS. I yield.

Mr. KILGORE. The Senator is undoubtedly aware that the automobile factories, as soon as they produce automobiles, pass them on to the distributors who, in turn, pass them on to the dealers, so that really the tax on the whole transaction is carried by the retail dealers. In order to strengthen the situation, the retail dealer must be relieved of the tax and receive a refund. Is that correct?

Mr. DOUGLAS. That is correct. That is why we have included a floor-stock refund not only on automobiles sold in the future, but those which have been produced but not been sold in the past and which are in possession of the dealers.

Mr. KILGORE. Is it not a fact that the automobile, at one time a luxury, has now in the industrial and farming world become a necessity, something a person must have to enable him to get to work and to the market? Even if it is not used to take him to church, he must have it for other purposes.

Mr. DOUGLAS. That is correct.

Mr. President, the arguments were stated yesterday, as I have said, and it is now necessary to refer to them only briefly.

The production of automobiles for the week ending March 6, 1954, was down 14

percent below the comparable week in 1953. Retail sales for February were down 15 percent below February of 1953, and inventories in the hands of dealers are very much greater than they were last year.

Mr. KILGORE. Mr. President, will the Senator from Illinois yield further?

Mr. DOUGLAS. Certainly.

Mr. KILGORE. I wonder if the Senator has recently watched the advertisements in the Washington newspapers in which an absolutely new guaranteed car is advertised for sale at second-hand car lots.

Mr. DOUGLAS. That is happening all over the country. It is because of the swollen inventories in the hands of dealers which, at the end of 1953, were over 80 percent higher than they were at the end of 1952, an average 11 or 12 cars for each dealer.

I received yesterday a telegram from Governor Williams in which he stated that new cars in the hands of dealers on the 1st of March total more than 565,000 units, which is 20 percent, or about 80,000 more, than a few months ago.

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

Mr. DOUGLAS. I yield.

Mr. KENNEDY. What does the Senator from Illinois consider to be the reason? Does he believe that there has been a production slightly in excess of normal in order to make up for the deficiency occurring in the early 1940's?

Mr. DOUGLAS. I think that is probably true.

Mr. KENNEDY. Does the Senator feel that a reduction of the excise tax in the amount he suggests would have a substantial effect upon the car market, or is it not a fact that the market is just about what we would expect it to be, in view of the tremendous production during the past 6 or 7 years?

Mr. DOUGLAS. I think some reduction might have been expected for the reasons which the Senator from Massachusetts has mentioned, namely, that the industry was making good the arrears of war years. But the decline in purchases has been greater than would be accounted for by that fact. It came about in the first place, I think, because of the inability or unwillingness of the farm population to buy many automobiles last spring. That unwillingness also affected the purchase of farm equipment, and caused the chain reaction about which I spoke previously, namely, that once employment and production start moving downward, people then diminish their purchases. The first commodities affected are the durable consumer goods, the cost of which is pretty high.

Mr. KENNEDY. Has the Senator seen any statistics which would indicate what the unfilled demand is for automobiles in the United States, which would be more adequately filled if the price were reduced by the amount of the cut in the excise tax the Senator suggests?

Mr. DOUGLAS. I do not know what the elasticity of demand is for automobiles. This cut would amount to approximately $50 for a low-priced car, and perhaps $60 or $70 for the higher-priced cars. I do not say it would lead to a complete reversal of the downward trend, but I do say it should produce an appreciable increase in the quantity demanded.

Mr. KENNEDY. May I ask one more question?

Mr. DOUGLAS. Certainly.

Mr. KENNEDY. Does not the Senator feel that if it were a question of a reduction in price, if such a reduction could have been made in the various stages of automobile production by every manufacturer or dealer, that that would have had much effect? There has not been a substantial reduction, considering the profits which have been made. If a reduction in price would have increased very substantially the purchases of automobiles, it seems to me it would have been to the interest of manufacturers or dealers to have cut back their prices.

Mr. DOUGLAS. I wish the automobile manufacturers would consider the permanent injury which may accrue to them because of their price policies, but they seem, like so many other manufacturers, to be interested in maintaining unit prices rather than in the volume of production.

When I was a boy in northern New England, there was a song which the Senator from Massachusetts may not have heard, entitled "Every Little Bit Added to What You've Got Makes Just a Little Bit More."

So every cut in cost made by automobile producers and dealers will result in a still greater reduction in price and will stimulate the demand still further.

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

Mr. DOUGLAS. I yield.

Mr. KILGORE. With reference to the point raised by the distinguished Senator from Massachusetts [Mr. KENNEDY], is it not true that immediately following the war, and up until recently, there was a tremendous shortage of new cars?

Mr. DOUGLAS. Yes; certainly.

Mr. KILGORE. Therefore, there are being operated today an enormous number of jalopies, to use a slang word, which should not be on the road, and which probably would find their way to secondhand car lots or junkyards if their owners were properly encouraged to dispose of them. Is not that a fact?

Mr. DOUGLAS. That is true.

Mr. KILGORE. Would not that possibly encourage people to go into the market and buy new cars to replace their present, shall we say, dangerous jalopies, which are now being driven, and thereby relieve the unemployment pressure, incidentally increase employment, and, as a result, afford more opportunities for purchase?

Mr. DOUGLAS. I think the Senator from West Virginia is correct.

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

Mr. DOUGLAS. I yield.

Mr. HUNT. Did the distinguished Senator from Illinois happen to notice a full-page advertisement in the Washington Star last evening——

Mr. DOUGLAS. The Senator from West Virginia has just referred to it.

Mr. HUNT. According to the advertisement, some new cars of 1953 models were being offered at reductions of as much as or a little in excess of $1,700. I wonder if the Senator from Illinois is aware of the fact that Detroit is perhaps the most distressed area in the United States, so far as labor conditions are concerned.

Mr. DOUGLAS. The Senator from Wyoming is correct. The reduction in dealer prices indicates a big accumulation of unsold inventories. The Senator is quite right about Detroit, which has been pronounced as a distressed labor area.

I read into the RECORD yesterday a statement I received from the Governor of Michigan, in which he said there were 214,000 unemployed persons in Michigan. The decline in the production of automobiles and farm equipment is largely responsible for the decrease in the production of steel. Steel production is now down to 68 percent of capacity.

The decrease in the production of automobiles has also affected the movement of freight and, therefore, has affected the number of persons who are employed in the railroad industry. Large numbers of people all over the country are now being affected by this condition. Paint, upholstery, tires, parts manufacturing, radios, heaters, and other products are all being hurt.

Mr. HUNT. Does not the Senator from Illinois agree with me that because of the tremendous inventories now on hand, and because in the past few years automobile sales have been far above normal, these two factors almost demand the type of legislation such as the Senator from Illinois is proposing?

Mr. DOUGLAS. I thank the Senator from Wyoming. His statement is correct.

Following up my statement that freight car loadings have decreased, I have just received figures from the Interstate Commerce Commission, indicating that in the week ending March 13, 1954, there were 610,000 freight car loadings in the United States; in the comparable week of 1953, 700,000 cars were loaded. That is a decrease of 12.8 percent.

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

Mr. DOUGLAS. I yield.

Mr. KILGORE. I wish to return to the Senator's statement about the decrease in the production of steel. It might seem strange that the Senator from West Virginia should be talking about the automotive industry, but I am interested also in the steel industry.

Mr. DOUGLAS. The State of West Virginia has some large steel mills.

Mr. KILGORE. That is correct. Is it not a fact that about 3 tons of coal are required to produce a ton of steel?

Mr. DOUGLAS. That is correct.

Mr. KILGORE. Therefore, when there is a falling off in the production of steel, the consumption of coal falls off correspondingly, and thus the employment situation in the State of West Virginia is further affected.

Mr. DOUGLAS. Since the automobile industry is the greatest single user of steel, the falling off in the production of automobiles has resulted in a drop in the production of steel, which has helped to

shut off the market for coal. This chain reaction ramifies itself throughout the country. It is the kind of chain reaction to which I referred yesterday.

Mr. KILGORE. The falling off in the production of steel and coal contributes to a further decline in the sales of automobiles, because the miners, who travel to work in automobiles, are then unable to purchase new cars. The process continues in a never-ending cycle.

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

Mr. DOUGLAS. I yield.

Mr. LEHMAN. I wonder whether the Senator from Illinois noticed a newspaper item this morning to the effect that the Pennsylvania Railroad, for the first time in 9 years, yesterday failed to take action on its regular dividend, and gave as a reason the falling off in revenues and the fact that there was no indication or assurance of an increase in freight loadings.

Mr. DOUGLAS. I noticed that item with great pain.

Mr. LEHMAN. Does not the Senator from Illinois agree with me that the only possible hope of maintaining high employment is through an increase in the purchasing power of the people of the United States?

Mr. DOUGLAS. That is substantially correct.

Mr. LEHMAN. Does not the Senator further agree with me that even increased earnings by large corporations, by reason of tax relief, will not mean any increased employment, because in most industries, such as the steel industry, the automobile industry, the chemical industry, and many others, there already is a potential production far in excess of the consumptive ability of the American people, and that the only way we can even hope to maintain or improve the employment situation is by an increase in the purchasing power of the people, which would be helped, at least, by the amendment offered by the Senator from Illinois.

Mr. DOUGLAS. I thank the Senator from New York. I should say that is the chief way in which we can help.

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

Mr. DOUGLAS. I will yield once, but I suggest to my friends on the other side of the aisle that they speak on their time.

Mr. CARLSON. I appreciate the Senator's yielding.

I am certain the Senator from Illinois will agree with me that Ward's Automotive Reports is the recognized trade journal for automotive production in the United States. I think the Senator would be interested to hear two sentences of a report under date of March 20, 1954, as follows:

> Motor-vehicle output in the United States this week will reach the highest point since mid-October last year, Ward's Automotive Reports said today.
>
> The agency put this week's production at 120,900 cars and 22,905 trucks. Last week 110,592 cars and 22,081 trucks were built. In the comparable 1953 week 128,638 cars and 30,691 trucks were assembled.
>
> Ward's said this week marked the first since last July 4 that had seen all the industry's producers in operation at the same time.

Mr. DOUGLAS. Of course, a pickup is to be expected during this part of March, because the coming of spring is the season when the automobile industry begins a seasonal improvement.

I should now like to address some remarks to my able and distinguished colleague, the Senator from Colorado [Mr. MILLIKIN], the leader of the majority party so far as the pending bill is concerned, because yesterday he made frequent references to a book of mine, while he started to scoff, but apparently he remained to pray; and in the final conclusion he found he was voting with me.

Mr. MILLIKIN. Does the Senator complain about that?

Mr. DOUGLAS. No, I do not. As the Senator started to quote my book, with sardonic wit he seemed to disagree with it; but, as he quoted it more and more, it evidently made an impression upon him, and it permeated his able brain until, at the end, lo and behold, he said he accepted the amendment, and he was found amongst those who voted for it.

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

Mr. DOUGLAS. I suggest to my good friend that he will have 30 minutes in which to display his ability, and I would like to afford myself the time which I have been granted.

Mr. MILLIKIN. Very well.

Mr. DOUGLAS. Mr. President, I must admit that the influence of the Senator from Colorado was very potent, because I saw him moving about on the other side of the aisle, and as he moved from seat to seat I saw that those who had voted against the amendment were suddenly rising and changing their votes. So the Senator from Colorado turned into a very able apostle, like Paul of old, the former persecutor of Christianity who was converted on the Damascus road. The Senator from Colorado not only converted himself, but he converted many of his fellows. So the result was an overwhelming victory for the amendment.

I think my book justified itself in that respect because it won over our distinguished friend, the Senator from Colorado. The incident really demonstrated the fact that logic can at times conquer politics.

I must admit, however, as I heard and saw him whispering, the thought entered my head that he might be saying, "Vote for it. Keep your voting record clear. We will kill it in conference." I thought possibly my good friend the Senator from Colorado was clearing the voting records of his friends with the assurance that he had the ax or stiletto ready to put the amendment to death when he got it into the conference chamber, sealed by the secrecy of the conference committee.

Since my book has apparently had such a good effect on the Senator from Colorado, I wish to send him two more books to read. One is entitled "Real Wages in the United States," and the other "The Theory of Wages." I wish one of the pages would take the books to the Senator from Colorado, who may read them and have the enjoyment which such a marvelously bright mind as his always obtains. I think they may contribute to the further education of the Senator.

Mr. MILLIKIN. The Senator from Illinois is being unduly modest. At one time I had a rundown on the books published by the distinguished Senator, and I think there were 23 of them.

Mr. DOUGLAS. No; the number is 14. I thought, however, these two books would be very valuable to the Senator from Colorado.

Mr. MILLIKIN. How many books have been published by the Senator from Illinois?

Mr. DOUGLAS. I think 14.

Mr. MILLIKIN. That is a large enough figure; but out of the 14 the Senator still thinks that 2 of them are worth circulating?

Mr. DOUGLAS. There are many more, but the two which I give to the Senator are those of which I am most proud.

Mr. MILLIKIN. I have looked at the two already, and have acquired considerable wisdom from them.

Mr. DOUGLAS. I think perhaps the Senator from Colorado is the wiliest debater in the Senate. It is his habit, in the early stages of a debate, to lie somewhat torpidly on the banks of the parliamentary stream. I once spent some time in the tropics. As I went up and down tropical streams, I noticed the crocodile, the king of the tropical rivers, lying in the mud, apparently inattentive to what was going on, but, if excited, then springing up and, in a paroxysm of rage, lashing his tail and extending his giant jaws—a very formidable creature indeed.

As I listened to my good friend the Senator from Colorado yesterday, he reminded me of such a crocodile lying in torpor for a while, lying indeed in the mud of financial reaction, until roused by a proposal to diminish taxes on the poor or to increase taxes on the rich; and then, in a paroxysm of rage, springing up, lashing his powerful tail, and opening his jaws in rage as if to devour the hapless persons who tried to defend the common people of the United States. [Laughter.]

Seeing this fearsome parliamentary crocodile in action yesterday and then seeing now his nature softened and improved under the civilizing influence of my book, I thought that the Senator might continue his education. He progressed a good deal yesterday. He voted with us at the end, after resisting.

I think the Senator from Colorado might resemble the Union general who, during a battle in the War Between the States, said, "Go forward, but sound the bugle for retreat; and, since I am lame, I am going to lead the way." [Laughter.]

Mr. MILLIKIN. Mr. President, will the Senator yield for a moment?

Mr. DOUGLAS. No. The Senator from Colorado will have time later. I hope now that the process of education will take effect at an early stage so that, instead of resisting to the last and then succumbing, the noble Senator from Colorado, the fearsome financial crocodile of the Republican Party, the man whom we all fear, will rouse himself and do battle, not in the mud of reaction, but in the bright sunlight of a progressive tax policy.

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

Mr. DOUGLAS. I think I have consumed more time in pleasantries than I should have, but I am glad to yield to the Senator from Oregon.

Mr. MORSE. I merely wished to ask how much more time the Senator from Illinois has remaining.

The PRESIDING OFFICER. The Senator from Illinois has 8 minutes remaining.

The question is on agreeing to the amendment proposed by the Senator from Illinois [Mr. DOUGLAS].

Mr. MILLIKIN. Mr. President, first I have to get rid of the literary mementoes which have been handed to me.

The PRESIDING OFFICER. How much time does the Senator from Colorado yield to himself?

Mr. MILLIKIN. I will yield myself all my time; but if some other Senator should ask me to yield a part of that time, I am sure I shall yield it to him.

The PRESIDING OFFICER. The Chair recognizes the Senator from Colorado.

Mr. MILLIKIN. I was very much interested in the various cartoons the Senator from Illinois has made me the subject of. First he makes me a crocodile wallowing in the mud. Then he makes me a Union general. But I did reach a degree of sublimity when, after the Senator's amendment had been amended by the distinguished Senator from Indiana, I agreed to take it to conference.

The Senator says he saw me moving among my colleagues, telling them, "We will kill it in conference." I say to the Senator that is what may happen, but I did not say so. I shall not kill it in conference. But I would be very much surprised if the House did not try to kill it in conference, and the House will be one-half of the conference. So, no matter how valiant the support of Senators, it will have great difficulty with the Members of the House.

So I wish the Senator from Illinois had not indulged in such an unrestrained act of imagination when he had me circulating around. He said I suggested, "We will kill it in conference." Mr. President, is there in the Chamber any Republican Member to whom I said, "We will kill it in the conference"? There seems to be none here.

The Senator from Illinois allows his imagination to get the better of him; and he becomes too fervent, too excited, too emotional, and strays too far away from the facts. [Laughter.]

Mr. President, I repeat that the amendment may be killed in conference; but if it should be killed, it will be killed by the House of Representatives. The Senate conferees have certain duties. I may not act like the Senator's crocodile, and I may not work myself into a lather over the amendment which was adopted yesterday, after it was amended, and which I have agreed to take to conference. I may not drip blood from my jowls over the amendment. However, it is the verdict of the Senate that the amendment shall go to conference and there be considered, and I am sure it will receive very thorough consideration.

I do not mind being compared to the crocodile. If I were not in a pleasant mood I might think of even more obnoxious animals with which to compare the Senator from Illinois. But I shall not allow my imagination to run away with me, because I think he is a delightful gentleman—not a crocodile, not a Union general, hardly an author—but somewhat of an author. [Laughter.]

Mr. President, the pending amendment involves a revenue loss of $276 million. Yesterday the distinguished Senator from Illinois—who all year long has been lecturing his colleagues and anyone else who would listen to him talk about the sanctity of a balanced budget—succeeded in contributing toward a governmental deficit the amount of approximately $100 million, by means of his amendment, which I agreed to take to conference. The loss in revenue will be either close to $100 million or a lesser amount which may be arrived at through the course of events, through a stimulation of business.

Today he wishes to take us $276 million further away from his goal of a balanced budget. Yesterday I read to the Senate from his book, in which he stated his own standards regarding when we should have deficits and when we should operate under a balanced budget. They are his own standards, as set forth in his own book, when he was "shooting for points"—the point 6 at one stage of the game, the point 8 at another stage of the game—while denying that he ever heard of the game of craps. Of course, he denied that he knew anything about the game of craps, and he denied that he knew anything about toothsome, curvaceous chorus lines in nightclubs, although he spent half of yesterday talking about them. [Laughter.]

But the Senator from Illinois said we must have deficits when we reach a certain percentage of unemployment. Of course, Mr. President, we have not reached that percentage. Despite that fact, the Senator from Illinois has added, by one amendment, $100 million to the deficit; and by means of another amendment he would add $276 million more to the deficit.

Mr. President, I respectfully suggest that that is an irresponsible addition to this bill. I say we have now reached the point where the question may be asked, Are we a responsible body? We have before us a bill coming from the House of Representatives, representing, I suggest, heavy and intelligent study by that body and by a great committee of that body, its Ways and Means Committee.

After receiving that bill from the House of Representatives, the bill has been seriously considered and studied by the Senate Finance Committee. We waited there for the distinguished Senator from Illinois to lecture us and give us the benefit of his books and the benefit of his talents, but there was never a sign of them while the bill was before the committee. The Senator from Illinois has lurked, like the crocodile in the mud. He has waited until he can come to the floor of the Senate, where no one has the opportunity to check his figures. There is some opportunity to check his arguments, because he has written too many books. [Laughter.]

But he holds his arguments until, like unveiling a statue, he drops the curtain, and here it is, Mr. President; here is the golden tablet. The golden tablet of whom? The golden tablet of Dr. DOUGLAS, the author of 14 books. [Laughter.]

Therefore, Mr. President, Dr. DOUGLAS says to the other Members of the Senate, "My friends, you must take this. Otherwise, you are guilty of sacrilege and you are guilty of sin."

When we ask why that is so, we are told, "Because I, Dr. DOUGLAS, say you should take it."

In this instance he tells us, Mr. President, that we must accept this amendment, which will lessen the revenue by $276 million. Yesterday's amendment added $100 million to the loss; and of course there are more amendments to come.

Mr. President, I repeat that the issue before the Senate is one of responsibility. I suggest that the distinguished Senator from Illinois is departing from the standards of responsibility which I like to think he himself considers to be proper—at least when he is lecturing us on the subject of balanced budgets.

Mr. President, the chairman of the Finance Committee and I believe most all the members of the Finance Committee are opposed to this amendment. It will not be taken to conference.

Mr. President, the point is that this amendment should be defeated if we are going to have a sense of responsibility and make a bill which will not be a monster which, in my judgment, will not pass the House Ways and Means Committee or a conference or, in my judgment—and I have no authority to say this—be approved by the President.

I repeat that this amendment will remove $276 million from the revenues of the Federal Government.

The beneficiaries of the amendment have already received a great benefit in the bill as it came to us from the House of Representatives, and that benefit has been carried into the version of the bill which now is before the Senate. They asked for and received a 1-year cutoff. We provided that these taxes will be cut a year from now, and will then be reduced from 10 percent to 7 percent.

There is not an excise-tax payer in the United States who would not like to have a definite cutoff date. We know that because others have asked for it. The bill will compel a reconsideration of the excise taxes, next year; and these will be reconsidered next year. The law now gives them a reduction in tax from 10 percent to 7 percent, after the 1-year cutoff. We accepted that theory of the House of Representatives, and it is incorporated in the bill which now is before the Senate. We took this action to help the automobile industry. Let us not sneer at that help. That industry wanted the help, and got it.

I repeat that the 1-year cutoff is desired by every excise-tax payer in the United States. Of course, anyone paying taxes would like to have a tax which he knows will be cut off a year from now, or at least will be seriously reconsidered

a year from now. That is a great benefit to the automobile industry, which now is not paying a tax of 25 percent or 20 percent, but is paying a tax of 10 percent. This bill will place that industry on an equality with all those whose taxes are being reduced to 10 percent.

I suggest that the automobile business has been treated fairly. I suggest that this is an outrageous proposal which, if adopted, would completely throw out of kilter the whole plan of the House Ways and Means Committee, the whole plan of the Senate Finance Committee, and the whole plan of everyone else who has been working on the tax bills. This amendment, together with other amendments which may be offered, would lead us into a situation which I described a while ago as irresponsible. Indeed, it would be monstrous. It would not be a tribute to the intelligence of this body.

I was greatly impressed yesterday when my colleague [Mr. GEORGE], whom I revere and admire, came to the support of the amendment of the Senator from Illinois. Many times in the past I have left this side of the aisle and have sat next to him, and have joined him in meeting those who proposed amendments such as this. We uniformly have defeated them. I was greatly impressed when the Senator from Georgia supported that amendment yesterday. But that is the last such amendment the Senator from Georgia will accept, and it is the last I will accept, involving any substantial loss of revenue. The Senator from Georgia authorized the distinguished minority leader to make a statement today to that effect for the RECORD.

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

Mr. MILLIKIN. I yield.

Mr. JOHNSON of Texas. The Senator from Georgia asked me to say that he wanted to be recorded against all amendments other than those which were accepted by the chairman of the committee.

Mr. MILLIKIN. And the chairman of the committee will not accept this amendment.

Mr. JOHNSON of Texas. I judge so, from what the Senator has said.

Mr. MILLIKIN. I thank the Senator for confirming what I have said. The Senator from Georgia made that statement to me. He said, "I will take this one, but I will not take any of the others." I think that might be of especial interest to Senators on the other side.

Mr. President, I have very little more to say on this subject. I should like to shorten this procedure and get ahead. However, I think we should have a quorum.

Mr. DOUGLAS. Mr. President, has the Senator from Colorado concluded?

Mr. MILLIKIN. I have concluded, unless the Senator wishes to engage me in debate or discussion.

Mr. DOUGLAS. I should be delighted to do so, but since I did not yield to the Senator from Colorado on my time, it is hardly fair for me to intrude upon his time.

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

Mr. MILLIKIN. I have said perhaps more than is necessary in answer to what the Senator from Illinois has said so far as personal references are concerned. I do not wish to occupy too much of the RECORD with that sort of thing.

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

Mr. MILLIKIN. I yield.

Mr. LONG. Is not this the situation: the President of the United States recommended to the Congress that these excises be extended in order to avoid a loss of revenue which would put the Government deeply in debt. Based upon that, the administration supported a bill for the extension of various taxes which are proposed to be extended in this bill—taxes on liquor, taxes on cigarettes, taxes on various and sundry other items, which otherwise would expire.

The House of Representatives chose to provide tax relief to the extent of about $900 million. The Secretary of the Treasury came before us and asked us to eliminate the tax reductions which the House had provided, because he felt that the fiscal situation of the Nation was such that that revenue was badly needed in order to maintain the Government within the current rate of spending. Nevertheless, the Senate committee did not go along with that request.

If we proceed to add additional amendments, so that this bill, far from being a bill which will gain revenue for the Government, will be a bill which will cost the Government revenue, to the extent that we are taking off more taxes than we are extending, the probability is that the President will feel compelled to veto the bill, is it not?

Mr. MILLIKIN. I completely agree with the distinguished Senator from Louisiana. I have no authority to say so, but, as the Senator points out, the administration wants to continue certain taxes which provide these revenues for another year. The administration got what it asked in the House. It got what it asked in the Senate Finance Committee. I hope it will get it in the Senate.

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

Mr. MILLIKIN. I yield.

Mr. JOHNSON of Texas. Apropos of what the Senator from Louisiana has said, did I gain the correct impression, that the Senator from Louisiana believes that the President opposes the bill as it came from the House?

Mr. LONG. It was my impression that the President would sign the bill as it came from the House, but that the administration's position was that these excise taxes should bring in more revenue than they would bring in as the bill now stands. Nevertheless the administration said that the bill, which, all things considered, would still bring in around $120 million in increased revenues if it were passed, would not bring in the necessary revenues if it were loaded down with amendments of the nature described. The amendment adopted yesterday would eliminate about $100 million of the revenue which would otherwise be brought in. If the present amendment were adopted, far from being a bill which would bring in revenue to the Government, it would be a bill which would lose the Government more than if no bill at all were passed.

Mr. MILLIKIN. It would lose $276 million.

Mr. LONG. If the taxes scheduled to expire were permitted to expire, the loss of revenue would not be so great as it would be under this bill if the amendment of the Senator from Illinois were accepted.

Mr. MILLIKIN. Continuance of the taxes covered by this amendment are definitely a part of the administration proposal.

Mr. LONG. If this bill were loaded down with so many tax reductions that the President felt compelled to veto it, with the result that the bill would not go into effect, we would be in the position that all the desirable tax relief which the bill contains, such as the reduction in the tax on admissions and various other forms of tax relief, would be cast aside by reason of the fact that the bill would not become law.

Mr. MILLIKIN. The Senator is entirely correct. I thank him for what he has said. If we jeopardize the bill by loading it any further with costly amendments, we shall be jeopardizing all the good in the bill—and there is much good in it.

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

Mr. MILLIKIN. I yield.

Mr. MORSE. If the Senator from Colorado and other Senators on his side of the question do not intend to use all the time allotted to his side, will he yield 3 minutes to me?

Mr. MILLIKIN. Certainly. Mr. President, how much time have I?

The PRESIDING OFFICER (Mr. COOPER in the chair). The Senator from Colorado has 10 minutes.

Mr. MILLIKIN. I am glad to yield 3 minutes to the Senator from Oregon.

Mr. DOUGLAS. Mr. President, I shall be glad to yield time to the Senator from Oregon.

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

Mr. MILLIKIN. I yield.

Mr. JOHNSON of Texas. I was under the impression that the administration favored the bill as it came over from the House. Is that the Senator's understanding?

Mr. MILLIKIN. I should not say that the administration completely favored the bill. I have said that it favored the particular thing we are talking about now, the continuance of certain specific taxes.

Mr. JOHNSON of Texas. I should like to clarify that point, because I discussed this subject with some of the leaders on the other side. I was under the impression that the bill was favored by the administration as it came from the House.

Mr. MILLIKIN. My impression of the showing which was made before our committee was that the administration was not tearing itself to pieces in opposition to the provisions of the bill.

Mr. JOHNSON of Texas. Does the administration have a position on the bill?

Mr. MILLIKIN. The administration's position is definitely that the particular tax we are talking about should be continued.

Mr. JOHNSON of Texas. I am talking about the entire bill.

Mr. MILLIKIN. Is the Senator speaking of the remainder of the bill?

Mr. JOHNSON of Texas. I am talking about the bill as it came from the House.

Mr. MILLIKIN. The administration would rather not have such a large cut in excise taxes.

Mr. JOHNSON of Texas. Then it is fair to say that the administration is opposed to the bill as it came from the House, is it not?

Mr. MILLIKIN. I think there is an in-between place. Does it favor or does it oppose? I do not think it is happy about all the reductions in the bill before us, and it certainly is not happy over proposed reductions of this kind.

Mr. JOHNSON of Texas. Has the administration recommended any reduction?

Mr. MILLIKIN. Not expressly.

Mr. JOHNSON of Texas. Is it fair, then, to assume that it does not favor any reductions, and that if it did it would have recommended them?

Mr. MILLIKIN. I should say that the administration has little enthusiasm about the reductions in this bill, and definitely is in favor of continuing this particular tax.

Mr. JOHNSON of Texas. Then it would be fair to say, would it not, that the administration has no enthusiasm whatever about the bill?

Mr. MILLIKIN. The Senator can take that further jump; but, as I previously stated, I did not get the impression that the administration was tearing itself to pieces over the other features of the bill as it came to the Senate. But now we have a $275 million a year addition to the loss of revenue. Yesterday we added another $100 million. When the Senator from Illinois gets through with this amendment, regardless of the outcome, he will be here with several more amendments; and I am quite sure the administration will be opposed to them.

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

Mr. MILLIKIN. I yield.

Mr. BYRD. I have no desire to act as a spokesman for the administration or the Secretary of the Treasury, but I may say this: That I talked with the Secretary of the Treasury today, and he told me that he is unalterably opposed to any reductions whatever in these excise taxes, and he authorized me, if necessary, to state so on the floor of the Senate, because I expect to offer, as a cosponsor with the Senator from Delaware [Mr. WILLIAMS], an amendment to eliminate these deductions. The Secretary of the Treasury is opposed to the deductions, and I assume the Secretary of the Treasury speaks for the President.

Mr. MILLIKIN. I, too, have talked with the Secretary of the Treasury. I talked with him only with respect to the pending amendments, and he is opposed to them.

Mr. BYRD. He told me he was opposed to these deductions in revenue that amount to $912 million, as they came over from the House in the House bill, and he testified to that effect before the Senate Committee on Finance.

Mr. MILLIKIN. I believe he did testify to that effect, but I did not get the impression that he was enthusiastically in opposition to the bill.

Mr. BYRD. Senators vote on bills, and sometimes they do not have much enthusiasm for them either. Senators vote either "yea" or "nay." Just because a man does not tear his shirt, as the Senator says, we can still say that he is opposed, and the Secretary so stated.

Mr. MILLIKIN. I suggest that under the Constitution the Senate, in an amending capacity, and the House in an originating capacity, handle tax bills. I am delighted to have the advice of the administration. I took it from the preceding administration too, although I did not always follow it; and I can always follow or not follow the present administration's advice. It is perfectly apparent from the vote in the House that only three Members opposed the bill. It seems to me that this is a bill that should pass.

Mr. BYRD. Why should it pass?

Mr. MILLIKIN. For the reasons I have mentioned.

Mr. BYRD. If it is a bad bill it should not pass.

Mr. MILLIKIN. I do not presume to say that only three Members of the House were right and that all the other Members of the House were wrong.

Mr. BYRD. The reason only three Members of the House voted against it is that when the vote was taken it was not only a vote on the question of the reduction in revenues, but also to extend excise taxes which are scheduled to expire on April 1.

That is why only three Members voted against the bill. The Senate has a chance to separate the bill. It can continue the taxes that will expire on April 1, and eliminate reductions in excise taxes. The House did not have such an opportunity.

Mr. MILLIKIN. The Senate will have an opportunity also, soon, to vote against an amendment which strikes directly at the extension of taxes for a year.

Mr. BYRD. The Senator should make it clear on what the House voted. The House did not vote on the single proposition of a reduction in revenue occasioned by the reduction in excise taxes. The House voted on the combined bill.

Mr. MILLIKIN. That is correct.

Mr. BYRD. In this case certainly the total amount of the extensions of excise taxes amounted to more than the losses.

Mr. MILLIKIN. I am now talking in favor of that principle. I say we should defeat the pending amendment for that reason.

Mr. BYRD. I am not talking about the pending amendment; I am talking about the way the House voted, and why only three Members of the House voted against the bill.

Mr. MILLIKIN. It may be a very persuasive reason.

Mr. BYRD. If the bill could have been separated in the House undoubtedly there would have been a different vote on it in the House. Mr. President, I did not intend to involve myself in this discussion. However, it does seem to me that someone should state clearly and unequivocally the position of the administration on this subject.

Mr. MILLIKIN. I have already tried to do so.

Mr. BYRD. If the Senator from California, who is the Republican leader in the Senate, is not willing to make any concrete or concise statement I will say that Mr. Humphrey, the Secretary of the Treasury, told me that he was opposed to these reductions.

Mr. MILLIKIN. The Secretary of the Treasury told me today that he is unalterably opposed to this and similar amendments.

Mr. BYRD. Has the Senator from Colorado asked the Secretary of the Treasury whether he is opposed to the other deductions?

Mr. MILLIKIN. I have not asked him that, but from listening to his testimony I concluded that he was telling us what he thought.

Mr. KNOWLAND and Mr. ROBERTSON addressed the Chair.

Mr. MILLIKIN. I promised to yield some time to the Senator from Oregon [Mr. MORSE].

Mr. MORSE. I would suggest that the Senator yield first to other Senators. He needs the time, and he is very short of time.

The PRESIDING OFFICER. The Senator from Colorado has 4 minutes remaining.

Mr. MILLIKIN. I yield to the Senator from California.

Mr. KNOWLAND. The minority leader has propounded a question to me earlier today. It was whether in my judgment the administration was in support of all the provisions of the pending bill. I believe I indicated to the minority leader that there was no great enthusiasm for the legislation with respect to some of the cuts, but I did express the opinion that it was my judgment, from the information I had, that a bill substantially in the form as it passed the House would be enacted into law by the signature of the President. That is my very strong impression. I do not believe I have heard anything to the contrary since gaining that impression.

Of course, no bill is ever passed by both Houses of Congress in precisely the form in which a Democratic administration or a Republican administration would like to have it passed. Congress must weigh all the factors with regard to proposed legislation. Congress has a legislative responsibility. However, I certainly had the very strong impression that a bill in substantially the form in which it passed the House would be signed by the President.

Mr. JOHNSON of Texas. Mr. President, will the Senator from Colorado yield for an observation?

Mr. MILLIKIN. I am glad to yield.

Mr. JOHNSON of Texas. The distinguished majority leader has quoted a statement which he made to me. In doing so he went into somewhat more detail on the floor than he did in our private conservation.

The question which I propounded to the distinguished majority leader, and which I now propound to the distin-

guished chairman of the Committee on Finance, is this: In his opinion, does the President favor the bill that came from the House?

Mr. President, we have heard much said about the Eisenhower tax program. We have heard the President of the United States on television take his message to the country. I am told by some Members of the Senate that the Secretary of the Treasury is opposed to the bill as passed by the House. When I received that information, I thought it only fair to go to the majority leader, as I did, and ask him whether in his opinion the President favors the bill as passed by the House.

The majority leader replied to me in the affirmative. I believe that is a correct statement of what the majority leader told me.

Mr. KNOWLAND. I expressed the opinion also the President would sign the bill.

Mr. JOHNSON of Texas. We did not discuss the question of the signing of the bill. I asked the majority leader whether he believed the President favored the bill, and the Senator from California said that in his opinion the President favored it.

The PRESIDING OFFICER. The Senator from Colorado has 2 minutes remaining.

Mr. MILLIKIN. I am sorry that the time has run out and that I cannot yield further. If the other amendments are pursued, I shall be very glad to yield on the time allowed to me on those amendments.

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

Mr. MILLIKIN. I am sorry I cannot yield further. I understand my time has expired.

Mr. WILLIAMS. The Chair stated that the Senator has 2 minutes remaining.

Mr. MILLIKIN. Very well. I yield to the Senator from Delaware.

Mr. WILLIAMS. I merely wish to concur in what the Senator from Virginia [Mr. BYRD] stated. I spoke to the Secretary of the Treasury yesterday afternoon. He said he was opposed to the reductions proposed in the pending bill. I assume he was speaking for the President.

I may say further that in the conference which was held in the office of the Senator from Colorado, and at which the Republican Members of the Senate and the Secretary of the Treasury were present, the Secretary of the Treasury likewise expressed his opposition to the reductions contained in the pending bill.

Mr. ROBERTSON. Mr. President, will the Senator from Colorado yield?

Mr. MILLIKIN. In a moment I shall be happy to yield, if I have some time remaining. First, I wish to confirm what the majority leader has stated. I have never had any information that this bill will be vetoed if it passes in the form in which it left the House.

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

Mr. MILLIKIN. I yield.

Mr. JOHNSON of Texas. That question has not been raised, I may say to the Senator from Colorado.

Mr. MILLIKIN. I am raising it now. There are no ifs, buts, or maybes about it. I want to leave it crystal clear on the record that so far as this particular amendment now pending before us is concerned, and the similar amendments that we will probably consider today, the administration is completely opposed to them.

Mr. JOHNSON of Texas. Did the administration also take a definite stand on the bill as reported by the committee?

Mr. MILLIKIN. I do not know.

Mr. JOHNSON of Texas. Would the Senator be kind enough to find out? The Senator has stated that he would be glad to have the advice of the administration, but we do not know what that advice is.

Mr. MILLIKIN. I am acting as one Senator, and not as a stooge for anyone.

Mr. JOHNSON of Texas. I understand that.

Mr. MILLIKIN. I have stated what I believe to be the attitude of the administration toward the business before us—that, as the bill came from the House, the bill will not be vetoed.

Mr. JOHNSON of Texas. Does the Senator from Colorado believe that he would be acting as a stooge for someone by giving us information on the President's tax program?

The PRESIDING OFFICER. The time of the Senator from Colorado has expired.

Mr. MILLIKIN. The Senator from Texas puts me in the position of running around to the White House or telephoning to the White House and stooging in order to get that kind of information.

The PRESIDING OFFICER. The time of the Senator from Colorado has expired.

Mr. MILLIKIN. I have told the Senate as much as I know about it.

Mr. ROBERTSON. Mr. President, I ask unanimous consent that I may have 30 seconds in which to ask 1 question of the Senator from Colorado.

The PRESIDING OFFICER. Is there objection? The Chair hears none, and the Senator from Virginia may proceed.

Mr. ROBERTSON. Does the Senator from Colorado feel that, notwithstanding the amendments which have already been adopted, the bill is substantially the bill that came from the House?

Mr. MILLIKIN. I do not believe it is. I do not believe it is. I think we have gone too far already; and if we go through with these amendments, my guess is we will have created a monster acceptable neither to the House nor to the White House.

Mr. DOUGLAS. Mr. President, how much time do I have remaining?

The PRESIDING OFFICER. Seven minutes.

Mr. DOUGLAS. I yield 3 minutes to the Senator from Oregon [Mr. MORSE].

Mr. MORSE. Mr. President, I shall support the amendment for the reasons I shall state. I feel that the amendment which was agreed to yesterday was agreed to because, as was pointed out by the distinguished Senator from Indiana [Mr. CAPEHART], it was believed to be important to increase the purchasing power of people and to provide, so far as possible, employment for those who are out of work, and the amendment would afford an inducement to greater production and greater employment. It is certainly true that today the automobile industry is not in a healthy economic condition, save and except for a very few segments of it. The industry as a whole is running from 20 to 30 percent below capacity. Some automobile plants are operating on 2- or 3- or 4-day weeks. Therefore, Mr. President, I think if it was sound to adopt the amendment with reference to household appliances—and it was sound—it is also sound to adopt the amendment which will relieve, to some extent, the automobile industry, and some other industries.

With reference to the point discussed by the Senator from Colorado as to the danger of deficit spending, I shall always vote against a balanced budget and for deficit spending when millions of my fellow Americans need the help that would flow from that type of financing, because the first duty of a government is to its people, and we should follow a course of action in this session which will put people back to work.

I think no one can successfully deny that unemployment has reached a figure higher than it reached in the recession of 1949 and 1950. As to some industries, we have to go back to 1932 to find a figure comparable with the unemployment which now exists.

I know we have to keep our sense of humor, Mr. President, but, nevertheless, I see no humor in the remark made by the President of the United States in his press conference yesterday; in fact, he left my heart with a feeling of heaviness, when he said that this is not the time for a slambang program to do something about unemployment. Heretofore, he promised that in March he would do something about it, and the time has come to adopt an employment program which will put some of our 5 million idle fellow Americans back to work.

I thought it was rather amusing, though tragic, that after his slambang statement on the ticker, the next news that came over the ticker was that at the conclusion of his press conference he had left for Burning Tree. I think it is time for him to show more interest in improving conditions and less interest in lowering his golf score.

Mr. DOUGLAS. Mr. President, I yield 5 minutes to the Senator from Indiana [Mr. CAPEHART].

Mr. CAPEHART. Mr. President, excise taxes were levied as a war measure. We were short of materials, and we had price control at that time. The excise taxes were levied to keep people from buying too much in the way of consumers' goods. Today we have just the opposite situation. There is a great deal of unemployment, and there is an excess of automobiles. There is involved a question of selling. We are talking about the price of goods which are not moving in the market, with the result of causing unemployment.

No one, Mr. President, has any greater respect than I have for the Secretary of the Treasury. I think he is one of the most capable men in this country. If I were choosing a Secretary of the Treasury I do not think I could pick a finer man or one of whom I am more fond. But I do not think his judgment in this connection is any better than my own. I have been in business also and have been on the firing line. I think it is to the best interests of the people of the United States for us to reduce excise taxes in order to put people back to work.

Indiana is one of the great States which manufacture automobiles and a great many other products. There is much unemployment in Indiana. If the amendment shall be adopted, it will help that situation, because it will help to sell more goods.

No one appreciates any more than I do the fact that the budget should be balanced, but let us balance it by reducing expenditures. Let us not decrease sales, thereby increasing unemployment. My best judgment is that in the next 12 months we may well collect more money by a 7 percent tax than by a 10 percent tax. We must do something to stimulate sales.

I shall vote for a reduction of 3 percent in the excise tax on automobiles and other products.

Mr. DOUGLAS. Mr. President, how much time have I remaining?

The PRESIDING OFFICER. The Senator from Illinois has 1 minute remaining.

Mr. DOUGLAS. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The Chief Clerk called the roll, and the following Senators answered to their names:

Aiken	Green	Maybank
Anderson	Griswold	McCarran
Barrett	Hayden	McCarthy
Beall	Hendrickson	McClellan
Bennett	Hennings	Millikin
Bricker	Hickenlooper	Monroney
Burke	Hill	Morse
Bush	Hoey	Mundt
Butler, Md.	Holland	Neely
Butler, Nebr.	Humphrey	Pastore
Byrd	Hunt	Payne
Capehart	Ives	Potter
Carlson	Jackson	Purtell
Case	Jenner	Robertson
Chavez	Johnson, Colo.	Russell
Clements	Johnson, Tex.	Saltonstall
Cooper	Johnston, S. C.	Schoeppel
Cordon	Kefauver	Smathers
Daniel	Kennedy	Smith, Maine
Dirksen	Kerr	Smith, N. J.
Douglas	Kilgore	Stennis
Duff	Knowland	Symington
Dworshak	Kuchel	Thye
Eastland	Langer	Upton
Ellender	Lehman	Watkins
Ferguson	Long	Welker
Frear	Magnuson	Wiley
Fulbright	Malone	Williams
Gillette	Mansfield	Young
Gore	Martin	

Mr. SALTONSTALL. I announce that the Senator from Arizona [Mr. GOLDWATER] is absent on official business.

The Senator from New Hampshire [Mr. BRIDGES] and the Senator from Vermont [Mr. FLANDERS] are necessarily absent.

Mr. CLEMENTS. I announce that the Senator from Georgia [Mr. GEORGE] is absent by leave of the Senate because of illness.

The Senator from North Carolina [Mr. LENNON], the Senator from Montana [Mr. MURRAY], and the Senator from Alabama [Mr. SPARKMAN] are absent on official business.

The PRESIDING OFFICER. A quorum is present.

All time for debate on the amendment having expired, the question is on agreeing to the amendment offered by the senior Senator from Illinois [Mr. DOUGLAS] on behalf of himself and other Senators.

Mr. DOUGLAS. Mr. President, on this question, I ask for the yeas and nays.

The yeas and nays were ordered.

Mr. MILLIKIN. Mr. President, may I take a few minutes of my time on the bill?

Mr. DOUGLAS. How much time does the Senator from Colorado have?

The PRESIDING OFFICER. The Senator from Colorado has 1 hour on the bill.

Mr. DOUGLAS. I thought that the time on each amendment was limited to 30 minutes. I did not realize that the time on the bill was transferable to an amendment.

Mr. MILLIKIN. I desire to speak about the bill. I am asking for 3 or 4 minutes to speak on the bill.

Mr. DOUGLAS. Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER. The Senator will state it.

Mr. DOUGLAS. Reserving the right to object, and I do not say that I shall object—I had not realized that the time available for debate on a bill could be made available for debate on amendments, when the time for debate on such amendments had already been exhausted. I shall await a ruling from the Chair on this question.

The PRESIDING OFFICER. The unanimous-consent agreement provides that the debate on any amendment or motion shall not exceed 60 minutes, and that the debate upon the bill itself shall be limited to not exceeding 2 hours. The Chair rules that the Senator from Colorado may use all of the hour allotted to his side, or as much of it as he desires.

Mr. LONG. Mr. President, I ask unanimous consent that both sides have 3 additional minutes.

The PRESIDING OFFICER. Is there objection?

Mr. MORSE. I object.

The PRESIDING OFFICER. Objection is heard.

Mr. MILLIKIN. Mr. President, for the benefit of Senators who were not in the Chamber earlier, I simply wish to say that this amendment would increase the tax loss in the bill before the Senate by $276 million.

My second point is that the automobile interests already have received a 1-year cutoff, when the rate presumably will be reduced from 10 percent to 7 percent. The industry wanted that badly, and they got it.

I also wish to say that the distinguished senior Senator from Georgia [Mr. GEORGE], who is ill today, I am sorry to say, told me and told the minority leader to announce from the floor today that he is opposed to this amendment and to all other amendments which would further increase the loss of revenue, unless the chairman of the committee should decide to take an amendment to conference. The chairman of the committee will not take this amendment to conference. He is unalterably opposed to it, as is the senior Senator from Georgia, and as is the administration.

I hope the amendment will be decisively defeated.

Mr. DOUGLAS. Mr. President, I should like to ask the distinguished minority leader if he would yield to me an amount of time equal to that just taken by the distinguished Senator from Colorado.

The PRESIDING OFFICER. The Senator from Illinois may use any of his time within 1 hour.

Mr. DOUGLAS. The time is in the control of the minority leader.

Mr. JOHNSON of Texas. Mr. President, how much time was used by the Senator from Colorado?

The PRESIDING OFFICER. The Senator from Colorado used 3 minutes.

Mr. JOHNSON of Texas. I yield 3 minutes to the Senator from Illinois.

Mr. DOUGLAS. The Senator from Colorado and those who think as he does are in reality fighting the battles of 3 years ago. Three years ago the danger was inflation. At that time there had been an increase in the price level during the preceding 9 months and there was substantially full employment. At that time taxes should have been kept up in order to keep prices down.

The trouble with some gentlemen is that they do not realize that they are living in the present. The danger now is not inflation, because the increase in prices stopped 3 years ago at approximately this time. The danger now is unemployment, recession, and even the danger of a depression.

The purpose of those of us who are moving this amendment is to stimulate consumer buying power, so that people will buy more, factories will be able to produce more, and more and more persons will be able to find work.

I wish our friend, the distinguished Senator from Colorado, would bring himself up to date and deal with the present situation and not be fighting the battles of 1951.

The PRESIDING OFFICER. The question is on agreeing to the amendment offered by the Senator from Illinois [Mr. DOUGLAS] on behalf of himself and other Senators. The yeas and nays have been ordered, and the clerk will call the roll.

The legislative clerk called the roll.

Mr. SALTONSTALL. I announce that the Senator from Arizona [Mr. GOLDWATER] is absent on official business. The Senator from New Hampshire [Mr. BRIDGES] and the Senator from Vermont [Mr. FLANDERS] are necessarily absent.

If present and voting, the Senator from Arizona [Mr. GOLDWATER] would vote "nay."

On this vote the Senator from Vermont [Mr. FLANDERS] is paired with the Senator from Montana [Mr. MURRAY]. If present and voting, the Senator from Vermont [Mr. FLANDERS] would vote "nay," and the Senator from Montana [Mr. MURRAY] would vote "yea."

Mr. CLEMENTS. I announce that the Senator from New Mexico [Mr. CHAVEZ] is unavoidably detained on official business, and, if present, would vote "nay."

The Senator from Georgia [Mr. GEORGE] is absent by leave of the Senate because of illness.

The Senator from North Carolina [Mr. LENNON], the Senator from Montana [Mr. MURRAY], and the Senator from Alabama [Mr. SPARKMAN] are absent on official business.

I announce further that on this vote the Senator from Georgia [Mr. GEORGE] is paired with the Senator from North Carolina [Mr. LENNON]. If present and voting, the Senator from Georgia would vote "nay," and the Senator from North Carolina would vote "yea."

I announce also that on this vote the Senator from Montana [Mr. MURRAY] is paired with the Senator from Vermont [Mr. FLANDERS]. If present and voting, the Senator from Montana would vote "yea," and the Senator from Vermont would vote "nay."

The result was announced—yeas 25, nays 63, as follows:

YEAS—25

Burke	Hunt	Mansfield
Capehart	Jackson	Maybank
Clements	Johnston, S. C.	McCarran
Douglas	Kefauver	Morse
Ferguson	Kilgore	Neely
Frear	Langer	Pastore
Hayden	Lehman	Potter
Hennings	Magnuson	
Humphrey	Malone	

NAYS—63

Aiken	Gillette	Millikin
Anderson	Gore	Monroney
Barrett	Green	Mundt
Beall	Griswold	Payne
Bennett	Hendrickson	Purtell
Bricker	Hickenlooper	Robertson
Bush	Hill	Russell
Butler, Md.	Hoey	Saltonstall
Butler, Nebr.	Holland	Schoeppel
Byrd	Ives	Smathers
Carlson	Jenner	Smith, Maine
Case	Johnson, Colo.	Smith, N. J.
Cooper	Johnson, Tex.	Stennis
Cordon	Kennedy	Symington
Daniel	Kerr	Thye
Dirksen	Knowland	Upton
Duff	Kuchel	Watkins
Dworshak	Long	Welker
Eastland	Martin	Wiley
Ellender	McCarthy	Williams
Fulbright	McClellan	Young

NOT VOTING—8

Bridges	George	Murray
Chavez	Goldwater	Sparkman
Flanders	Lennon	

So the amendment offered by Mr. DOUGLAS, for himself and other Senators, was rejected.

The PRESIDING OFFICER. The bill is open to further amendment.

Mr. DOUGLAS. Mr. President, I wish to call up the third of the proposed amendments, designated "3-23-54-E," and ask that it be read and become the pending question.

The PRESIDING OFFICER. The amendment will be stated.

The CHIEF CLERK. On page 10, after line 8, it is proposed to insert the following:

SEC. 306. Reduction of tax on radio and television receiving sets.

(a) Reduction of tax: That portion of section 3404 (relating to manufacturers' excise tax on radio and television receiving sets, phonograph records, and musical instruments) which precedes subsection (a) thereof is hereby amended to read as follows:

"There shall be imposed upon the articles enumerated in subsections (a) and (b) (including in each case parts or accessories therefor sold on or in connection with the sale thereof) sold by the manufacturer, producer, or importer a tax equivalent to 5 percent of the price for which sold, and upon the articles enumerated in subsections (c) and (d) sold by the manufacturer, producer, or importer a tax equivalent to 10 percent of the price for which sold:".

(b) Floor stocks refund: Subchapter A of chapter 29 (relating to manufacturers' excise taxes) is hereby amended by adding at the end thereof a new section as follows:

"SEC. 3416. Floor stocks refund on radio and television receiving sets and phonographs.

"(a) In general: Where before April 1, 1954, any article subject to the tax imposed by section 3404 (a) or section 3404 (b) has been sold by the manufacturer, producer, or importer, and is held on such date 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 tax applicable to the sale of such article on and after April 1, 1954, if such manufacturer, producer, or importer—

"(1) has paid such amount as reimbursement to the dealer who held such article on April 1, 1954; and

"(2) files claim for such credit or refund before August 1, 1954.

"(b) Definition of dealer: As used in this section, the term 'dealer' includes a wholesaler, jobber, distributor, or retailer. For the purposes of this section, 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.

"(c) Limitation on eligibility: No person shall be entitled to credit or refund under this section unless he has in his possession such evidence of the inventories with respect to which he has made the reimbursements described in subsction (a) as may be required by regulations prescribed under this section.

"(d) Penalties and administrative procedures: All provisions of law, including penalties, applicable in respect of the taxes imposed under section 3404 (a) and 3404 (b) shall, insofar as applicable and not inconsistent with this section, be applicable in respect of the credits and refunds provided for in this section."

On page 10, line 9, strike out "306" and insert "307."

The PRESIDING OFFICER. The question is on agreeing to the amendment proposed by the Senator from Illinois and other Senators.

Mr. DOUGLAS. Mr. President, I shall not speak long on this amendment.

The PRESIDING OFFICER. How much time does the Senator yield to himself?

Mr. DOUGLAS. I yield myself such time as may be necessary.

It is not my intention to speak at great length on the amendment, but I should like to call attention to pages 3765 and 3766 of the RECORD of yesterday, which lies on the desks of the Senators. The tabulation contained in the RECORD sets forth the present condition of the radio and television industry as evidenced in the employment figures of a number of leading plants. In brief, the figures show that out of a normal complement of 48,140 workers in 34 plants, at the present time there have been layoffs of a little less than 12,000, or a decrease of employment of 25 percent.

If we go into the details, we find the following:

The Philco Co., which I believe has its headquarters in Philadelphia, has laid off 1,000 men, out of a normal complement of 8,000.

In the IRC plant in Philadelphia, there has been a layoff of 900 men, out of a normal complement of 1,500.

In the Magnetic Winding Co. plant there has been a layoff of 300 men out of a normal complement of 800.

In the Philadelphia Insulated Wire Co., a small firm, there has been a layoff of 80 men, out of a normal complement of 230. In that company even 20-year seniority employees are being laid off.

We find, further, that in the Photoswitch Co. there have been layoffs of 700 men, out of a normal complement of 1,000.

In the National Co. there have been layoffs of 500, out of a normal complement of 1,000.

In the Clarostat Co. there have been layoffs of 550, out of a normal complement of 1,000.

In the Sylvania Co., of Buffalo, N. Y., there have been layoffs of 800, out of a normal complement of 2,200, and further reductions there are expected.

In the Philharmonic Radio & TV Co., a small firm, 50 have been laid off out of a normal complement of 200.

In the Bendix Co., 160 have been laid off, out of a normal complement of 300.

In the case of the Video Products Co., a small concern, 150 have been laid off, out of a normal complement of 225, and that has been going on since April 1953.

We also find that in the case of the Ward Lumber Co. 150 have been laid off, out of a normal complement of 1,100.

In the General Instrument Co.'s plant 1,200 have been laid off, out of a normal complement of 1,500, and further reductions are expected.

In the Micamold Co.'s plant 250 have been laid off, out of a normal complement of 900, and an additional 150 men are working only 32 hours a week.

In the Leonard Electric Co.'s plant 180 have been laid off, out of a normal complement of 250, although it should be noted that 75 have been recalled.

We find that in the American Measuring Co.'s plant there have been 245 layoffs, out of a normal complement of 275.

In the Hammarlund Co. there have been 100 layoffs, out of a normal complement of 500.

In the RCA Co., of Montreal, there have been 370 layoffs, out of a normal complement of 1,000.

In the Erie Resistor Co. there have been 380 layoffs, out of a normal complement of 1,245.

At another Philco plant there have been 500 layoffs, out of a normal complement of 1,300.

Another Philco plant was completely closed in February of this year.

The RCA plant in Cincinnati has laid off 600 persons, out of a normal complement of 1,800, and those layoffs have occurred since October 1953, with the

plant being completely closed for 3 weeks in December.

We also find that the Huntingburg, Ind., General Electric plant has laid off 230 men, out of a normal complement of 450.

The General Electric Co.'s plant at Tell City has laid off 59 men, out of a normal complement of 1,784.

The Mallory Co. has laid off 600 men, out of a normal complement of 3,000.

The Warwick Manufacturing Co. has laid off 300 men, out of a normal complement of 400.

There are numerous other plants not mentioned in the above analysis where the reductions in the working force have been many.

Mr. MORSE. Mr. President, will the Senator from Illinois yield for a question?

Mr. DOUGLAS. I am glad to yield.

Mr. MORSE. Does the Senator from Illinois believe the serious amount of unemployment existing in that particular industry can be explained on the ground of inventory readjustment, as suggested by our good friend the Senator from Kansas [Mr. CARLSON] this afternoon?

Mr. DOUGLAS. If it is an inventory readjustment, it is caused by the fact that consumer demand in terms of quantities has been relatively slight, in comparison with the quantities produced, so that inventories have been accumulating. The phrase "inventory readjustment," like many overcoats, covers a multitude of sins. It simply means that at the prices charged the quantity demanded has not been sufficient to absorb the quantities produced.

Mr. MORSE. Mr. President, will the Senator from Illinois yield for a further question?

Mr. DOUGLAS. I am glad to yield.

Mr. MORSE. Is the Senator from Illinois inclined to agree with me that the situation indicates a decided loss of purchasing power in the United States, on the part of persons who previously had been buying radios and television sets?

Mr. DOUGLAS. Undoubtedly that is true; and consumer durables and farm equipment were hit first.

Mr. MORSE. Does the Senator from Illinois agree with me that those of us who are pointing out the rising unemployment in the Nation, which now exceeds that in the period 1949–50, and, for example, has reached approximately 8 percent in the railroad industry, and in a great many of the other basic industries amounts to anywhere from 10 percent to 20 percent—are not asking the American people to look through smoked glasses, as the Senator from Kansas suggested this afternoon, but are asking them to face some economic facts in connection with the employment situation?

Mr. DOUGLAS. The Senator from Oregon is entirely correct. I have never regarded the ostrich as the wisest of birds, because when danger arises, it is the habit of the ostrich, according to the proverb, to hide his head in the sand, so as not to be able to see the danger then existing. This is what our Republican friends are now doing.

It seems to me that, instead, we should do what a sound doctor does; we should try to diagnose the patient's condition, and we should report precisely what the condition is. That is what the Senator from Oregon, the Senator from Illinois, and some others of us have been trying to do for, lo, these many weeks.

Mr. NEELY. Mr. President, will the Senator from Illinois yield?

Mr. DOUGLAS. I am glad to yield.

Mr. NEELY. A moment ago the Senator stated the number of persons who had recently become unemployed. Let me invite attention to some additional relevant facts and figures which indicate the deplorable increase of distress under the present administration.

In March 1952 12,000 West Virginians were certified for the receipt of surplus Government commodities.

In March 1953, the first year of the Eisenhower administration, the number was 30,000. In March 1954, the second Eisenhower year, these certified persons were 90,105. But for next month, April 1954, the certification of needy West Virginians is for the shocking number—119,130.

Mr. DOUGLAS. That is about 10 times as many as 2 years ago.

Mr. NEELY. That is certainly and sadly true.

Mr. DOUGLAS. Mr. President, I think those facts deserve to be considered very carefully, and should not be tossed off with the witticisms and ridicule which some eminent Members of the Senate have displayed in trying to discuss this question.

Mr. MORSE. Mr. President, will the Senator from Illinois yield 2 minutes to me?

Mr. DOUGLAS. I am glad to yield.

Mr. MORSE. In support of the amendment which has been submitted by the Senator from Illinois, I desire to point out that, as of today, it is officially reported by the Government that car loadings are off 13 percent; that the steel industry is down to 68 percent of capacity; that railroad unemployment has risen to 8 percent, with more and more railroad workers being laid off each week; that the total unemployment—as I said earlier this afternoon—has become greater than it was in 1949–50.

In fact, I am satisfied that if we take into account not only the persons who are entirely out of employment, but also those persons who are on 2-, 3-, or 4-days-a-week employment and the persons who have experienced so-called temporary layoffs, but with no date of return being fixed, although they are not included in the Government statistics as being unemployed, we shall find that today unemployment in the United States amounts to more than 5 million. When that point is reached, it becomes the duty of the Government to take some action to afford help to Americans who do not have the wherewithal to feed their families. We must take measures to increase employment, so as to increase the purchasing power of families whose breadwinners are at present unemployed.

That is why I point out the fallacy of the argument that in such an emergency, deficit spending may be dangerous. I happen to believe that in such an hour we ought to engage in deficit spending and thereby enable people to get back on the tax rolls, by reason of wages received, so that they can pay into the Treasury of the United States taxes which will never be paid so long as they are unemployed. In fact, so long as they are unemployed, the tax burden of the people who are employed is increased.

The unemployment situation cannot be laughed off by this administration. It is a serious thing for the Secretary of the Treasury to say, as he said in a television program the other day—and I paraphrase him—that it is not yet time to take any action, but that we should wait longer.

President Eisenhower, the Secretary of the Treasury, and the spokesmen for the administration on the floor of the Senate ought not tell the 5 million Americans who are today unemployed that we ought to wait somewhat longer before we proceed with a program which will put them back to work by increasing the purchasing power of the consumers of America.

This amendment is a step in that direction. In my judgment, if we really want to help the unemployed in this industry, in which as the Senator from Illinois has shown, there is a large percentage of unemployment at the present time, we will vote for this amendment.

Mr. DOUGLAS. Mr. President, if I may bring forward additional evidence, I should like to cite figures showing a decrease in production of radio sets and television sets. My figures are drawn from the Survey of Current Business, published by the Department of Commerce, for March 1954, page 34. I may say that I submitted these figures yesterday to the Senator from Connecticut [Mr. BUSH] who questioned them. After he looked at them I did not hear him express any further question about their accuracy.

In the field of radio sets the Department of Commerce reports that in February 1953, 1,192,000 were produced. I am reading to the nearest thousand. In January of 1954, 872,000 were made. We telephoned to the Bureau of Labor Statistics, which gave us figures for February 1954, undoubtedly derived from the Department of Commerce. The figure for February 1954, was 760,000, as compared to 1,192,000 for February 1953, a decrease of 432,000, or nearly 40 percent.

In the field of television sets, production in February of 1953, to the nearest thousand, was 731,000; in January of 1954, 421,000; in February of 1954, 430,000, or a decrease of 300,000, or almost 40 percent, according to my computations. I submit, therefore, that this is one of the industries which has been most severely hurt.

I do not know whether the eminent and distinguished chairman of the Committee on Finance wishes to discuss this issue or not.

The PRESIDING OFFICER. The question is on agreeing to the amendment offered by the Senator from Illinois [Mr. DOUGLAS], for himself and other Senators.

Mr. MILLIKIN. Mr. President, this amendment would involve a revenue loss of $80 million. The situation is very interesting statistically. I read from the Survey of Current Business for March 1954:

Retail sales of television sets in January were only moderately below December, a decline much less than seasonal, and were considerably above the year-ago volume. The combination of high purchases and reduced output in January brought a marked decline in stocks of television sets at all levels of distribution. In the aggregate, they were down nearly one-third from the peak in October 1953, though still one-fourth higher than a year ago. In contrast, the position of radios continued unfavorable with regard to both sales and inventories.

I think we all know, without elaboration, the difficulties under which the radio business, as distinguished from the television business, has been laboring. I invite attention to a fact which I think is common knowledge to all of us, namely, that a great many people—I do not know how many, and I do not know of anyone who could tell—are not buying television sets at the present time because they feel that one of these days, color television will come into use, and they are not spending their money until that day comes.

In 1951 $146 million of revenue was derived from these articles. In 1952 the revenue was $134,500,000, a substantial decrease. If one became scared and panicky every time there was a decrease, a decrease in terms of revenue from $146 million to $134 million would produce very anxious concern.

What happened the next year? In 1953 this industry produced a revenue of $178 million. I mention these things to show that there is some up and down movement in the industry, and that a drop is not necessarily a catastrophe.

The articles which are covered by this amendment are now taxed at a 10-percent rate. A 10-percent rate is, I think, clearly a survival rate. Anyone who says that a 10-percent rate is not a survival rate has a heavy burden to show what would be a survival rate. This amendment provides for a reduction from 10 percent to 5 percent. Can anyone say that that would bring about the salvation of the industry, or those segments of the industry which are in trouble or have been in trouble? I suggest that 10 percent represents the level which was determined by the House Ways and Means Committee to be a level to which all excises should be brought.

I remind the Senate again that that theory was adopted by the Senate Finance Committee, and we are hopeful that many of the excess excise taxes will be brought down to 10 percent.

I have read from a trade publication on the subject of how the business stands. I do not intend to pursue these figures at great length, but I remind Senators that in January of 1954, 872,000 radio units were sold. In January of 1952, only 632,000 units were sold.

In the month of February 1954, 769,000 radio units were sold, as against 759,000 in February 1952. In terms of television sets, in January of 1954, 421,000 units were sold, as against 405,000 units in January 1952. In February 1954, which is as far as we can go with the figures, 427,000 were sold, as against 409,000 in 1952.

I think those figures show that perhaps there has been some exaggeration of the disasters which have confronted the business.

I repeat that the pending amendment involves a loss of $80 million of revenue. The amendment is definitely opposed by the administration; it is definitely opposed by the Senator from Georgia [Mr. GEORGE], the ranking Democratic member of the Committee on Finance; and it is definitely opposed by the chairman of the Committee on Finance, and the amendment will not be taken to conference.

I hope it will be decisively defeated. We have had from the Senator from Illinois an amendment which reduces the revenue on household appliances by $103 million, and we have had an amendment to reduce the revenue still further by $276 million in an amendment which the Senate has just now defeated. The pending amendment involves $80 million, and there are other amendments to come.

I am merely making the point that, taking these reductions singly or in combination, they have no relation to the former preachment of the distinguished Senator from Illinois in behalf of a balanced budget.

I suggest that the pending amendment be decisively defeated, as was the other amendment. If no Senator desires me to yield him time, I am willing to have a vote on the amendment.

Mr. SALTONSTALL. Mr. President, may I ask one question of the Senator from Colorado?

Mr. MILLIKIN. Certainly.

Mr. SALTONSTALL. I should like to ask a question on one point in the bill about which I have received numerous queries. On horseracing and dogracing the excise tax is left at 20 percent, while on other sporting activities the excise tax has been reduced by 10 percent. Would the Senator from Colorado be willing to give an explanation on that point?

Mr. MILLIKIN. Certainly. The distinguished Senator from Massachusetts is correct. There was considerable opinion—sufficient opinion in the Committee on Finance to carry the viewpoint—that we could not justify maintaining taxes on some things and granting a reduction in taxes on horse racing and dog racing, which under almost any theory, no matter how much one may love those sports, cannot be considered as an indispensable necessity for the people.

Mr. KNOWLAND. Mr. President, I am about to suggest the absence of a quorum.

Mr. DOUGLAS. Mr. President, I yield as much time to the Senator from Minnesota as he may desire to take.

Mr. HUMPHREY. Mr. President, I shall not take very long. The distinguished Senator from Colorado [Mr. MILLIKIN] mentioned the number of television units sold in 1952 and in 1954. He fails, however, to take into consideration the large expansion which has taken place in television outlets, which is also very pertinent to the consumer purchasing of television units.

I do not believe there is any doubt at all that the television and radio industry has suffered, along with other industries. I believe what the Senator from Illinois has in mind, as do those of us who have cosponsored some of his amendments, is what is commonly called a flexible or compensatory fiscal policy.

There are honest differences of opinion about it, and I do not believe it is a subject that should be argued as a doctrinaire theory. There is involved a question of judgment.

I recall that in 1931 the budget was balanced. There is one thing to be said to the eternal credit of former President Hoover, and that is that he did balance the budget. Of course, the whole country was unbalanced, but he did balance the budget, though everyone's private budget was out of balance, and the country was practically standing sideways on souplines, bearing down from the left and the right.

What are we talking about, Mr. President? Again I say there is a difference of opinion between men of sincerity and good judgment—I hope. However, what we are talking about is the question of when the Government of the United States, by its monetary and fiscal policy, should take action. Should we wait until there are 6 million unemployed?

The question is very pertinent. The President of the United States has made it crystal clear that when he believes the situation is sufficiently aggravated he will take, as he said, energetic and positive action.

In February he said he might do it in March, if conditions should be any worse in March. Mr. President, things are worse in March. Five hundred and sixty-three thousand more people are unemployed in March than were unemployed in February. The President now says he will wait until May. I am not going to criticize the President too much for his untimely delay. I will say, however, that there is no doubt that the administration expects, at least according to its pronouncements, some day, some time, in, we hope, the not too distant future, to take action if economic conditions become too bad.

What are we on this side of the aisle suggesting? What do the proponents of the amendment say? We simply say that when we see unemployment rise from slightly more than 2 million in December to more than 4 million in March, plus the underemployed or temporary employed or part-time employed, that perhaps now is the time to act.

I believe it is far more important to have a tax policy which permits an individual to have income to spend as he or she sees fit than it is to have a grandiose scheme of public works in effect. There may be a time when we need both of them, but so long as we have a choice, so long as we have an opportunity to choose, it appears to me that in taxation we have a better choice.

There is no contradiction whatever with respect to the integrity of the position or, as someone has stated, the consistency of the Senator from Illinois

[Mr. DOUGLAS] and other Senators, including the junior Senator from Minnesota.

We favored excise taxes and favored high taxes in a period of full employment, of inflation, and of insured heavy expenditures. We favored high taxes and we favored excise taxes at a time when we had to put the brakes on purchasing power, in order to control or regulate the economy, so as not to have full-scale or wildcat inflation.

What is the situation now, Mr. President? It may not have trickled down to the banks of the Potomac. From what I read in the newspapers it has not. However, I shall make a practical suggestion to some of the spokesmen of the administration. I read in the newspaper the other day that Secretary Weeks spoke in Canada recently. He said that everything was wonderful, and that the economy was in fine shape. Mr. Weeks may have an insight into matters which the rest of us do not have. I have talked to a few people, and I do not believe that is the case. I am of the opinion that the time to take preventive action is before a situation grows to very serious proportions.

Again I say to our able and distinguished and fine friend, the senior Senator from Colorado, that it is not a matter of opinion. We say these are the facts. It is a matter of trying to form an honest judgment as to what ought to be done now. I am of the opinion that the amendments offered will provide an incentive, and in the long run may very well bring a greater revenue into the Treasury.

I think we made it clear the other day that there is no point in putting a tax on an article that does not sell. The only time an excise tax will bring in any revenue is when the goods on which the tax is levied are sold.

When the figure of $80 million is used, that figure is predicated on the assumption that the rate of sales will be equal to the rate of sales in 1953. There is no evidence today which indicates that the rate of sales will be as large. I say to the Senator from Colorado that if he believes sales will be at the rate of 1953, let him go to any television store in Washington and find out, or let him go to any radio or television factory and find out.

I am somewhat disturbed that the loss of revenue is calculated on a basis which has no relevancy to the facts in the first 3 months of 1954. The first 3 months of 1954 show no upturn in the economy such as occurrtd in 1953. Incidentally, the fourth quarter of 1953 was on the downgrade.

Finally I wish to make one other point, and that is that a balanced budget, which has been the objective of the Government for a considerable period of time, remains the objective of every economy. The question is, How are we to accomplish it? In a free nation such as ours, with representative government, we would have a difficult time in balancing the budget at a time when the economy is on the skids. I have frequently said that the surest way to obtain revenue for the Government is to have business prosperity and relatively full employment.

Mr. President, the $80 million of revenue which may be lost, according to the estimate of the Senator from Colorado, may very well be made up by the withholding taxes upon people who are reemployed and by the corporation taxes upon businesses which will have more business than they now enjoy. So it is not a matter of black and white; it is not a matter of no revenue or $80 million; it is a matter of judgment as to whether there will be a loss of $80 million in revenue or whether we may pick up more revenue by this sort of an amendment.

Mr. President, I strongly support the proposal of the Senator from Illinois, and I hope it will be adopted.

Mr. KNOWLAND. Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER. The Senator will state it.

Mr. KNOWLAND. How much time remains on each side?

The PRESIDING OFFICER. The Senator from Colorado has 23 minutes. The Senator from Illinois has 7 minutes.

Mr. KNOWLAND. Do Senators desire a quorum call and to continue the debate, or are they prepared to vote at this time?

Mr. MILLIKIN. I may want 1 or 2 minutes to speak for the benefit of Senators who will come into the Chamber.

Mr. KNOWLAND. Mr. President, is it agreeable to the Senator from Illinois to have a quorum call at this time, which will not be taken out of the time of either side?

Mr. DOUGLAS. I shall be glad to throw in all of my small contribution, namely 7 minutes. Being a poor relative—I am sure the Senator from Colorado will contribute a larger amount out of his abundance—I hope my offering of Peter's pence will spur the Senator from Colorado on to generosity.

Mr. KNOWLAND. Mr. President, pursuant to the agreement of the managers on both sides of the question, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The Chief Clerk called the roll, and the following Senators answered to their names:

Aiken	Griswold	Maybank
Anderson	Hayden	McCarran
Barrett	Hendrickson	McCarthy
Beall	Hennings	McClellan
Bennett	Hickenlooper	Millikin
Bricker	Hill	Monroney
Burke	Hoey	Morse
Bush	Holland	Mundt
Butler, Md.	Humphrey	Neely
Butler, Nebr.	Hunt	Pastore
Byrd	Ives	Payne
Capehart	Jackson	Potter
Carlson	Jenner	Purtell
Case	Johnson, Colo.	Robertson
Clements	Johnson, Tex.	Russell
Cooper	Johnston, S. C.	Saltonstall
Daniel	Kefauver	Schoeppel
Dirksen	Kennedy	Smathers
Douglas	Kerr	Smith, Maine
Duff	Kilgore	Smith, N. J.
Dworshak	Knowland	Stennis
Eastland	Kuchel	Symington
Ellender	Langer	Thye
Ferguson	Lehman	Upton
Frear	Long	Watkins
Fulbright	Magnuson	Welker
Gillette	Malone	Wiley
Gore	Mansfield	Williams
Green	Martin	Young

The PRESIDING OFFICER. A quorum is present.

Mr. KNOWLAND. Mr. President, I ask for the yeas and nays on the amendment.

The yeas and nays were ordered.

Mr. CAPEHART. Mr. President, will the Senator from Illinois yield to me about 2 minutes?

Mr. DOUGLAS. I find I shall have 2 minutes and yield them to the Senator from Indiana.

Mr. CAPEHART. Mr. President, I feel that there should be a reduction in the tax on the items covered by the pending amendment. There is a great deal of unemployment, and this amendment will stimulate employment. I have said many times that excise taxes were applied to stop people from buying. That was the purpose, because there was a shortage of materials. Excise taxes were never intended to be a revenue measure.

Mr. GORE. Mr. President, will the Senator from Indiana yield?

Mr. CAPEHART. I have very little time, but I yield to the Senator from Tennessee.

Mr. GORE. The Senator has said that excise taxes were levied to prevent too much purchasing. Does the Senator contend that the Congress imposed these taxes upon the people purely to keep them from purchasing? Was not the need for revenue a very material factor?

Mr. CAPEHART. I presume the Government always needs revenue. But I am saying that the excise taxes were imposed during a war period. The American people were promised by both Republicans and Democrats that when the war was over, the excise taxes would be eliminated. I hold in my hand a speech which, as a Republican, I delivered, taking to task a former President of the United States who was opposed to reducing excise taxes.

I see no reason why I should now be for them simply because we have a Republican President. The Republican Party promised the American people tax reduction. It promised that these taxes would be removed.

The way to balance the budget is to reduce expenditures, not to impose taxes which will diminish sales and throw people out of work. What we should be doing is to be thinking about increasing employment. We should be doing those things which will employ people, because now, every day, more and more persons are losing their jobs. The proper way to balance the budget is to reduce expenditures, not to throw roadblocks in the way of making sales, because sales mean jobs, and jobs mean sales. I say that what would be done by rejecting the amendment would be deliberately to throw roadblocks in the way of making sales, which will mean throwing people out of work.

The PRESIDING OFFICER. The time of the Senator from Indiana has expired.

Mr. MILLIKIN. Mr. President, I desire to use 2 or 3 minutes of my time. Do I have time left?

The PRESIDING OFFICER. The Senator has time remaining.

Mr. MILLIKIN. I wish to make a very quick summary of what I have heretofore said with reference to this amendment. The amendment would cost the United States $80 million in revenue. It would reduce the tax from 10 percent to 5 percent. Ten percent, I think, generally is considered to be a fair tax.

This amendment will not, under any circumstances, be taken to conference. The amendment is strenuously disapproved by the chairman of the Committee on Finance; and, as was announced by the distinguished minority leader, it is also opposed by the distinguished ranking minority member of the Senate Committee on Finance [Mr. GEORGE], who had to remain at home today, I am sorry to say, because of illness.

I hope the amendment, just as was the fate of the preceding amendment, will be overwhelmingly defeated. The administration is opposed to the amendment. I do not think the Treasury can stand the addition of $80 million to the loss of revenue with other amendments to come.

SEVERAL SENATORS. Vote! Vote!

The PRESIDING OFFICER. The question is on agreeing to the amendment offered by the Senator from Illinois [Mr. DOUGLAS] for himself and other Senators. The yeas and nays have been ordered, and the clerk will call the roll.

The legislative clerk called the roll.

Mr. SALTONSTALL. I announce that the Senator from Arizona [Mr. GOLDWATER] is absent on official business.

The Senator from New Hampshire [Mr. BRIDGES], the Senator from Oregon [Mr. CORDON], and the Senator from Vermont [Mr. FLANDERS] are necessarily absent.

If present and voting, the Senator from Oregon [Mr. CORDON] would vote "nay." On this vote the Senator from Vermont [Mr. FLANDERS] is paired with the Senator from Montana [Mr. MURRAY], and the Senator from Arizona [Mr. GOLDWATER] is paired with the Senator from New Mexico [Mr. CHAVEZ]. If present and voting, the Senator from Vermont and the Senator from Arizona would each vote "nay," and the Senator from Montana and the Senator from New Mexico would each vote "yea."

Mr. CLEMENTS. I announce that the Senator from New Mexico [Mr. CHAVEZ] is unavoidably detained on official business. The Senator from Georgia [Mr. GEORGE] is absent by leave of the Senate because of illness, and if present would vote "nay."

The Senator from North Carolina [Mr. LENNON], the Senator from Montana [Mr. MURRAY], and the Senator from Alabama [Mr. SPARKMAN] are absent on official business.

I announce further that on this vote the Senator from Montana [Mr. MURRAY] is paired with the Senator from Vermont [Mr. FLANDERS]. If present and voting, the Senator from Montana would vote "yea," and the Senator from Vermont would vote "nay."

I announce also that on this vote the Senator from New Mexico [Mr. CHAVEZ] is paired with the Senator from Arizona [Mr. GOLDWATER]. If present and voting, the Senator from New Mexico would vote "yea," and the Senator from Arizona would vote "nay."

The result was announced—yeas 23, nays 64, as follows:

YEAS—23

Burke	Humphrey	Malone
Capehart	Hunt	Mansfield
Clements	Jackson	McCarran
Douglas	Johnston, S. C.	Morse
Eastland	Kilgore	Neely
Frear	Langer	Pastore
Hayden	Lehman	Young
Hill	Magnuson	

NAYS—64

Aiken	Green	Monroney
Anderson	Griswold	Mundt
Barrett	Hendrickson	Payne
Beall	Hennings	Potter
Bennett	Hickenlooper	Purtell
Bricker	Hoey	Robertson
Bush	Holland	Russell
Butler, Md.	Ives	Saltonstall
Butler, Nebr.	Jenner	Schoeppel
Byrd	Johnson, Colo.	Smathers
Carlson	Johnson, Tex.	Smith, Maine
Case	Kefauver	Smith, N. J.
Cooper	Kennedy	Stennis
Daniel	Kerr	Symington
Dirksen	Knowland	Thye
Duff	Kuchel	Upton
Dworshak	Long	Watkins
Ellender	Martin	Welker
Ferguson	Maybank	Wiley
Fulbright	McCarthy	Williams
Gillette	McClellan	
Gore	Millikin	

NOT VOTING—9

Bridges	Flanders	Lennon
Chavez	George	Murray
Cordon	Goldwater	Sparkman

So the amendment offered by Mr. DOUGLAS, for himself and other Senators, was rejected.

The PRESIDING OFFICER. The bill is open to further amendment.

Mr. McCLELLAN. Mr. President, I call up my amendment, which is lying on the desk, and ask that it be read by the clerk, and made the pending business.

The PRESIDING OFFICER. The clerk will state the amendment.

The CHIEF CLERK. At the end of the bill it is proposed to insert the following:

TITLE VII—PERMANENT APPROPRIATION FOR HIGHWAY PURPOSES OF TAXES ON GASOLINE, LUBRICATING OILS, AND OTHER MOTOR FUELS

SEC. 701. Taxes collected under sections 2450, 3412, and 3413.

(a) For the purpose of carrying out the provisions of the Federal-Aid Road Act, approved July 11, 1916 (39 Stat. 355), and all acts amendatory thereof and supplementary thereto, there is hereby authorized to be appropriated out of the Federal-aid highway trust fund created by section 702 for each fiscal year, beginning with the fiscal year commencing July 1, 1954, a sum equal to the amount collected during the preceding calendar year as receipts from taxes imposed by sections 2450, 3412, and 3413 of the Internal Revenue Code.

(b) The sum authorized to be appropriated pursuant to the authorization contained in subsection (a) for any fiscal year shall be apportioned among the several States in the manner provided by law and in accordance with the formula set forth in section 4 of the Federal-Aid Highway Act of 1944.

SEC. 702. Federal-aid highway trust fund.

There is hereby established on the books of the Treasury of the United States a trust fund to be known as the "Federal-aid highway trust fund." There is hereby appropriated to the trust fund for the fiscal year ending June 30, 1955, and for each fiscal year thereafter, out of any moneys in the Treasury not otherwise appropriated, amounts equivalent to 100 percent of the taxes (including interest, penalties, and additions to taxes) collected under sections 2450, 3412, and 3413 of the Internal Revenue Code. No amounts shall be paid out of the trust fund except in pursuance of appropriations authorized by section 701 of this act.

Mr. McCLELLAN. Mr. President, I ask for the yeas and nays on the amendment.

The yeas were ordered.

Mr. THYE. Mr. President, before any action is taken on the amendment, I wonder if the Senator from Colorado [Mr. MILLIKIN] will yield a couple of minutes to me so I may speak on the amendment offered by the Senator from Arkansas.

Mr. McCLELLAN. Mr. President, I think I have the floor.

Mr. THYE. Is not the time divided? I thought the Senator from Arkansas was asking for the yeas and nays. Before action is taken on his amendment, I wished to speak a few minutes on the question.

Mr. McCLELLAN. If the able Senator will permit me to present my amendment, then, if the distinguished Senator from Colorado does not have time to yield to the Senator from Minnesota, I shall be glad to allocate him time.

Mr. THYE. I am sure the Senator from Colorado must have the time, because 30 minutes has been allocated to each side to speak on the amendments.

Mr. McCLELLAN. If the Senator from Minnesota wishes to explain my amendment first, I shall yield the floor.

Mr. THYE. I certainly do not wish to interfere with the author of the amendment. However, the amendment has been read to the Senate, and, if I understood the amendment correctly, I am prepared to speak against it now. I do not care especially to speak now; I merely desired to make certain that time would be allotted to me.

The PRESIDING OFFICER. Does the Senator from Colorado yield time to the Senator from Minnesota?

Mr. MILLIKIN. I yield 2 minutes to the Senator from Minnesota.

Mr. THYE. Mr. President, the amendment which has just been stated to the Senate by the clerk is an amendment to dedicate and earmark for highway purposes revenues obtained from taxes on gasoline, lubricating oils, and other motor fuels.

To make such a grant of an administrative function would be absolutely wrong. It would lead only to misuse of the funds. Congress would not have control of the funds. They would be dedicated and earmarked for highway construction, and from that time on there would constantly be a question of trying to allocate to the States every dime of such tax money, regardless of whether a particular State would have sufficient State funds to match the Federal fund or not.

I have had some experience with earmarked or dedicated funds in State governmental functions. Such an arrangement has always led to misuse and embarrassment. For that reason, when the clerk stated the proposed amendment, I know I did not need to have the amendment explained any further to me. I knew exactly what the amendment proposed to do, and I knew I would have to

oppose it. It was for that reason that I rose and asked that time be allotted to me.

I wish to state further that such use of an administrative function would not be sound. Anyone who has had experience with such an arrangement would have to agree with that statement. For the reasons I have stated, I shall oppose the amendment.

Mr. McCLELLAN. Mr. President, I yield myself 10 minutes. I assume the time consumed by the opposition will be charged to the opposition.

Mr. THYE. The Senator from Colorado, who has control of the time, yielded me the time. I have not imposed on the time of the Senator from Arkansas.

Mr. McCLELLAN. I stated that I assumed that was correct.

Mr. THYE. The time was so granted; no assuming is necessary.

Mr. McCLELLAN. Mr. President, I should like to discuss my amendment, if I can get a chance to do so.

I did not anticipate that my amendment was going to provoke such violent opposition. I thought this amendment would be a pretty mild proposition, one which would at least elicit the attention and interest of both sides, those who wish taxes to be increased and those who want taxes to be lowered, because my amendment does neither. It does no violence to the bill under consideration in either direction.

The amendment undertakes to correct an unsatisfactory condition which has prevailed for some years, and a condition which is being aggravated and growing worse. At its very inception, the purpose of the Federal tax on gasoline was to support a Federal-aid highway program. That is why the tax was levied in the beginning. Subsequent to the imposition of the tax, we became involved in wars. The excise tax was ininceased, and also placed on automobiles, tires, and accessories. Today we are collecting, from the highway users of the Nation, Federal revenues in the amount of $2,200,000,000 I believe I am correct in that statement.

In that connection I invite the attention of the distinguished senior Senator from Pennsylvania [Mr. MARTIN], who earlier today introduced the Federal-aid highway bill which was later reported by the Senator from South Dakota [Mr. CASE]. As I recall, the Senator from Pennsylvania said the total revenues now being raised by means of taxation on highway users are $2,200,000,000 a year. Is that correct? I ask the distinguished Senator from Pennsylvania about it. That is what I understood him to say when he reported the bill, earlier today.

Mr. MARTIN. At the present time, from the taxes on gasoline alone——

Mr. McCLELLAN. No; I am also referring to the taxes on tires and automobiles.

Mr. MARTIN. It is about $2,200,000,000.

Mr. McCLELLAN. Then I have stated the correct figure.

Mr. President, from the gasoline tax and from the fuel-oil tax—which are the only taxes to which the amendment applies—the Federal Government is now collecting, in round numbers, $1 billion a year.

I wish to state a little of the history of this tax. The amendment affects and allocates or dedicates—whatever term we may wish to use in this connection—approximately 47 percent or 48 percent of all revenues we are obtaining from highway users, and will invest that money in the highways, by means of a highway construction program.

I need not inform the Senate how far highway construction has lagged behind the increase in traffic and the increased demand for improved highways. During the past 5 years there has been collected by the Federal Government, from the taxes on gasoline and fuel oil, a total of $4,071,000,000. During the same 5 years there has been appropriated, for Federal aid for highway purposes, a total of only $2,475,000,000. In other words, we are not spending on the highways—we are not giving Federal aid to the States, for construction of the Federal-aid highway system—as much money as the Federal Government is collecting and has been collecting in taxes on gasoline and fuel oil.

Mr. President, all I propose—and my proposal is in line with what the Public Works Committee has proposed in the bill which was reported to the Senate earlier today—is that the amount of the authorization be increased above the amount recommended in the budget. Under the amendment, that amount will be increased, in round numbers, to $1 billion—which, in round numbers, is the amount of the Treasury estimated tax revenue from this source this year. The estimated tax revenue from this source for this year is $1,006,500,000.

The bill reported earlier today from the Public Works Committee authorizes the appropriation for this purpose of $1 billion a year, for the next 2 years. I simply propose that we accelerate the road-construction program.

Today we hear much discussion of the possibility of a depression. Many persons say we are now in the midst of a recession. Certainly we are in a period which everyone will acknowledge as at least one of readjustment. There is much discussion of the amount of unemployment and of the possibility that it will be necessary for the Federal Government in some fashion again to "prime the pump."

Mr. President, when the Federal Government begins to "prime the pump," two of the best things for the Government to do are the following: One is to help build more and better highways; the other is to give Federal aid for the construction of school buildings. At this session I have already introduced a bill for Federal aid to school construction. I now propose that at least the revenue from the gasoline tax that is being collected from the highway users be allocated and earmarked for the purpose for which it is collected.

Some have said it is dangerous to begin to earmark tax collections. Ah! Mr. President, when we recall the tidelands oil act, we find that some Members of the Senate who now say we must not earmark the revenue from the gasoline tax earnestly insisted on earmarking those revenues for purposes of education, and that it would be quite all right to do so.

Mr. President, the earmarking idea is not original with me; on the contrary, it has previously been advocated in the Senate. Therefore, that argument against the amendment is not a valid one; it will not suffice to say that the amendment should be rejected simply because we do not wish to begin to earmark tax funds.

Mr. President, if any of the tax funds collected by the Federal Government should be earmarked, certainly, in view of present highway conditions and in view of the increased traffic demands, the revenues from the gasoline tax should be earmarked.

Let us bear in mind that, under the amendment, from 52 percent to 53 percent of the revenue now collected from the highway users will remain in the Treasury, not earmarked, not dedicated—or whatever term one may wish to use. That portion of the gasoline-tax revenue will continue to be available to support the other operations of the Federal Government.

Mr. LONG. Mr. President, will the Senator from Arkansas yield to me?

Mr. McCLELLAN. I am glad to yield to the distinguished junior Senator from Louisiana.

Mr. LONG. I would always be opposed to the earmarking of tax funds if the purpose of the earmarking proposal bore no relationship to the basis upon which they were raised. However in my State—and I know this is true of many other States—the theory is that the tax on gasoline should be a tax on the users of the highway, and that the revenue from that tax should be used for the construction of highways. Therefore, I have always justified my vote in favor of the gasoline tax on the ground that it was for the purpose of building more highways.

So I shall be glad to support the amendment of the Senator from Arkansas, which provides that the revenue from the gasoline tax shall be used for highway purposes.

In the past, many persons have urged me to vote to reduce the gasoline tax, and I have always replied that I would vote to reduce it unless we could get the Federal Government to spend the revenue frrom that tax for the construction of highways.

Mr. McCLELLAN. I thank the Senator from Louisiana.

Mr. President, was there ever a better time to allocate Federal Government revenue to a better cause, which today is suffering because of a lack of finances and the appropriations which are necessary in order to carry on the type of construction program that is vitally needed?

Mr. BUSH. Mr. President, will the Senator from Arkansas yield at this time to me?

Mr. McCLELLAN. I yield to the distinguished Senator from Connecticut.

Mr. BUSH. I should like to ask the Senator from Arkansas a question. I thought I heard him say that his amendment would do no violence to the financial program of the Government, or something to that effect. I ask him

whether the amendment might do violence to the budget of the United States, because, as I understand the amendment, it would have the Federal Government dedicate all the tax revenue from the sale of gasoline—approximately $2,200,000,000—will be dedicated to highway purposes.

Mr. McCLELLAN. Mr. President, the Senator from Connecticut is in error about that. Under the amendment, only $1 billion will be authorized.

Mr. BUSH. That is what I wished to ask the Senator from Arkansas.

Mr. McCLELLAN. That is correct.

Mr. BUSH. The estimate of the Senator from Arkansas is that by the amendment approximately $1,200,000,000 would be dedicated. Is that correct?

Mr. McCLELLAN. One billion dollars even.

Mr. BUSH. One billion dollars even?

Mr. McCLELLAN. Yes.

Mr. BUSH. Solely from the sale of gasoline; is that correct?

Mr. McCLELLAN. From the Federal Government's tax on gasoline and fuel oil, as used on the highways.

Mr. BUSH. The amendment has nothing to do with the tax on automobiles, has it?

Mr. McCLELLAN. Not a thing, nor with the tax on automobile parts or the tax on automobile tires. Under the amendment, all that revenue will remain in the Federal Treasury, as heretofore.

Mr. CORDON rose.

Mr. FERGUSON. Mr. President, will the Senator from Arkansas yield to me?

Mr. McCLELLAN. I yield to the Senator from Michigan.

Mr. FERGUSON. The Senator from Michigan introduced in the Senate a bill which would provide for the use of more than $2 billion a year, for highway purposes, because he felt that it would be necessary to use that much to keep our roads in good shape, and that it would require 15 years to complete a system of highways appropriate for this great Nation, not only for civilian use, but for military use.

Mr. McCLELLAN. If the Senator will permit me to interrupt him at that point, the distinguished Senator from Pennsylvania [Mr. MARTIN], in reporting the Federal aid highway bill earlier in the day, said that it would require $37 billion to place American highways in a condition to meet the traffic needs of today.

Mr. FERGUSON. I believe that to be true. The Senator from Michigan would like to ask one question. If we earmark this fund for use only in highway construction, does not the Senator feel that we shall be limiting ourselves to that fund, and placing ourselves in a position in which we cannot get more?

Mr. McCLELLAN. The distinguished Senator knows very well that we can appropriate any additional amount out of regular funds.

Mr. FERGUSON. We want to make it clear today that we do not want to limit the amount which we feel should go into highway construction.

Mr. McCLELLAN. There is no limitation except insofar as the authorization is concerned. There is nothing to prevent further authorization for additional amounts, and the appropriation of any such amounts as may be additionally authorized.

Mr. FERGUSON. I share the Senator's views, because I believe that the gas and oil tax should be devoted to the improvement of our highway system. If we cannot put it back into highways, and must put it into the general funds of the Government——

Mr. McCLELLAN. If we cannot devote it to the improvement of our highway system, we ought to take off the last half cent which was added to the gasoline excise tax.

Mr. FERGUSON. If it is specifically earmarked for use on the highway system, it ought not to be used for the general expenses of Government.

Mr. McCLELLAN. We are getting $1,200 million in addition from other automobile taxes.

Mr. FERGUSON. I think the whole sum should be devoted to the purpose of highway improvement.

Mr. McCLELLAN. I trust the Senator will support the amendment, because it is a step in the direction of his objective.

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

Mr. McCLELLAN. I yield.

Mr. HUNT. Does the Senator agree with me that the people of the Nation believe, without any question of doubt, that gasoline sales tax money goes into a fund for the construction of roads?

Mr. McCLELLAN. Many of them are laboring under that impression. I gave the figures. I went back for the past 5 years. I think the extra half cent tax was added in 1951. It showed up in additional revenues in 1952. The budget for this year calls for a little more than 50 percent of the gasoline tax involved in this amendment.

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

Mr. McCLELLAN. I yield.

Mr. HUNT. I am wondering if the Senator is aware that during the past 15 years some 14 States have written into their constitutions provisions which are almost verbatim in the language of his amendment?

Mr. McCLELLAN. Quite a number of States have done so. I do not recall the exact number.

Mr. HUNT. Is the Senator further aware of the fact that those States which do not have such a provision in their constitutions rather rigidly follow the rule that all gasoline sales tax collections shall go into their State road funds?

Mr. McCLELLAN. The practice is generally observed. There are some exceptions, but they are the exception and not the rule.

Mr. HUNT. Does the Senator remember that in his state of the Union message, the President said—I shall not attempt to quote him exactly—that we should continue the gasoline tax so that we can properly improve our highways, thus leading the Nation to believe that that is where the money derived from that tax would go?

Mr. McCLELLAN. In substance that is what the President said. In substance my amendment follows every principle which has been expressed by those who are keenly interested in having a national highway program and improving our national highway system.

Mr. HUNT. Does the Senator know that the Association of State Highway Officials has time after time adopted resolutions to the effect that the Federal gasoline-tax moneys should all be put back into road construction?

Mr. McCLELLAN. I am sure that is true. Irrespective of whether it has passed one or a dozen such resolutions, I know that the highway users want this money spent on the roads.

Mr. HUNT. Is the Senator aware of the fact that there is a backlog of $75 million worth of road work to do on our forest highways, but that each year we appropriate the trifling sum of $15 million or $20 million for that purpose?

Mr. McCLELLAN. I know that we do not make adequate appropriations to meet the needs.

Mr. HUNT. Does the Senator know that approximately the same ratio prevails with reference to the roads in our national parks?

Mr. McCLELLAN. I am sure it does. They are in about the same status.

Mr. HUNT. Is the Senator aware of the fact that at governors' conferences for years the subject of earmarking these moneys for this particular purpose has been discussed at great length?

Mr. McCLELLAN. I am sure it has been discussed at such conferences.

I now yield to the Senator from Oregon [Mr. CORDON].

Mr. CORDON. Mr. President, I thank the Senator. The Senator from Oregon has found the answer to the question which he had intended to ask.

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

Mr. McCLELLAN. I yield.

Mr. CASE. Let me say, first, that the objective of the Senator's amendment is one which many of us approve. The bill reported from the Senate Committee on Public Works today would accomplish the objective, but would accomplish it in a practical way, I think.

Does the Senator know that if the money he seeks to set aside from the gasoline tax were apportioned under the language of his amendment, none of it would go to forest highways?

Mr. McCLELLAN. There is no reason why it cannot.

Mr. CASE. The act of 1944——

Mr. McCLELLAN. This money is handled under the provisions of the Federal-Aid Act, and all amendments to it.

Mr. CASE. No; it is not. The Senator's amendment refers to section 4 of the Federal-Aid Highway Act of 1944. Section 4 of the Federal-Aid Highway Act of 1944 provides only for Federal primary roads, Federal secondary roads, and the urban system. There is no money, under the formula in section 4 of the act of 1944 for the interstate system. There is no money for forest roads. There is no money for park roads or for Indian roads. If we dedicate all this money to the purpose specified, what will become of the interstate system? What will become of the forest roads or park roads?

Mr. McCLELLAN. The interstate highway system is a part of the Federal-aid highway system. Those roads are

a part of the Federal-aid highway system. The fact that they have been designated as interstate highway systems does not remove them from the category of primary Federal-aid roads. They have never been removed from that category and this money would apply to them.

Mr. CASE. The present law provides $25 million for interstate systems. The bill already passed by the House——

Mr. McCLELLAN. That would simply limit that money to the Federal-aid interstate system. It would not prevent this money, or any part of it, from being spent on the Federal interstate system to which the Senator refers, because every one of those roads is a part of the Federal-aid system.

Mr. CASE. The Senator from South Dakota can only read the language which the Senator has written in his amendment, in lines 10, 11, and 12 on page 2, which provides that the money "shall be apportioned among the several States in the manner provided by law and in accordance with the formula set forth in section 4 of the Federal-Aid Highway Act of 1944.

Mr. McCLELLAN. My amendment would not change the formula. We do not want to change it. We simply want to make the money available for this particular purpose.

Mr. CASE. Section 4 of that act provides only for Federal primary, Federal secondary, and Federal urban roads. Today we have another category; namely, interstate roads. The present law provides $25 million for that purpose.

Mr. McCLELLAN. Just a moment. Mr. President, I wish to reserve a little of my time. I should like to ask the Senator from South Dakota a question. Does he contend that the roads which have been designated as interstate highways are not now a part of the present Federal-aid highway system?

Mr. CASE. No; he does not.

Mr. McCLELLAN. Those roads are included?

Mr. CASE. The bill already passed by the House of Representatives as a public-roads bill provides $200 million for the interstate system, in addition to the amount provided for the primary system, the secondary system, and the urban system under the formula of the 1944 act.

Mr. McCLELLAN. That bill has not yet become law. The roads which we are now proposing to designate as an interstate highway system have not yet been designated, except by some order or designation which is not official and has not heretofore been recognized by law. They are a part of the Federal-aid highway system, and this money is available to be expended on such roads.

Mr. WELKER and Mr. CASE addressed the Chair.

Mr. McCLELLAN. Mr. President, how much time do I have remaining?

The PRESIDING OFFICER. Seven minutes.

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

Mr. McCLELLAN. I am glad to yield. I should like to reserve 5 minutes to myself.

Mr. WELKER. I have not been in the Chamber at all times during the day, and I would appreciate my distinguished friend from Arkansas stating in what way the gasoline-tax money is being diverted from the purpose to which he wishes it to be devoted.

Mr. McCLELLAN. I may say that for the past 5 years the Federal Government has collected from this tax $4,071,000,000, but we have appropriated from that amount and spent on the highways only $2,475,000,000 during that time.

Mr. WELKER. What has happened to the remainder of the money?

Mr. McCLELLAN. It has been used for other purposes. What I am trying to do is to have at least some of the gasoline tax used on the highways.

Mr. President, I yield the floor for the time being.

Mr. HAYDEN and Mr. GORE addressed the Chair.

Mr. GORE. Mr. President, will the Senator yield me some time?

Mr. HAYDEN. I should like to place some facts in the RECORD.

Mr. MILLIKIN. I yield 5 minutes to the Senator from Tennessee. Then I shall yield 5 minutes to the Senator from Arizona [Mr. HAYDEN]. I have already promised to yield 5 minutes to the Senator from South Dakota [Mr. CASE].

Mr. GORE. Mr. President, the distinguished senior Senator from Arkansas is so uniformly right in the position he takes that when I find myself in opposition I must pinch myself. In this case I have pinched myself, and I am still convinced that I should make some remarks in opposition to his amendment.

If we follow the precedent of allocating revenues from a given tax to a given purpose, from what sources would we eventually obtain funds for the national defense and for the general operation of the Government?

The distinguished Senator has proposed an amendment which I have gone to the desk to read. It not only proposes an authorization, taking that function from the Committee on Public Works—and that committee reported a bill this morning for $1 billion for this identical purpose, after the committee had carefully studied the bill—but the amendment goes further and makes an appropriation, thereby taking that function from the Committee on Appropriations.

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

Mr. GORE. I have only 5 minutes. I prefer to make my statement first. Then I shall be glad to yield.

If we carry forward the precedent—and it would be an important precedent—it would be administratively hopeless. The function of Congress in levying taxes is to obtain necessary revenue for governmental purposes from whatever sources it believes in its judgment to be most equitable and advisable.

In turn, the disposition of the revenue is within the discretion of Congress, to appropriate to whatever functions and purposes which, in its judgment, are deemed to be advisable.

What would we do with the revenue derived from the cigarette tax? Would we earmark it for health research, for cancer research, for tuberculosis research? What would we do with the tax derived from aviation gasoline?

The pending amendment proposes that the money derived under it be allocated to highways. Why not allocate the revenue derived from aviation gasoline to the upkeep of airports and skyways?

Where would such a theory lead us? I believe it would be a very unwise precedent to establish, and that to follow that path would leave the Government's fiscal problems hopelessly hampered.

I now yield to the distinguished senior Senator from Arkansas.

Mr. McCLELLAN. The Senator referred to an appropriation being made by the bill. Will he not concede that the bill is a freezing bill, and not an appropriation bill?

Mr. GORE. No; I shall not so concede.

Mr. McCLELLAN. I ask the Senator how $1 of the money can be expended under the terms of the bill.

Mr. GORE. I shall be glad to read from the amendment. On page 2, line 16, it is provided:

> There is hereby appropriated to the trust fund for the fiscal year ending June 30, 1955, and for each succeeding year——

Mr. McCLELLAN. That freezes the money into that fund, and every dollar of it would have to be appropriated by Congress for expenditure.

The PRESIDING OFFICER. The time of the Senator from Tennessee has expired.

Mr. MILLIKIN. I have agreed to yield 5 minutes to the Senator from Arizona.

Mr. HAYDEN. Mr. President, at Phoenix on October 20, 1953, I addressed a hearing before the Special Legislative Highway Study Committee of the Arizona State Legislature. At that time I placed in the records of that committee a statutory history of the Federal manufacturers' excise tax on gasoline, and a tabulation taken from the hearings of April 15, 1953, presided over by Representative McGREGOR of Ohio, Chairman of the Subcommittee on Roads of the House Committee on Public Works. The tabulation shows the amount of money collected from all manufacturers' excise taxes relating to motor transportation and the amount of the Federal-aid expenditures from 1947 to 1953, inclusive.

I ask unanimous consent that at the conclusion of my remarks this statutory history and the tabulation from the McGregor hearing be printed in the RECORD.

The PRESIDING OFFICER. Is there objection? The Chair hears none, and it is so ordered.

(See exhibit 1.)

Mr. HAYDEN. At that legislative hearing in Phoenix last October, Hon. Howard Pyle, the Governor of Arizona, made the following statements to which I invite the attention of the Senate as applicable to a consideration of the pending amendment.

> Governor PYLE. I think the whole question, the whole argument, as far as the States are concerned, as I have suggested on many occasions, would be dissipated overnight if the States could be assured that the money that is collected on gas taxes would apply to the roads here, in total, without diversion for anything else.

* * * * *

That is why I keep feeling, and so do a lot of other governors, that the wisest defense investment that this country could make as long as we admit that we are up to our ears in defense expenditures, would be to apply the full amount of the gasoline-tax collection to the public roads.

Now I grant you, and others will make the same contention, that the excise taxes on automobile accessories that you say added to the gas tax runs well over $2 billion (the last figure I had on it was that 78 percent of it was being diverted) that is the total amount, well 78 percent——

Senator HAYDEN. Would it not be safer to say $2 billion, and the highways are getting back less than $700 million?

Governor PYLE. That is right. So the matter has gotten to be a sore one, particularly out here in these corridor States, that it just seems incredible that between 40 to 50 percent of the total amount collected is not going into the roads at all.

* * * * *

That money ought to go on one of our greatest single assets to the national defense and that is the road system and make it available in our hour of great crisis.

You take Hitler, the first thing he did was build a terrific road system. And then he went on from there, and it was the answer to a great deal of the terrific nuisance he was when the time came to use it because he had transportation.

The Governor of Arizona made it very clear that, in his opinion, if all the money collected as a result of Federal excise tax on gasoline is not devoted to the construction and improvement of highways, then Congress should not levy that tax at all, but let the States entirely take over all taxation of gasoline. Governor Pyle also stated that such a recommendation had been made by the Council of State Governments.

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

Mr. HAYDEN. I yield.

Mr. FERGUSON. I should like to put into the RECORD the figures which I have on the gasoline tax for 1953. The total amount for 1953 was $894,000,000. If the diesel tax be added the total amount for 1953 would be $905 million. I understand that the estimate for 1954 on gasoline alone, because of the increase in the tax, is $916 million. The estimate for 1954 on diesel is $20 million, making a total of $936 million.

Mr. HAYDEN. The figures then available to me were for 5 years, 1947 to 1952. I am glad the Senator from Michigan has supplied the figures for the succeeding year. In conclusion let me say that no one who owns an automobile will object to any tax on any item which relates to motor transportation if he knows that the revenue thus raised is to be entirely expended for the construction and improvement of highways. He does object when any of that kind of revenue is diverted to any other than highway uses.

EXHIBIT 1

STATUTORY HISTORY OF THE FEDERAL MANUFACTURERS' EXCISE TAX ON GASOLINE

The excise tax on gasoline sold by the producer or importer was originally imposed by title IV, the manufacturers' excise taxes, of the Revenue Act of June 6, 1932 (47 Stat. 266–267, ch. 209, sec. 617), at the rate of 1 cent a gallon. The taxes under title IV were to be effective June 21, 1932, and were to expire on June 30, 1934, except that the tax on gasoline (under sec. 617) was to expire on June 30, 1933 (47 Stat. 270, ch. 209, sec. 629).

The tax was increased to 1½ cents a gallon on June 16, 1933, by section 211 (a) of the National Industrial Recovery Act and title IV of the Revenue Act of 1932 was extended to June 30, 1935, by section 212 (48 Stat. 206, ch. 90, secs. 211, 212).

The expiration date of "June 30, 1933," relating to the gasoline tax was repealed by an act of June 16, 1933 (48 Stat. 254, ch. 96, sec. 1), making the gasoline tax expire on June 30, 1935.

The tax was reduced to 1 cent a gallon by the Revenue Act of May 10, 1934 (48 Stat. 764, ch. 277, sec. 603 (b)).

Title IV of the Revenue Act of 1932, including the gasoline tax, was extended to June 30, 1937, by an act of June 28, 1935 (49 Stat. 431, ch. 333), and to June 30, 1939, by an act of June 29, 1937 (50 Stat. 358, ch. 402).

The gasoline tax of 1 cent a gallon on gasoline sold by the producer or importer was incorporated in the Internal Revenue Code of February 10, 1939, among the temporary manufacturers' excise taxes under section 3412 of the Internal Revenue Code, and was to expire on June 30, 1939 (53 Stat. 413, sec. 3412, 420, sec. 3452).

The expiration date for the excise taxes in IRC 3452, above, including the gasoline tax was extended to June 30, 1941, by the Revenue Act of June 29, 1939 (53 Stat. 862, ch. 247, sec. 1), and to June 30, 1945, by section 209 of the Revenue Act of June 25, 1940 (54 Stat. 522, ch. 419, sec. 209).

This same Revenue Act of 1940 increased the gasoline tax to 1½ cents a gallon under chapter 9A of the Internal Revenue Code, the defense tax for 5 years, which was to be in force from June 30, 1940, to July 1, 1945 (54 Stat. 522–523, ch. 419, sec. 210).

IRC 3452 (relating to the time limit for the 1932 excise taxes) was repealed by section 501 of the Revenue Act of September 20, 1941, making the gasoline tax a permanent provision of law. This same act increased the gasoline tax under IRC 3412 to 1½ cents a gallon permanently (55 Stat. 706–707, ch. 412, secs. 501, 521 (a, 20)).

The gasoline tax under IRC 3412 was increased to 2 cents a gallon by the Revenue Act of October 20, 1951. This same act provided that "on and after April 1, 1954, the tax imposed by this section (sec. 3412 of the Internal Revenue Code) shall be 1½ cents a gallon in lieu of 2 cents a gallon" (65 Stat. 536–537, ch. 521, sec. 489; Public Law 183, 82d Cong.).

EXHIBIT 2

Manufacturers' excise taxes relating to motor vehicles, United States internal revenue collections

Item	Tax rate in effect Dec. 31, 1952	Amount collected, calendar year 1952
Gasoline	2 cents per gallon	$851, 538, 071
Diesel fuel	do	14, 682, 785
Lubricating oils	6 cents per gallon	92, 288, 893
Automobiles and motorcycles.	10 percent of manufacturers' wholesale price.	601, 852, 127
Buses, trucks, and trailers.	8 percent of manufacturers' wholesale price.	187, 837, 455
Auto parts and accessories.	do	187, 356, 845
Tires and tubes	5 cents per pound on tires; 9 cents per pound on tubes.	164, 510, 037
Total		2, 100, 066, 213

Comparison, calendar years 1947–52

1947	$1, 142, 677, 458
1948	1, 279, 282, 933
1949	1, 392, 418, 115
1950	1, 607, 954, 417
1951	1, 699, 774, 267
1952	2, 100, 066, 213

Authorizations in Federal-Aid Highway Act of 1952, Public Law 413, 82d Congress, fiscal years 1954 and 1955

Federal-aid system:	
Primary system	$247, 500, 000
Secondary system	165, 000, 000
Primary system in urban areas	137, 500, 000
Interstate system	25, 000, 000
Total per fiscal year	575, 000, 000
Federal roads:	
Forest highways	22, 500, 000
Forest development roads and trails	22, 500, 000
Park roads and trails	10, 000, 000
Parkways	10, 000, 000
Indian roads and trails	10, 000, 000
Public lands roads	2, 500, 000
Total, Federal roads per fiscal year	77, 500, 000
Total per fiscal year	652, 500, 000

Mr. MILLIKIN. Mr. President, how much time do I have remaining?

The PRESIDING OFFICER. The Senator from Colorado has 18 minutes remaining.

Mr. MILLIKIN. I yield 5 minutes to the Senator from South Dakota [Mr. CASE].

Mr. CASE. Mr. President, the objective of the Senator from Arkansas is one to which many of us have pledged allegiance, namely, seeing to it that as much money goes to highway purposes as is collected from motor vehicle taxes. The language of the amendment of the Senator from Arkansas, however, presents several administrative difficulties and some threats to the highway system as it has developed.

First, the formula prescribed by the Senator's amendment provides as follows:

The sum authorized to be appropriated pursuant to the authorization contained in subsection (a) for any fiscal year shall be apportioned among the several States in the manner provided by law and in accordance with the formula set forth in section 4 of the Federal-Aid Highway Act of 1944.

I have here, Mr. President, section 4 of the Federal-Aid Highway Act of 1944. It includes no money for forest highways. It includes no money for park highways. It includes no money for Indian roads. It includes no money for public-land roads, or for the interstate system.

I invite the attention of the Senator from Florida, who has been much interested in the interstate system, to the fact that if this money is apportioned as proposed there will be no money for the interstate system. The bill which the House has considered and passed proposes that $200 million shall be allocated to the interstate system, conditioning it entirely upon the extension of the present excise tax on gasoline.

Moreover, there is a far more serious administrative difficulty under the highway legislation as it has been enacted for a number of years. We make authorizations for 2 years. The reason for that is that the governor of a State and the legislature should know what funds they would be required to raise in order to match the funds allotted to the State. But the amendment prescribes that the

sum to be authorized for any fiscal year shall be apportioned among the several States.

In another place the amendment provides that a sum equal to the amount collected during the preceding calendar year as receipts from taxes imposed shall be the amount authorized to be apportioned.

Obviously, Mr. President, no legislature in the United States unless it meets annually, will know how much money to provide for matching funds for its part of the Federal-aid system. At the present time we make the apportionments on a 2-year basis. It cannot be tied up to the preceding calendar year, because we do not have the money for biennial meetings of State legislatures. It creates an administrative impossibility.

Mr. MARTIN. Mr. President, will the Senator from South Dakota yield?

Mr. CASE. I yield.

Mr. MARTIN. I invite the Senator's attention to the fact that the Congress this year, in considering the road bill, increased the amount for the interstate system to $200 million, and in the Senate bill it is increased from $125 million to $150 million. That has been done after very careful consideration.

Mr. CASE. Mr. President, in both the House and the Senate bills a new matching formula is prescribed on a 60–40 basis. There is no provision for that in the 1944 act.

If the Senator from Arkansas will permit me to say so, the objective is fine. We want the money which is collected from motor vehicle users on the highways to be applied to the highways, but we cannot take a piece of proposed legislation such as this and fit it into the various formulae unless we relate it to the different purposes involved. There is no money in the 1944 act for an interstate system, no money for park roads, or for Indian roads under the formula cited by the Senator from Arkansas, and no possibility of any legislature knowing how much money it will have to provide for matching funds.

Mr. McCLELLAN. Mr. President, will the Senator from South Dakota yield?

Mr. CASE. I yield.

Mr. McCLELLAN. I should like to invite the Senator's attention to the first provision of the amendment, which reads as follows:

> For the purpose of carrying out the provisions of the Federal-Aid Road Act, approved July 11, 1916, * * * and all acts amendatory thereof and supplementary thereto—

And so forth. The bill about which the Senator has been speaking has not yet become law. If it should become law, it would be an amendment to the original act or supplementary thereto.

Mr. CASE. That certainly does not contradict the specific——

The PRESIDING OFFICER. The time of the Senator from South Dakota has expired.

Mr. CASE. I wonder if the Senator from Colorado will yield me a little more time.

Mr. MILLIKIN. Mr. President, I yield the Senator from South Dakota 1 minute.

Mr. CASE. Mr. President, I invite attention to the fact that there is a specific formula set forth in paragraph (b) of the amendment which would not be offset by the language to which the Senator has referred. Furthermore, there is nothing in the act or in any amendment supplementary thereto which will affect the idea of making the money available.

Mr. McCLELLAN. Mr. President, will the Senator from South Dakota yield?

Mr. CASE. I have only 1 minute. The Senator from Arkansas has unlimited time.

Mr. President, no legislature meeting once in 2 years can operate on a formula which is based upon receipts in a calendar year.

Mr. McCLELLAN. Mr. President, I should like to take 1 minute of my time to answer the distinguished Senator from South Dakota. The history of the gasoline tax is that it has increased every year, and no better guide can be had than to take the gasoline tax of last year and appropriate that amount this year. In all the history of the act the annual amount of revenues from it has not declined.

Mr. MILLIKIN. Mr. President, I yield the Senator from Florida [Mr. HOLLAND] 4 minutes.

Mr. HOLLAND. Mr. President, the objective which the distinguished Senator from Arkansas has in mind is, I am sure, a good one, but I think his premise is unsound and the amendment he bases on that premise is unsound.

In the first place, the Federal gasoline tax was not first levied to support a Federal-aid road program. It was levied to contribute to the general revenue fund. There might conceivably come a time when we might again want to do just that. Earmarking of revenue is always fiscally unsound. There is not a man here who has had executive experience in his State, whether it be as governor or in some other capacity, who does not know that earmarking of funds is one of the fiscal mistakes which we are all trying to avoid and into which the Senator from Arkansas, with the best of intentions, is trying to get us.

Again, the program of linkage is something which is opposed, I believe, by every group which is actively in favor of the Federal-aid program and its increase. That is true of representatives of the AAA and the national organization of State highway officials. They do not want to have the principle of linkage of revenue involved in this particular system of Federal-aid road projects.

With reference to what has just been said by the distinguished Senator from South Dakota [Mr. Case], that the interstate system has now become a major objective, I believe the State highway officials say that, with the exception of two State highway organizations, they are all now emphasizing the need of completing our interstate road system as a defense matter and as a necessity of our normal highway transportation.

The amendment of the Senator from Arkansas would leave entirely out of consideration that very large obligation which we have and which we are proposing to recognize this year in the House bill, to the extent of $200 million, and in the Senate bill by authorizing $150 million per year for that purpose.

Mr. President, I hope the amendment will be defeated.

Mr. GORE. Mr. President, will the Senator from Florida yield?

Mr. HOLLAND. I yield.

Mr. GORE. What would be the difference in principle in earmarking gasoline revenue for highway purposes and in earmarking the automobile tax revenue for highway purposes?

Mr. HOLLAND. None whatever.

Mr. McCLELLAN. Mr. President, what is the difference between earmarking the gasoline tax for the purpose of building roads and earmarking taxes for school purposes? Does the Senator support that earmarking?

Mr. HOLLAND. I personally did not support that principle.

Mr. McCLELLAN. My question was addressed to the Senator from Tennessee [Mr. GORE].

Mr. HOLLAND. Since I have the floor, I will answer. I very strongly opposed that proposal then on the same grounds that I have already stated today and on some other grounds which I do not now have the time to recite, on the principle that it was just as unsound in that field as it is in the field in which it is sought to be applied today.

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

Mr. HOLLAND. Mr. President, how much time have I remaining?

The PRESIDING OFFICER. The Senator has 1 minute remaining.

Mr. HOLLAND. I yield to the Senator from Tennessee.

Mr. GORE. I supported the proposal of the distinguished Senator from Alabama, but I point out that there was a vast difference. Here we are undertaking to earmark revenues from an excise tax. In that instance we were undertaking to earmark income from property which I thought the Federal Government owned. There is a vast difference between the two purposes.

Mr. HOLLAND. I thank the distinguished Senator from Tennessee. I yield the floor.

Mr. MILLIKIN. Mr. President, I yield 3 minutes to the Senator from Connecticut.

Mr. BUSH. Mr. President, I address my remarks principally to the distinguished Senator from Arkansas. His proposal does not do violence to the Treasury, but I still am opposed to it for the reason that the revenue estimated to come from gasoline and oil is approximately $936 million. Against that, the amount in the McGregor bill, the administration bill, which is budgeted, amounted to $887 million. I therefore suggest that if we pass the McGregor bill and agree to the Senator's amendment, the Government would be further put into the red to the extent of $50 million.

Mr. McCLELLAN. How would that be so? My amendment only authorizes an appropriation. The money would still be in the Treasury until it was expended.

Mr. BUSH. Under the Senator's amendment, the money would go into a trust fund, and, therefore, would not be available for current expenses.

Mr. McCLELLAN. There are highway expenses. Certainly an appropriation for any item can be transferred to some other item, but I cannot see how that would hurt the Treasury.

Mr. BUSH. I respectfully suggest that we are being asked to put into a trust fund $50 million more than the McGregor bill calls for, and the McGregor bill is the administration bill.

Mr. McCLELLAN. The House bill, reported this morning, recommended $1 billion.

Mr. BUSH. I realize that.

Mr. McCLELLAN. That bill was reported by the Senate committee.

Mr. BUSH. I hope the Senator will have the good sense to reduce the amount to that which is contained in the administration bill. I still contend that if the Senator's proposal were agreed to, it would do violence to the budget. I object to it.

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

Mr. MILLIKIN. Mr. President, how much time have I remaining?

The PRESIDING OFFICER. The Senator from Colorado has 6 minutes remaining. To whom does he yield?

Mr. FERGUSON. I wish to ask a question.

Mr. MILLIKIN. I yield 1 minute to the Senator from Michigan.

Mr. FERGUSON. I wish to ask the Senator from Arkansas if his amendment is in the form of an authorization?

Mr. McCLELLAN. It is an authorization. It authorizes appropriations to the extent of the last year's collection of gasoline taxes.

Mr. FERGUSON. On page 2, line 3, the amendment offered by the Senator from Arkansas, reads as follows:

> A sum equal to the amount collected during the preceding calendar year as receipts from taxes imposed by sections 2450, 3412, and 3413 of the Internal Revenue Code.

Mr. McCLELLAN. That is correct.

Mr. FERGUSON. Would that in any way limit the authorization in the highway bill?

Mr. McCLELLAN. Any highway bill which came before the Senate could have its authorization increased at any time.

Mr. FERGUSON. So the amendment would simply cover the gasoline tax and would in no way affect the authorization bill?

Mr. McCLELLAN. It would in no way affect it, because the authorization bill could be changed at any time.

Mr. KNOWLAND. Mr. President, it occurs to me that the amendment in the form as presented by the distinguished senior Senator from Arkansas is not in order, inasmuch as it is not germane to the tax bill before the Senate. I believe the amendment has the double-barreled effect of both authorizing the establishment of a highway trust fund, and also the amendment itself is, in fact, an appropriation of funds for that purpose.

I make a point of order that the amendment is not in order.

The PRESIDING OFFICER. Under the rule a point of order is not debatable, but the Chair, in his discretion, may permit debate for his own information.

Mr. McCLELLAN. Is a point of order not debatable? Certainly the decision lies in the discretion of the Chair.

Mr. JOHNSON of Texas. Mr. President, is the Presiding Officer unwilling to hear the Senator from Arkansas?

The PRESIDING OFFICER. The Chair will hear the Senator from Arkansas on the point of order.

Mr. McCLELLAN. What is being considered is a general, overall tax bill. The pending amendment is tied to sections 2450, 3412, and 3413 of the Internal Revenue Code, and proposes to earmark funds collected under the authority of those sections.

As to its being an appropriation, while the word "appropriation" is used, it is not an appropriation that can be expended; it is only an appropriation to the extent that the funds will remain in the Treasury until a further appropriation shall be made for their expenditure.

Mr. CASE. Mr. President, will the Chair indulge me while I speak to the point of order?

The PRESIDING OFFICER. The Chair recognizes the Senator from South Dakota.

Mr. CASE. I invite the attention of the Chair to page 2 of the amendment, line 16, which reads as follows:

> There is hereby appropriated to the trust fund for the fiscal year ending June 30, 1955, and for each fiscal year thereafter, out of any moneys in the Treasury not otherwise appropriated, amounts equivalent to 100 percent of the taxes—

And so forth. I submit that with those words in the amendment, there cannot be much doubt that the money is appropriated to a specific purpose, and can not be appropriated or utilized for any other purpose. It is an appropriation, I submit, according to the language of the amendment itself; therefore, under the unanimous consent agreement, it is not germane to the revenue bill under consideration.

Mr. McCLELLAN. If the Chair holds that the amendment is out of order because it constitutes an appropriation, then I submit that if the same amendment were offered to the Federal aid to roads bill, it would again be held out of order. Consequently, under the rules of the Senate, there would be no remedy, and no way to have the proposed legislation enacted. The Chair can take his choice. The amendment would be out of order on the Federal aid to roads bill, if it were held to be out of order here.

Mr. CASE. I think there is a provision for a waiving of the rule upon a two-thirds vote.

The PRESIDING OFFICER. The Chair will rule.

The unanimous-consent agreement provides:

> That no amendment or motion that is not germane to the subject matter of the said bill shall be in order.

The amendment offered by the Senator from Arkansas, as the Chair interprets it, does not appropriate any money. It provides that a sum of money shall be paid into a trust fund. Beginning with line 22, on page 2, the amendment states:

> No amounts shall be paid out of the trust fund except in pursuance of appropriations authorized by section 701 of this act.

It seems to the Chair that the amendment provides for the disposition of the fund by the holding of the fund collected through excise taxes, and that it is not an appropriation fund. The Chair overrules the point of order.

Mr. SMATHERS. Mr. President, will the distinguished chairman of the committee yield 2 minutes to me, so that I may ask him a question?

Mr. MILLIKIN. I yield to the Senator from Florida.

Mr. SMATHERS. Did the committee give any consideration to the removal of the tax now imposed on transportation to the Caribbean area?

Mr. MILLIKIN. Yes; there was considerable discussion of that question.

Mr. SMATHERS. What was the conclusion?

Mr. MILLIKIN. I think the general idea was that there were some discriminations which, perhaps, should be removed, and that to reach a sound conclusion hearings should be held on that point.

I have read the Senator's amendment. I am quite certain the committee would not have accepted it on the basis of the facts we had before us. I think the committee would insist on a hearing, and I think I can safely assure the Senator that there will be a hearing on that tax and on other excise-tax matters also within a year.

I shall say, so far as I am concerned, that there will be a hearing on the Senator's proposal.

Mr. SMATHERS. I thank the Senator from Colorado.

Mr. KNOWLAND. Mr. President, will the Senator yield for a half minute?

Mr. MILLIKIN. I yield.

Mr. KNOWLAND. I do not intend to appeal at this time from the ruling of the Presiding Officer and seek to have the Senate overrule it, because I think better time will be made by proceeding to a vote. I wish respectfully to state that, in view of the fact that the unanimous-consent agreement entered into requires amendments to be germane, which is the usual provision contained in unanimous-consent agreement, because, as every Senator knows, the Senate does not have a germaneness rule. I think the pending amendment is not germane to the revenue bill which is before the Senate. I do not wish to have the precedent stand without question. I am prepared to ascertain if we can vote the amendment down. I do not feel it is germane under the unanimous-consent agreement.

Mr. SMATHERS. Mr. President, I think I have some part of my time remaining. I wish to ask the chairman of the Committee on Finance one other question. Does not the Senator still feel that a tax of 10 percent on travel to the Caribbean is discriminatory, when there is no such tax on travel to South America?

Mr. MILLIKIN. To the extent that the committee was also to go into the question, I had a feeling that there was

discrimination in that respect. What an examination into the facts might ultimately show, I do not know; but the committee had evidence tending to indicate what the Senator has stated.

The PRESIDING OFFICER. The question is on agreeing to the amendment of the Senator from Arkansas. The yeas and nays have been ordered, and the clerk will call the roll.

The legislative clerk called the roll.

Mr. SALTONSTALL. I announce that the Senator from Arizona [Mr. GOLDWATER] is absent on official business.

The Senator from New Hampshire [Mr. BRIDGES], the Senator from Indiana [Mr. CAPEHART], and the Senator from Vermont [Mr. FLANDERS] are necessarily absent.

If present and voting the Senator from Vermont [Mr. FLANDERS] and the Senator from Arizona [Mr. GOLDWATER] would each vote "nay."

Mr. CLEMENTS. I announce that the Senator from Georgia [Mr. GEORGE] is absent by leave of the Senate because of illness.

The Senator from North Carolina [Mr. LENNON], the Senator from Montana [Mr. MURRAY], and the Senator from Alabama [Mr. SPARKMAN] are absent on official business.

I announce further that on this vote the Senator from North Carolina [Mr. LENNON] is paired with the Senator from Montana [Mr. MURRAY]. If present and voting, the Senator from North Carolina would vote "nay," and the Senator from Montana would vote "yea."

The result was announced—yeas 27, nays 61, as follows:

YEAS—27

Chavez	Gillette	Magnuson
Clements	Hayden	Mansfield
Cordon	Hunt	McCarran
Dworshak	Jackson	McCarthy
Eastland	Johnson, Colo.	McClellan
Ellender	Johnston, S. C.	Neely
Ferguson	Kilgore	Potter
Frear	Langer	Symington
Fulbright	Long	Welker

NAYS—61

Aiken	Hendrickson	Morse
Anderson	Hennings	Mundt
Barrett	Hickenlooper	Pastore
Beall	Hill	Payne
Bennett	Hoey	Purtell
Bricker	Holland	Robertson
Burke	Humphrey	Russell
Bush	Ives	Saltonstall
Butler, Md.	Jenner	Schoeppel
Butler, Nebr.	Johnson, Tex.	Smathers
Byrd	Kefauver	Smith, Maine
Carlson	Kennedy	Smith, N. J.
Case	Kerr	Stennis
Cooper	Knowland	Thye
Daniel	Kuchel	Upton
Dirksen	Lehman	Watkins
Douglas	Malone	Wiley
Duff	Martin	Williams
Gore	Maybank	Young
Green	Millikin	
Griswold	Monroney	

NOT VOTING—8

Bridges	George	Murray
Capehart	Goldwater	Sparkman
Flanders	Lennon	

So Mr. MCCLELLAN'S amendment was rejected.

Mr. WILLIAMS. Mr. President, on behalf of myself and the senior Senator from Virginia [Mr. BYRD], I offer the amendment in the nature of a substitute, which lies at the desk.

Instead of asking that the amendment be stated at this time, I ask unanimous consent that it be printed at this point in the RECORD.

There being no objection, the amendment submitted by Mr. WILLIAMS, for himself and Mr. BYRD, was ordered to be printed in the RECORD, as follows:

Strike out all after the enacting clause and insert the following:

"SEC. 101. 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.).

"(10) Section 3406 (a) (1) (relating to tax on sporting goods).

"(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 3250 (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 the purpose 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.'

"(d) Act amendatory of Internal Revenue Code: Except as otherwise expressly provided, wherever in this act an amendment or repeal is expressed in terms of an amendment to or repeal of a section, subsection, paragraph, or subparagraph, the reference shall be considered to be made to a provision of the Internal Revenue Code.

"TITLE II—TAXES ON ADMISSIONS AND DUES

"SEC. 201. Tax on admissions.

"(a) Permanent use or lease of boxes or seats: Section 1700 (b) (1) (relating to tax on permanent use or lease of boxes or seats) is hereby amended by striking out '11 percent' and inserting in lieu thereof '10 percent.'

"(b) Sales outside box office: Section 1700 (c) (1) (relating to tax on sales outside box office) is hereby amended by striking out '11 percent' and inserting in lieu thereof '10 percent.'

"(d) Single or season tickets and subscriptions: For reduction in rate of tax on admission by single or season ticket or subscription, see section 503 (a).

"(e) Rate to apply to major fractions: Section 1700 (a) (1) (relating to rate of tax on single or season tickets and subscriptions) is hereby amended by striking out 'fraction' and inserting in lieu thereof 'major fraction.'

"(f) Exemption of admission of 60 cents or less: Section 1700 (a) (1) (relating to rate of single or season tickets and subscriptions) is amended by striking out the second sentence thereof and inserting in lieu thereof the following: 'No tax shall be imposed under this paragraph on the amount paid for admission—

"'(A) if the amount paid for admission is 60 cents or less, or

"'(B) in the case of a season ticket or subscription, if the amount which would be charged to the holder or subscriber for a single admission is 60 cents or less.'

"(g) Admission to certain racetracks.—

"(1) Section 1700 (a) (relating to rate of tax on single or season tickets and sub-

scriptions) is hereby amended by adding at the end thereof the following:

"'(3) Certain racetracks: In lieu of the tax imposed under paragraph (1), a tax of 1 cent for each 5 cents or major fraction thereof of the amount paid for admission to any place (including admission by season ticket or subscription) if the principal amusement or recreation offered with respect to such admission is horse or dog racing at a racetrack. The tax imposed under this paragraph shall be paid by the person paying for such admission.'

"(2) Section 1700 (b) (relating to rate of tax on permanent use or lease of boxes or seats) is hereby amended—

"(A) by striking out 'paragraph (1) of subsection (a)' and inserting in lieu thereof 'paragraph (1) or (3) of subsection (a)'; and

"(B) by inserting after 'percent' the following: '(20 percent if paragraph (3) of subsection (a) would otherwise apply).'

"(3) Section 1700 (c) (relating to rate of tax on sales outside box office) is hereby amended—

"(A) by striking out 'paragraph (1) of subsection (a)' and inserting in lieu thereof 'paragraph (1) or (3) of subsection (a)'; and

"(B) by inserting after 'percent' the following: '(20 percent if paragraph (3) of subsection (a) would otherwise apply).'

"(4) Section 1700 (e) (1) (relating to tax on cabarets, roofgardens, etc.) is hereby amended by adding at the end thereof the following: 'No tax shall be applicable under this paragraph on account of an amount paid for an admission with respect to which tax is imposed under subsection (a) (3).'

"(h) Certain athletic games for benefit of hospitals for crippled children: Section 1701 (a) (2) (relating to nonexempt admissions) is hereby amended by striking out 'between two elementary or secondary schools' and inserting in lieu thereof the following: 'between teams composed of students from elementary or secondary schools.'

"(i) Exemption of college athletic events: Section 1701 (a) (2) (relating to nonexempt admissions) is hereby amended by adding at the end thereof the following new sentence: 'Clauses (A) and (B) shall not apply in the case of any athletic event between educational institutions held during the regular athletic season for such event, if the proceeds therefrom inure exclusively to the benefit of such institutions.'

"(j) Historic sites, museums, and planetariums: Section 1701 (e) (2) (relating to exemption from admissions tax of historic sites) is hereby amended to read as follows:

"'(2) Historic sites, museums, and planetariums: Any admission to an historic site, house, or shrine, to a museum of history, art, or science, to a planetarium, or to any exhibition in connection with any of the foregoing, operated—

"'(A) by any State or political subdivision thereof or by the United States or any agency or instrumentality thereof—if the proceeds therefrom inure exclusively to the benefit of the State, political subdivision, United States, agency, or instrumentality, or

"'(B) by any society or organization not organized for profit—if no part of the net earnings thereof inures to the benefit of any private stockholder or individual.

For the purposes of subparagraph (A), the term "State" includes Alaska, Hawaii, and the District of Columbia.'

"SEC. 202. Tax on dues.

"(a) Dues or membership fees: Section 1710 (a) (1) (relating to tax on dues or membership fees) is hereby amended by striking out '11 percent' and inserting in lieu thereof '20 percent.'

"(b) Initiation fees: Section 1710 (a) (2) (relating to tax on initiation fees) is hereby amended by striking out '11 percent' and inserting in lieu thereof '20 percent.'

"SEC. 203. Effective date of title II.

"Except as otherwise provided in this section, the amendments made by section 201 shall apply only with respect to amounts paid for admissions on or after April 1, 1954. The amendment made by subsection (a) of section 201 shall apply only with respect to amounts paid on or after April 1, 1954. The amendment made by subsection (c) of section 201 shall apply only with respect to periods after 10 ante meridian on April 1, 1954. The amendments made by section 201 shall apply, in the case of any season ticket or subscription, only if all the admissions under such ticket or subscription can occur only on or after April 1, 1954."

Mr. WILLIAMS. Mr. President, I wish to explain the amendment briefly. This is a substitute bill and would strike out all after the enacting clause of the pending bill, and insert in lieu thereof title II of the bill, as it is now before us, which relates to the admissions tax; and also title VI, which relates to the extension for 1 year of those excise taxes which are scheduled to expire on April 1.

The only exception, in the case of title II, is that the amendment we now offer would eliminate paragraph (c), which relates to cabarets, roofgardens, and nightclubs. Our amendment would have the tax on them remain the same as the present tax.

If our amendment is adopted, it will mean that the loss in revenue under the bill will be $217 million, rather than—as called for by the bill in its present form—$1,078,000,000.

The amendment will extend all those excise taxes scheduled to expire April 1, which amount to $1,077,000,000. This has been recommended by the administration, and we are in favor of that provision.

Much has been said today about quoting the position of the administration. I think I can state without fear of contradiction that this amendment is the only one offered in the last 2 days which has the support of the administration. In that connection, I refer to the testimony of Secretary Humphrey, representing the administration before the Senate Finance Committee. If I am in error I shall be glad to yield to any Member of the Senate who may wish to question the accuracy of my statement.

There is no misunderstanding as to the position of the Secretary or the administration. They are in favor of extending the existing rates on those items scheduled to expire April 1 and against the reductions proposed under this bill except the relief given to the movie industry.

In support of the statement I have just made, Mr. President, I read from page 224 of the hearings before the Finance Committee. This is the testimony of the Secretary of the Treasury; and I point out that we have every reason to expect that he was stating the position of the administration:

With respect to these excise taxes, I do not want to appear here to defend 20- or 25-percent excise taxes on any particular items. I think those taxes are too high. They should be lowered as soon as the country can afford to lower them.

There are a few places in the excise taxes that we have spoken of many times, such as admissions, furs, and perhaps a few others, where we are convinced that the present high excise rates are actually hurting the business, and that they should be reduced so as not to hurt the business. On the other hand, a general reduction of excises that costs $900 million, such as in the present bill, is something that the Treasury must object to unless it sees some way to get the largest part of that $900 million to pay our bills with. I don't know how we are going to pay our bills if we don't get the money.

I will be glad to answer any questions, but that is our position.

The CHAIRMAN. Are there any questions?

Senator WILLIAMS. Mr. Secretary, am I correct in understanding that to the extent that there is any tax relief given under this bill, it would necessitate a corresponding increase in your borrowing? In other words, it will all be done with borrowed money?

Secretary HUMPHREY. That is correct. It will increase borrowings over our budget estimates by whatever is taken out by this bill that is not replaced.

Mr. President, no provision of the committee bill as it now stands would replace any of the revenue lost. The Secretary of the Treasury unquestionably was, in his statement, objecting to the features of the bill which would result in a $900 million reduction in taxes. I think it is perfectly ridiculous to have the Secretary of the Treasury quoted differently, as has been done today. The testimony was given as recently as a week ago, before the Finance Committee.

Furthermore, I may say that in a conversation that I myself had yesterday with the Secretary of the Treasury, he reaffirmed his opposition to these reductions, and again stated that to the extent any revenue reduction results from this bill, it will necessitate additional borrowings. Any Member of Congress who votes for a reduction of $1 billion in taxes, without providing other means of obtaining revenue, instead of going home and claiming credit with his constituents for reducing taxes, should tell his constituents to look across the table and thank their children and their grandchildren for the tax relief that will be extended here. The Treasury will be required to borrow in the name of the future generations in order to make possible a little tax relief which is being granted here solely in the name of political expediency.

Mr. President, I do not think any Member of the Senate will question the sound premise that the budget should be balanced before any tax reductions are made. I favor balancing the budget, and I believe that if we cut appropriations as we should, we can do it. First, let us vote on the appropriation bills. Let us see whether we actually make reductions in the appropriations, then, on the basis of our success, let us consider tax reductions. After we have done that, I, and I am sure many other Members, will be glad to go along in making tax reductions.

We have already reduced taxes by $5 billion this year. There still remains a big question as to whether or not that went too far. I believe it will be most unwise to make a further tax reduction at this time when we all know it is to be made only by means of borrowed money. I am opposed to such a course; and therefore I believe this amendment should be adopted.

REDUCE TAXES AND HOLD THE DEBT LIMIT—MAKE SENSE OUT OF FOREIGN EXPENDITURES

Mr. MALONE. Mr. President, will the Senator from Delaware yield for a question?

The PRESIDING OFFICER (Mr. CARLSON in the chair). Does the Senator from Delaware yield to the Senator from Nevada?

Mr. WILLIAMS. I yield.

Mr. MALONE. I should like to say to the distinguished Senator from Delaware that we spent $20 billion abroad during the last fiscal year. Could we not reduce excise and other taxes and then refuse to raise the debt limit and cure some of this nonsense of distributing the wealth of our taxpayers abroad.

Mr. WILLIAMS. The only reason why we spent $20 billion abroad last year and the only reason why we may not cut expenditures this year, is that the Members of Congress, including those sitting in the Chamber today, did not and now may not have the courage to vote for cuts in those expenditures.

Certainly we should cut the appropriations. However, let us do that first before we vote tax reductions. If we are not willing to vote cuts in appropriations and if at the same time we do not have sufficient courage to vote the necessary tax bills required in order to pay for the Government services for which we vote, then I think the day will be a very sad one indeed.

I repeat, Mr. President, the pending amendment is the only one submitted during the past 2 days in connection with the bill which is supported by the administration downtown. I challenge anyone to contradict that assertion.

Mr. MALONE. Mr. President, if we cut the taxes as we do in this bill and will attempt to do in the principal tax bill, and then refuse any rise in the debt limit, then there will be no further deficit financing.

Mr. WILLIAMS. Mr. President, I yield to the Senator from Virginia the remainder of the time available on this amendment which proposes to recover about $850 million of the proposed revenue loss under the committee bill.

Mr. BYRD. Mr. President, the pending bill is divided into two sections. As the bill is at present amended, the first section provides for reductions in excise taxes amounting to $1,058 million. The second section provides for the extension of excise taxes which would otherwise expire on April 1. The extension of such taxes will mean a revenue of $1,077 million.

I think we should clear up definitely the attitude of the administration. We have been led to believe that the administration is lukewarm in opposition to this reduction in revenue. We have been told that members of the administration have not torn their shirts over it. I do not know exactly what that means. If we tore many shirts around here over such things, we would be buying shirts all the time. [Laughter.]

I know that Secretary Humphrey is unequivocally, positively, and definitely opposed to that part of the bill which reduces revenue to the extent of nearly $1 billion. Naturally the administration favors that part of the bill which would extend the excise taxes which would otherwise expire by law on April 1.

The administration is represented by Secretary Humphrey. I do not assume that anyone questions his right to represent the President of the United States in all matters having to do with fiscal policy.

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

Mr. BYRD. I yield.

Mr. KILGORE. As I understand, the proposal of the Senator does not apply to the admissions tax.

Mr. BYRD. The amendment proposed by the Senator from Delaware [Mr. WILLIAMS] and the Senator from Virginia excludes those taxes. With respect to the reduction of those particular taxes, the provision in the bill as reported by the Senate Finance Committee is retained.

Mr. KILGORE. In other words, the amendment of the Senator would retain the reductions proposed by the Finance Committee, as to any admission under 60 cents, but the amendment would restore the tax on admissions over 60 cents.

Mr. BYRD. At the 10-percent rate. The reason for that is that a bill was passed last year by the House and the Senate with respect to motion-picture theater admissions, and it was vetoed by the President.

To make doubly clear the attitude of Secretary Humphrey, let me read the colloquy I had with him. I read from page 235 of the hearings:

Senator BYRD. In other words, we will be doing the inexcusable thing of borrowing money to reduce taxes.

Secretary HUMPHREY. That is my opinion.

Senator BYRD. And adding it to the public debt on which we will pay interest for years and years to come.

Secretary HUMPHREY. I believe that is correct.

Senator BYRD. And if there is anything that will lead quicker to financial suicide than that policy, I don't know what it is.

Secretary HUMPHREY. I don't either.

Senator BYRD. We are passing the burden on to our children so we can get a temporary relief in taxes because there is no permanent relief in taxes, Mr. Secretary, unless the budget is balanced. But if you have to borrow to make the tax reductions, that is not good business. We may have to stick around a year or so and put these taxes back.

Secretary HUMPHREY. I couldn't agree with you more, and at some time you are going to put them back because the only way you can ever pay off what you borrow is by increasing your taxes on your children or the young people, whenever it comes, over and above the tax that they then should be paying currently for their own expenditures. So they will have to pay currently for their own plus what we have put on.

If there is any lukewarmness about that colloquy, I simply cannot understand the English language.

There are Members of the Senate—I may not agree with them—who desire to reduce taxes so as to stimulate business. Let us understand exactly what taxes are proposed to be reduced, and to what extent.

Taxes on furs would be reduced, at a loss of $20 million. Taxes on jewelry would be reduced at a loss of $100 million. Taxes on luggage would be reduced at a loss of $40 million. Taxes on toilet preparations would be reduced at a loss of $55 million. All those articles are either luxury or semiluxury articles. Many other tax reductions could be made with an equal loss of revenue, but which would provide much greater stimulation to business—if that is the object desired—than these particular reductions.

Taxes on sporting goods would be reduced at a loss of $3 million; mechanical pens and pencils, $4 million; electric light bulbs and tubes, $20 million. The tax on pistols and revolvers would be reduced at a loss of $1 million; firearm shells and cartridges, $15 million, and so forth.

The tax on long-distance telephone bills would be reduced from 25 percent to 10 percent. I think most long-distance calls are made for business purposes. In that event they can be deducted from the income tax of corporations, at the rate of 52 percent. I believe that other long-distance calls should be placed in the category of luxuries or semiluxuries. There would be a loss, by reason of this item, of $235 million. The loss on local telephone calls would be $125 million.

The loss in connection with transportation of persons would be $95 million. A good deal of such travel is a semiluxury, in connection with vacations, and so forth.

The bill provides for a reduction of $23 million in connection with cabaret taxes, taxes levied in connection with the charges of places like the Stork Club and other fancy places. This is a $23 million reduction, by reason of the cabaret tax being reduced from 20 percent to 10 percent.

If there is one thing that seems obvious to me above all others, it is that we should not borrow money and add to the public debt as a permanent debt. Let us not fool ourselves. The debt we have is not a temporary debt. It is a permanent debt. It now appears that we are getting into a permanent deficit. We have had deficits for 19 out of 21 years. We have added $200 billion to our public debt in that period. We have cheapened the dollar, in direct proportion to the deficit spending, from 100 cents in 1939 to 52 cents today. That is a serious thing.

I have the figures before me, which were prepared by the Library of Congress. In 1 year we lost 10 cents in the purchasing power of the American dollar. If any of us are inclined to belittle that, let us go abroad and see what has happened there. I used to ship apples to France. That was some years ago. The franc was then worth 20 cents in any man's money. What is it worth today? It is worth about one-fourth of a cent. The English pound has gone down to less than half its former value. Deficit spending is the most inflationary factor that exists to cheapen the money of any nation.

In the situation which confronts us great demands are made upon us for Federal expenditures for the protection of our country. Today a secret meeting of the Armed Services Committee was held with regard to matters which may impose upon this country additional burdens of cost; yet we are going ahead and losing out of the public revenue nearly $1 billion in order to reduce excise

taxes which people are in the habit of paying.

It is possible that the purchasers of these articles would derive very little benefit from the reduction. What assurance have we that those who purchase mink coats would be able to buy them at any lower price if the 20-percent excise tax were removed? What assurance have we that those who purchase jewelry would be able to buy it at any lower price? Facing, as we do, the great perils which confront us, it seems to me to be a policy of the utmost unwisdom to reduce these luxury taxes to which the people have become accustomed.

Let us not forget that the debt of $275 billion which rests upon the backs of the people of America is twice the assessed value of every particle of tangible property in America, including all the buildings, all the lands, all the capital, and everything else of tangible value. Inasmuch as that property is assessed at approximately 50 percent of the real value, it means that we have mortgaged 100 percent of the value of the real property of America.

That is a grave peril to our fiscal security. It was brought about by conditions over some of which we had no control, but over some of which we did have control.

The sum of $40 billion has been referred to by the Senator from Nevada. We have spent in this period, in Europe, $40 billion in economic aid. All has been added to the debt. The time has come when the necessities of our own situation compel us to stop such expenditures.

I am reminded of what former Senator John Sharp Williams once said on the floor of the Senate. When he was running for reelection for the Senate a person who had always supported him previously was not supporting him during that election campaign. He had done many favors for him, and he was surprised. He sent for the man and said to him, "Bill, why is it that you are not supporting me? Didn't I give you a job? Didn't I give your brother a job? Didn't I give your cousin a job?"

The man said, "Yes, Senator, you did all this, but you haven't done anything for me lately. [Laughter.]

Mr. President, that is what is going to happen in those nations abroad that we have been supporting by burdening ourselves with this great debt. We will have to cut off that support.

There is another point we might as well recognize. I do not believe that the debt ceiling will have to be increased, unless we reduce taxes. One of our greatest safeguards is the maintaining of the debt ceiling. It will be recalled that last August the Secretary of the Treasury came before the Committee on Finance and said he could not operate under the debt ceiling of $275 billion. The Committee on Finance, by a vote of 11 to 4, with a majority of the Republicans voting in favor of the action, laid the proposal on the table of the committee. There it is today.

As I say, I do not believe that we will have to raise the debt limit unless we start to reduce taxes. If we reduce taxes, we may have to raise the debt limit.

Mr. President, I shall not take up any more of the time of the Senate. However, I am deeply concerned with this question of reducing our revenue, when we have such a terrific debt pressing down upon us, and when we have all these obligations confronting us, which may not diminish to any great extent.

The first obligation of America should be to maintain its solvency. Solvency is the foundation of our security. That is why we can prepare ourselves in a military way. That is why we can do all these things to bring freedom and prosperity to the American people.

Mr. President, just one more word. I know that every Member of the Senate has the same consciousness of responsibility that I have, namely, that we are trustees for the future. We do not represent the America of today alone. We represent America of the days and years to come. That is our duty and our responsibility. It is our responsibility to so perform our functions that we will enable those who come after us, our children and grandchildren, to enjoy the same freedom and the same progress we enjoy.

Mr. WELKER. Mr. President, will the Senator from Virginia yield?

Mr. BYRD. I yield.

Mr. WELKER. I should like to ask my distinguished friend from Virginia what suggestion he has for this time or for any future time which would bring us to the point where we could retire and liquidate our enormous national debt, which, as the Senator has so ably stated will confront not only us, but our children and grandchildren for generations to come. That question is propounded to me constantly. How are we to pay off the $275 billion debt?

Mr. BYRD. I will say to the distinguished Senator that the first thing to do is to balance the budget. I do not know how we can pay it off, but I do know it is imperative that we do not continue to add to the debt, as we have been doing and as it is now proposed we do.

Let us remember this, Mr. President: Suppose we reduce the revenue by $1 billion. That is a recurring revenue. That revenue is supposed to come in next year and the following year. That means a billion dollars of revenue lost every year unless we can find some substitute for the loss, either by a reduction of expenditures or by the imposition of other taxes.

Let us not fool ourselves that we are reducing taxes when we must borrow money in order to do it. We are simply postponing the day when we will have to pay the interest on it. We are not saving the American people anything when we issue bonds and pay 2½ percent interest on those bonds in order to give a temporary reduction in taxes. We are not doing it.

I hope that the bill will be separated. Let us, with the exception of the moving picture admission tax, which I think is justified to be continued in the form in which the Senate Committee on Finance has reported it, because it already has been passed by the House, cut out the other tax reductions and then pass that part of the bill that provides for an extension of excise taxes.

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

Mr. BYRD. I yield.

Mr. JOHNSON of Texas. How much money would we save the Treasury if we did that?

Mr. BYRD. We would save the Treasury, as the bill now stands, the difference between $1,058 million and $235 million, or about $800 million.

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

Mr. BYRD. I yield.

Mr. ANDERSON. Did I understand the Senator to suggest that even if we reduced it by a few percent and then borrowed the money in order to reduce the taxes, we might thereby promote a policy of inflation under which would be no better off?

Mr. BYRD. That is what has happened in the past 20 years.

Mr. ANDERSON. The Senator is making a very good point.

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

Mr. BYRD. I yield.

Mr. GORE. Would the Senator from Virginia inform the Senate what the carrying charge is on the public debt now and how much greater it is this year than it was last year, and how it has grown?

Mr. BYRD. The carrying charge is now approaching $7 billion which represents 10 cents out of every tax dollar. In other words, every time we pay $100 in our taxes we pay $10 for the interest on the public debt.

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

Mr. BYRD. I yield.

Mr. DIRKSEN. We have just concluded the Appropriations Committee hearings on the Treasury Department appropriation bill. The interest for the fiscal year 1955 on the public debt will be $6,800 million, which is an increase of $300 million over the interest charge for the fiscal year 1954.

I may say to the Senator from Virginia that there is carried in the budget this year roughly $650 million to be applied to the payment on the public debt. It would probably take us about 375 years to pay off the public debt at that rate of payment. I share thoroughly the Senator's insight into this whole situation. It was only on Monday afternoon of this week that the Secretary of the Treasury ventilated his own views on the subject, and he expressed deep concern about it. He wondered very frankly whether some disaster may not visit the solvency of the country, and stated that national solvency is our first line of defense. I shall vote for the proposal which the Senator from Virginia has submitted.

Mr. BYRD. Let me remind the Senator, when he speaks about interest, that it will be compounded interest, because we will have to borrow the money with which to pay the interest. That is what we are doing today. Every day we are paying interest with borrowed money.

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

Mr. BYRD. I yield.

Mr. SYMINGTON. I have in mind, and I should like to refer to, a briefing

which the distinguished Senator from Virginia and I attended this morning in the Committee on Armed Services.

A release about this momentous briefing was put out by the distinguished chairman of that committee. We have also been getting trickles of information with reference to something which happened recently in the Pacific. I have felt for a long time that it is important for the people of the country to be told the truth about the great and growing menace of the Soviet, especially since we now know they have exploded a hydrogen weapon.

In my opinion, we should face up to the situation described by the Senator from Virginia.

It takes more than 3½ years to train certain military and civilian experts to do their technical jobs while in the armed services. Should not such people continue to be working in the services and in private industry to help solve our grave problem of national defense, instead of turning to the production of luxury items to make their living?

I believe that if the truth is ever presented to the Senate and to the American people with respect to the critical security situation in which we now find ourselves, no reduction of these taxes would be made at this time.

Mr. DWORSHAK. Mr. President, will the Senator from Virginia yield?

Mr. BYRD. I yield.

Mr. DWORSHAK. On many occasions the Senator from Virginia has expressed the imperative need of balancing the budget so that we can make possible a justified tax reduction. When the President sent his budget message to the Congress in January, he estimated the deficit in the next fiscal year at $2,900,000,000. In view of the various developments during the first 3 months of this session, and the efforts made to reduce taxes, will the Senator from Virginia give us an estimate of what he thinks the deficit will be in the next fiscal year?

Mr. BYRD. I think it will be considerably larger than the amount which the Treasury Department has estimated, for the reason that under our system of taxation, for each dollar of national income that is lost there is reflected in the Federal Treasury, in the collection of taxes, the sum of 20 cents. If the national income as a whole is cut down $10 billion, the Treasury would collect $3 billion less. That is a definite estimate based on the ratio of taxation in this country being 28 percent of the total national income. That is a very serious thing, to my mind, because the estimated deficit of $3 billion for the next fiscal year may be considerably larger if the business recession continues.

The PRESIDING OFFICER. The time of the Senator from Virginia has expired.

Mr. STENNIS. Mr. President, will the Senator from Virginia yield?

The PRESIDING OFFICER. The time of the Senator from Virginia has expired.

Mr. JOHNSON of Texas. Mr. President, I yield a minute to the Senator from Virginia.

Mr. STENNIS. Mr. President, if we do not make a strenuous effort to balance the budget this year, does the Senator from Virginia see any reasonable prospect of its being balanced within the next 5 years or in any year in the foreseeable future?

Mr. BYRD. If the budget is not balanced this year, it will not be balanced for many years to come.

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

Mr. BYRD. I yield.

Mr. LEHMAN. I am in favor of reducing the public debt. I do not like unbalanced budgets any more than does the Senator from Virginia, but I wonder if he will tell us what happened, and why it happened, that the excess-profits tax, which has brought in a large amount of money, was allowed to lapse, and why there already has been in the House a disposition to eliminate the so-called double taxation on dividends, with a great resulting loss to the Treasury? The excess-profits tax, in the event that dividend taxes are forgiven, would mean a loss to the Treasury of nearly $6 billion.

The VICE PRESIDENT. The time of the Senator from Virginia has expired.

Mr. LEHMAN. I am sorry. I should like to pursue the matter further. I hope the Senator from Virginia and other Senators will take a position against the proposal to forgive the tax on dividends.

Mr. BYRD. I was opposed to repealing the excess-profits tax.

Mr. LEHMAN. I am very glad to hear that.

Mr. MILLIKIN. Mr. President, I dislike to find myself in disagreement with the distinguished Senator from Virginia. I admire him intensely, and most of the time I follow his views, but at this time I cannot do so.

We have a bill from the House, Mr. President. It was carefully considered there, and it was passed by a vote of 413 to 3. It came to the Senate and was approved by the Senate Finance Committee, and is now before the Senate. It has undergone the battles that attend amendments. What does it all come down to when we are figuring on money matters?

As we received the bill from the committee we were reducing our excise taxes by $958 million. The changes which have been adopted through amendments amount, roughly, to $85 million. So we are making approximately $993 million in reductions. We are carrying over $1,077,000,000 of taxes which would have expired this year had we not carried them over.

We are giving relief against excessive excise taxes. We have heard a great deal about furs and jewelry, and the impression has been studiously cultivated that furs and jewelry are for the rich and not for the poor. Most of the jewelry worn in this country, and most of the furs worn in this country, are worn by ordinary people in the low income brackets. They buy a cloth coat with a piece of fur on it. They do not wear gorgeous minks and sables. About 75 percent of the money received in the fur business is paid by ordinary people. The same goes for jewelry. We are not talking about persons who buy the Star of the North or the Kohinoor, or whatever those grand diamonds and fancy stones are called. We are talking about costume jewelry which I presume is purchased by the poorest of our people up to the richest of our people. It is a tremendous sales item in 10-cent stores. Yet, Mr. President, there has been an attempt to give the impression that we are trying to protect the rich by giving them relief against excessive taxes on items of that kind. We are reducing those taxes from 20 percent down to 10 percent. We are not eliminating the taxes. As I understand, the only taxes eliminated are those which would be eliminated if this amendment should be agreed to, namely the movie admission taxes where the ticket sells for 60 cents or less. We are eliminating a very small item in connection with athletic events of colleges. But the main elimination would be that brought about by the amendment which is now before us.

Mr. BYRD. Mr. President, will the Senator from Colorado yield?

Mr. MILLIKIN. I yield.

Mr. BYRD. The amendment simply continues, with respect to moving picture theater taxes, the action taken by the Finance Committee. It eliminates the tax on admissions costing less than 60 cents, and there is a 10-cent tax after that.

Mr. MILLIKIN. The Senator's amendment would do what?

Mr. BYRD. It would conform to the action which was taken by the Senate Finance Committee with respect to the moving picture theater tax.

Mr. MILLIKIN. On admissions above 60 cents?

Mr. BYRD. On admissions below 60 cents. The Senator says the bill completely eliminates this tax.

Mr. MILLIKIN. It does on admissions costing less than 60 cents.

Mr. BYRD. There is a tax of 10 percent.

Mr. MILLIKIN. Will the Senator let me repeat my point? My point is this:

The only important elimination of excise taxes in the bill is on theater tickets costing 60 cents or less, and that the Senator's amendment does.

Mr. BYRD. I cannot understand why the chairman of the Committee on Finance would make such a statement. The bill will not eliminate them, but it will reduce them by $900 million.

Mr. MILLIKIN. I am certain we must be talking about different things. Let us talk about the moving-picture tax. The Senator's amendment preserves the Senate Committee on Finance version of the movie-admissions tax, does it not?

Mr. BYRD. That is correct.

Mr. MILLIKIN. The Senate Finance Committee maintains the tax on admissions costing more than 60 cents, and eliminates completely the tax on admissions costing 60 cents or less. My point is that this is the most important elimination in the bill, and the Senator's amendment would do precisely the same thing.

Mr. BYRD. But I understood the Senator to say it was the only elimination.

Mr. MILLIKIN. I had started to illustrate 1 or 2 other items, such as the tax on college sporting events, which amounts to little. But I said the most important elimination is the moving-picture admissions tax elimination, and the Senator's amendment does the same thing.

Mr. BYRD. The House and Senate acted upon that last year; but if the report of the Senator's committee is correct, the loss from long-distance telephone and telegraph taxes would be $235 million.

Mr. MILLIKIN. That, I may say to the Senator from Virginia, is not an exemption; it is a difference in rate—a reduction.

Mr. BYRD. I understand, but the committee proposes to reduce excise taxes to the extent of $900 million.

Mr. MILLIKIN. I understand. That is what I am proving.

Mr. BYRD. I know that is what the Senator is doing.

Mr. MILLIKIN. I am trying to point out what I think is, perhaps, a little inconsistency: That the largest removal of taxes is on the moving-picture admissions, and the Senator approves that, as he did before the Senate Committee on Finance.

Mr. BYRD. The Senate approved it last year.

Mr. MILLIKIN. I am not quarreling about that. The only point I am making, I repeat, is that the largest removal of tax applications is in the moving-picture admissions category, where the charge is 60 cents or less. The Senate Committee on Finance approves that elimination, and the amendment of the Senator from Virginia also approves it.

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

Mr. MILLIKIN. I yield.

Mr. WILLIAMS. The bill as it is now pending before the Senate would provide tax relief of $1,068,000,000. The substitute bill would carry the same exemptions that are provided in the Senate committee bill only with reference to moving picture admissions taxes. That amount of loss through the movie amendment is $217 million, which would leave a difference between the two bills, as now pending, of $850 million.

Mr. MILLIKIN. I assume the Senator from Delaware is speaking in his own time.

Mr. WILLIAMS. The Senator from Colorado has control of the time. If he does not desire to yield, I shall not speak any further.

Mr. MILLIKIN. I will yield later, if I have time remaining; but I do not wish to be whipsawed in my own time.

Mr. WILLIAMS. I apologize to the Senator. I thought he wanted the record kept straight.

Mr. JOHNSON of Texas. Mr. President, I yield 2 minutes to the Senator from Delaware, if the chairman of the Committee on Finance is agreeable.

Mr. MILLIKIN. I will yield the time myself.

Mr. WILLIAMS. Mr. President, will the Senator from Colorado yield?

Mr. MILLIKIN. Certainly.

Mr. WILLIAMS. As I was saying, the reason for including moving picture admissions exemptions was that the Secretary of the Treasury, when he testified before the committee, said that when the President vetoed the bill which was passed by both Houses of Congress last year, he had in his veto message left an implied promise to the industry that such relief would be granted this year. He said the administration would go along with that relief in this bill.

I repeat, the substitute bill offered by the Senator from Virginia [Mr. BYRD] and myself is the only bill which has the approval of the administration.

The committee tax reduction proposals for furs, jewelry, cabarets, sporting goods, and so forth, are against their recommendations.

Likewise the Douglas amendment, which the chairman of the committee accepted last night on behalf of the Finance Committee, had the support of neither the administration nor the committee. Six out of the seven Republican members of the Finance Committee voted against the chairman on this additional loss of $110 million in revenue.

Mr. MILLIKIN. The President's own veto message pointed out that it would be discriminatory to single out and to benefit only one industry. The amendments now before the Senate would cut out the reduction as to furs and jewelry. I have already pointed out where the great bulk of that purchasing is.

It would remove the reduction on toilet preparations, which are used by all kinds of persons; sporting goods; pencils and pens, which are used by kids who are going to school; electric light bulbs and fuses, which are used in almost every home; pistols, revolvers, firearms, camera's, lenses, films, matches; also lubricating oil, cutting oil.

There is a long list of reductions of taxes on things that people use, including long-distance and local telephone calls, and also on the transportation of persons.

We accepted the Senator's proposed amendment to restore the taxes on club dues, and, I think, on something else on which he wanted the tax restored. The taxes were restored on horse racing and dog racing. I agree that it would be hard to reduce the taxes on those items and not to reduce or eliminate them on a number of others.

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

Mr. MILLIKIN. I yield.

Mr. KNOWLAND. Does not the Senator from Colorado feel that there is a cumulative discrimination against persons who live in the distant States, whether they be in the South or in the West, because of the communication tax mentioned by the distinguished Senator from Virginia?

If a constituent from Pennsylvania or Maryland wishes to call his Senator or to transact business in Washington, he pays a much smaller tax than does the person from the Senator's State of Colorado or from my State of California, or from the States of a good many other Senators. On such a person if he comes to the Nation's Capital to appear before committees, the transportation tax has a cumulative, adverse effect.

Mr. MILLIKIN. The Senator is correct.

Mr. KNOWLAND. In the case of theater admission taxes, no matter in which one of the 48 States a person happens to live, at least each person pays the same tax. But the more distant a citizen is removed from centers of population or industry, the greater the adverse cumulative penalty is on him.

Mr. MILLIKIN. I agree. I need only look at my telephone bills to give me all the evidence that is necessary.

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

Mr. MILLIKIN. I yield.

Mr. CORDON. I express the hope, if that be the case, that the Senator from Colorado will do something in the next bill with respect to the tax on the transportation of property, which is far more onerous and equally discriminatory.

Mr. MILLIKIN. When we get the matter squared around to a point where we can take another look at it, nothing would please me so well as to get rid of the property transportation taxes. I do not like them at all. I wish the fiscal situation of the Government permitted our getting rid of them all immediately.

But the question now is whether we want to gut the useful reductions in the bill. I have explained what the exemptions are, and where anyone is completely exempted as distinguished from a reduction.

The question is whether we want to gut the reductions and deprive our citizens of the benefits of a bill which provides tax reductions amounting to $958 million, less some adjustment amounts which have been caused by an amendment, in one case, and a billion dollars carried over in taxes which otherwise would have expired on the first of April.

I suggest that the Senate vote against the amendment.

SEVERAL SENATORS. Vote! Vote!

The PRESIDING OFFICER. The question is on agreeing to the amendment offered by the Senator from Delaware [Mr. WILLIAMS], for himself and the Senator from Virginia [Mr. BYRD].

The yeas and nays have been ordered, and the clerk will call the roll.

The legislative clerk called the roll.

Mr. SALTONSTALL. I announce that the Senator from Arizona [Mr. GOLDWATER] is absent on official business. The Senator from New Hampshire [Mr. BRIDGES] and the Senator from Vermont [Mr. FLANDERS] are necessarily absent.

On this vote, the Senator from Vermont [Mr. FLANDERS] is paired with the Senator from Arizona [Mr. GOLDWATER]. If present and voting, the Senator from Arizona would vote "yea," and the Senator from Vermont would vote "nay."

Mr. CLEMENTS. I announce that the Senator from New Mexico [Mr. CHAVEZ] is unavoidably detained.

The Senator from Georgia [Mr. GEORGE] is absent by leave of the Senate because of illness.

The Senator from North Carolina [Mr. LENNON], the Senator from Montana [Mr. MURRAY], and the Senator from Alabama [Mr. SPARKMAN] are absent on official business.

I announce further that, if present and voting, the Senator from New Mexico [Mr. CHAVEZ], the Senator from Georgia [Mr. GEORGE], and the Senator from Montana [Mr. MURRAY] would vote "nay."

The result was announced—yeas 34, nays 54, as follows:

YEAS—34

Anderson	Dirksen	McClellan
Barrett	Duff	Monroney
Beall	Dworshak	Payne
Bricker	Eastland	Russell
Bush	Gore	Schoeppel
Butler, Md.	Griswold	Smith, N. J.
Byrd	Hill	Stennis
Carlson	Holland	Symington
Case	Johnson, Colo.	Welker
Cooper	Johnson, Tex.	Williams
Cordon	Kennedy	
Daniel	Kilgore	

NAYS—54

Aiken	Humphrey	McCarran
Bennett	Hunt	McCarthy
Burke	Ives	Millikin
Butler, Nebr.	Jackson	Morse
Capehart	Jenner	Mundt
Clements	Johnston, S. C.	Neely
Douglas	Kefauver	Pastore
Ellender	Kerr	Potter
Ferguson	Knowland	Purtell
Frear	Kuchel	Robertson
Fulbright	Langer	Saltonstall
Gillette	Lehman	Smathers
Green	Long	Smith, Maine
Hayden	Magnuson	Thye
Hendrickson	Malone	Upton
Hennings	Mansfield	Watkins
Hickenlooper	Martin	Wiley
Hoey	Maybank	Young

NOT VOTING—8

Bridges	George	Murray
Chavez	Goldwater	Sparkman
Flanders	Lennon	

So the amendment offered by Mr. WILLIAMS, on behalf of himself and Mr. BYRD, was rejected.

The VICE PRESIDENT. The bill is open to further amendment.

Mr. HUMPHREY. Mr. President, I offer the amendment which I sent to the desk and ask that it be stated.

The VICE PRESIDENT. The clerk will state the amendment.

The LEGISLATIVE CLERK. On page 5, line 18, it is proposed to insert after the words "exemption of", the words "school or."

Mr. HUMPHREY. Mr. President, I have discussed the amendment with the Chairman of the Senate Committee on Finance and the staff directors, and I am of the opinion that the language under the title "Exemption of College Athletic Events," as found on page 5, is inclusive, and covers also high school athletic events. However, there was some uncertainty as to the exact meaning. Therefore, all my amendment does is to include all school athletic events under the title of "College Athletic Events."

I have had communications from schools and representatives of educational institutions telling me there may be some doubt as to whether certain high school events, such as wrestling, boxing, and sports of that kind would be included in the exemption. Therefore, my amendment would include the words "school or," in order to make the meaning clear.

Mr. MILLIKIN. The purpose of the amendment is to make that clear; is it?

Mr. HUMPHREY. Yes; the purpose is to make it clear.

Mr. MILLIKIN. The amendment is merely an interpretive one; is it?

Mr. HUMPHREY. That is correct.

Mr. MILLIKIN. Of course I think the substance of the amendment is very good; I think the same exemption should apply to high schools.

So I shall be glad to take the amendment to conference.

Mr. HUMPHREY. I appreciate that, because I think the amendment will clarify the meaning of this part of the bill.

Mr. President, I ask that the question be put on agreeing to the amendment.

The VICE PRESIDENT. The question is on the agreeing to the amendment submitted by the Senator from Minnesota [Mr. HUMPHREY].

The amendment was agreed to.

Mr. JOHNSON of Colorado. Mr. President, I offer my amendment identified as "3-23-54-B," which lies at the desk.

The VICE PRESIDENT. The amendment will be stated.

The LEGISLATIVE CLERK. On page 9, it is proposed to strike out lines 1 through 4.

It is also proposed to redesignate sections 303, 304, 305, and 306 of the bill to be sections 302, 303, 304, and 305, respectively.

Mr. JOHNSON of Colorado. Mr. President, the purpose of the amendment is to revert to the law as it was before the House voted an amendment to it.

This amendment will increase the tax on firearms and ammunition from 10 percent, as voted by the House of Representatives, to 11 percent, as provided by existing law.

The firearms manufacturers, the sportsmen, and all others who are affected by this provision of the bill favor the amendment, as I have explained it.

Mr. ROBERTSON. Mr. President, will the Senator from Colorado yield to me?

Mr. JOHNSON of Colorado. I yield.

Mr. ROBERTSON. Is it not a fact that the provision voted by the House will not affect the budget one penny, but will merely cause approximately $1 million to be taken from grants-in-aid to the States for conservation purposes?

Mr. JOHNSON of Colorado. That is correct; the effect is to take from the States approximately $1 million which otherwise would be used for the propagation of wildlife.

Mr. MORSE. Mr. President, will the Senator from Colorado yield to me?

Mr. JOHNSON of Colorado. I yield.

Mr. MORSE. I have received from sportsmen's groups in my State communications which bear out what the Senator from Colorado has said, namely, that the provision voted by the House will result in a loss of revenue by way of grants-in-aid to the States in connection with sportsmen's activities which help improve conservation and wildlife and hunting programs in the various States. Am I correct in my understanding?

Mr. JOHNSON of Colorado. The Senator from Oregon is correct.

The tax was levied in the first place for the purpose of improving and protecting wildlife. That was the original purpose of the tax, when it was written into the law.

Mr. MORSE. Am I also correct in understanding that the amendment of the Senator from Colorado is also sanctioned by the industry itself because it feels that restoration of the tax will, in effect, really improve the industry? In other words, do not we have the strange anomaly of a tax situation wherein the imposition of the tax will be of benefit to the industry?

Mr. JOHNSON of Colorado. That is correct.

Mr. AIKEN. Mr. President, will the Senator from Colorado yield to me?

Mr. JOHNSON of Colorado. I yield.

Mr. AIKEN. I simply desire to associate myself with the remarks of the Senator from Colorado, and to endorse his amendment. My understanding is that those interested in wildlife and the conservation of wildlife are fully in favor of restoration of the tax to its former level.

Mr. JOHNSON of Colorado. Yes; they are completely in agreement with my amendment.

Mr. DOUGLAS. Mr. President, will the Senator from Colorado yield to me?

Mr. JOHNSON of Colorado. I yield.

Mr. DOUGLAS. Do I correctly understand that the Senator from Colorado is an advocate of wildlife? [Laughter.]

Mr. JOHNSON of Colorado. The Senator from Illinois is correct.

Mr. THYE. Mr. President, will the Senator from Colorado yield to me?

Mr. JOHNSON of Colorado. I yield.

Mr. THYE. I, too, desire to associate myself with this amendment. I have received a communication from the State of Minnesota conservation commissioner, Mr. Wilson, who says it would be a mistake to reduce this tax because that would immediately affect the funds going to the States for the purpose of the care and establishment of game refuges and the care of migratory birds. So I believe the reduction of this tax, and the consequent loss of revenue, would be a step backward, rather than a step forward.

Mr. JOHNSON of Colorado. The Senator from Minnesota is entirely correct, and I thank him for his statement.

Mr. MILLIKIN. Mr. President, will my colleague yield to me?

Mr. JOHNSON of Colorado. I yield.

Mr. MILLIKIN. Section 3 of the act of September 2, 1937 (50 Stat. 917), contains, I believe, the authority for placing such revenue into such a fund. If I am not correct as to that, will the Senator from Colorado please advise me?

It reads:

> An amount equal to the revenue accruing during the fiscal year ending June 30, 1939, and each fiscal year thereafter, from the tax imposed by section 610, title IV, of the Revenue Act of 1932 (47 Stat. 169), as heretofore and hereafter extended and amended, on firearms, shells, and cartridges, is hereby authorized to be set apart in the Treasury as a special fund to be known as the Federal aid to wildlife restoration fund, and is hereby authorized to be appropriated and made available until expended, for the purposes of this act.

Is that the act to which the Senator from Colorado refers?

Mr. JOHNSON of Colorado. It is, and my amendment will restore it. That act is known as the Pittman-Robertson Act, our colleague, the Senator from Virginia [Mr. ROBERTSON], being the author of the House bill, and former Senator Pittman, of Nevada, being the author of the Senate bill.

The provision read by my colleague is from the act to which my amendment relates.

Mr. MILLIKIN. Mr. President, I shall be very glad to take the amendment to conference.

Mr. KNOWLAND. Mr. President, will the Senator from Colorado yield to me?

Mr. JOHNSON of Colorado. I yield.

Mr. KNOWLAND. I should like to make an extraneous observation for only half a minute.

I wish to invite the attention of the Senate to the very full attendance we have had today in the Senate Chamber, under the controlled time. I submit that the Senate gets a great deal more out of debate under a limitation of the sort we have today, and that it is far better for a Senator to speak for 10 minutes to a full Chamber, rather than to speak for 2 hours to an empty Chamber. So I hope that in the future we may have similar arrangements regarding control of the time.

Mr. MORSE. Mr. President, if the Senator from Colorado will yield to me, let me say I think what the Senator from California has said happens only when the debate is almost finished and when the time is controlled during the last half of the afternoon of the last day of debate.

Mr. MILLIKIN. Mr. President, as I said a moment ago, I shall be very glad to take the amendment of my colleague to conference.

Mr. HUMPHREY. Mr. President, will the Senator from Colorado yield to me?

Mr. JOHNSON of Colorado. I yield.

Mr. HUMPHREY. Before the vote on the amendment is taken, I ask unanimous consent to have printed at this point in the body of the RECORD a telegram I have received from Chester S. Wilson, Minnesota Commissioner of Conservation.

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

ST. PAUL, MINN., *March 24, 1954.*

Senator HUBERT H. HUMPHREY,
United States Senate:

Urge Senate eliminate section 304 reducing sporting arms excise tax to 10 percent from tax revision bill H. R. 8224. Sportsmen and manufacturers generally favor present 11-percent tax. Reduction will curtail important wildlife habitat improvement and conservation projects and will not benefit general taxpayers.

CHESTER S. WILSON,
Commissioner of Conservation.

Mr. HUMPHREY. Mr. President, at this point I desire to associate myself with the amendment submitted by the Senator from Colorado.

The VICE PRESIDENT. The question is on agreeing to the amendment of the Senator from Colorado [Mr. JOHNSON].

The amendment was agreed to.

Mr. BYRD. Mr. President, I offer my amendment which is printed and lies at the desk. It is the amendment which will restore the cabaret tax to its present status. In other words, instead of reducing the cabaret tax from 20 percent to 10 percent, the amendment will have the tax remain at 20 percent, as it now is, and thus will save the Government $23 million.

The VICE PRESIDENT. The amendment submitted by the Senator from Virginia will be stated.

The LEGISLATIVE CLERK. On page 3, in line 1, it is proposed to strike out "10 percent" and insert "20 percent."

Mr. BYRD. Mr. President, I do not think the amendment needs further explanation or discussion. The amendment will save the Federal Government $23 million, by retaining the cabaret tax as it now is.

The VICE PRESIDENT. The question is on agreeing to the amendment of the Senator from Virginia [Mr. BYRD].

Mr. LONG. Mr. President, I offer an amendment to the amendment of the Senator from Virginia [Mr. BYRD]. I send the amendment to the desk and ask that it be stated.

The VICE PRESIDENT. The amendment offered by the Senator from Louisiana to the amendment of the Senator from Virginia will be stated.

The LEGISLATIVE CLERK. In lieu of the amendment proposed by the Senator from Virginia, it is proposed to strike out all after the word "to", on page 3, line 1, down through the word "merchandise" on page 3, line 2, and to insert in lieu thereof "20 per centum of all amounts paid for admission, refreshment, service, or merchandise, except food and food service."

Mr. LONG. Mr. President, the reason I offer this amendment is that I have been apprised of the fact that for the most part the hotels which have dining rooms and which provide entertainment, have abandoned the entertainment feature. For example, in 1946 there were 700 hotels in the country which served food and furnished music in connection with it. Today there are only 250 such hotels.

It is important to note that the cabaret tax is not a tax on liquor or on drinking. The tax does not apply to a barroom. It does not apply to any honkytonk which has a nickelodeon, and makes its money serving liquor. In many instances the tax applies in dry areas, where there are restaurants which furnish some sort of entertainment. It seems to me that in the main this tax was proposed and designed as a tax on those who operated nightclubs, barrooms, or similar establishment. The definition of "cabaret" has undergone certain changes. By and large, the tax does not apply to those to whom it should be applied.

I notice that it is provided that those who have entertainment furnished by mechanical instruments are not to be subject to the tax. What happens? Someone who had a piano in a barroom took out the piano and installed a Hammond organ. That is defined, not as a musical instrument, but as a mechanical instrument. By having someone play a Hammond organ rather than a violin or some other instrument, the operator escapes the cabaret tax. My proposal is to continue to collect the cabaret tax of 20 percent, but not to collect it on food. In other words, a restaurant which had a string ensemble, or a dance band, would not pay the cabaret tax on the food items on the customer's bill.

Mr. President, I hope my amendment will be agreed to.

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

Mr. LONG. I yield.

Mr. WILLIAMS. Would not the net effect of the Senator's amendment be to make it possible for any cabaret or night club operator to put all the charges on the food, and thereby escape the tax entirely?

Mr. LONG. It is not intended that the amendment should have that effect. I am sure that anyone who did so would face the criminal penalties provided in the Internal Revenue Code. If a person serves food in his place, any part of a customer's bill appertaining to liquor or other beverages, or anything of the sort, would be taxed. A distribution of the charges would have to be made. The tax would apply to a cover charge or to any admission charge. There is nothing unusual about making a distinction between an item which is taxed and an item which is not taxed. It is done in many other connections.

Mr. WILLIAMS. I do not question the good intentions of the Senator from Louisiana in offering the amendment, but I cannot help feeling that the net effect would be that it would be possible for the operator of such an establishment to put all the charges on the food items, and escape the tax entirely.

Before such an amendment is adopted, I think it should be referred to the committee, and that we should have the opinion of the Treasury as to the manner in which it would work. I think the amendment would open up a loophole which would allow the operators of such establishments to escape the tax, not only with respect to the 10 percent, but also the 20 percent.

Mr. LONG. I am sure the conference would perfect the amendment if that were necessary. In the State of Louisiana we have had some experience with this subject. Many of the small cabarets in large cities do not pay their full cabaret tax. Many of them have what is known as the cash register operation without adequate books to account properly to the Treasury.

On the other hand, in the main, hotels have closed the dining rooms where they formerly offered entertainment, as evidenced by the fact that two-thirds of United States hotels which formerly furnished entertainment have eliminated it and closed down such operations.

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

Mr. LONG. I yield.

Mr. BUSH. Can the Senator estimate the financial effect of his amendment? The Senator from Virginia [Mr. BYRD] stated that his amendment would involve a saving of $22 million or $23 million. What would be the financial effect of the Senator's amendment?

Mr. LONG. I do not have an estimate in that connection, but I believe it would probably result in the Government collecting more money than it would collect if there were a straight 10 percent reduction, the situation being that cabarets which do not serve any food would continue to pay as much as they have always paid. In my State there are a great many such establishments which do not serve food, but, in the main, make their profit from beverages. That type of establishment would continue to pay the full present tax rate.

On the other hand, those who operate restaurants could pay the cabaret tax on the beverages they served, and would not have to pay a cabaret tax on the charge for food.

The VICE PRESIDENT. The question is on agreeing to the amendment offered by the Senator from Louisiana [Mr. LONG] to the amendment of the Senator from Virginia [Mr. BYRD].

Mr. BYRD. Mr. President, I am not an expert on cabarets, but I think the amendment of the Senator from Louisiana would cut the heart out of my amendment, so far as obtaining any revenue is concerned. The $23 million which my amendment would save would be practically wiped out if his amendment were adopted.

Mr. LONG. If the amendment of the Senator from Virginia is adopted he will be disappointed in the revenue which it brings in. The fact is that this tax is bringing in less than half the revenue it brought in 6 years ago, because so many of those who were paying the tax have closed down their operations or changed their method of doing business.

Mr. BYRD. In reply to that observation, the figures in the report I have before me show exactly the collections being made now. The report shows that if the tax is reduced to 10 percent the loss will be $23 million.

Mr. President, I hope the amendment to the amendment will not be agreed to.

Mr. LONG. Mr. President, I point out that this tax was bringing in about twice as much 6 years ago as it brings in at the present time.

The VICE PRESIDENT. The question is on agreeing to the amendment offered by the Senator from Louisiana [Mr. LONG] to the amendment of the Senator from Virginia [Mr. BYRD]. [Putting the question.] The Chair is in doubt.

Mr. WILLIAMS. Mr. President, I ask for the yeas and nays.

The yeas and nays were not ordered.

Mr. WILLIAMS. I ask for a division.

On a division, the amendment was rejected.

The VICE PRESIDENT. The question recurs on agreeing to the amendment offered by the Senator from Virginia [Mr. BYRD]. [Putting the question.] The Chair is in doubt. All those in favor of the amendment will rise and remain standing until counted.

All those opposed to the amendment will rise and remain standing until counted.

The amendment was agreed to.

Mr. KEFAUVER. Mr. President, I offer the amendment which I send to the desk and ask to have stated.

The VICE PRESIDENT. The amendment offered by the Senator from Tennessee will be stated.

The LEGISLATIVE CLERK. On page 10, after line 8, it is proposed to insert the following:

That section 3406 (a) (3) of the Internal Revenue Code (relating to the manufacturers' excise tax on certain electric, gas, and oil appliances) is amended by striking out "electric air heaters (not including furnaces)" and inserting in lieu thereof "electric air heaters (not including furnaces and not including electric air heating units designed for permanent installation in a wall)."

Mr. KEFAUVER. Mr. President, prior to January 5, 1953, the Bureau of Internal Revenue classified installations which were placed in the wall of a house or which were permanently made a part of heating apparatus, as furnaces, which are not taxable under this section. However, in January 1953, through some strange reasoning, the Bureau of Internal Revenue reversed its previous decision and held that installations such as radiant heat, or in which an electric heater was installed in the wall as a permanent part of the house, were taxable as electric heaters. The amendment would remove the tax on electrical installations which are placed in the wall as permanent fixtures, and classify them as furnaces.

Gas installations, when they are permanent parts of a house, are classified as furnaces and are not taxable. The amendment would merely treat electrical heaters in the same way and place them in the same category as is the case with gas heaters, and remove the electrical heaters from taxation, which had been the provision in the law and the interpretation of the Internal Revenue Bureau for many years.

Mr. MILLIKIN. Mr. President, the Senator's amendment would give a complete exemption, whereas the bill itself cuts the tax from 10 percent to 5 percent. I respectfully suggest that it is very generous treatment of that item, to reduce it from 10 percent to 5 percent. We should keep in mind that we have not been giving general exemptions in the bill. I would suggest that the amendment be not approved.

Mr. KEFAUVER. Mr. President, will not the Senator agree with me that gas furnaces which are placed in the wall of a house are completely exempt from taxation, and that the amendment would only do the same thing for an electrical apparatus which is used for the purpose of heating a house?

Mr. MILLIKIN. I could not give the Senator an answer on that question. However, it seems to me that when we cut the tax in half it is a pretty good treatment to give to the item. I respectfully suggest that the Senator ought to be content with it.

The VICE PRESIDENT. The question is on agreeing to the amendment offered by the Senator from Tennessee [Mr. KEFAUVER].

The amendment was rejected.

Mr. CORDON. Mr. President, I offer the amendment which I have at the desk and ask that it be read.

The VICE PRESIDENT. The Clerk will state the amendment.

The LEGISLATIVE CLERK. On page 6, after line 21, it is proposed to insert the following:

(k) Civic theater performances: Section 1701 (relating to exemptions from the admissions tax) is hereby amended—

(1) by striking out the period at the end of subsection (3) and inserting in lieu thereof "; or"; and

(2) by adding at the end thereof a new subsection as follows:

"(f) Civic theater performances: Any admission to performances presented by a civic theater or community theater group or organization—if no part of the net earnings thereof inures to the benefit of any private stockholder or individual."

Mr. CORDON. Mr. President, the purpose of the amendment is to exempt from the tax admissions paid for performances given by amateur civic groups where there is no profit and where the effort is wholly cooperative.

It would make the same exemption which is now granted to so-called cultural or scientific or educational performances of the type we ordinarily hear of in connection with chatauquas and the like.

The amount involved would, of necessity, be very small, because there are very few of these groups throughout the country. However, it has meant a great deal to the local areas where the amateur performances are given.

I hope the amendment will be accepted.

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

Mr. CORDON. I am happy to yield.

Mr. CARLSON. If I remember correctly, in the testimony given on the amendment it was stated that it would amount to only about $125,000. I believe that is correct.

Mr. CORDON. It could not be much more than that.

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

Mr. CORDON. I yield.

Mr. MILLIKIN. Our staff has informed us that the amount of revenue is very small. I do not recall the exact figure referred to by the distinguished Senator from Kansas [Mr. CARLSON]. However, I would say it is somewhat in that neighborhood. In any event it is quite an unimportant item of revenue, and I would be willing to take the amendment to conference.

SEVERAL SENATORS. Vote! Vote!

The VICE PRESIDENT. The question is on agreeing to the amendment offered by the Senator from Oregon [Mr. CORDON].

The amendment was agreed to.

The VICE PRESIDENT. The bill is open to further amendment.

Mr. KNOWLAND. Mr. President, I ask for the yeas and nays on the final passage of the bill.

The yeas and nays were ordered.

Mr. JOHNSON of Colorado. Mr. President, I ask unanimous consent to have printed in the RECORD at this point a statement which I have caused to have prepared with respect to furs and the tax on furs.

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

THE FACTS ABOUT MINK AND MINK COATS

Eighty percent of all mink are produced on fur farms.

Fur farming has become an important new agricultural industry.

There are over 5,000 fur farms scattered throughout the United States with a capital investment of over $160 million. Ownership control and their operation are built around individual family units.

Under Federal statutes the breeding, raising, and producing of mink is defined as an agricultural pursuit, the animals produced and raised on fur farms are classified as being domestic livestock, and the products thereof are agricultural products.

Mink fur is primarily produced from grain, wherein the grain is converted into meat. The meat is fed to mink which produces the fur and then is processed and manufactured into mink coats.

Measured in terms of grain, it requires 368.3 pounds of grain to produce 1 mink pelt. It takes 70 mink pelts to produce 1 mink coat. Therefore the sale of 1 mink coat simply represents the sale and consumption of 25,781 pounds or 515 bushels of grain. Measured in terms of wheat yield per acre in North Dakota it would take the equivalent of 26 acres of grain to produce 1 single mink coat.

Under the present depressed conditions of the fur industry the annual sales of mink is providing a market for the production of 928,590 acres of grain.

This is only one phase wherein the sale of mink coats is contributing to our agricultural economy.

STATUS OF THE UNITED STATES FUR-FARMING INDUSTRY

(As submitted by Arnold W. Mulhern, executive secretary, National Board of Fur Farm Organizations)

AMERICAN OLDEST INDUSTRY, TOP QUALITY

Due to lack of understanding of the true status of the fur farmer much adverse criticism has been directed to the oldest American industry—fur production. The mink farmers who are presently engaged in the raising of fur have by self-education, and by handed-down skill, by sacrifice and ambition succeeded in obtaining knowledge of genetics, nutrition, and veterinary medicine by which they are able to produce a fur which has proven, year after year, to be superior to any in the world in beauty, style, color, and wearing quality. They are proud that their industry does produce the top fur, and is considered the most exclusive. Contrary to the opinion of our critics, a large percentage of the pelts produced are used for coat trim and scarfs by the average office girl.

RESPONSIBILITY, EMPLOYMENT, AGRICULTURE

Congress and many States have declared fur farming to be an agricultural pursuit and that the animals and pelts raised are agricultural products. Five thousand mink-farming citizens, including veterans of World War I and II, are doing their part in supporting their families, schools, churches, and Government; they are giving steady healthy employment to approximately 25,000 additional families, constituting in excess of 11½ million man-hours to produce the raw mink pelts.

BIG USER OF AMERICAN MANUFACTURED PRODUCTS

In addition to employment, the mink farmers alone have invested millions of dollars in refrigeration, trucks, building materials, and other products and equipment, which are "tailor made" for fur farming and not able to be converted in the event of financial failure, to say nothing of employment and investment in plant and equipment by many other related industries who supply for farmers; in addition there are other branches of the fur industry such as those engaged in dressing, dying, manufacturing, wholesaling, retailing, who have tremendous investments and do provide great employment when their business is not crippled by exorbitant taxes.

BIG USER OF OTHER AGRICULTURAL PRODUCTS AND BYPRODUCTS

Fur farming uses the same labor, buildings, taxes, insurance, and other similar facilities as other agricultural pursuits and is often operated in conjunction with dairying and crop farming. Fur farming consumes millions of pounds of beef and pork byproducts, horsemeat, vegetables, milk, cereals, and other agricultural products.

FEEDS 83 MILLION POUNDS OF GRAIN ANNUALLY

Based on figures submitted by the Agricultural Extension Division, it is conservatively estimated that over 83 million pounds of grain are directly and indirectly used annually in the production of mink in the United States. This means that a sale of a mink coat represents the sale of approximately 13 tons or 500 bushels of grain.

UNJUST RIDICULE

No single product is as ridiculed and maligned as the mink coat. Many similar luxuries like Cadillacs, diamonds, expensive imported clothing, formal evening clothes, private airplanes, television, summer cottages and numerous other accepted items have not been subjected to such inferences of ill repute and yet many of those mentioned above do not contribute nearly as much to the American economy as the mink farmer. The American citizen has a right to be engaged in fur farming which, through the toil and sacrifice of himself and his family over a period of generations, has been built into the world leader in fur quality production. The American people have a right to buy furs.

FOREIGN COUNTRIES SUBSIDIZE THEIR FUR FARMERS

The Canadian, Scandinavian, Japanese, and Russian Governments, we are reliably informed, actively promote, protect, and, in many instances, subsidize their fur farmers, yet the American fur farmer who has diligently fought to preserve his livelihood and century's old art which he created without the benefit of price supports and other Government handouts, finds anything but encouragement from Uncle Sam.

Like all conscientious and responsible citizens, the fur farmer will continue to do his share in cooperating with other agricultural families in supporting our Government with every confidence that he will receive justified recognition and consideration.

SEVERAL SENATORS. Vote! Vote!

Mr. MILLIKIN. Mr. President, I offer an amendment, which is purely technical in nature. It strikes out certain matters and inserts other matters, but does not affect the substance of the bill. I send it to the desk and ask that it be stated.

The VICE PRESIDENT. The clerk will state the amendment.

The LEGISLATIVE CLERK. On page 13, it is proposed to strike out line 4 and insert: 1954 (or, with respect to the tax imposed by section 1700 (e), ending at 10 antemeridian on April 1, 1954)."

The VICE PRESIDENT. The question is on agreeing to the amendment offered by the Senator from Colorado [Mr. MILLIKIN].

The amendment was agreed to.

The VICE PRESIDENT. The question is on the engrossment of the amendments and the third reading of the bill.

The amendments were ordered to be engrossed, and the bill to be read a third time.

The bill was read the third time.

The VICE PRESIDENT. The question is on the final passage of the bill. The yeas and nays have been ordered, and the clerk will call the roll.

Mr. WILLIAMS. Mr. President, who is in control of the time on final passage?

Mr. JOHNSON of Texas. I control some of the time, and the Senator from Colorado [Mr. MILLIKIN] controls the remainder of the time.

Mr. WILLIAMS. I should like to speak for about 5 or 10 minutes.

Mr. MILLIKIN. I yield 10 minutes to the Senator from Delaware.

Mr. WILLIAMS. Mr. President, I shall be very brief. I merely wish to say that that section of the bill which proposes to extend the existing excise rates scheduled to expire April 1, meets with my full approval.

For that reason I should very much like to vote for the bill. However, I cannot vote for that section without approving at the same time a tax reduction of over $1 billion. Therefore, I shall vote against the bill. If in voting against it by any chance there should be a sufficient number of Senators voting with me to defeat it, I will immediately join in offering a resolution or amendment to continue the expiration dates as provided under title VI of the bill.

There is no way in which to dodge the fact that this bill cuts taxes by over $1 billion at a time when the budget is already out of balance. It is tax relief on borrowed money. It is a principle which has been condemned by many of those standing here today and leading the fight for this bill.

The Senator from Colorado keeps emphasizing that the bill passed the House almost unanimously, or by a vote of 413 to 3. However, I point out that the Members of the House did not have a chance to vote as we had this afternoon, on a separated bill. Under the rules of the House the bill, as brought to the floor, was not subject to amendment; therefore, the Members of the House could vote only either to exempt $900 million or to extend the $1,077,000,000, as provided in title VI of the bill.

Therefore, they took the lesser of the two evils. Those Members who were against a tax reduction voted for title VI; those who were in favor of a tax reduction voted for the other sections. The result was that practically all the Members voted in favor of the bill. It was a peculiar parliamentary situation. Here in the Senate, however, we had a chance to divide the votes as to those Senators who wished to extend the section of the bill which provides for an extension of the existing rates amounting to over $1 billion while at the same time vote against the reduction of taxes until first we have balanced the budget.

Therefore, in view of the fact that we have been able to make a record in favor of the extensions, I shall vote against the tax reduction which with the Senate amendments now amount to well over $1 billion.

The bill as it now stands loses to the Treasury of the United States revenue

in the amount of $1,050,000,000, or about $150 million more in losses than when the bill came from the House. Every dollar of that increased tax reduction will have to be borrowed by the issuance of Government bonds—bonds which our children for generations to come will have to pay along with accumulated interest.

This is not so much a question of whether we are voting on a $1 billion tax reduction or not. The question we are deciding for the first time in the 83d Congress is whether the Members of Congress have the courage to stand up and tell the American people the cost of the services they are receiving. We are taking the same steps down the road of deficit spending for which we as the Republican Party have condemned the Democratic Party for the past 20 years.

I have been disappointed with the leadership of the Republican Party on the floor of the Senate this afternoon for taking a position in support of this most unwise tax reduction bill which is in direct contradiction with the stand we have taken for the past 20 years in criticizing the previous administration.

About 30 years ago, Mr. President, a member of the famous banking firm in France, one of the Rothschilds, made the statement to the then ruler of France that he had discovered a method of perpetuating those in power by extracting money in a painless way from the citizens of the country. Then he unfolded his plan of deficit spending and devaluation of the franc. It was planned inflation.

This is a planned deficit program under an administration which, for 20 years, has condemned the same plan when it was advocated by previous administrations. I do not think we can overlook the inflationary aspects of the other reductions which have been authorized plus those which are going to be proposed. Ten years ago we encouraged the American people to buy Government bonds. We told them to pay $3 and in 10 years we would give them back $4. In reality they only received back the equivalent of two. We have given away, through inflation, half the value of every pension account, half of every life insurance policy, half the social security fund. Yes, through inflation during the past 20 years, half the value of the savings of the people of this country has been destroyed.

Mr. JOHNSON of Texas. Mr. President, will the Senator from Delaware yield?

Mr. WILLIAMS. I yield.

Mr. JOHNSON of Texas. I quite agree with the Senator that what we are doing today is to give birth to a billion-dollar baby. But if we vote against the bill, we will give birth to a $2 billion baby. We are voting to relieve certain groups of more than a billion dollars in taxes, but we are unable to find out from any of the spokesmen of this administration what is the final position of the administration.

Earlier in the day the distinguished majority leader said the President favored the bill as it came from the House. Later in the afternoon the distinguished Senator from Colorado, the chairman of the Finance Commitee, said he would not go quite that far. He was asked if the President opposed the bill, and he said, "I cannot go quite that far." So, Mr. President, it seems that someone is operating in a twilight area.

The President has not been very reluctant to make recommendations to the Congress. The last time I counted, he had made something like 196 recommendations. The last time I tuned in on a television set he was suggesting an amendment to another tax bill.

Now we are confronted with a proposed rebate of a billion dollars on furs, cabaret admissions, perfumes, and so forth. There is a strange uncertainty. There is a silence at the other end of Pennsylvania Avenue. If we inquire of those who are responsible for our fiscal problem we receive the reply, "You do not expect me to run down to the White House and be a stooge, do you?"

The very able and delightful Senator from Colorado [Mr. MILLIKIN] received information from the White House with reference to the washing-machine amendment. He received information on the automobile amendment and on other amendments. He said he could give us assurance, without any ifs, ands, or buts, that those responsible for the fiscal policy of the administration were against those amendments.

But here we are, just before a billion-dollar baby is to be born, and we still do not have in the RECORD the administration's views on this particular bill.

I do not want to accept the responsibility for an unbalanced budget. I do not want it said that I, by my vote against this bill, have failed to permit the Treasury to take in another billion dollars. We are faced with quite a dilemma. The majority wants to show the country how much the majority is doing for the people by a nearly unanimous vote on the bill. The country, perhaps, does not know that if we vote against the bill we are voting against extending other taxes which will bring to the Treasury more than a billion dollars.

So, Mr. President, I shall vote for the bill. I should much prefer to vote for a $2 billion bill instead of a $1 billion bill. If at this stage revenue is as important to the Treasury as has been indicated by the Secretary of the Treasury, the Senator from Virginia, and the Senator from Delaware, I should think the administration would have made its views clear before the vote is taken on the bill. But I see nothing to do but to vote for it, because I do not believe the majority would vote for a resolution extending these taxes. They have made it clear that they want to reduce them by a billion dollars.

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

Mr. JOHNSON of Texas. If the Senator from Colorado will yield me sufficient time.

Mr. MILLIKIN. Very well.

Mr. KNOWLAND. Mr. President, I am a little amused by the statement of my good friend from Texas, the distinguished minority leader of the Senate, in this regard. I make no blanket indictment of the Democratic Party, because I still remember during prior Democratic administrations one Democratic President who tried to purge the Harry Byrds from the Senate, and I thank the Lord that he was not successful.

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

Mr. KNOWLAND. When I finish my remarks.

I remember that a former President tried to purge the distinguished Senator from Georgia [Mr. GEORGE], and distinguished Senators from 4 or 5 other States. I think it is one of the fine things in recorded history that that President did not succeed in his efforts.

Mr. JOHNSON of Texas. Mr. President, will the Senator from California yield?

Mr. KNOWLAND. When I finish my statement.

Mr. President, the basic difference between the Eisenhower administration and the Democratic administrations preceding it for 20 years is that the latter had a different philosophical approach. They wanted the Congress of the United States to be a rubberstamp Congress. They did not expect the Congress to question a single thing that came from the executive branch of the Government.

Obviously, Mr. President, all the bills which come from the White House are not going to pass exactly in the way the administration might want them to pass. For one, I am glad of that, because the Constitution of the United States, which has been so often referred to during the discussion of the recently proposed constitutional amendment, provides that the legislative power, the Congress of the United States, rests in the Senate and the House of Representatives. I hope that so long as I live no Senator of the United States and no Representative in the other body shall ever surrender their constitutional obligation to legislate for the country.

The basic difference between the administration of President Eisenhower and those which preceded him for 20 years is that he made it clear from the first day, when he met with the Members of the House and Senate at the White House, that he would not expect the Congress of the United States to be a rubberstamp. He recognized the Congress as a coequal branch of the Government of the United States. I think that is an important fact. Whether, in the future, we have Republican Presidents or Democratic Presidents, I hope they will all have the same respect for the Congress of the United States as has Dwight Eisenhower; that they will not do as a former President of the United States did, and try to undermine the Congress of the United States and to destroy the public's confidence in it.

We may differ on this floor, of course. The distinguished Senator from Colorado, the chairman of the Finance Committee, and other Senators who come in with administration bills may differ, but no one is going to appear on the floor of the Senate of the United States with a bull-snake whip and try to tell us what we should do in the way of legislation.

I am glad that that is true. I think every one of us, whether we be Republicans or Democrats, should be thankful

that we have that type of President in the White House today. [Applause.]

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

Mr. KNOWLAND. I yield.

Mr. JOHNSON of Texas. I should like to observe that there were many things done by Democratic Presidents with which I did not agree. But I do not believe anyone can charge that it was ever difficult to find out how a Democratic President stood on a tax bill. As a matter of fact, I remember that a distinguished predecessor of mine in the Democratic leadership resigned at one time because a Democratic President expressed himself too strongly in his veto of a tax bill.

I do not think anyone would contend that Mr. Truman, a Democratic President, was at all reluctant or hesitant or reticent about expressing his views when there was an attempt to take a billion dollars out of the Treasury.

The Senator from California has given a delightful lecture—to most of which I subscribe—on taxes, balanced budgets, bullsnake whips, and so forth, but it had nothing whatever to do with the simple little question I asked the Senator, namely, How does the President stand on this billion-dollar-baby tax reduction?

Mr. KNOWLAND. I will say to the Senator from Texas precisely what I said——

Mr. JOHNSON of Texas. I do not want to know precisely what the Senator said; I want to know how the President stands on this issue.

Mr. KNOWLAND. I may say to the Senator from Texas that if the time should ever come when I had to stand at this desk and not dare to vote on a bill unless I knew what was wanted at the other end of the avenue, I would resign my seat as majority leader of the Senate of the United States.

I feel that the Senate of the United States has an obligation to consider the facts before it and then, in conformity with the Constitution of the United States, to do the legislating for the Nation.

Mr. JOHNSON of Texas. I am in hearty agreement with that statement. But how do the President and the Secretary of the Treasury stand on this billion dollar reduction? The Senator from California has not yet told us.

I can vote without knowing how they stand, and I have been voting all day without knowing how they stand.

I know how the administration stands on 196 other measures. The Senator from California reminded me the other evening, when there was a vote in the Chamber, that some Democrats were opposed to the President's program. Are the reductions in taxes on furs and perfumes a part of the President's program? I do not know. The country does not know. I hestitate to believe it, but perhaps the majority leader does not know. In any event, the majority leader is talking all around the bush. He is following that bullsnake whip he talked about just before he sat down.

I had asked a simple question: How do the President and the Secretary of the Treasury stand with respect to reducing by a billion dollars the excise taxes on furs, perfumes, long-distance telephone calls, and other items.

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

Mr. JOHNSON of Texas. I yield.

Mr. KNOWLAND. So far as I am concerned——

Mr. JOHNSON of Texas. My question does not involve the issue of how the Senator from California is concerned.

Mr. KNOWLAND. I am prepared to vote on the tax bill.

Mr. JOHNSON of Texas. I did not yield to the Senator——

Mr. KNOWLAND. I have the floor.

The VICE PRESIDENT. The Senator from California has the floor.

Mr. KNOWLAND. I am prepared to vote without regard to the views of those at the other end of Pennsylvania Avenue.

Mr. JOHNSON of Texas. Mr. President, a parliamentary inquiry.

The VICE PRESIDENT. The Senator will state it.

Mr. JOHNSON of Texas. How much time was yielded to the Senator from Delaware?

The VICE PRESIDENT. The Senator from Delaware has been yielded 10 minutes and whatever additional time was necessary to complete the colloquy.

Mr. WILLIAMS. Mr. President, I yielded to the Senator from Texas; on the other hand, I have become interested in the colloquy, and now I have almost forgotten why I yielded to the Senator in the first place. [Laughter.]

The VICE PRESIDENT. The Senator from Colorado [Mr. MILLIKIN] has control of the time.

Mr. JOHNSON of Texas. The Senator from Texas also has control of some time.

Mr. MILLIKIN. Mr. President, has all this colloquy been going on at my expense? [Laughter.]

How much time have I remaining?

Mr. JOHNSON of Texas. May I have a statement also as to the time I have remaining?

The VICE PRESIDENT. The Senator from Colorado has 42 minutes remaining.

The Senator from Texas has 54 minutes remaining.

Mr. JOHNSON of Texas. I yield a part of my time to the Senator from Delaware.

Mr. WILLIAMS. Will the Senator from Texas yield to me part of the time I just yielded to him?

Mr. JOHNSON of Texas. I yield 5 minutes or any additional amount of time the Senator from Delaware may require.

Mr. WILLIAMS. I shall conclude my remarks. I intend to vote against the bill. But, as the Senator from Texas has pointed out, I think it should be made clear that when the people of the country examine the final vote, they may not be able to determine exactly the way the Members of the Senate felt about the bill, because on the final passage of the bill many Senators will vote exactly as did Members of the House who are opposed to tax reduction.

Fortunately, we in the Senate have an opportunity to record our opinions. Personally, I shall take the extreme way and vote against the bill in order to protest further the fact that I am opposed to tax reduction. But in so doing, I desire to state that in the event we who oppose the bill should be so fortunate as to prevail in defeating it, I shall join in introducing a resolution to extend the excise taxes which otherwise would expire April 1.

I wish to say again that I think the Senator from Texas made his record clear when he voted for the previous substitute bill.

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

Mr. WILLIAMS. I yield to the Senator from Texas on the time he yielded to me.

Mr. JOHNSON of Texas. In the light of the vote this afternoon, does the Senator from Delaware think that, if this bill should be defeated, there is any possibility of passing such a resolution as he suggests?

Mr. WILLIAMS. I cannot conceive of the Senate not being able to pass such a resolution, because, as I understood the vote this afternoon, there was not a single Member of the Senate who was opposed to extension of the excise taxes as they are recommended in title VI of the bill. I understand also that that is the situation in the House. I just cannot conceive of the Senate saying that if it does not get what it wants, it will not take anything.

I think when the Government has a deficit, tax reductions, except in extreme emergencies, are unwise. That will be the basis of my vote.

In answer to the other questions raised, I agree the Senate has a right to know the position of the administration, and I may say to the Senator from Texas there is no question about that position. The Secretary of the Treasury testified before the Committee on Finance, in very plain language, as the Senator from Virginia [Mr. BYRD] pointed out, in language that any man could understand, that he was opposed to tax reduction.

The Senator from Colorado suggests he was lukewarm.

We did not take his temperature to see how high it was, nor did we subject him to a lie detector, as has been proposed elsewhere in another connection. But as an official representing the President of the United States, the Secretary of the Treasury knew what he was talking about when he came before the committee, and asked the committee not to grant tax reductions at this time.

Every member of the committee understood what he said, likewise the whole country understood President Eisenhower when in his recent radio address he appealed to the country for support of his fight against further tax reduction until the budget has been brought under control.

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

Mr. WILLIAMS. I yield.

Mr. JOHNSON of Texas. I appreciate the efforts this afternoon on the part of the distinguished Senator from Virginia and the distinguished Senator from Delaware. I simply want both of them to know that I supported their proposal with all the strength at my command. I am sorry it was not adopted. I do not

feel very comfortable about assisting at the birth of a billion-dollar baby whose parentage is quite obscure.

I have cast my votes in this Chamber for a long time without knowing how department heads might feel on measures. But it seems to me that in these critical hours and days of supposed sound fiscal policy and desires for a balanced budget, it is not so much to ask those who are managing the Government's money policy to express themselves as to whether or not they favor a proposal involving a billion-dollar reduction in taxes.

All of us have great admiration for the independence of the distinguished majority leader. He has demonstrated his independence many times. I hope he will demonstrate it in the future.

But the majority leader told me today that the President favored the bill. He has not made that statement on the floor.

The distinguished Senator from Colorado, who is chairman of the Committee on Finance, has declined to say whether the administration favored the bill.

The distinguished Senator from Delaware said that Secretary Humphrey opposes these reductions. The Senator from Virginia has said that Secretary Humphrey opposes the reductions.

I have not talked with either the President or the Secretary of the Treasury, but it is hard for me to reconcile what the Senator from Delaware and the Senator from Virginia have said with what the majority leader has said. Perhaps the Senate should recess until tomorrow and have an opportunity to clear up all this confusion. I think the country ought to know who is responsible for giving birth to this billion-dollar baby. If this measure is in direct opposition to the policies of the President of the United States, the people of the country are entitled to know it. The President has spoken about many things, even about congressional committees and about constitutional amendments. He has never hesitated to give a frank, honest opinion. I do not know why the majority leader cannot give us an opinion tonight. The majority leader has not answered my question.

Mr. Majority Leader, do you know how the President stands on this proposed billion-dollar reduction? I yield to the distinguished majority leader in order that he may answer the question "yes" or "no," if he can or if he will.

Mr. KNOWLAND. The distinguished Senator from Texas is propounding a question which very often is used in parliamentary debate: "Have you stopped beating your wife?"

Mr. JOHNSON of Texas. No, Mr. President. I am not going to yield time in order for the majority leader to misquote me. I have not said, "Have you stopped beating your wife?" I asked the majority leader how the President stood on tax reduction?

Mr. KNOWLAND. I gave the distinguished Senator as direct an answer as I could give on the floor of the Senate. I told him that the matter came before a conference of the leaders at the White House.

Mr. JOHNSON of Texas. I beg the Senator's pardon; the Senator did not tell me that.

Mr. KNOWLAND. I told the minority leader on the floor of the Senate that it was my judgment that the bill in the form in which it passed the House of Representatives would have the signature of the President of the United States.

Mr. JOHNSON of Texas. The Senator did not tell me that. Will the Senator answer my question? Does the President favor the bill?

Mr. KNOWLAND. If the President did not favor the bill, I would expect him to veto it. I do not expect the President to veto the bill passed by the House of Representatives.

Mr. JOHNSON of Texas. In view of the fact that the distinguished majority leader has given us his opinion that the President favors the bill, and has reiterated it that all the Members of the Senate and the people of the country may know, I am willing to have a vote on the bill. I wish to express my deep regrets to my colleagues, the Senator from Virginia [Mr. BYRD] and the Senator from Delaware [Mr. WILLIAMS]. They apparently have been laboring under a misapprehension; but now that the majority leader has given us the best information he has, I think we ought to vote on the bill.

I am going to vote for the bill, not because it is the best bill I think the Senate can pass, but because I think it is the lesser of two evils. However, I want the country to know who the parent of the bill is; I do not wish to vote on an orphan.

Mr. WILLIAMS. Mr. President, I ask unanimous consent to have printed in the RECORD at this point a portion of the statement of the Secretary of the Treasury as it appears in the hearings before the Senate Committee on Finance, last week, in which the Secretary of the Treasury stated the opposition of the administration to the bill.

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

Mr. HUMPHREY. With respect to these excise taxes, I do not want to appear here to defend 20- or 25-percent excise taxes on any particular items. I think those taxes are too high. They should be lowered as soon as the country can afford to lower them.

There are a few places in the excise taxes that we have spoken of many times, such as admissions, furs, and perhaps a few others, where we are convinced that the present high excise rates are actually hurting the business, and that they should be reduced so as not to hurt the business. On the other hand, a general reduction of excises that costs $900 million, such as in the present bill, is something that the Treasury must object to unless it sees some way to get the largest part of that $900 million to pay our bills with. I don't know how we are going to pay our bills if we don't get the money.

I will be glad to answer any questions, but that is our position.

The CHAIRMAN. Are there any questions?

Senator WILLIAMS. Mr. Secretary, am I correct in understanding that to the extent that there is any tax relief given under this bill, it would necessitate a corresponding increase in your borrowing? In other words, it will all be done with borrowed money?

Secretary HUMPHREY. That is correct. It will increase borrowings over our budget estimates by whatever is taken out by this bill that is not replaced.

Senator WILLIAMS. And in reality, if this bill goes through with this $900 million tax relief, the taxpayers could thank their children and their grandchildren for the relief rather than the Congress, because they would be the ones paying it?

Secretary HUMPHREY. That is right. They had better go right home and thank their children for what they did for them today.

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

Mr. WILLIAMS. I yield to the Senator from Idaho.

Mr. DWORSHAK. The Senator from Delaware may be justified in making the charge that the Federal Government must sell bonds in order to finance the deficit caused by the tax reduction; but will not the Senator agree with me that the appropriation bills yet remain to be acted upon during this session of the Congress? If the Members of the legislative branch display the courage and intelligence necessary to meet the problem facing the country today, is it not true that the legislative branch can eliminate the dumping of billions of dollars into many countries throughout the world, and that the Congress can reduce the appropriation bills to an extent which would make it possible to balance the budget and at the same time make a realistic tax reduction?

The VICE PRESIDENT. The time of the Senator from Delaware has expired.

Mr. WILLIAMS. Mr. President, may I have 1 more minute allotted to me?

The VICE PRESIDENT. Does the Senator from Colorado yield additional time to the Senator from Delaware?

Mr. MILLIKIN. I yield 1 minute to the Senator from Delaware.

Mr. WILLIAMS. What the Senator from Idaho has stated is correct. I think the Congress can cut appropriations, but, on the other hand, the Congress has not done that up to the present time. I think the least the Congress can do is reduce appropriations before it reduces the tax revenues of the United States Government. I do not think there is a man on the floor of the Senate who thinks there will be a balanced budget this year or next year either with or without considering the $1 billion reduction under the pending bill.

SEVERAL SENATORS. Vote! Vote!

Mr. JOHNSON of Texas. Mr. President, I yield 2 minutes to the Senator from Indiana [Mr. CAPEHART]; then I shall yield to the distinguished Senator from Nevada [Mr. MALONE].

Mr. CAPEHART. Mr. President, I am going to vote for the bill, but I am terribly confused, for two reasons. One is the statement that Congress should not reduce excise taxes because the Government would run into a deficit. By passing this bill we will reduce revenues by $900 million. The reduction of excise taxes on furs will reduce revenues by $20 million; that on jewelry, $100 million; that on luggage, $40 million; that on toilet preparations, $55 million. The total of such tax reductions will result in a loss of revenue of $215 million.

The reduction in taxes on telephone, telegraph, radio, and cable will result in a loss of revenue of $235 million; that on local telephones, $125 million; that on

transportation of persons, $95 million; that on leases of safe-deposit boxes, where the tax rate is being reduced from 20 to 10 percent, $5 million.

Mr. THYE. Mr. President, the Senator is in error regarding the tax on safe deposit boxes.

Mr. CAPEHART. The report states that the tax on leases of safe deposit boxes, which is 20 percent, will be reduced to 10 percent under the bill, and will result in a reduction in excise tax collections of $5 million.

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

Mr. CAPEHART. I yield.

Mr. MILLIKIN. Such a reduction is not before the Senate for consideration.

Mr. CAPEHART. But such a reduction was reported to the House, was it not?

Mr. MILLIKIN. Yes.

Mr. CAPEHART. I have been reading what the House report states. The House reduced taxes on club dues and initiation fees.

Mr. MILLIKIN. The Senate committee restored the tax on the items the Senator refers to.

Mr. CAPEHART. None of those items on which it is proposed to reduce taxes are used in industries which can furnish substantial employment, particularly industries which manufacture durable goods and which furnish employment to hundreds of thousands of people. Such industries utilize millions of pounds of minerals, which are a drug on the market today. Yet there has been a refusal to give relief by way of a reduction of taxes.

I, too, would like to know who the parent of this baby is. My best judgment is that the President of the United States and the Secretary of the Treasury are against such tax reductions as are proposed. They have not told me whether they favor such tax reductions or not. I, too, would like to know who is the author of the tax reductions.

The VICE PRESIDENT. The Senator's time has expired.

Mr. MALONE. Mr. President, may I have 2 minutes?

Mr. JOHNSON of Texas. I yield 2 minutes to the distinguished Senator from Nevada.

Mr. MALONE. I should like to ask the distinguished Senator from Delaware a question. In the first place, the junior Senator from Nevada introduced a bill last year which would eliminate all excise taxes. Everyone knows such taxes should be eliminated. Twenty billion dollars has been expended in foreign countries in the last several fiscal years——

Mr. JOHNSON of Texas. Mr. President, may we have order? I am willing to yield to the Senator from Nevada all the time he needs, but I want to hear what he says.

Mr. MALONE. I wish to ask the Senator from Delaware what would happen to the increasing debt if the Congress were to refuse to raise the debt limit.

Mr. WILLIAMS. It has been suggested by many Senators, not publicly, perhaps, but in the cloakrooms, that if the tax reduction could be voted, the Senate could then refuse to increase the ceiling on the national debt and thereby curtail expenditures. That might be one way to reduce expenditures; but I think it would be sheer cowardice on the part of the Members of the Congress to vote for full appropriations and then vote tax reductions, thereby refusing to give the Secretary of the Treasury the funds to carry out the measures. As one who is opposed to increasing the ceiling in the national debt, I think recognition should be given to what the Secretary of the Treasury said; namely, that to the extent we further reduce revenues, the borrowing authority must be increased in order that the Government may operate. I think Senators voting for measures which would reduce revenues should accept the responsibilities for their actions.

Mr. MALONE. Some of us are opposed to spending money we do not have.

The VICE PRESIDENT. The time of the Senator from Nevada has expired.

Mr. COOPER. Mr. President——

Mr. JOHNSON of Texas. Mr. President, I yield 2 minutes to the Senator from Kentucky.

Mr. COOPER. I thank the Senator from Texas.

Mr. President, I intend to vote against the bill. I beg the indulgence of the Senate for a moment, while I explain my reasons for the vote I shall cast against the bill.

A few minutes ago I voted for the amendment submitted by the distinguished Senator from Virginia [Mr. BYRD] and the distinguished Senator from Delaware [Mr. WILLIAMS]. I did so in order to express my view that the excise tax on certain commodities should be continued.

The position I shall take in voting against the bill will be consistent with the position I have heretofore taken in the Senate. In 1947, when I was serving in this body, a vote was taken early in the session on a tax-reduction bill. I voted against the bill because, as I said at the time, we did not know whether revenues, then unascertained, would permit the reduction of taxes, and whether we were voting an unbalanced budget.

Later in the year, when it was assured that we could balance the budget, I voted for a tax reduction.

It is true that economic conditions existing today are not exactly similar to the conditions existing at that time. Nevertheless I hold to the same position that we can best strengthen economic conditions by a stable fiscal policy.

The administration of President Eisenhower, aided by the Congress, has in a period of 1 year reversed the fiscal policies of the last 20 years; it has reduced expenditures. By reason of saving and the reduction of expenditures, the deficit has been reduced, and taxes have already been removed. If the administration is permitted to pursue its policies, I think there can be further and wider tax reduction and this I want to see. If we act recklessly, future tax reductions are gone.

The distinguished Senator from Virginia [Mr. BYRD] and the distinguished Senator from Missouri [Mr. SYMINGTON] have pointed out in this debate that only today, we heard in the Armed Services Committee testimony emphasizing that there are still grave questions regarding the defense and the security of the Nation. Undoubtedly additional expenditures may be required to assure our own defense.

Finally, I wish to say that the whole program of the President of the United States—fiscal, defense, social programs—as I see it, depend upon the continuation of the orderly reduction of expenditures and taxes, which it began last year.

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

Mr. COOPER. I yield.

Mr. JOHNSON of Texas. Does the distinguished Senator from Kentucky think the proposed $1 billion tax reduction is a part of the President's program?

Mr. COOPER. I do not know. It is my opinion that it is not—judging from the statements which have been made today.

The VICE PRESIDENT. The time allotted to the Senator from Kentucky has expired.

Mr. COOPER. Mr. President, I should like to conclude my remarks.

Mr. JOHNSON of Texas. Mr. President, I yield an additional minute to the Senator from Kentucky.

The VICE PRESIDENT. The Senator from Kentucky is recognized for an additional minute.

Mr. COOPER. I thank the Senator from Texas.

Mr. President, if we pass the bill at this time it seems to me that we shall go back to the same kind of irresponsible fiscal practices which have existed for the last 20 years; and we shall make it difficult, if not impossible, to recapture control of our own finances. I want this administration to succeed, as it is doing with its present policies.

I have voted many times to increase appropriations, but I have not voted to reduce taxes when I knew that it would be impossible to have funds with which to pay for the appropriations.

The VICE PRESIDENT. The time allotted the Senator from Kentucky has expired.

Mr. DOUGLAS. Mr. President——

Mr. JOHNSON of Texas. Mr. President, I yield 1 minute, or such time as he may require, to the Senator from Illinois [Mr. DOUGLAS].

Mr. DOUGLAS. Mr. President, I should like to inquire of the Senator from Texas his understanding about the attitude of the administration on this tax bill. Is there not a good deal of uncertainty about it? Some say the administration will accept the bill; others say the administration has resisted it.

I listened to the very able Senator from Colorado [Mr. MILLIKIN] in his statement of the attitude of the administration. I should like to ask the Senator from Texas whether he received the same impression that I received, namely, that although the administration resisted the tax cuts, it did not resist very strenuously.

Mr. JOHNSON of Texas. Mr. President, in light of the statement made by the responsible and delightful majority

leader, that it is his opinion that the President favors this bill, I shall stand on that statement.

In fairness to the Members of the Senate, I think I should bring to the attention of the Senate a few brief remarks which occurred earlier today.

Earlier today I asked whether the administration favored the bill as it came to the Senate from the House of Representatives.

At that point the following colloquy occurred:

Mr. MILLIKIN. My impression of the showing which was made before our committee was that the administration was not tearing itself to pieces in opposition to the provisions of the bill.

Whatever that means.

I then asked:

Does the administration have a position on the bill?

Mr. MILLIKIN. The administration's position is definitely that the particular tax we are talking about should be continued.

I had not asked about that.

Then I said:

I am talking about the entire bill.

Mr. MILLIKIN. Is the Senator speaking of the remainder of the bill?

Mr. JOHNSON of Texas. I am talking about the bill as it came from the House.

Mr. MILLIKIN. The administration would rather not have such a large cut in excise taxes.

Mr. JOHNSON of Texas. Then it is fair to say that the administration is opposed to the bill as it came from the House, is it not?

Since they said they would not prefer such a large cut.

I read further:

Mr. MILLIKIN. I think there is an in-between place.

That is what I referred to as the birth of a twilight zone here.

Then the Senator from Colorado said:

Does it favor or does it oppose? I do not think it is happy about all the reductions in the bill before us, and it certainly is not happy over proposed reductions of this kind.

I read further:

Mr. JOHNSON of Texas. Has the administration recommended any reduction?

Mr. MILLIKIN. Not expressly.

Mr. JOHNSON of Texas. Is it fair, then, to assume that it does not favor any reductions, and that if it did, it would have recommended them?

Mr. MILLIKIN. I should say that the administration has little enthusiasm about the reductions in this bill, and definitely is in favor of continuing this particular tax.

Mr. President, for many years no Member of this body has had greater admiration for the Senator from Colorado [Mr. MILLIKIN] than I have had. He is always able, and he is always devoted to the public interest. When I go home tonight, I am going to tell my two little girls that today I found another reason for admiring the distinguished Senator from Colorado, namely, he is one of the most flexible Members of this body. [Laughter.]

Mr. SALTONSTALL. Mr. President, will the Senator from Texas yield 2 minutes to me?

Mr. JOHNSON of Texas. I yield.

Mr. SALTONSTALL. Mr. President, I have refrained from participating in the debate, but at this time I wish to say that I have heard many of the discussions at the White House and at other places.

The Senator from Illinois [Mr. DOUGLAS] said the administration did not resist this bill very strenuously. I merely wish to say that judging from the conversations and conferences I have attended and listened to, I would say the President of the United States and the Secretary of the Treasury wanted these excise taxes to remain as they are. That is clear in my mind.

The House of Representatives has the power under the Constitution to initiate tax bills, and the House has done so in this case, and in the bill it has voted certain changes in the excise taxes. Of course, the Senate has a right to adopt amendments to the bill; and under the able leadership of the Senator from Colorado [Mr. MILLIKIN] the provisions voted by the House of Representatives have been somewhat changed.

As one Member of the Senate I supported the Finance Committee, which went into the subject as carefully and thoroughly as possible. I should say that it is perfectly clear to my mind that the administration wanted these excise taxes extended. They resisted just as hard as they could, and then left it to the independence of Congress to do the best job possible.

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

Mr. SALTONSTALL. I am through.

Mr. JOHNSON of Texas. Will the Senator yield for a question?

Mr. SALTONSTALL. Certainly.

Mr. JOHNSON of Texas. Will the Senator point to some of this strong resistance on the part of the administration? I have searched the record in vain. I was not present in the private conferences to which the Senator has referred, but I assume that the distinguished chairman of the committee was present. Will the Senator pinpoint some of the resistance to the bill? Is the Senator contending that his administration is resisting the passage of the bill?

Mr. SALTONSTALL. No; I did not say that.

Mr. JOHNSON of Texas. What did the Senator say?

Mr. SALTONSTALL. I said that this administration did not want the excise taxes reduced.

Mr. JOHNSON of Texas. They are being reduced by $1 billion, are they not?

Mr. SALTONSTALL. Certainly they are; and I say that the administration does not like that.

Mr. JOHNSON of Texas. Can the Senator point to some statement by the administration to that effect?

Mr. SALTONSTALL. The Secretary of the Treasury has said a number of times. The President of the United States said it in his message.

Mr. JOHNSON of Texas. How does the Senator reconcile that with the statement of the majority leader [Mr. KNOWLAND] that the President favors the bill?

Mr. SALTONSTALL. I believe that the statement which I have just made and the statement of the majority leader are substantially on all-fours, as the Senator, who is a good lawyer, knows.

SEVERAL SENATORS. Vote! Vote!

Mr. BYRD. Mr. President——

Mr. JOHNSON of Texas. Mr. President, we are going to vote, but we are not going to vote until Members who wish to say something on this subject have an opportunity to say it. I have a dinner engagement, too, but the public business comes first. I have been late since 6:30. When the distinguished Senator from Virginia [Mr. BYRD] and the distinguished Senator from Minnesota [Mr. HUMPHREY] ask me for time, I am going to yield it as long as I have the time to yield.

I now yield to the distinguished Senator from Virginia such time as he may desire.

Mr. BYRD. Mr. President, I intend to vote against the bill. I appreciate the fact that section 2 extends the excise taxes which would otherwise expire on April 1, but we have 6 days until April 1 in order to pass a resolution extending those excise taxes in the event the bill should be defeated.

I do not intend to have any part or any responsibility in connection with the actions of those who are today adding $1 billion to the public debt in order to reduce luxury taxes.

Mr. HUMPHREY. Mr. President——

Mr. JOHNSON of Texas. I yield such time as he may desire to the distinguished junior Senator from Minnesota.

Mr. HUMPHREY. Mr. President, it seems that we are about to vote on the bill on the basis of our own convictions, without any general guidance. I have been unable to find out, after this mealy conversation and confusion compounded and complex, where anyone stands, except with respect to Members of the Senate.

We find that out when Senators answer the rollcall. Perhaps at the White House one can vote "maybe." It cannot be done here. We have no such category.

I wish to make this quite clear: When the administration wanted the extension of the excess-profits tax, and the President made his views perfectly clear, we extended the excess-profits tax. When the administration did not want the extension of the excess-profits tax, it died a beautiful, sublime death, and there was hardly a peep out of any Member of the Senate about the death of the excess-profits tax.

Now there are some excise taxes which are about to be cut. Most of the excise taxes are not paid by the manufacturing companies. They are paid by the people who buy whatever service or product these taxes now affect.

It so happens that I supported some of the amendments of the Senator from Illinois [Mr. DOUGLAS] because I thought they were basic. As the Senator from Indiana [Mr. CAPEHART] has pointed out, they were amendments which related to durable consumers' goods. Had those amendments been adopted, it seems to me it would have meant more jobs, better production, and more sales. I want to commend the Senator from Indiana for talking economic sense, when he says that sales mean production, pro-

duction means jobs, and jobs mean income. Anyone can understand that. No Senator has to vote "maybe" on that issue. We can understand it clearly.

The excise taxes are absolutely consumer taxes. The main complaint about this bill is that it does not really reach enough consumers. That is what the Douglas amendments were directed to.

Let me say a final word on the subject of advice on fiscal policy. I should like to know just where the administration stands. When we listen to the radio, we learn that the administration is for tax reduction. If anyone does not believe it, let him tune in some night when a great appeal is being made. He will be told, "This administration obtained for you a tax reduction." That is what is here. I do not know how we are going to work this one. I have not been able to find out in the Senate whether the administration is for the bill or against it, but I predict that when the bill passes this administration will be for tax reduction. It will get it, too; and the Congress will be accused of unbalancing the budget.

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

Mr. HUMPHREY. Of course.

Mr. JOHNSON of Texas. I would not say that one could not draw any conclusions from the various statements made on the other side of the aisle. I think we can assume that the majority leader is reasonably accurate in his statement when he says that he belives the administration favors the bill. We have had statements from the distinguished majority leader and the distinguished chairman of the committee. I have been considerably strengthened by the assurance of my delightful friend from Massachusetts [Mr. SALTONSTALL]. Since they are supporting the bill, perhaps the best thing we can do is to pass it and let Senators who wish to go to dinner leave. The Senator realizes that the bill will have to go to conference.

I know that the Senator from Colorado is going to protect the interests of the Senate in conference. During the time he is arguing with able Members of the House there will be plenty of opportunity for the Secretary of the Treasury to step up and become really dynamic.

He will have an opportunity to let us know what the position of the administration is with respect to this $1 billion tax-reduction measure. I want it to be known that I am supporting it because it is the lesser of two evils, and because I have pretty good assurances that those who handle our fiscal policy think it is in the best interests of the country.

Mr. HUMPHREY. Mr. President, let me say a final word. Much as I want to hear what the Secretary of the Treasury has to say about fiscal policy, the last time he had something to say about fiscal policy was when we took definite action which cost the country plenty. Six months later the administration was in full retreat on the subject of interest rates and tight credit.

I remind the Senate that that policy was in effect a year ago. The administration is now trying to disavow that policy. While I am delighted to have statements as to the position of the administration, I do not think it is going to help a bit, so I am perfectly ready to vote.

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

Mr. HUMPHREY. I yield.

Mr. NEELY. In view of what the minority leader has just said about the impossibility of ascertaining the attitude of the White House on this question, I wonder if there is not some Republican Member of the Senate who is on speaking terms with the President, who could telephone him and ascertain whether he is for or against the bill.

Mr. CAPEHART. Mr. President——

Mr. JOHNSON of Texas. I yield to the Senator from Indiana.

Mr. CAPEHART. Mr. President, I have been listening to this debate for the past 10 or 15 minutes, and I have been studying the proposed reductions. I know that many people will criticize me for doing what I am about ready to do. We cannot reduce the luxury taxes by $1 billion and throw the budget out of balance by another $1 billion, making reductions in taxes on certain articles which would not create any jobs or use up any material. Therefore I move that the bill be recommended to the Committee on Finance for further study.

The VICE PRESIDENT. The question is on agreeing to the motion of the Senator from Indiana [Mr. CAPEHART].

Mr. KNOWLAND. Mr. President, I make the plea to Senators on both sides of the aisle not to recommit the bill.

The VICE PRESIDENT. Does the Senator from Colorado yield time to the majority leader?

Mr. KNOWLAND. I shall require not more than 5 minutes.

Mr. MILLIKIN. I yield to the majority leader.

Mr. KNOWLAND. Mr. President, regardless of what rates may finally be written into the bill as a result of the Senate action and the action in conference, the fact remains that until there is certainty as to what the rates are to be there will be an adverse effect upon business in all sections of the country. Whether people are waiting to buy an automobile, a refrigerator, or any other commodity covered by the bill, so long as there is uncertainty they are likely to postpone their purchases. That is bound to affect employment. I do not think it is in the best interests of the Nation to recommit the bill to the committee, and I sincerely hope that the motion of the Senator from Indiana will not be favorably acted upon. I hope the Senate will pass the bill tonight and send it to conference as soon as possible, so that we may have a final determination, in order that every merchant and every purchaser may know what the tax rates are to be.

The VICE PRESIDENT. The question is on agreeing to the motion of the Senator from Indiana.

Mr. CAPEHART. Mr. President, I request the yeas and nays.

The yeas and nays were not ordered.

The VICE PRESIDENT. The question is on agreeing to the motion of the Senator from Indiana.

The motion was rejected.

The VICE PRESIDENT. The question is on the final passage of the bill. The yeas and nays have been ordered, and the Secretary will call the roll.

The legislative clerk proceeded to call the roll.

Mr. FREAR (when his name was called). On this vote I have a pair with the junior Senator from Texas [Mr. DANIEL]. If he were present and voting he would vote "nay." If I were permitted to vote I would vote "yea." I withhold my vote.

The rollcall was concluded.

Mr. SALTONSTALL. I announce that the Senator from Arizona [Mr. GOLDWATER] is absent on official business.

The Senator from New Hampshire [Mr. BRIDGES], the Senator from Vermont [Mr. FLANDERS], and the Senator from North Dakota [Mr. YOUNG] are necessarily absent.

If present and voting, the Senator from New Hampshire [Mr. BRIDGES], the Senator from Vermont [Mr. FLANDERS], and the Senator from Arizona [Mr. GOLDWATER] would each vote "yea."

Mr. CLEMENTS. I announce that the Senator from New Mexico [Mr. CHAVEZ] and the Senator from Iowa [Mr. GILLETTE] are unavoidably detained, and, if present, each would vote "yea."

The Senator from Georgia [Mr. GEORGE] is absent by leave of the Senate because of illness, and, if present, would vote "yea."

The Senator from Texas [Mr. DANIEL], the Senator from North Carolina [Mr. LENNON], the Senator from Montana [Mr. MURRAY], and the Senator from Alabama [Mr. SPARKMAN] are absent on official business.

I announce further that, if present and voting, the Senator from North Carolina [Mr. LENNON] and the Senator from Montana [Mr. MURRAY] would each vote "yea."

The result was announced—yeas 76, nays 8, as follows:

YEAS—76

Aiken	Hennings	McCarthy
Anderson	Hickenlooper	McClellan
Barrett	Hoey	Millikin
Beall	Holland	Monroney
Bennett	Humphrey	Morse
Bricker	Hunt	Mundt
Burke	Ives	Neely
Bush	Jackson	Pastore
Butler, Md.	Jenner	Payne
Butler, Nebr.	Johnson, Colo.	Potter
Carlson	Johnson, Tex.	Purtell
Case	Johnston, S. C.	Robertson
Clements	Kefauver	Saltonstall
Cordon	Kennedy	Schoeppel
Douglas	Kerr	Smathers
Duff	Kilgore	Smith, Maine
Dworshak	Knowland	Smith, N. J.
Eastland	Kuchel	Stennis
Ellender	Lehman	Symington
Ferguson	Long	Thye
Fulbright	Magnuson	Upton
Gore	Malone	Watkins
Green	Mansfield	Welker
Griswold	Martin	Wiley
Hayden	Maybank	
Hendrickson	McCarran	

NAYS—8

Byrd	Dirksen	Russell
Capehart	Hill	Williams
Cooper	Langer	

NOT VOTING—12

Bridges	Frear	Lennon
Chavez	George	Murray
Daniel	Gillette	Sparkman
Flanders	Goldwater	Young

So the bill (H. R. 8224) was passed

Mr. MILLIKIN. Mr. President, I send to the desk an order which I ask to have read and agreed to.

The VICE PRESIDENT. The Secretary will state the order.

The Chief Clerk read as follows:

Ordered, (1) That the bill (H. R. 8224) be printed with the Senate amendments numbered.

(2) That in the engrossment of the amendments of the Senate to the bill the Secretary of the Senate be authorized to make all necessary technical and clerical changes, including changes in section, subsection, paragraph, etc., numbers and letters and cross-references thereto.

The VICE PRESIDENT. Is there objection? Without objection, the order is entered.

Mr. MILLIKIN. Mr. President, I move that the Senate insist upon its amendments, request a conference thereon with the House of Representatives, and that the Chair appoint the conferees on the part of the Senate.

The motion was agreed to; and the Vice President appointed Mr. MILLIKIN, Mr. BUTLER of Nebraska, Mr. MARTIN, Mr. GEORGE, and Mr. BYRD conferees on the part of the Senate.

THE NEW CIVIL AERONAUTICS ACT

Mr. KNOWLAND obtained the floor.

Mr. BRICKER. Mr. President, will the Senator from California yield 1 minute to me?

Mr. KNOWLAND. I yield.

Mr. BRICKER. Mr. President, I desire to advise the Members of the Senate that on April 6, we shall begin hearings on a civil aviation bill. This will be the first time since the original bill was enacted that this subject will have had thorough consideration by any congressional committee or by either House of Congress.

The distinguished Senator from Nevada [Mr. McCARRAN] is the author of the bill, which is a complete codification of the aviation law. He will be the first witness on April 6.

I seek the advice, help, and testimony of any Senator who is interested in this very vital program for the promotion of the best interests of the Nation.

Mr. President, at this time I ask unanimous consent to have printed in the RECORD an address delivered on March 23 by the distinguished Senator from Nevada [Mr. McCARRAN], the author of the bill, in appearing at the National Press Club Auditorium, in Washington, D. C. His address is a thoughtful, analytical study of the bill, as proposed.

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

Bob Ramspeck asked me to speak to you about my pending bill, S. 2647, to rewrite the Civil Aeronautics Act.

As many of you know, I am scheduled to appear before the Interstate and Foreign Commerce Committee of the Senate on April 6, as the first witness in hearings on this bill which I anticipate will run for several weeks. I am informed it is the present intention of the Interstate and Foreign Commerce Committee to go forward with these hearings methodically, from day to day, until they have been completed; and I am delighted at the prospect that the many questions involved in the task of rewriting the Civil Aeronautics Act and bringing it up to date are thus to have the concentrated attention of the appropriate Senate committee. I have been trying for 10 years to get that attention focused in that way.

What I may say here today should not be taken as necessarily a preview of what I may say on April 6 before the committee; but I do not think it likely that I shall on that occasion depart very far from what I say today, though I anticipate I may then say a good many things that time will not permit me to include in my talk today, which I intend to keep at least reasonably brief.

I think it quite likely that there have been those who have approached the Committee on Interstate and Foreign Commerce and have sought to deter that committee from inaugurating the hearings it has now undertaken, on the ground that the Civil Aeronautics Act is a good and successful statute and that, therefore, time spent studying it will be time wasted. The committee was wise in not listening to any such arguments. The Civil Aeronautics Act has been, and is, a good law; in my opinion—and I admit the possibility that as author of the act I may be slightly prejudiced—it has been an outstandingly successful law. But the time to review basic legislation of this kind is not after it has broken down because it is outmoded. The time to undertake a review of the sort that the Senate Committee on Interstate and Foreign Commerce is starting, is before the collapse of the statute; at a time when experience indicates that the law may be approaching obsolescence.

It is possible, and I recognize the possibility, that after a careful review of the law and the facts as they relate to the aviation industry, and especially the growth and development of commercial aviation in the United States, the committee will conclude that needed changes are very limited. If that is so, a great tribute will have been paid to the Civil Aeronautics Act of 1938, and the foresight and vision which went into it. But as the sponsor of that legislation in the Senate, I do not claim that much foresight and wisdom. I believe the committee will find that the changing aviation scene has caused deficiencies which must now be recognized.

When I testify before the committee next month, I think I shall review briefly the conditions which resulted in the enactment of the Civil Aeronautics Act of 1938. There may be some members of the committee not fully familiar with that background. But today, time will not permit such a review; and so I will just indulge the presumption, whether or not justified, that all the members of the Aero Club and their guests are fully familiar with the facts and circumstances which led up to the present law.

I do, however, want to stress one point which requires me to discuss historical facts for just a minute.

One of the most urgent needs of the aviation industry in 1938 was sound, impartial safety regulation. The safety record of the industry had been poor. The Copeland investigation had demonstrated that safety regulation had been equally poor. The Air Commerce Act of 1926 had given virtually complete discretion to the Secretary of Commerce to develop his own means and methods of regulating the industry from a safety standpoint. All the facts before the Congress at the time made it clear that the time had come when it was necessary for the Congress to legislate more specifically in this important area.

To meet this need, Congress decided to transfer total responsibility for safety regulation to the new agency it was creating, and specific instructions were given in the statute as to the character of safety regulation which was to be followed. The congressional investigation had also demonstrated that the investigation of aircraft accidents had not always been conducted fairly and impartially. The tendency prevailed to place the blame for the accident upon the pilot and terminate the investigation. The lessons to be learned from careful and detailed investigation of all the facts and circumstances surrounding an accident were being ignored. Congress recognized then, as we all recognize now, the heavy obligation upon the public authorities to exert every effort to determine the cause of an accident, no matter how obscure, in order that air-transport operations may be impaired and similar accidents prevented in the future.

In order to meet this problem, an independent agency was created and entitled "The Air Safety Board." It was a board of three, whose qualifications were carefully set forth in the law. It was their responsibility to investigate accidents, determine their cause, and make such recommendations as were necessary to prevent the happening of similar accidents in the future. Members of this Board were in a position to proceed with complete impartiality, because they were not responsible for the operation of the aircraft, for the building or operation of the airways, or for the issuance or enforcement of safety regulations.

Unfortunately the President, by Executive order, abolished the independent Air Safety Board in 1940, but the pattern it set for aircraft-accident investigation has been the model to be followed by the Civil Aeronautics Board in its investigations ever since.

The establishment of this pattern was a very substantial contribution to aviation safety, and because I believe in the principle of an independent Air Safety Board, my new bill makes provision for reestablishing such a Board. I do not intend to argue that question today, however. I raise the point because I want to say that great as was the contribution to aviation safety through the pattern for aircraft-accident investigation set by the Air Safety Board, I believe the greatest contribution to safety made by the Civil Aeronautics Act was the entire pattern of economic regulation which had as its objective the creation of a financially sound industry, operated by companies of good character and integrity. All the safety regulations in the world will not make an industry safe if it is in such poor financial condition that it is tempted to conserve its funds by slighting its maintenance, its training, its equipment purchases, or other safety essentials. Nor will all the safety regulations in the world make an airline safe if the management of the airline is irresponsible or contemptuous of regulations. Not even an army of inspectors could produce a good safety record if the industry was so poor that expensive precautions could not be taken, or if the inspectors were required at every turn to match wits with ingenious law violators. In contemplation of this truth lie lessons which, I think, may be useful to us in this present day as we seek solutions for the regulatory problems of commercial aviation, complicated as those problems are by many factors which have arisen since the enactment of the Civil Aeronautics Act of 1938.

Without further discussion of background, with no more setting of the scene, with no more detailed effort to establish the need for changes in the present law, let me take a few minutes to describe, in general terms, some of the changes which I think the Senate committee will wish to consider most carefully.

At the outset, consideration should be given the present organization of the regulatory and promotional agencies for civil aviation. The original organizational plan of the Congress under the Civil Aeronautics Act was not long in effect. Few agencies of the Government have felt the impact of the President's power to reorganize, as the Civil Aeronautics agencies have felt it. The re-

sult is that we do not have today an organization which has been adopted after due deliberation by Congress, but rather, one which has been fitted together in bits and pieces, over the years, by Executive order. Possibly it may be determined, after study, that the present organization is the best that could be devised. If that is the conclusion, this result will have been achieved by pure chance, because, certainly, the process through which the present organization evolved is not one which would be calculated to produce good results. Personally, I think changes need to be made.

In S. 2647, I have proposed an organization not unlike that of the Interstate Commerce Commission, the Federal Communications Commission, and the Federal Power Commission. I propose a regulatory agency of seven men in whom all the aviation functions except accident investigation are vested. My bill makes this agency independent of any executive agencies, just as are the other commissions I have mentioned.

This form of organization has many advantages, not the least of which is its independence. We must remember that this agency has vast quasi-legislative and quasi-judicial powers. It grants routes, which are of great value. It fixes and pays subsidies. It fixes mail rates and commercial rates. It has long been established that the Congress does not wish functions of this type to be performed under executive domination. The original decision on this policy was made in 1887, and I have seen no evidence that the Congress has seen fit to change its mind.

By vesting all the civil-aviation functions in one commission, it is made necessary to look only one place in order to fix responsibility for the regulation and promotion of civil aviation in this country. There will be no opportunity for this new authority to pass the buck for its failures to agencies other than itself.

Furthermore, exercise of all these functions by one agency will permit coordinated and efficient action. All the aviation functions are closely interrelated. As I have already pointed out, economic and safety regulation must go hand in hand. Economic policies must be carried out successfully in order that the air-transport industry will have the financial resources to adopt and maintain adequate safety precautions. Conversely, in making safety regulations, the regulatory agency must give its attention to their economic impact.

The building of civil airways, which some would regard as a purely technical assignment, actually is not that simple. The economic soundness of the air transport industry depends upon efficient operation of the civil airways. Development of private and corporate flying also is dependent upon ability to move with efficiency and safety during bad weather.

In the past, the members of the Civil Aeronautics Board and the Civil Aeronautics Administrator have cooperated well; but my experience in reviewing their appropriations each year has shown me clearly how difficult the task of cooperation was. If that cooperation had failed, our civil aeronautics regulation and promotion would have failed with it. It is not wise, in my opinion, to have the success of a governmental activity of this sort dependent solely upon the goodwill of Government administrators. I consider it much wiser to create a Government agency, such as my new bill proposes, to be responsible for all these interrelated functions.

One apparent disadvantage of this proposed organization should be brought up and examined. The proposed agency will be a large one, run by a board of seven. It is standard doctrine of Government management experts that a board cannot actually do anything very well, and that this form of organization should be used only when absolutely necessary. There is something to be said for this view, because obviously it is easier for one man to make decisions than it is for a board of seven to do so. But we can carry this view too far. Proper organization for the exercise of the civil aeronautics functions presents difficult and unique problems. It seems perfectly clear that a board, rather than an individual, must deal with the quasi-legislative and quasi-judicial functions. These actually represent the major task of this agency; a task which the Congress would not entrust to a single official. Thus it seems obvious that a board of significant size and great competence must be created. Furthermore, in view of the interrelationship between the quasi-legislative and quasi-judicial functions, on the one hand, and the building of airways and other similar operating functions on the other hand, it seems necessary to vest the responsibility for those functions in the same agency.

In order to permit the efficient performance of those duties related to airways, the enforcement of regulations, and other similar matters, I propose the creation of the Office of Executive Director of the Authority. He would be compensated on the same scale as the members of the Authority. He would be subject to their general supervision. They would be given discretion to delegate their functions to him. Thus the Authority would be able to carry out its legislative and judicial duties as a board. In addition, they would be permitted to delegate other responsibilities to the Executive Director. With respect to such delegated duties, they could decide the broad policies which he was to execute and, thus, provide the needed coordination among and between all of the functions vested in the agency as a whole. In this way, I believe that the organization provided for in my bill will bring with it great advantages and, at the same time, provide a cure for the only real disadvantage to which it may be said to be subject.

So much for organization.

Another point which I hope the committee will study very carefully is that of the relations between State and Federal Governments as they affect aviation. Under the present statute, the Civil Aeronautics Board is prepared to assert too little power in some instances, and too much power in other instances. There has been considerable litigation arising out of uncertainties, under existing law, as to the respective jurisdictions of the Civil Aeronautics Board and the various State commissions. There has also been litigation concerning the applicability of Federal safety regulations to private fliers operating wholly within a single State. These problems should be clarified. Congress should determine a definite policy concerning the extent of Federal and State jurisdiction with respect to aviation.

Without any more detailed discussion of this problem—and it certainly merits a much more detailed discussion—I will say only that my bill proposes to give to the Civil Aeronautics Board clear regulatory power over both interstate and intrastate traffic moving over the interstate airlines. I have considered this wise not only because of the predominance of interstate traffic, but also because of the regulatory burdens under which our airlines might be virtually buried if widespread State regulations were imposed upon them. Our largest domestic airline operates in 23 States. Even the smallest trunkline operates in seven States. Thus, if these airlines were subjected to rate regulation, accounting regulation, and schedule regulation, by each of the States through which they operate, their costs would be greatly increased, and we must not forget that such increased costs would be passed directly to the public. I do not consider it wise expenditure of public funds for States to impose elaborate regulation upon airlines whose traffic is only 4 percent intrastate and who are already carefully regulated by the Federal Government.

In the case of an airline that purports to carry only intrastate traffic, my bill would not impose economic regulation, though such an airline would be required to meet appropriate Federal safety standards. It seemed to me the Federal Government would be going too far to assert jurisdiction over a wholly intrastate airline, except as safety required. At the present time, at least, there are few intrastate route segments which could support a wholly separate airline.

I mentioned earlier that litigation has arisen over whether the Federal safety regulations can be enforced against private fliers operating wholly within a single State. Lower courts have supported Federal jurisdiction, but uncertainty remains as to whether the Federal power can be carried that far. In this, the committee must achieve a nice balance between conflicting objectives. Plainly, Federal regulation must be controlling with respect to the design and construction of aircraft, for our manufacturers must not be forced to build different airplanes for use in different States. Plainly, also, airline operating requirements of all sorts must be established by the Federal Government. Conflicting State rules such as afflict the trucking industry would render airline operation impossible. Air traffic rules must be uniform because, as aircraft go from State to State, there must be no confusion as to the rules of the air and traffic procedures. Confusion in that respect will mean accidents. All this points to the conclusion that the Federal Government should make all safety regulations and should administer them.

But this means that every private flier, no matter how limited his operations, must become involved in the extensive complications which arise out of overall Federal control. He must turn to a Federal inspector for his pilot's license, for the certification of his aircraft, and for the periodic inspection of his aircraft. He is completely immersed in a sea of Federal regulation. It has been the constant complaint of the private flier that aviation was so regulated that the development of private flying was seriously impaired. It has been said that aircraft operation has become so complicated that only a sturdy few are willing to undertake it. There is no doubt that these complaints have a large measure of justification, and my own ears are sympathetic to those complaints. It may be the solution lies in the direction of permitting a measure of local regulation of local flight activity. In my bill I have deliberately included provisions which point in that direction. I hope the committee will tackle this knotty problem and come forward with fair and workable solutions.

If time permitted, I would go on and discuss provisions which I have written into my bill, respecting economic regulation of contract carriers by air, and the certification and regulation of the so-called irregular air carriers. Those subjects are broader and more complex than should be touched upon in the very limited time which I would feel justified in giving them today. I feel sure the committee will seek a full expression of opinion on these points from all interested witnesses, as well as from experts in this field, and whether the predominant body of that testimony supports my proposals or points to some other solution, I think the result cannot fail to be helpful to the aviation industry.

There are a number of other provisions in my bill which I should like to talk about, but I am not going to do it today, because I want to make just one more point and then close.

We all know of the great expansion which the airlines of this Nation have made in the international field. From the beginning, it has been plain that expansion and development of our international airlines was of crucial importance to the United States.

In an air age, to be predominant in the world, the United States was required to be predominant in world aviation. We have achieved that position. United States flag airlines operate more miles of international route than any other nation, operate more aircraft than any other nation, and carry more air traffic than any other nation. Moreover, if the cloak of subsidy could be drawn aside from the foreign competitors of our airlines, I am sure it would be made plain that American flag airlines are financially the most successful.

All this has been accomplished notwithstanding the disadvantages to which American transport enterprise always is subject in the foreign field. Our wage rates are much higher than those paid by the foreign competitors of our airlines. Many of the safety standards our airlines are required to maintain are higher than those of their competitors. We pay our airlines less for the transportation of mail than their foreign competitors receive. Notwithstanding all these handicaps, national interest demands that American flag airlines shall not fail in competition with foreign flag carriers.

Because it is so essential that we maintain our position in the forefront of world aviation, the policies of our Government must be carefully framed so as to accomplish this objective. I shall urge the Senate Committee on Interstate and Foreign Commerce to let nothing obscure the importance of this.

Once let this Nation lose its position in international air transportation, and it will be difficult, if not impossible, to regain it. Since the middle of the last century, we have been trying to maintain an adequate merchant marine. We made the fatal mistake, many years ago, of permitting our merchant marine virtually to disintegrate; so that, by the beginning of World War I, we were pitifully weak on the seas. Since that time we have tried strenuously to restore our position, but I do not believe anyone will say we have wholly succeeded.

As the Senate committee reviews our basic aviation laws, this bedrock issue of policy will come up time and again. It will arise in connection with the establishment of routes abroad. It will arise in connection with the consideration of subsidy. It will arise in consideration of the extent of foreign competition that should be permitted to serve the United States. It will arise in dealing with the establishment of mail compensation. In dealing with any of these problems, I am confident that the committee will recognize that, in the field of international aviation, we are playing for big stakes, which require strong promotional policies.

In the time allotted to me, I have tried to set forth some of the main issues involved in a review of our present civil aviation legislation. It is quite obvious to all, I am sure, that I have discussed only some of them. I would not even have it said that my selection of certain issues for discussion today mark those issues as the most important ones involved. I have simply tried to give you some of my thoughts, as I shall hope to give them to the Senate Committee on Interstate and Foreign Commerce next month. It has been a pleasure to be with you, and I hope that every one of you who has an opinion on any one of these subjects, or upon any of the proposals embodied in my bill, or upon any other factor pertinent to the task of rewriting our basic aviation law, will convey his thoughts and opinions on that subject to the Senate committee, either by personal testimony or through written communication.

STATEHOOD FOR HAWAII

Mr. KNOWLAND. Mr. President, for the information of the Senate, inasmuch as we have now been in session until almost 9 o'clock in the evening, and pursuant to a consultation I have had and an understanding reached with the minority leader, and also in view of the statement I made on the floor, when the Senate has concluded its business for today, it is my intention to move to recess until Monday next at 12 o'clock noon.

Mr. President, at this time I move that the Senate proceed to the consideration of Calendar No. 886, Senate bill 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, so that the bill may become the unfinished business before the Senate.

The VICE PRESIDENT. The question is on agreeing to the motion of the Senator from California.

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

Mr. KNOWLAND. I yield.

Mr. MORSE. Is it the Senator's intention that the Senate will proceed to discuss and debate the Hawaii-Alaska bill without further displacement of it?

Mr. KNOWLAND. I will say to the Senator from Oregon that there is no proposed legislation I know of at the present time for which I would suggest that the statehood bill be displaced; except of course that I would ask to have it displaced for conference reports and for appropriation bills in the event any should be ready. Other than that, I know of no measures which may be considered before, I hope, the final vote is taken on the statehood bill.

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

Mr. KNOWLAND. I yield.

Mr. JOHNSON of Texas. As I understand, it is the intention of the majority leader to have the debate on the Hawaii-Alaska bill resumed on Monday and to proceed with that bill until interrupted by a conference report or some unforeseen legislation.

Mr. KNOWLAND. That is correct. If any proposed change should arise, I will advise the distinguished minority leader as far in advance as possible.

The VICE PRESIDENT. The question is on agreeing to the motion of the Senator from California [Mr. KNOWLAND].

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

Mr. KNOWLAND. Mr. President, I understand that there is a conference report which has been discussed with the majority leader and the minority leader earlier in the day, and we both requested that inasmuch as the time was controlled on the excise-tax bill, the report could wait until that bill was finally disposed of.

UNITED STATES AIR FORCE ACADEMY—CONFERENCE REPORT (H. REPT. NO. 1427)

Mr. SALTONSTALL. Mr. President, I submit a report of the committee of conference on the disagreeing votes of the two Houses on 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. I ask for the present consideration of the report.

The VICE PRESIDENT. The report will be read for the information of the Senate.

The legislative clerk read the report.

(For conference report, see p. 4012 of House proceedings of March 29.)

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

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

Mr. SALTONSTALL. Mr. President, the Senator from Georgia [Mr. RUSSELL] and I attended the conference, and the Senator from Tennessee was the only one who objected to the bill on the floor.

I hope the conference report will be adopted.

The VICE PRESIDENT. The question is on agreeing to the conference report.

The report was agreed to.

LICENSE TO USE CERTAIN UNITED STATES PROPERTY IN HONOLULU, HAWAII, BY LEAHI HOSPITAL

The VICE PRESIDENT laid before the Senate a message from the House of Representatives announcing its disagreement to the amendment of the Senate to the bill (H. R. 6025) to authorize the Secretary of the Army to grant a license to the Leahi Hospital, a nonprofit institution, to use certain United States property in the city and county of Honolulu, T. H., and requesting a conference with the Senate on the disagreeing votes of the two Houses thereon.

Mr. SALTONSTALL. I move that the Senate insist upon its amendment, agree to the request of the House for a conference, and that the Chair appoint the conferees on the part of the Senate.

The motion was agreed to; and the Vice President appointed Mr. HENDRICKSON, Mr. COOPER, and Mr. KEFAUVER conferees on the part of the Senate.

OUTLAWING THE COMMUNIST PARTY

Mr. MANSFIELD. Mr. President, I introduce for appropriate reference a bill to outlaw the Communist Party and similar organizations. I ask unanimous consent that a statement by me regarding the bill be printed in the RECORD.

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

The bill (S. 3191) to outlaw the Communist Party and similar organizations, introduced by Mr. MANSFIELD, was received, read twice by its title, and referred to the Committee on the Judiciary.

The statement presented by Mr. MANSFIELD is as follows:

STATEMENT BY SENATOR MANSFIELD

I have today introduced a bill to outlaw the Communist Party. It is similar to a bill I introduced in the House of Representatives in 1951.

During past sessions of Congress many bills have been introduced into the House and

Senate which would outlaw the Communist Party and similar organizations in the United States. As yet none of these proposed bills have gone beyond the committee stage.

Numerous events are today pointing to the outlawing of the Communist Party and such action should be taken during the 83d session of Congress.

Outlawing the Communist Party would not be a violation of the fundamental right of people in the United States to organize and function through a political party, as the Communist Party is not a legitimate political organization any more than a group of doctors operating an illegal narcotics ring would constitute a legitimate medical enterprise. By its own declaration of aims and purposes, the Communist Party is engaged in a criminal conspiracy and operation: The advocacy and projected overthrow of the American Government by force and violence.

The outlawing of the party will destroy its false appearance of respectability as a political party within the constitutional limitations. The passing of such legislation would be no different than when the Nazi Bund was outlawed here in the early 1940's.

One of the main arguments, if not the main one, given by FBI Chief J. Edgar Hoover in his testimony before congressional committees has been his assertion that to outlaw the Communist Party would drive it underground. In new testimony before the House Appropriations Committee this year, Mr. Hoover states, "The investigative burden in covering the Communist underground has been increased tremendously as is shown by the fact that where 1 agent was formerly needed for proper coverage, we now require as many as 9 or 10 by reason of their greater security consciousness in carrying out their conspiratorial activities."

He further states in the same testimony that, "Today, there are two types of Communist Party leadership: Open leadership comprised of people like William Z. Foster and a select group of others; and an underground leadership, which actually has been assuming more and more authority and control to administer the entire party in the event it is no longer feasible to continue in the open."

These statements indicate to me that the Communist Party has gone underground, therefore the chief objection made by Mr. Hoover prior to this year is no longer valid. As to the extent of the conspiracy, it might be well for us to note further testimony given by the Director of the FBI in which he says:

"Through the perfection of the underground apparatus, the party aims to preserve intact a hard core of militant Communists to carry out the aims and objectives of the international Communist movement under all forms of adversity.

"The security measures which the Communist Party have taken in order to thwart the efforts of the FBI have been many and detailed in character. No longer are Communist Party membership cards issued; maintenance of membership records are forbidden; contacts of rank-and-file members are limited to from 3 to 5—the basic club unit. Most of the local headquarters have been discontinued and party records have been destroyed. No evening meetings are permitted in headquarters without staff members present. Conventions and large meetings are held to the absolute minimum. The use of the telephone and telegraph is avoided.

"No contact is had with families or friends; contacts between functionaries are arranged through frequently changed intermediaries; false drivers' licenses have been obtained; assumed names have been adopted; modification of physical appearance has been effected, such as dyeing hair and eyebrows, as was done by a member of the national committee who was apprehended by agents of the FBI in a hideout in the high Sierras in California last August.

"They have removed conspicuous means of personal identification such as moles; they have affected a new manner of walking, have changed their dress standards, have avoided old habits and even have avoided old vices, and have avoided appearance in public places where their recognition would be probable.

"They communicate through couriers and avoid the use of written communications. They have instituted loyalty tests for all prospective underground personnel. They rotate the underground personnel to avoid detection. The underground staff is usually recruited from trusted Communist Party members having at least 10 or 12 years' experience.

"They appear outside of hideouts only at night. They use different automobiles, and the cars frequently are registered in fictitious names and not names of party members; the license plates are frequently changed.

"They have used extreme precautions in regard to surveillance, making rapid and frequent changes of conveyances, entering and leaving subways and buses just before the doors close, and doubling back on their course.

"I cite these various security measures not only because they are of interest to the committee but to show the stealth of the American Communists. It again shows the increased difficulty with which we are faced in trying to handle these investigations."

A group such as the Communists, which is the servant of a foreign power and places the interests of a foreign power above those of our own country, should be outlawed in the United States. Such a law would not outlaw ideas, it would not outlaw thoughts, it would make illegal organized conspiracy against this Nation.

The bill which I have just introduced reads in part: "Whoever knowingly and willfully becomes or remains a member of the Communist Party or any other organization having for one of its purposes or aims the establishment, control, conduct, seizure, or overthrow of the Government of the United States, or the government of any State or political subdivision thereof, by the use of force or violence, shall be fined not more than $10,000 or imprisoned not more than 10 years, or both."

The outlawing of the subversive groups is in line with the recommendations made by President Eisenhower in his state of the Union message. He said that any American convicted of conspiring to overthrow the Government by force and violence should be stripped of his citizenship.

I submit that the Communist organization in the United States should be outlawed.

ONE HUNDRED AND THIRTY-THIRD ANNIVERSARY OF THE INDEPENDENCE OF GREECE

Mr. SALTONSTALL. Mr. President, I have a brief statement with reference to Greek Independence Day, but because of the lateness of the hour, I ask unanimous consent that it be printed in the body of the RECORD.

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

STATEMENT BY SENATOR SALTONSTALL

Today is the 133d anniversary of the independence of Greece. There have been few finer examples of the determination of a free people to remain free than that which has been given to the world by the people of Greece, from ancient times to the present day. History has dramatized this fact again and again throughout Greece's magnificent annals. We know from our history books of the valor and strength of the Greek people at Thermopylae in ancient days and in the vital struggle against world communism in this present time.

I can think of no finer tribute that can be paid the people of Greece and our fellow citizens of Greek descent here in America than to say that liberty and freedom have never been better represented than by them.

We congratulate the Greek people upon this anniversary occasion. We look to them with admiration and high regard for the splendid example they have set us. This is a great anniversary. It is also a magnificent reminder of what all of us as free men and women must be and do in the difficult days ahead if we are to be strong and remain free.

THREE HUNDRED AND TWENTIETH ANNIVERSARY OF THE STATE OF MARYLAND

Mr. BUTLER of Maryland. Mr. President, I have a brief statement in connection with the 320th anniversary of the State of Maryland, which I shall not read at this time, but I ask unanimous consent that it be printed at this point in the body of the RECORD.

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

STATEMENT BY SENATOR BUTLER OF MARYLAND

I wish to take only a few minutes of the Senate's time to commemorate the 320th anniversary of the great State of Maryland, which I have the honor to represent in this national assembly.

From her Allegheny mountains to her placid eastern shore, every acre of this verdant land is laden with significant history—a history which in a very real sense is the history of America in miniature.

Cabot, Verrazano, Gilbert, and Capt. John Smith made early exploration of her ocean-bounded shore, and in 1634 the *Ark* and the *Dove*, under the leadership of the second Lord Baltimore, finally came to rest at St. Mary's City, where that small group of intrepid pioneers began the settlement that was to blossom into one of the great States of a great Nation.

These were men of courage and men of profound religious sentiment. In 1649 the Maryland Assembly passed the "act concerning religion," the first civil regime to declare in favor of freedom of conscience. They stood with firmness and fortitude against the early forays of the Indians, and eventually learned to live in peace with them.

It was Maryland that first threw down the gauntlet to the British by refusing to pay taxes under the confiscatory Stamp Act, by staging her own private tea party in Annapolis Harbor by putting the torch to the tea ship, *Peggy Stewart*, and by laying the groundwork for the War of Independence by the activity of her Association of Freemen.

The brunt of the War of 1812 was borne by the great Free State, and during the British bombardment of Fort McHenry in Maryland, one of her gifted sons, Francis Scott Key, wrote the inspired national anthem. Here, too, was the scene of John Brown's famous raid at Harper's Ferry; here the hallowed Antietam battleground.

It is with great pride in her history and the courageous citizens who have nourished her through the years that I salute today on the 320th anniversary of her birth, my home, my State, my country's stanch right hand—Maryland, my Maryland.

MERCHANT MARINE POLICY

Mr. BUTLER of Maryland. Mr. President, as evidence that the rank and file of workers in the maritime field are of one mind with those of us who are trying

to do something to improve conditions in the shipping and shipbuilding fields, I send to the desk for appropriate reference a resolution which has been forwarded to me by the Portland, Oreg., branch of the Marine Cooks and Stewards, AFL.

Adopted at the regular meeting of the organization on March 9, 1954, it expresses convictions regarding shipping needs and policies that show a real sense of awareness of the problems facing our Nation in this field, so important both to the peacetime economy and the security of these United States.

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

A RESOLUTION (COMMISSION ON FOREIGN ECONOMICS POLICY—RANDALL REPORT)

Whereas the Commission on Foreign Economic Policy, more commonly known as the Randall report, has been directed by the Congress to examine and determine in the field of foreign economic policies the correct approach to foreign aid; and while this report is quite extensive and covers many problems, this resolution is primarily interested in the section relating to merchant marine policy; and

Whereas at present the United States merchant fleet, under the Merchant Marine Shipping Act, enjoys the benefit of handling 50 percent of the Government-financed cargoes, which in turn employs American seamen and also helps maintain a healthy and active American merchant marine; and

Whereas the recommendation of the Commission is to repeal this section of the Merchant Marine Act, on the basis that it compels the countries receiving dollar assistance to spend a part of this money on freight services which they could render to themselves at a much cheaper rate; and

Whereas 50 percent of these cargoes are still available to foreign shipping and no such consideration is given to American ships by any foreign country; and

Whereas this policy would result in foreign shipping interests underbidding American shippers and would result in more American ships being laid up or being sold to foreign-flag owners and would double the unemployed number of American seamen, which would affect all American workers in shipyards and all other industries, and weaken our present standard of living; and

Whereas this recommendation would result in the deterioration of our merchant marine as a military auxiliary in a case of national emergency and would place us at the mercy of foreign nations whose ships would be unavailable to us in any such emergency: Therefore be it

Resolved, That this union go on record in rejecting this recommendation by this Commission as detrimental to the good and welfare of the American people and that officials and members of this union are hereby instructed to do everything possible to prevent any changes in the law as it now stands in regard to the 50-percent clause; and be it further

Resolved, That we not place our security for the future in foreign ships in case of another war; that we meet this situation now by maintaining an adequate merchant marine which would guarantee employment to the existing trained personnel and give fair competition to the operators; and be it further

Resolved, That this resolution be endorsed by all other legitimate maritime unions and that copies be sent to President Eisenhower, favorable Senators and Congressmen, and that we request the president of our international, Harry Lundeberg, to have the entire American Federation of Labor help us to stop this contemplated scuttling of our American merchant marine; and be it further

Resolved, That we make the press aware of our action.

MARINE COOKS & STEWARDS, AFL,
PORTLAND BRANCH.
SAILORS UNION OF THE PACIFIC,
PORTLAND BRANCH.

RECESS TO MONDAY

Mr. KNOWLAND. Mr. President, if there be no further business to come before the Senate, I move that the Senate stand in recess until 12 o'clock noon on Monday next.

The motion was agreed to; and (at 8 o'clock and 45 minutes p. m.) the Senate took a recess until Monday, March 29, 1954, at 12 o'clock meridian.

CONFIRMATIONS

Executive nominations confirmed by the Senate March 25 (legislative day of March 1), 1954:

COAST AND GEODETIC SURVEY

Robert F. A. Studds to be Director of the Coast and Geodetic Survey for a term of 4 years, effective May 12, 1954.

TO BE CAPTAINS IN THE COAST AND GEODETIC SURVEY

Walter H. Bainbridge
Carl I. Aslakson
Paul A. Smith

POSTMASTERS

CALIFORNIA

Lois C. Doss, Forestville.
Floyd Erdman, Herndon.
William J. Kelly, Penngrove.

COLORADO

Charles E. Robison, Crowley.

IDAHO

Frederick D. Shaw, Spirit Lake.

ILLINOIS

Fred H. Lancaster, Macon.
Leo C. Franklin, Prairie du Rocher.

IOWA

George W. Hepworth, Chelsea.

KANSAS

Louis B. Perkins, Elkhart.
Walter W. Beggs, Ensign.
Donald E. Burgardt, Park.
Clare S. Knerr, Talmage.

MAINE

Charles R. Hubbard, Jr., North Berwick.

MICHIGAN

Mary M. Mitchell, East Leroy.

MINNESOTA

Richard A. Heald, Ogilvie.
Hilbert B. Anderson, Winthrop.

NEW JERSEY

George H. McCullough, Glassboro.

OREGON

Louis E. Walker, Jr., Brownsville.

PENNSYLVANIA

Raymond L. Rupert, Sykesville.

VERMONT

Frank D. Eggleston, East Dorset.

WISCONSIN

William H. Behrens, Brodhead.
William L. Chesley, Oconto.
Levern V. Newman, Platteville.
Willie A. Johnson, Whitehall.

HOUSE OF REPRESENTATIVES

THURSDAY, MARCH 25, 1954

The House met at 12 o'clock noon.

The Chaplain, Rev. Bernard Braskamp, D. D., offered the following prayer:

Almighty and ever-blessed God, in whose presence the greatest and wisest are but babes, lift us now to Thyself and endue us with the spirit of insight and understanding.

We humbly confess that we are often tempted to become discouraged and cynical when we find ourselves baffled and perplexed by problems for which we have no adequate solution.

Show us how we may drive away those dark clouds which eclipse our vision of that divine greatness which is too wise to err and that divine goodness which is too kind to injure.

May we daily experience a new nativity of faith and hope as we seek to lead groping humanity out of darkness into the glorious liberty of the sons of God.

Hear us in Christ's name. Amen.

The Journal of the proceedings of yesterday was read and approved.

MESSAGE FROM THE SENATE

A message from the Senate, by Mr. Carrell, one of its clerks, announced that the Senate had passed without amendment a concurrent resolution of the House of the following title:

H. Con. Res. 214. Concurrent resolution expressing the sense of Congress that the Sanitary Engineering Center, Cincinnati, Ohio, should be known as the Robert A. Taft Sanitary Engineering Center.

UNCALLED-FOR ATTACK ON THE PRESIDENT

Mr. DEROUNIAN. 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 New York?

There was no objection.

Mr. DEROUNIAN. Mr. Speaker, we have heard a lot about name calling recently from the Democratic side of the aisle, so that it came as a shock to me, a very great shock, to read in the issue of Newsday, March 23, 1954, published in my district, and the Long Island Daily Press of the same date, a news story of the statements uttered by a Member of this body about our President. Our colleague the gentleman from New York [Mr. CELLER], as he addressed the Great Neck Democratic Club Monday night, is quoted in Newsday as follows:

GREAT NECK.—In a blistering indictment of the Republican administration, Repre-

sentative EMANUEL CELLER, Democrat, last night branded President Eisenhower a coward. * * * "When history is put down," he roared, "It will clearly indicate how cowardly was this man in the White House." And further along in the news story, Mr. CELLER is quoted as saying, "* * * It is against the Rules of the House to make derogatory remarks about a Senator, but in the face of the iniquities * * * I rip up all the rules. They mean nothing to me."

Mr. Speaker, these days when the Democrat Party accuses the Republicans of name calling—when the Democrat Party talks of respect for the rights of private citizens—is it not improper and disrespectful that a Member of this House, who has for so long been chairman of the Committee on the Judiciary and is now the ranking minority member, should have the effrontery to call our great President a coward? Is it not a sad reflection on the state of mind of the gentleman from New York that he should make such an inflammatory statement when he, above all, should be a man of judicious mind and temperament. What the gentleman from New York [Mr. CELLER] proposes, I submit, is that the President turn away from the proven, truly American way of doing things, and engage in name calling and attempted purges. We saw too much of that in recent years, and it runs counter to everything that we expect of the dignity of the Presidential office, to say nothing of that office's proper relationship to the other branches of our Government.

Mr. Speaker, the American people would not buy this statement about a man who led the American armies in Europe and who went to Korea even before he took the oath of office as President, to help solve that tragic situation. History has already proven that the unfortunate statement attributed to the gentleman from New York is without basis of fact. Our President does not engage in personal vituperation and vulgar name calling and does not believe in government by purge. Apparently the gentleman from New York wants both.

Mr. Speaker, the gentleman from New York [Mr. CELLER] owes the President of the United States a full apology, and it should be forthcoming immediately. I hereby ask the Democratic leadership whether or not it agrees with the gentleman from New York that President Eisenhower is a coward. If it agrees, let it say so. If it does not agree with its Democratic spokesman from New York, the Democrat Party owes an apology to the President of the United States and to this House.

SPECIAL ORDER GRANTED

Mr. BROWNSON asked and was given permission to address the House today for 15 minutes, following the legislative business of the day and any other special orders heretofore entered.

THE 133D ANNIVERSARY OF GREEK INDEPENDENCE

Mrs. ROGERS of Massachusetts. 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 gentlewoman from Massachusetts?

There was no objection.

Mrs. ROGERS of Massachusetts. Mr. Speaker, today marks the 133d anniversary of Greek independence, for it was in 1821 that these gallant and courageous people rose against their enemy oppressors under the leadership of Archbishop Germenos and commenced their struggle for national liberation. This valiant strife was not to be in vain, for by the Convention of London of May 7, 1832, Greece was recognized as an independent nation.

The present-day Greek, wherever he may be, is fittingly proud of his great ancestors, Aristotle, Demosthenes, Socrates, Plato, and others who were instrumental in developing the first great civilization of the Western World. Much that the average American and European values in modern civilization has been handed down from the early Greek people. Greek philosophy, science, art, literature, and architecture have profoundly influenced western developments in these various cultural fields. We Americans are also aware that many of the basic ideas of practical democracy and the rights of the individual originated and were nurtured in this small peninsula.

The retention of freedom has, however, been no facile task for the Greek people, for from the initial days of independence they have had to resist time and again the aggressive designs of their predatory neighbors.

Recent history, especially, exemplifies this indomitable desire and resoluteness to retain their hard-earned freedom. The world has marveled at their courageous stand against the Fascist and Nazi invaders and later against the threat of Communist tyranny. Their ultimate victory over communism has been a source of inspiration for the millions of people in a great part of the world's area where the basic ideas of democracy have been obliterated by totalitarian oppression.

The American people, from the days of 1821 to the present, have helped the Greek people in their struggles to achieve and maintain their independence. Moreover, the United States is fully conscious of the honor and the advantages of having a vigorous nation such as the Greeks by our side in the struggle against Russian communism. The fact that recent United States aid has been given to Greece without any territorial or material gains on our part indicates to the Greek people that there is no imperialistic intent on the part of the United States, but only a desire to assist in sustaining Greek independence.

On this the 133d anniversary of Greek independence the noble spirit of the Greeks is perhaps best expressed in the words of their leader, King Paul, in an address delivered before the United Nations General Assembly, during his recent trip to the United States, when he said:

> With internal political stability and possessing armed forces whose organization, fighting spirit and reliability are universally recognized, Greece stands alert. * * * Should the powers of destruction at any moment dare to interfere in an attempt to strangle the salutary work of the United Nations, Greece stands ready to throw herself at once into the struggle at the services of the world organization.

In my home city of Lowell we are very proud of our American citizens of Greek ancestry. Their family life represents the finest. They have contributed many to the learned professions. Lawyers, doctors, teachers, and the clergy cooperate together with Mr. Citizen to give the community a neighborly spirit. They have contributed greatly to the defense of our country. They are among my close friends and for many years I have been grateful to them for their loyalty and honorable spirit.

Throughout the Commonwealth of Massachusetts there are many Americans with the excellent and noble background of the culture of Greece. Our commonwealth and our country is a much improved place for life and living, for the strength of our defense, for the sturdiness of our character, for genuine happiness because they are with us, in the building of this the greatest democracy on earth.

Mr. O'HARA of Illinois. 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. O'HARA of Illinois. Mr. Speaker, it is a source of great pleasure to me to join with others in the Congress of the United States in this observance of March 25, the Greek Independence Day.

Considering that ancient Greece was the cradle of democracy and that modern Greece continues to make large and strengthening contribution to the world in which we live, it seems to me most fitting that the session of this distinguished body of the lawmakers of this democracy should open today with tributes to the Greeks.

I am thinking especially of the men and women of Greek birth or blood who are such a vital, dynamic, and sustaining part of the great city of Chicago. Not the least of these is Nicholas Melas, my own fraternity brother, who has made outstanding contribution to the field of industrial relations at the University of Chicago. There are many others whom I wish to honor myself by mentioning, but first, Mr. Speaker, I should address myself to the facts of history.

LOVE OF FREEDOM

March 25, the beginning of the Greek war for independence, marks a renascence of that love of freedom and justice which is part of the inheritance bequeathed by ancient Greece to the modern world.

The submergence of the Greeks under Turkish rule after the fall of Constantinople in 1453 did not lead to the total

destruction of the Greek inheritance, for the Turks with their not inconsiderable gift for management, allowed Greek institutions to survive in many areas, and made use for their own ends of the inherent Greek systems of local government and administration even as the Romans had done before them in Greek lands. This fact may partially explain the present-day phenomenon of victor and vanquished of the war for independence—1821–29—standing together today as bulwarks of democracy against Communist aggression.

With due regard for the Republic of Turkey, the fact that she stands as a champion of democracy must be attributed at least in part to the subtle penetration of Greek ideals during that period when Greek love of freedom and justice was ostensibly submerged in a government marked by tyranny and cruelty. Whatever the reason, and it is unquestionably a combination of Greek influence and Turkey's traditional hatred of Russia, the democracies are more secure because of the positive, hardheaded determination of these allies that Russia shall not pass the Dardanelles.

SEND TROOPS TO KOREA

The Turks were the first to send troops to Korea, at a time when even we were not sure that the Reds would not drive our outnumbered forces into the sea. Turkish dislike of Russia of course is grounded in bitter experience. In Korea the Turks were fighting communism, not Russia. It is logical, therefore, to assume that Turkish determination to hold back the Reds in Korea stemmed from the remarkable progress in democracy Turkey has made since World War I.

Greece and Turkey, the poorest countries in NATO, kick in 40 percent of their budgets for defense. Today these two nations are presenting a smooth, hard front against the Reds.

While the Truman doctrine committed the United States to the defense of Greece and Turkey, the spirit that made American arms and ammunition effective was the spirit of love of freedom and justice which was the spirit of ancient Greece.

CIVIC SENSE IS HIGH

The civic sense of the Greek is highly developed. The order of AHEPA, the highest exponent of Hellenic ideals in the new world is a living, working organization breathing the democracy and love of country of the Greek citizen. It is dedicated to the task of preparing the individual to exercise the rights and duties of American citizenship, intelligently, courageously, and unselfishly. Greek immigrants organized AHEPA to help them orient themselves in American life through a knowledge of every phase of American history and tradition, government machinery and civic customs.

The success of this effort can well be illustrated by pointing to contributions made to business, professional, and civic life by citizens of Greek birth or descent. My list is incomplete but it serves the purpose.

The legal systems of antiquity, followed by the codes of the Byzantine World point to Greek ability in the field of law. From my own Chicago comes Hon. James K. Chelos, an eminent jurist, James Geroulis a member of the staff of our great State's attorney, John Gutknecht; Paul Demos, Athanasios A. Pantelis, Dimetrios Parry, George S. Spannon, and many others.

FIRST GREEK-AMERICAN JUDGE

Judge Chelos was elected to the bench in November of 1952. He was the first Greek-American in the State of Illinois to wear the judicial robe. I was present at the ceremonies attending his inauguration. There was present a great throng of well-wishers, all sensing the historic significance of the occasion. Greece, which in the centuries long gone had built the foundations of logic, of equity, and of law was to have sitting in judgment in a Chicago court one of Greek blood. I am happy to report, Mr. Speaker, that the record of Judge Chelos in the close to 2 years that he has worn the judicial robe has measured up to the finest traditions of the bench.

I should mention here another great Greek-American lawyer, with whom I was closely and affectionately associated for many years, A. A. Pantelis. It was he who was responsible for the founding of the Hellenic Post of the American Legion and the position of tremendous power and influence occupied by that post in the early formative years of the Legion.

Upholding the tradition of Hippocrates in the modern manner we have Drs. William D. Nestos, Basil J. Photos, Charles Spirrson, Nicholas Drake, and many others.

Greek enterprise in business life is well illustrated by such a man as Van A. Nomikos, vice president of the Independent Theater Owners Alliance, a former national president of AHEPA and currently president of the board of St. Constantine's Greek Orthodox Church; also my good friend and distinguished constituent, William Karzas, who has helped so mightily in the building of Greek-American prestige.

Leaving Chicago and the second district, to include a man of national prominence, whose name suggests itself in this connection, we count Spyros Skouras, president of the 20th Century Fox Films.

The modern Greek, like the Greek of ancient times, transfers business and financial success into public service. Again, in search of an example, I return to my own Chicago and the Second District to name Pierre De Mets, a businessman, also a member of the executive board of St. Constantine's Church and active in civic and charitable activities of which I shall name but two: La Rabida Sanitarium, where needy children suffering from heart ailments are treated, and the Mercy Hospital drive.

IN MANY FIELDS OF SERVICE

The name of Mrs. Theodore Ashford Askounis stands beside that of Jane Addams in the field of social service and aid to immigrants. Prof. Theodore Ashford, formerly of the University of Chicago, now at Washington University, St. Louis, represents the contribution of Chicago's Greek population to the field of physical sciences.

In the field of politics brilliant representation is furnished by James M. Mezilson, able member of the staff of the senior Senator from Illinois.

During World War II, citizens of Greek origin with characteristic charity and patriotism reached out to aid their suffering brothers in Greece. Prominent in Greek war relief were G. T. Drake and John L. Manta, president of the Greek War Relief Association. Mr. Manta is also a founder and sponsor of the Greek Cultural Foundation at the University of Chicago whose purpose it is to promote the study of Greek culture.

In the field of music Chicago boasts of Nicola Moscona; while the fame of Demitri Metropoulis, of the New York Philharmonic, is international.

To name the Greeks who in the tradition of Thermopylae have fought, bled, and died for democracy in two world wars would require more space than is allotted to me here; so, I shall mention but one much-decorated hero of World War I, who sleeps in Arlington Cemetery—George Dilboy.

FOREIGN RESIDUAL OIL IS GRADUALLY DESTROYING THE BITUMINOUS COAL INDUSTRY IN PENNSYLVANIA

Mr. VAN ZANDT. 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 Pennsylvania?

There was no objection.

Mr. VAN ZANDT. Mr. Speaker, my congressional district located in the heart of Pennsylvania, has been classified as a critical area by the United States Department of Labor because of heavy unemployment in the coal, railroad, and related industries. At the moment it is estimated that 11 percent of employables are unemployed and forced to live on unemployment insurance and surplus commodities.

One of the major contributing factors to this acute unemployment situation in my congressional district as well as the State of Pennsylvania is the importation of foreign residual oil from the Caribbean area. If this Congress would impose a quota limitation on foreign residual oil, much of the existing unemployment would be alleviated simply because coal would regain its eastern seaboard market.

The dire plight of the bituminous coal industry in Pennsylvania is evidenced by the following statistics compiled by the Central Pennsylvania Coal Producers Association, Altoona, Pa. A study of these statistics shows a continuous decline in the total tonnage of bituminous coal since 1946, which means that thou-

sands of jobs of coal miners, railroaders, and others in related industries have been destroyed. At this point I should like to call attention to the following compilation of figures for the period 1947 through 1953:

Total tonnage of bituminous coal produced and total number of men employed in the State of Pennsylvania, 1947 to 1953, inclusive, and January 1954

Year	Total net tons	Increase or decrease, preceding year	Number of employees	Increase or decrease, preceding year
1947	144,626,000		109,202	
1948	130,642,000	−9.67	110,326	+1.03
1949	87,095,000	−33.33	100,119	−9.25
1950	103,445,000	+18.77	94,514	−5.60
1951	106,676,000	+3.12	86,369	−8.62
1952	87,316,000	−18.15	76,676	−11.22
1953	90,513,000	+3.66	61,420	−19.90
Decrease since 1947	54,113,000	−37.42	47,782	−43.76
January 1953	8,012,067		65,089	
January 1954	6,688,034		56,668	
Decrease	1,324,033	−16.53	8,421	−12.94
Total decrease	55,437,033		56,203	

Mr. Speaker, the above figures show the adverse effect that foreign residual oil is having on the economy of Pennsylvania by the decline in the production of bituminous coal. Not only is the economy of Pennsylvania affected, but our national security is threatened by the closing of bituminous mines.

It is not difficult to realize that a decline in annual production of 55,437,033 net tons over a 7-year period, and a decline of 56,203 employees in the same period is devastating. Taking coal at an average value of $5.75 a ton means a loss in revenue to the economy of central Pennsylvania of $319 million. This, of course, does not measure the loss in rail revenue and other allied industry and, of course, we cannot by any means determine the sociological impact on the mining communities as a result of the unemployment of 56,203 men.

The Department of Mines of Pennsylvania states that from January 1, 1953, to March 1, 1954, 58 operating mines were closed in central Pennsylvania, resulting in the dismissal of 3,497 men. Many factors have contributed to this decline. Some of them are domestic and local in character. These the industry and communities are attempting to solve.

Mr. Speaker, the most damaging contributing factor, however, is the importation of residual fuel oil from foreign countries. In 1953 this imported residual displaced 33 million net tons of coal and we are told that it will increase in 1954. The majority of this oil came to the eastern seaboard, which is the natural market area for central Pennsylvania coal. The oil has its origin in Venezuela and the Dutch West Indies. It is produced with cheap labor and is afforded ridiculously low transportation rates which, together with other factors, places it in a preferred position pricewise with Pennsylvania coal.

Mr. Speaker, although residents of Pennsylvania are concerned with the welfare of the coal industry in Pennsylvania, there is, however, another aspect of the situation that should receive the serious consideration of our national Government.

The energy requirements of our Nation are increasing at a normal rate. Our domestic sources of fuel supply are adequate to meet these normal demands. However, in abnormal times, such as we experienced in World War I and II, we have been sorely pressed for adequate fuel supply. In World War I our energy demands increased 31.6 percent in 4 years, and in World War II they increased 46.3 percent. Most of this increase in demand was met by increased production in the coal industry which reached its peak of 630 million tons in 1947 to 453 million tons in 1953.

In Pennsylvania, because of residual fuel oil competition and other factors, the production has declined from 145 million tons in 1947 to 91 million tons in 1953, or a decline of 37 percent. The decline is continuing. Production in Pennsylvania for January 1954 is down 16.53 percent compared with 1953. Because of this decline a great many mines have been closed and there has been a decline in personnel from 109,202 in 1947 to 56,668 in March 1954.

We in Pennsylvania know from experience that when a mine is closed it cannot be reopened. It fills up with water and caves in. Not only is this great quantity of valuable natural resource lost forever, but a source of supply that would be sorely needed in times of emergency is gone. Also, personnel to operate the mine in times of emergency would be unavailable.

In 1947 we produced nationally 139 million tons of strip coal. This was quick and easy coal. Because of depletion, it would not be available on the occasion of another emergency.

Another condition that is alarming in central Pennsylvania is the decline of the young men in the industry. In former times it was traditional for young men to follow in the footsteps of their fathers in the coal industry. However, with the mines closing as they are and operating part time, most of these young men are leaving the communities and seeking employment elsewhere.

There are various angles in this picture with which I am sure you are acquainted. We in Pennsylvania know that if something is not done immediately to alleviate the condition, central Pennsylvania as a coal-producing area will dry up. This source of fuel supply will be lost and should an emergency arise, our National Government would experience difficulty in getting sufficient fuel to run the machinery. Oil would be suddenly cut off and what oil is available would be used, of course, to man our war machinery.

Mr. Speaker, in the interest of my own congressional district, the State of Pennsylvania, the coal industry nationally, and the welfare of our Nation, Congress is urged to support legislation that would restrict the importation of foreign residual fuel oil.

ASSAULT WITH A DANGEROUS WEAPON COMMITTED IN THE SENATE CHAMBER OR THE HOUSE CHAMBER

Mr. HALE. 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 Maine?

There was no objection.

Mr. HALE. Mr. Speaker, I have just introduced a bill which provides that a person convicted of committing an assault with a dangerous weapon in the Chamber of the Senate of the United States or in the Chamber of the House of Representatives of the United States may be punished by death or by imprisonment for any term of years or for life.

I was much impressed after the recent shootings in the House with the newspaper headlines, which were no doubt correct, that those guilty of that assault on the Members of the House could not receive capital punishment unless one of the Members of the House were actually to die.

That, I realize, is the common law of murder, but I think it is a little tough to insist that a Member of this body should die in order that his assailants may receive the most severe punishment known to our law.

Mr. Speaker, I do not consider that Members of this body or the other body should be privileged characters, but it does seem to me that when assembled in their respective Chambers an assault upon them, whether it is a discriminating assault or an indiscriminate assault, like that of March 1, is not just an attack on some people, but is, in effect, an assault on the Government of the United States.

DAIRY FARMERS FACE CRISIS

Mr. JOHNSON of Wisconsin. 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 Wisconsin?

There was no objection.

Mr. JOHNSON of Wisconsin. Mr. Speaker, for the past 3 days I have taken the opportunity of drawing my colleagues' attention to the critical situation facing America's 3 million dairy

farmers after April 1, which is only 7 days hence.

On April 1 Secretary of Agriculture Benson, with the apparent or implied blessings of the administration, is set to fire an economic torpedo at the dairy farmers by lowering milk and butterfat support prices to 75 percent of parity. This economic torpedo, as I have stressed and pointed out to Members of the House, will set off other economic bombshells that will in time affect more people than dairy farmers.

Lowered dairy support prices will have its economic repercussions on the main street of hundreds of rural communities. In time the chain effects of recession will touch the labor, industrial, and financial segments of our whole economy. If this happens, I am sure that some of my colleagues will recall too late the warnings that I uttered here on the House floor.

Let me reiterate again the point that American dairy farmers have not been living for years next door to the Federal Treasury. I grant that the dairy-support program has cost the Government some money—but the cost can by no stretch of the imagination be branded as a generous handout.

Yesterday I stated that the total cost of the dairy-support program for the 20-year period, from October 17, 1933, to November 30, 1953, amounted to $164.3 million. This figures out to $8 million annually for the 20-year period. I believe that this is very cheap economic insurance to stabilize an industry with an annual income at the present time of $4 billion.

I neglected to state in previous remarks that the cost of the dairy-support program represents only 13.7 percent of the total cost of all farm programs for the 20-year period I cited. Metropolitan press stories give the misleading impression that the dairy-support program has cost American taxpayers billions of dollars. Unfortunately, Secretary Benson has made little or no effort to correct this erroneous impression.

There is one subsidy program that has cost the Government billions of dollars. This subsidy is never publicized by those who shed crocodile tears over farm program costs. I refer to the $40.7 billions given to business and industry for reconversion during and since the end of World War II. Incidentally, farmers helped to pay for some of the business and industry reconversion, but farmers did not complain on this score.

I should also like to draw attention to the fact that farmers were not given special consideration or tax amortization for their war-production efforts and reconversion to peacetime farming. Farmers had to pay their own way, and many of them had to borrow money to do it. No mention is made of this by the press when comments are made on subsidies.

Now that the dairy industry is in trouble, Secretary Benson has decided to cut dairy supports to 75 percent on April 1. It is for this reason that I introduced my bill, H. R. 8388, to extend dairy-support prices at 90 percent for another 120 days after April 1. The House Committee on Agriculture has only a few days left in which to hold a hearing and report the bill out. If enacted into law, the bill gives dairy farmers 4 months grace and it also gives Congress time to consider some realistic dairy-support legislation as part of a general farm bill.

I hope that the committee realizes the seriousness of the dairy farmer's plight and acts now.

DAIRY PRICE SUPPORTS

Mr. WHITTEN. 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 Mississippi?

There was no objection.

Mr. WHITTEN. Mr. Speaker, I would like to commend our colleague the gentleman from Wisconsin [Mr. JOHNSON] for his timely and forceful efforts in support of his bill, H. R. 8388, continuing present support prices on dairy products for 4 months. I would like to point out once again why I think such an action is reasonable. In the first place, we are not today as a matter of Government policy offering dairy products on the world market at competitive prices. Two things are required to sell anything. One of them is to offer the product for sale and the other is to make the price right. In the case of dairy products, as a matter of Government policy, we are not offering the commodities for sale in world-market channels and neither are we making the price competitive. So as long as these products are held on our domestic markets and within the United States, and as long as a matter of Government policy we are not trying to sell them, I think the gentleman is clearly right in his efforts to postpone a reduction in existing farm income until something is worked out.

I agree we must use any farm commodity we support. I agree supply and demand must be tied together, but the farm income is not too high. We must correct the causes of our present problems and reducing farm income is not the cure.

Mr. BLATNIK. Mr. Speaker, I ask unanimous consent to revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentleman from Minnesota?

There was no objection.

Mr. BLATNIK. Mr. Speaker, I, too, want to commend the gentleman from Wisconsin [Mr. JOHNSON] for the earnest efforts he has been making in appealing that Congress continue the 90 percent price supports on dairy products for 4 more months effective April 1. This is a perfectly sound, reasonable, and logical proposition, embodied in his bill, H. R. 8388. The Agriculture Committees in both Houses of the Congress are now reviewing the entire price support farm program, and it is obvious that dairy products are, and should be, part of the whole overall program and should be considered as such.

The farm problem is one of the most urgent problems which must be acted upon by this Congress. Every businessman, merchant, professional person, laborer, and farmer will agree that the farm problem is important to the national economy and of concern to every one of us. It is important because the prosperity of the farmer is directly tied to the prosperity of the Nation.

It has been said that depressions are farm led and farm fed, that a recession in agriculture is the forerunner of economic dislocation. It cannot be denied that a farm recession is in the making, and becoming more acute, month by month. Farm income has dropped by about 18 percent during the last year and a half and is still falling. The farmer is getting a smaller and smaller share of every dollar the consumer spends. Last year the farmer got 48 cents out of the consumer dollar. Today he gets only 45 cents. This means that the farmer's living standards are going down. It means he has less money in his pocket to spend with the local merchant and to buy the products of industry. It is clear then that action by Congress is required to stabilize farm income at cost or production levels, and the farm issue looms as the No. 1 issue in this 83d Congress.

SPECIAL ORDER GRANTED

Mr. BYRD asked and was given permission to address the House for 30 minutes on Wednesday next, following the legislative program of the day and special orders heretofore granted.

FALSE ECONOMY IN RESOURCES DEVELOPMENT

Mr. KELLEY of Pennsylvania. 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 Pennsylvania?

There was no objection.

Mr. KELLEY of Pennsylvania. Mr. Speaker, the Federal Budget is a book about as big and thick and full of figures as the Pittsburgh telephone directory. And when you look up a number in this book, it is apt to be a big one—in the hundreds of millions, if not in billions.

These figures are the costs of various Government programs, and they look fat and swollen and extravagant. It is only when you break these figures down into specific programs, and into the details of those programs, that you can get any clear idea why they are so big, for usually the programs involved are big programs of vital importance to defense, to our economy, to our industries or to the lives and health of our people.

And it is only then that we can tell whether the periodic economy drives in Government originating either in the executive department or in Congress look as good in the cold light of detailed analysis of the programs affected as they did when lumped together in a big and happy-sounding economy headline in the newspapers.

In this connection, I have been studying in some detail the proposed $20 mil-

lion budget for the United States Bureau of Mines. This budget, as submitted to Congress by the Eisenhower administration, makes Secretary of Interior Douglas McKay quite happy, for it shows a cut of about $2,700,000 below the amounts appropriated by Congress last year and more than $7 million below the previous year.

But I am afraid I cannot get very enthusiastic about the reductions. The more I study them, the more convinced I become that an ax was wielded on Mines Bureau funds by Interior Department brass hats who did not realize the damage they were thereby doing to the long-range economic future of our country.

SCOPE OF MINES BUREAU RESPONSIBILITIES

Some people have an idea that all the Bureau of Mines does is look after the coal mines. Important as that work is, it is only a part—far less than half—of the Bureau's activities. All of the natural resources of the Nation below ground—except water—are within the jurisdiction of this Bureau. And it is the Government's main research agency in the finding, conservation, and development of these resources on which our entire economy is based. Our sources of, methods of extraction of, and uses for coal, petroleum, natural gas, helium, iron ore, zinc, lead, copper—all the metals and nonmetallic minerals including the new wonder metals vital to atomic energy and other defense uses—depend to a large extent on Mines Bureau research.

Cutting Mines Bureau funds by $3 million or $7 million looks good on a budget sheet and helps the Department of the Interior to build up an impressive economy record—but the recent hearings by the House Appropriations Committee into the actual application of these cuts reveal an arbitrary and dangerous shortsightedness.

Coal research is cut by $200,000; petroleum and natural gas research by $93,000; synthetic liquid fuel research—conversion of coal to oil—by nearly $300,000; research in minerals and metals necessary to modern manufacturing is reduced by nearly $1,500,000.

The figures by themselves mean little until you read the somewhat apologetic but nevertheless clear warnings from Mines Bureau officials that they cannot do the jobs they would like to do under these revised figures.

They do not actually come right out and say the cuts are bad, because they are not permitted to do so. Under wraps and prohibited from asking Congress for a cent more than the Interior Department budget cutters have recommended, they merely acknowledged under questioning that the scope of their work will necessarily be reduced. The details of those reductions are now spread on the record, and should cause concern to every industry in America dependent upon Mines Bureau research for improved methods of recovery and use of our underground resources.

FALSE ECONOMY COMES HOME TO ROOST

We are going through now, by order of the administration in its budget-cutting drive, exactly the kind of thing we experienced from the Republican 80th Congress in 1947, the first year of that term of Congress. Then, too, deep cuts were made into fundamental Mines Bureau research programs, on the claim they were saving the taxpayers money.

By the next year, they learned that most of the cuts they made had saved some dollars at the expense of major industrial progress in the United States. So they had to put all these funds back in the budget again. All the cuts had accomplished was confusion, chaos and delay in vital programs of research.

Fortunately, the highly successful mine safety program, which in its first full year of operation under the revised inspection law passed in 1952 resulted last year in the lowest fatality and injury rate in the coal mines in the history of the industry, was cut much less than other Mines Bureau programs—only $55,000 below last year's $3,700,000 appropriation. At least the administration did not want any blood on its hands from a slash in this fund, and for that we can all be grateful.

DAIRY PRICE SUPPORT PROGRAM

Mrs. PFOST. 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 gentlewoman from Idaho?

There was no objection.

Mrs. PFOST. Mr. Speaker, in view of Secretary of Agriculture Benson's firm refusal to hold in abeyance for 4 months his order reducing dairy support levels, I am today introducing a bill identical to the one previously introduced by my distinguished colleague, the gentleman from Wisconsin [Mr. JOHNSON]. These bills would continue on a temporary basis 90 percent price supports on milk and butterfat. At this time I ask the great House Agriculture Committee to give this legislation their immediate attention.

I talked by long distance this morning with a number of dairymen and representatives of the dairy industry in my own State of Idaho. They are unanimously of the opinion that a grave situation faces the industry if the Benson order is allowed to go into effect. They are aware, as I am, that the consumer may receive some benefits in a few cents' drop in milk and butter prices, and in these days of falling employment and worsening economic conditions, we all want to give the consumer a break. But in my opinion, it is foolhardy to think only of the few cents this order would save in the immediate present, and shut our eyes to its long-range repercussions to our economy as a whole. We all know that farm prosperity is the basis of prosperity of us all, and that we cannot afford to place in jeopardy any segment of our farm economy.

The Benson order would put in serious trouble the dairy farmers of my congressional district. Though the national average is 1 cow for each 7.4 persons, the average in Canyon County, my home county, is 1 cow for each 2 persons.

Hard upon the heels of Secretary Benson's announcement last month of the drop in dairy support prices, the largest creamery in my home county dropped the price of butterfat 3 cents. This happened just on the basis of the announcement. What the future holds is anybody's guess—and that guess is an apprehensive one. Add to this these facts: In 1952 the Canyon County price for butterfat in whole milk was $1.18; in 1953 the price dropped to $1.07½; last month the price was 89 cents.

The high price of feed is adding to the dairy farmer's dilemma. A severe drop in dairy prices will really lower the boom on him. If he is given until July 31, he will have an opportunity to readjust his schedule, and will have the advantage of spring pastures to supplement his high feed costs.

Mr. Speaker, April 1 is almost upon us. If the order to reduce the support price of dairy products to 75 percent of parity is allowed to go into effect next Thursday, it will indeed be April Fool's Day for the dairy farmer—and before long the consumer may realize it was April Fool's Day for him, too.

I urge the Agriculture Committee to consider immediately H. R. 8388 and H. R. 8558 to postpone the Benson order for 4 months. This will give Congress time to consider carefully the impending slash in dairy price supports. I ask each of you to join forces with my colleague and me in requesting consideration of this important legislation.

THE PRESIDENT OF THE UNITED STATES

Mr. CELLER. Mr. Speaker, I ask unanimous consent to address the House for 1 minute.

The SPEAKER. Is there objection to the request of the gentleman from New York?

There was no objection.

Mr. CELLER. Mr. Speaker, I was informed that while I was attending a meeting of the Judiciary Committee the gentleman from New York [Mr. DEROUNIAN] made the statement that there was reflected in the Long Island press a statement to the effect that I called the President of the United States a coward.

I deny emphatically having made any kind of statement of that sort.

I said that I thought that when history was written with reference to the operations of a certain committee in the other body and the chairman thereof it would state that "the Republican administration had manifested considerable timidity and cowardice."

I did not intend thereby to involve personally the President of the United States. I did involve others.

I also said that when history is written it will be shown that the Republican administration, for example through its Secretary for the Army, had determined upon a very forthright, hard-hitting statement at the time of the investigation by that same committee of a battle-scarred general with many decorations, and then unfortunately the Secretary for the Army buckled before the impact and onslaughts of the gentleman

presiding on that committee and withheld that splendid statement. I could give many other examples of timidity manifested by the administration. Suffice to say it has been weak-kneed and cowardly in its reactions toward that certain chairman of that committee.

I have the greatest respect and honor for the President of the United States. He is a great soldier, an exemplary character, kind, humble, able. But he too could well manifest a far stronger and belligerent attitude toward this certain individual who is creating so much havoc.

STARVATION IN THE PHILIPPINES

Mr. BOW. 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 Ohio?

There was no objection.

Mr. BOW. Mr. Speaker, it has come to my attention that it is estimated that 200,000 people in the Philippine island of Mindoro are facing starvation because of an infestation of rats.

We have spent vast millions in southeast Asia in arms and ammunition to defend against communism. I suggest that our Government could well fight communism in this instance by sending some of the surplus food to these people whom formerly we had under our protection and our flag and who now face starvation. I would sugggest that our Government send surplus food to the starving people of the world as a humaniterian and effective manner of defeating the influx of the godless hordes.

GREEK INDEPENDENCE ANNIVERSARY

Mr. EBERHARTER. 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 Pennsylvania?

There was no objection.

Mr. EBERHARTER. Mr. Speaker, I rise today to salute the heroic people of Greece on the occasion of the 133d anniversary of the independence of their small but great nation.

The courageous deeds of these people over many generations have been and will continue to be an inspiration to freedom-loving people the world over. I join with their admirers in the 28th Congressional District of Pennsylvania and throughout the United States in reiterating praise for their stoutheartedness and hopes and prayers for a bright and glorious future for this brave people who have done so much on behalf of the cause of freedom everywhere.

THE PRESIDENT OF THE UNITED STATES

Mr. BECKER. Mr. Speaker, I ask unanimous consent to address the House for 1 minute, to revise and extend my remarks, and to include an article from the Nassau County Review Star.)

The SPEAKER. Is there objection to the request of the gentleman from New York?

There was no objection.

Mr. BECKER. Mr. Speaker, I am very glad the gentleman from New York [Mr. CELLER] took the opportunity to make the denial he did, because there appeared in the Long Island Press and Nassau County Review Star an article in which these statements are made:

> Congressman EMANUEL CELLER, Brooklyn Democrat, last night accused President Eisenhower of "running an administration of fright and cowardice"—

Referring to the President of the United States. The article goes on to state that he also made the statement:

> We have naught but silence from the head of the Republican Party in the White House. When history is written it will clearly indicate how cowardly was the man in the White House.

I say to the gentleman from New York that if he did not make such statement—and he denies he said it—that he write the papers of Nassau County and demand that they retract the statements immediately.

I include herewith the article to which I made reference:

> CELLER SAYS IKE'S AFRAID OF McC
>
> Congressman EMANUEL CELLER, Brooklyn Democrat, last night accused President Eisenhower of "running an administration of fright and cowardice."
>
> Speaking before the Great Neck Democratic Club, CELLER said the President "should cut this man McCARTHY down to size, but instead, he refused to mention the rascal in all his utterances."
>
> "We have naught but silence from the head of the Republican Party in the White House. When history is written it will clearly indicate how cowardly was the man in the White House."
>
> Congressman CELLER, who represents the Rockaways in Queens in addition to his Brooklyn district, acknowledged in his Great Neck address that there "is a Communist threat to the United States."
>
> But, he insisted, McCARTHY has created "an anti-Communist threat to our security by fighting communism with the weapons of communism (itself)."
>
> Referring to McCARTHY's recent illness with laryngitis, CELLER said "it was caused by his morning gargle with lies."
>
> Two Long Islanders, Bryan Hamlin, a Bridgehampton lawyer, and Edward T. Chase, an East Hampton public relations expert, are circulating a petition calling on President Eisenhower "to speak out against McCARTHY and his methods."
>
> "We have 3,500 signatures to the petition," said Chase, "most of them since McCARTHY started his dispute with the Army."

THE SECRETARY OF AGRICULTURE AND BUTTER PRICES

Mr. JAVITS. 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 New York?

There was no objection.

Mr. JAVITS. Mr. Speaker, I notice a rash of speeches this morning asking the Secretary of Agriculture to recede from his position on reducing supports for milk products, on April 1. Mr. Speaker, this is the first Secretary of Agriculture in some time—including the previous administrations—who bore in mind that there are not only people who make butter, but who consume butter. I think he is to be congratulated upon what he has done. I think he is trying to see to it, in the interest of the consumer, to give him a break, and I urge the great Committee on Agriculture to think of the consumer, too. In addition, the Secretary of Agriculture has understood the complete fallacy under which we are operating today with surpluses piling up and with $6.75 billion of Government money invested in them, and farm income at one and the same time falling. There must be something wrong somewhere, and it is the very scheme that has brought about this situation, this high fixed 90 percent of parity price support for milk products, so it must be wrong somewhere, too, and there is no use continuing an error which is hurting the farmer and hurting the consumer and yet that is what the 90 percent of parity price support people want to do.

SPECIAL ORDER GRANTED

Mr. HOFFMAN of Michigan asked and was given permission to address the House today for 20 minutes, following any special orders heretofore entered.

NEWSPAPER CRITICISM

Mr. HOFFMAN of Michigan. 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 Michigan?

There was no objection.

Mr. HOFFMAN of Michigan. Mr. Speaker, this idea of getting peeved about something in the newspapers that says something about you that you do not like is nothing to worry overmuch about.

There is only one good thing about that that I know of. If the papers are vicious enough and they use the wrong kind of language, you can get an hour on the floor on a question of personal privilege. That is, if the Speaker and the Parliamentarian agree with you that they have gone far enough to justify an explanation.

But the thing I want to suggest this morning—that is, the point I wish to make—is that, if the friends of Communists intend to try a Member of the other body—the chairman of a committee—and, in addition to their demands that he get off the committee and take no part in its deliberations, they demand that he be denied the privilege of cross-examining the witnesses who appear against him, then they ought to give him a bill of particulars so the people would know the exact charges that are made.

You know, even a chicken thief has to be told whose chickens he stole and how many there were, their value, before he can be brought to trial, and I think they ought to do that with our colleague in the other body. Let him have a chance.

Let him be tried by his peers. Let him be confronted by the witnesses. Let him have the right of cross-examination.

And while they are about it, let them, before they bring in a verdict, be sure that each is free of prejudice—has not

prejudged the case; has no personal knowledge of the alleged facts; has not expressed an opinion on the issue; has no desire to any part of the acclaim or publicity Joe has been getting.

In short, if they are to conduct a trial, as it appears they are, instead of a congressional hearing, let them follow trial procedure.

THIRD SUPPLEMENTAL APPROPRIATION BILL, 1954

Mr. TABER. 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. 8481) making supplemental appropriations for the fiscal year ending June 30, 1954, and for other purposes; and pending that motion, Mr. Speaker, I ask unanimous consent that general debate on the bill be confined to 1 hour and a half, the time to be equally divided and controlled by the gentleman from Missouri [Mr. CANNON] and myself.

The SPEAKER. Is there objection to the request of the gentleman from New York?

Mr. CANNON. Mr. Speaker, reserv- the right to object, would the gentleman be willing to amend his motion by making it not to exceed 1 hour and a half?

Mr. TABER. Yes.

Mr. CANNON. In the event that debate is exhausted prior to that time, the bill could be read for amendment.

The SPEAKER. Is there objection to the request of the gentleman from New York?

There was no objection.

The SPEAKER. The question is on the motion offered by the gentleman from New York.

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. 8481, with Mr. MORANO in the chair.

The Clerk read the title of the bill.

By unanimous consent, the first reading of the bill was dispensed with.

Mr. TABER. Mr. Chairman, I yield myself 23 minutes.

We have before us a bill for $394,521,596, a reduction of approximately $29,500,000 from the estimates.

Also, there is included $6,027,000 to meet direct obligations resulting from statutory requirements, audited claims, and that sort of thing, for the District of Columbia, which will come out of District revenues.

I will not spend very much time on most of the items. The items for the legislative and the judiciary I think will speak for themselves. They are items that had to be provided for the operation of the courts and the legislative establishment.

The items for State, Justice, and Commerce I shall leave to the members of the subcommittee handling that bill. The items for the Treasury I shall leave to the members of the subcommittee handling that bill, if any explanation of those is necessary.

I shall discuss briefly chapter 5, for the Department of Health, Education, and Welfare. There are some items included that I think will need no explanation. There are others that may require some little explanation. The figures on page 19 of the report cover items that were unanimously agreed to in the committee, and I believe there will not be very much question about them. However, I should be glad to answer any qeustions that may come up.

Mr. SEELY-BROWN. Mr. Chairman, will the gentleman yield at this time?

Mr. TABER. I yield to the gentleman from Connecticut.

Mr. SEELY-BROWN. Can the gentleman advise us as to the availability of funds for carrying out the provisions of Public Law 246 as authorized in the last days of the last session of Congress?

Mr. TABER. Yes. There was no provision made, there was no budget estimate submitted, and the members of the subcommittee were not aware of any acute situation, and are not now, except legislatively. The situation is this: There was $70 million provided for the operation of the new school-building activity in the last appropriation bill before adjournment. Of that, $35 million has been obligated and $35 million remains. Unless there is a very marked speeding up of the operations of the Department—greater than was ever had before—that will be amply sufficient to carry them through the 1st of July. There is pending a budget estimate of $40 million for the continuation of the consideration of title III and title IV grants under that situation. The committee will have hearings on that item and when the regular appropriation bill comes in they will do what the situation that develops seems to require.

Mr. SEELY-BROWN. Mr. Chairman, will the gentleman yield?

Mr. TABER. I yield to the gentleman from Connecticut.

Mr. SEELY-BROWN. Do I correctly understand the gentleman to say there are presently available sufficient funds to pay 70 percent of the entitlements?

Mr. TABER. I have not discussed that feature of the bill yet, but I will in a moment, unless there are some questions that relate to the new operations. If there are any questions relating to the new operations, I would be glad to discuss them.

Mr. SEELY-BROWN. By "new operations" the gentleman means those entitlements which were declared valid between June 30, 1952, and the present time?

Mr. TABER. Yes.

Mr. SEELY-BROWN. I thank the gentleman.

Mr. TABER. I have discussed those, and I think I have covered that subject as thoroughly as it can be covered at the moment.

Now I will go into the question with respect to the old funds under Public Law 815 of the 81st Congress. If I recall correctly, that resulted something like this. I will not try to give the detailed figures, but there was provided something in the nature of $341,500,000, of which approximately $340,022,000 has been obligated. There is, as I understand, something in the nature of $95 to $98 millions representing certain projects that had previously existed and to which consideration had been given.

When Public Law 246 was passed and became law last August there was in it a subsection, on page 7 of the printed statute, paragraph (e) in section 2, which stated that not to exceed $55 million was authorized to be provided for handling entitlements that had previously existed, but that not to exceed 70 percent of the unpaid entitlement or any claim of entitlement should be paid. That item has never had any consideration in the Appropriations Committee except a short hearing that we had on Tuesday afternoon.

Mr. PERKINS. Mr. Chairman, will the gentleman yield?

Mr. TABER. I yield to the gentleman from Kentucky.

Mr. PERKINS. May I ask the gentleman what has been the attitude of the Health, Education, and Welfare Department concerning this appropriation?

Mr. TABER. I found that out on Tuesday afternoon. I found that the new Commissioner of Education, Mr. Brownell, about 2 weeks ago submitted to the Secretary a request that a budget estimate be requested to meet the situation, and the situation described in section 209. She, however, had not up to that time submitted any request to the budget, and the budget knowing nothing about it, and our committee knowing nothing about it and its regular hearings being about completed, and not knowing anything about the urgency of it, did not consider it.

Mr. BARDEN. Mr. Chairman, will the gentleman yield?

Mr. TABER. I yield.

Mr. BARDEN. As I understand, the gentleman is speaking of the $55 million item, which is up for an amendment?

Mr. TABER. Yes.

Mr. BARDEN. As you know, there has been considerable discussion about the $55 million amendment, and then for the $58 millions for the completion of the requests coming in. Let me say at this point, I think the gentleman is acting wisely and in accordance with good policy, and certainly for the protection of the House and everybody else in determining that the item of the $58 million is unwise to handle at this time because there are only about half of the requests in. They have not been worked up. They have not been determined as to amount. I do not think we should call upon the Committee on Appropriations to take steps on that item at this time. I think that is the consensus of opinion of the members of the Committee on Education and Labor which handles such legislation. On the $55 million item, I must say there has been some criticism floating around as to the manner in which the Department has handled this matter. But I want to say this to my distinguished friend, the gentleman from New York [Mr. TABER]. There certainly can be no criticism of him or his committee for the manner in which they handled it because the Department simply intended to veto this piece of legislation by inaction. They just held their hands. They did not request it of the Budget Bureau, according to what they said, and the Department did not

bring it to the attention of the committee of the gentleman from New York, chairman of the Appropriations Committee. So when he was alerted about it, I must say that the gentleman took every step to act expeditiously and wisely. I think at this point, it is probably safe to say that there will be an amendment offered to take care of the $55 million, which was part of the $98 million originally passed by the House. Then we went into conference with the other body, and the other body and the House agreed to $55 million by reducing some of the applications or disregarding some of the applications for buildings that were commenced before the act was passed and then by reducing the amount further by providing for 70 percent which would cover minimum school facilities instead of complete school facilities. That left the $55 million. That money has been authorized twice by this House. It was authorized once. The time ran out and it was reauthorized last year. The reason for this action at this time, and the reason I think the gentleman realized that it required unusual procedure was because the time expires as of this coming June 30 for action, and it caught the gentleman from New York in a rather uncomfortable position, and I am in accord with him. He has made a quick thorough search of the problem.

Mr. TABER. The committee intends to—and the gentleman from Illinois [Mr. BUSBEY] will—offer an amendment which will put the $55 million in the bill with such restrictions as will insure that it be paid out only in accordance with the provisions of the statute.

Mr. BARDEN. That is right.

Mr. TABER. And, frankly, I want to say to the gentleman from North Carolina and to the others here that we have had this matter up with the General Accounting Office, and we have their assurance that they did not believe that this situation would permit the payment of anything to any district which did not have or was not presently contemplating the construction of a school or did not have children in it that would qualify.

We believe that it is fair; and, frankly, I do not know whether the $55 million would all be required.

We were in hopes that we might have an opportunity to go into the matter in such way that we could know; but as we cannot—the sentiment of the House seems to be overwhelming in favor of putting it in—we might just as well bow to sentiment and take our medicine whether we have the disease or not.

Mr. BARDEN. Mr. Chairman, will the gentleman yield?

Mr. TABER. I yield.

Mr. BARDEN. I would like to mention this: These entitlements, or applications under the law coming from the districts that were worked up, certified and approved, and so forth—there is a bare possibility that there may be some change in conditions and certainly neither the House nor the gentleman nor I expect any funds to go where the need does not exist, where the building has not been built, or to pay for a building that has been built or to be built.

Mr. TABER. That is right.

Mr. BARDEN. That is what we included in the law. If there is a possibility that it does not take the $55 million, that is well and good and we can save that much.

Mr. TABER. It will revert back to the Treasury.

Mr. BARDEN. At the same time I think it would be wise if the gentleman would consider also adding in the amendment if the reverse were true that it be paid pro rata instead of just taking it on a first-come-first-served basis.

Mr. TABER. I would be glad to add it. The reason I did not do it offhand was because it might be regarded as legislation; but I would be glad to add that to the amendment if we can get by with it.

Mr. BARDEN. I think the gentleman from New York and myself are in good enough standing with the membership of this House that we can get by with it

Mr. TABER. I hope so.

Mr. DONDERO. Mr. Chairman, will the gentleman yield?

Mr. TABER. I yield to the gentleman from Michigan.

Mr. DONDERO. Are we to understand then that the amendment will be offered to provide $55 million to take care of schools in distressed areas?

Mr. TABER. This amendment will be offered to take care of these old—I might say dead items at the present time, although the education department has not been through them for the last year and three-quarters and does not know anything about them or their status, and it will be supposed to take care of those old items. It will have nothing to do with new schools.

Mr. DONDERO. One further question: At the top of page 9 of the bill $55 million is provided for Federal-aid highways. Is that part of the $575 million annual authorization of the Congress 2 years ago?

Mr. TABER. It is a part of the unappropriated funds of previous authorization acts. Just exactly what date it was authorized, I have not the information in front of me to show; but it is expected this will carry the Bureau of Public Roads to the 30th of June.

Mr. DONDERO. To take care of the Federal part that is allocated to the States for matching money to be applied on the highways?

Mr. TABER. That is as I understand it.

Mr. DOYLE. Mr. Chairman, will the gentleman yield?

Mr. TABER. I yield to the gentleman from California.

Mr. DOYLE. May I say to the gentleman that I received a letter this morning from Mr. Lillywhite, to whom I made inquiry about the Bellflower School District in my congressional district, and with reference to the figures which the gentleman has read he said:

> In order for them to receive the full entitlement, the full amount of $95,500,000 would have to be appropriated, and not the $55 million.

Mr. TABER. We have no authority to put in anything beyond $55 million. That is the limit of the authorization and we cannot go beyond that because it would be subject to a point of order.

Mr. DOYLE. I thank the gentleman.

Mr. TABER. That is the situation as it exists today.

Mr. KNOX. Mr. Chairman, will the gentleman yield?

Mr. TABER. I yield to the gentleman from Michigan.

Mr. KNOX. I refer to the Department of Labor appropriation of $7,551,100 and reading from the bill it is stated: "which shall be available only to the extent that the Secretary finds it necessary to meet increased costs of administration resulting from changes in State law or increases in the number of claims filed and claims paid." That is from the bill.

Mr. TABER. I am not going to answer that question. I wish the gentleman would ask that of the gentleman from Illinois [Mr. BUSBEY], because he has the detail on that. I am not able to cover the detail on every single item.

Mr. KNOX. I withdraw my question.

Mr. TOLLEFSON. Mr. Chairman, will the gentleman yield?

Mr. TABER. I yield to the gentleman from Washington.

Mr. TOLLEFSON. The gentleman has said he would not discuss the State, Justice, and Commerce items, but I would like to ask a question he can answer. There was some concern about the reduction in operation subsidy funds in the bill by the sum of $10 million. Can the action of the committee or should the action of the committee be construed in any way as repudiating a just obligation of the Government?

Mr. TABER. No. There was a general feeling in the committee that that item should be carefully investigated. We felt that before we went any further with it we should have a study made of their actual situation, the way they are making their contracts, and whether or not the people who have been getting the subsidies have complied with what was intended in connection with the income-tax feature.

Mr. TOLLEFSON. May I ask the gentleman if that investigation is going to be made during this present session?

Mr. TABER. We expect it to be made promptly, and whatever it shows will give us a clue to the situation that might develop.

Mr. TOLLEFSON. So that if the investigation shows the vouchers are valid and the contracts under which they are made are valid, then the committee will come out with a request for funds?

Mr. TABER. What the committee will do will depend on the situation that develops as to whether or not something is needed within the authorization.

Mr. TOLLEFSON. In other words, if the vouchers are valid and just they should be paid?

Mr. TABER. That is correct.

Mr. Chairman, I yield 8 minutes to the gentleman from Illinois [Mr. BUSBEY].

Mr. BUSBEY. Mr. Chairman, the bill before us today includes five items for the Departments of Labor and Health, Education, and Welfare. The total requests for these items amounted to $83,850,000. The committee has recom-

mended that $76,201,100 be appropriated. This is a reduction of $7,648,900 from the estimates.

The first item in this chapter of the bill is $7,551,100 for grants to States for the administration of unemployment compensation and employment service programs. The request was for $14,500,000. This request was to cover the following items of increased cost, realized or anticipated, by the States and the Department of Labor:

First. Increased workload because of the increased number of unemployment-compensation claims under the regular program.

Second. Increased workload in connection with the increasing number of claims under the program for unemployment compensation for veterans.

Third. Increases in State salaries.

Fourth. Increased costs which would result from a change in the present policy of reporting claims biweekly to a policy of reporting each week.

Fifth. Additional activities in connection with employment services.

Sixth. Increased expenses resulting from increased purchases of supplies, increased postage reimbursement, and increased retirement contributions.

The committee has allotted, in full, the amount requested for meeting basic salary expenses accountable to workload increases in connection with the unemployment-compensation program. The committee has not allotted funds requested for State salary costs nor for changing the present policy with regard to biweekly reporting, in connection with unemployment compensation.

It has only been about 8 months since the 1954 act was passed, and the committee was not convinced that any real emergency exists, in connection with these 2 items, which would require revision of the basis upon which this act was passed. These matters are being given very careful consideration in connection with the budget request for 1955.

The committee did not allow any additional funds for the increased activities contemplated by the budget in connection with employment-service activities. There are some activities in this category which appear to the committee to be unnecessary under present conditions. For instance, the committee was not at all convinced that funds should be appropriated for teacher-placement services. It was brought out, in connection with the hearings on the 1955 budget, that 11 States have a specific division established for such a service, and that other States handle this service in connection with their regular activities. This work, of course, is paid for in full out of the funds appropriated under this head.

Under the appropriation recommended in the bill, it will be necessary for the States to absorb the relatively small incidental costs, such as increased expenditures for supplies, retirement contributions, and postage reimbursement.

The next item in the bill is unemployment compensation for veterans.

Mr. KNOX. Mr. Chairman, will the gentleman yield?

Mr. BUSBEY. I yield to the gentleman from Michigan.

Mr. KNOX. I asked the question of Mr. TABER, and the gentleman from New York [Mr. TABER] asked that I refer this question to the gentleman from Illinois [Mr. BUSBEY]. In the bill we have the language, "$7,551,100, which shall be available only to the extent that the Secretary finds necessary to meet increased costs of administration resulting from changes in a State law or increases in the numbers of claims filed and claims paid."

Then when I read the report I find it says:

> The allowance will provide in full for the net basic expenses requested for workload increases in connection with unemployment compensation claims but disallows funds requested for State salary increases.

The reason I bring that up is this. In the State of Michigan we have a constitutional amendment that provides that the civil service commission of the State shall set all salaries and wages and that it shall become mandatory upon the agency to pay those salaries or wages which have been put in effect by the civil service commission.

Today we have an order from the civil service commission in Michigan to raise the salaries and wages of State employees in the amount of $6 million. What I fear is that unless the gentleman can assure me that this will be absorbed through some additional funds going to the State of Michigan, we will have to have a decrease in the number of employees, which will directly reflect upon the ability of the agency to make the payment benefits to those who are entitled to them under the Unemployment Compensation Act.

Is it the opinion of the gentleman from Illinois that this is rigid and that there will be no salary increases absorbed under this particular fund for which we are appropriating at this time?

Mr. BUSBEY. I think the latter statement of the gentleman from Michigan is correct.

I may also state that, in instance after instance in the Federal Government, the various departments and agencies are being compelled to absorb not only salary increases, but also, in practically every case, the cost of penalty mail that has been put upon the various agencies.

Mr. KNOX. I am not going to offer an amendment for an increase. I want to get further information on it. I assure the gentleman I will take the matter up with the Senate and see what will be the ultimate outcome.

Mr. SMITH of Wisconsin. Mr. Chairman, will the gentleman yield?

Mr. BUSBEY. I yield.

Mr. SMITH of Wisconsin. In my State of Wisconsin we are faced with the situation where unemployment compensation benefits are being slowed up because of the lack of administrative help. If this cut goes into effect and as the unemployment increases it seems to me we are going to be severely handicapped. At this moment I am inclined to offer an amendment to increase the amount.

Mr. BUSBEY. We have taken that into consideration. The amount that is allowed in the bill takes into consideration this additional load that has been put on the States because of increased unemployment.

Mr. DONDERO. Will the gentleman yield?

Mr. BUSBEY. I yield to the gentleman from Michigan.

Mr. DONDERO. I want to confirm what my colleague from Michigan [Mr. KNOX] had to say. I have also received telegrams from the employer members of the Unemployment Compensation Commission of my State showing exactly the same condition to exist there. How they are going to get the money to pay this additional amount unless we provide it, I do not know.

Mr. BUSBEY. May I state for the record that I had not received one single communication from an employer in the State of Illinois, and they have had to contend with the same thing. As a matter of fact, we laid off 122 people, but I do not think the program has been crippled.

The next item in the bill is unemployment compensation for veterans. The total requested for this item was $20,500,000. As you will recall, $15 million of this amount was included in the Second Supplemental Appropriation Act, which has now become law. Since action on that bill, the committee has had an opportunity to study this matter further, and is recommending that the remaining amount of $5,500,000 be appropriated in this act. Under the Veterans' Readjustment Assistance Act of 1952, these payments are mathematically computed. Except for determining the eligibility of individual applicants, there is no administrative control over expenditures under this appropriation.

The next item in the bill is payments to school districts for operation and maintenance of schools in federally impacted areas. The full amount of the budget request for $5,850,000 is included in the bill. This will bring to $72,350,000 the total amount available for these payments in fiscal year 1954. The Office of Education officials testified that this amount would be sufficient to pay 100 percent of the entitlements under Public Law 874, as amended by the last session of Congress.

The next item in the bill is salaries and expenses for the Bureau of Old-Age and Survivors' Insurance. The funds which this bill would make available come from the Old-Age and Survivors' Insurance trust fund, rather than from the general funds of the Treasury. The amount recommended is an increase in this limitation of $996,000, the amount of the budget request. This represents the cost of penalty mail, which must be paid by the trust fund in 1954, under Public Law 286 of the Eighty-third Congress. This additional expense comes on top of a fairly substantial increase in workload above that upon which the original 1954 appropriation was based. No funds have been requested, nor any recommended in the bill for this increase in workload. However, the committee felt that it would be impossible for the Bureau to render the services which are expected of it if they were required to absorb both the cost of increased work load and the penalty mail cost.

The next item in this chapter is grants to States for public assistance. The

committee was requested to include $58 million for this purpose. This amount was composed of $54,500,000 for payments to recipients and $3,500,000 for State and local administration. The committee has allowed the full amount requested for benefits payments. Grants for this purpose are figured on a mathematical formula prescribed in the basic law, and the Congress has no alternative but to appropriate funds which are necessary, as a result of this calculation. The committee has reduced by $700,000 the amount requested for State and local administration, and has included a provision in the bill which will limit to $2,800,000 the amount that can be used for this purpose.

The committee will expect a much better explanation and justification for the budget covering the item of State and local administration when the Bureau presents the budget for 1955 than they were able to give, in connection with the supplemental request. Last year the committee recommended the full amount of the budget request of $1,340 million for grants to States for public assistance. This budget included $77,500,000 for grants to States for State and local administration. When the supplemental request was presented to the committee, the budget schedule indicated that not $77,500,000 was budgeted for this purpose, but $79,200,000, even though there had been no increase in the total funds appropriated since the original 1954 act. The committee had taken no action whatsoever, nor had the committee even been advised of this rather substantial change in the amount budgeted for administration. The justifications which accompanied the budget schedules for the supplemental did not even mention this fact, nor did the general statement presented by the acting head of the Bureau. On top of the increase which the Bureau had already made, they included $3,500,000 in the supplemental request.

Had it not been so late in the fiscal year, I personally would have been in favor of reducing the request of $3,500,000 much more than we have, or perhaps disallowed it entirely.

Unless the Members have additional questions on any of these items, I will not take up any further time of the committee.

Mr. CANNON. Mr. Chairman, I yield such time as he may require to the gentleman from Washington [Mr. MAGNUSON].

Mr. MAGNUSON. Mr. Chairman, I wish to point out the serious reduction in this bill in the appropriations to the Department of Commerce for paying operating-differential subsidies to American shipping concerns engaged in foreign commerce.

The Department asked for $29½ million to meet existing contractual obligations for subsidy payments. The committee bill provides only for $19½ million. This is a reduction of $10 million, or more than one-third of the amount requested.

The amount asked by the Department is not merely an estimate of future requirements. As of March 5, 1954, the Department had in its hands processed vouchers in the amount of $29,924,963. This is some $400,000 above the figure requested, a figure which this bill has reduced by more than one-third.

Mr. Chairman, the operating-differential subsidy program is, in my opinion, vitally necessary if we are to maintain a strong merchant marine. These payments are needed to permit the operators to meet foreign competition with operating costs considerably below ours. The subsidy rate of payment is based on five cost items—wages, subsistence, maintenance, insurance, and stores and supplies.

To give but one example of the difference between American costs and foreign costs, the wage cost per voyage day for one United States operator in 1951 was $666; for foreign operators this wage cost varied from $384 to as low as $167. In other words, the average wage cost per voyage day for the foreign competitor ranged from 42 percent to as low as 75 percent below the cost to the American operator. The disparity is even greater today. Our lines could not stay in business very long without the subsidy program.

Under existing law, the Department has entered into long-term contracts with 15 lines to make these subsidy payments. These lines have scheduled extensive foreign service, and they have set up long-range programs to replace obsolete vessels as required by their contracts. If we fail to carry through with our part of the bargain, we not only renege on our contractual obligations, but we deal a serious blow to the maritime industry. Justice and policy require that Congress appropriate the full amount of the Department's request.

This is not the time to cut these funds. The operators are finding that their cash position is tight; they need the money which the Government by contract is obligated to pay, and they need it now.

The maritime industry is seriously alarmed at the significance of the cut, not only for what it means today, but for what it means to the future of the program. I should like to read a telegram I have just received from the president of the Pacific Far East Line, Inc., one of the firms holding contracts with the Federal Government under the program:

SAN FRANCISCO, CALIF., *March 24, 1954.*
Hon. DON MAGNUSON,
Merchant Marine Committee,
House Office Building,
Washington, D. C.:

We are greatly disturbed to learn that House Appropriations Committee has refused to pass the $29½ million budget of Commerce for operating differential subsidies currently due and payable and have instead trimmed this amount by some $10 million. Know that you yourself are quite familiar with fact that the amount submitted by Commerce was least possible net to meet obligations of current vouchers which are part of definite obligation under bona fide contracts with United States Government for services rendered by the operators concerned. This fact must, however, have escaped Chairman CLEVENGER of Appropriations, otherwise cannot conceive of his suggesting that Government ignore or disavow good faith legal contract obligation. Furthermore, in case of our company, we have in the first year of our contract obligated ourselves to something in excess of $16 million for 3 new mariners now building and are deeply agitated over portent of such action.

How are we ever to fulfill our commitment and put these vessels into operation if we are faced with the prospect that Government may at any time revoke its reciprocal commitment? Will appreciate your best efforts to correct this damaging inequity and to get some reassurance that operators endeavoring to implement Merchant Marine Act and its objectives can rely upon that act for protection as well as obligation, and that Congress will not destroy private industry's faith in long-term commitments and vessel-replacement programs such as noted above.

T. E. CUFFE,
President, Pacific Far East Line, Inc.

It is regrettable, Mr. Chairman, that the committee has cut by more than one-third the funds the Department needs today to meet outstanding contractual obligations. I hope that this serious oversight speedily can be corrected.

Mr. CANNON. Mr. Chairman, I yield such time as he may require to the gentleman from Florida [Mr. BENNETT].

Mr. BENNETT of Florida. Mr. Chairman, I favor the proposed so-called Fogarty amendments and the proposed Busbey amendment to make possible additional educational funds for federally impacted areas.

I am strongly in favor of these proposed amendments to provide for past entitlements and for current ones under the educational program. I understand that the committee may agree to part of the proposals and that others may be submitted in the next bill to be before us on this question. In enacting Public Laws 815 and 874 of the 81st Congress, Congress recognized the obligation of the Federal Government to assist in the education of the children of servicemen and defense workers under circumstances where there was a particular burden on a local community.

There are two strong reasons why the Federal Government has this obligation: First, the Federal Government's defense installations are exempt from local real-estate taxes. Thus, without this legislation, the Federal Government does not accept the usual responsibility of the property owner to pay taxes necessary for free public education. Second, while taking land off the tax rolls, the Federal defense activity brings an influx of children of servicemen and defense workers who must be educated.

These two circumstances create an obligation. But it is not just a matter of obligation. It is a matter of necessity. Some communities are simply unable without this assistance to provide sufficient school housing and operating expenses under these circumstances.

Last year Congress renewed its recognition of the Federal obligation in this field by extending Public Laws 815 and 875 in amended form.

The President has also recognized the Federal responsibility in this field. In his state of the Union address last year, he said:

One phase of the school problem demands special attention. The school population of many districts has been greatly increased by the swift growth of defense activities. These activities have added little or nothing to the tax resources of the communities

affected. Legislation aiding construction of schools in these districts expires on June 20. This law should be renewed, and, likewise, the partial payments for current operating expenses for these particular school districts should be made, including the deficiency requirement of the current fiscal year.

This program is not to be confused with various proposals which have come to be known as Federal aid to education. It is in sharp contrast to such proposals in that it is in fulfillment of a direct Federal obligation arising out of the carrying on of a defense activity. It is in the nature of a contract arrangement between Federal and State Governments. The Federal Government says in effect to the States, "We will pay you to educate children for whose education we are responsible." It is in no sense a gift to the States without consideration.

The proposed Fogarty and Busbey amendments seek only to make appropriations to cover authorizations made in Public Law 246, enacted last August 8. This statute was enacted with an overwhelming majority in the House. For these and other reasons, Mr. Chairman, I urge adoption of these amendments.

Mr. CANNON. Mr. Chairman, I yield such time as he may require to the gentleman from California [Mr. DOYLE].

Mr. DOYLE. Mr. Chairman, with reference to this item of $55 million which has been mentioned by me and others already, may I state that in the great 23d Congressional District, in Los Angeles County, there are some school districts which, under this sum of $55 million, will only finally receive up to 70 percent of the total money they formerly had good and sound reason to believe they would receive from this Congress. To illustrate the problem in my Congressional District, I say that I have in my hand here 2 letters from Mr. Lillywhite, of the Department of Health, Education, and Welfare, Washington, D. C., dated March 18, 1954, and March 23, 1954, respectively, in which he frankly states as follows:

DEPARTMENT OF HEALTH,
EDUCATION, AND WELFARE,
OFFICE OF EDUCATION,
Washington, D. C., March 18, 1954.

Hon. CLYDE DOYLE,
House of Representatives,
Washington, D. C.

DEAR MR. DOYLE: Reference is made to your letter of March 4, 1954, accompanied by a communication from Superintendent W. Norman Wampler of the Bellflower city school district, Bellflower, Calif. (California 54-C-247).

Mr. Wampler outlines the problem confronting his district and suggests two lines of approach as a solution to his problem. We are submitting herewith comments on his suggestions.

With reference to the district's first approach to secure the $620,569 outstanding entitlement under title II of Public Law 815, Congress in the closing days of the first half of the 83d Congress authorized an appropriation of $55 million to pay these claims up to 70 percent on any individual claim. However, no funds were appropriated and under the terms of the authorization passed, this terminates June 30, 1954. So any appropriation made under this authorization would have to be made before June 30, 1954. In order for them to receive full entitlement, the full amount of $95,500,000 would have to be appropriated and not the $55 million authorized.

With reference to the second approach, that of having the Presidential determination of areas under section 305 (a) (3) expedited, there is not much which we can report at the present time except to say that discussions are going on and planning being done to work out this matter. From day to day, we are expecting the go-ahead signal on this matter but as yet, it has not materialized. We are expecting it at any time now.

We trust this information will enable you to advise Mr. Wampler and also assist you in carrying out the purposes suggested in the last paragraph of your letter.

We appreciate your interest in this application, and if there is any further information which we can supply, we shall be happy to do so.

Sincerely yours,
B. ALDEN LILLYWHITE,
Associate Director for
Federally Affected Areas.

DEPARTMENT OF HEALTH,
EDUCATION, AND WELFARE,
OFFICE OF EDUCATION,
Washington, D. C., March 23, 1954.

Hon. CLYDE DOYLE,
House of Representatives,
Washington, D. C.

DEAR MR. DOYLE: Reference is made to your letter of March 18, 1954, which refers to the application of the Bellflower City School District, California 54-C-247, under the provisions of Public Law 815, as amended. You inquire what priority is now assigned to this district and whether or not it has been raised.

The first priority assigned tentatively to this project was 14.2. Under date of December 20, 1953, the applicant submitted a revision of the data in his original application which raised the priority to 24.3. This priority counts the 305 (a) (3) pupils as eligible. Therefore, the priority is still tentative, since the Presidential determination of the area under this section has not as yet been made.

The reply to your letter of March 4, 1954, was mailed out of this office on March 18, 1954. If you have not received it, please let us know, and we will send another copy. We appreciate your interest in this applicant, and if we can supply any additional information please call upon us.

Sincerely yours,
B. ALDEN LILLYWHITE,
Associate Director for
Federally Affected Areas.

Mr. BUSBEY. Mr. Chairman, will the gentleman yield?

Mr. DOYLE. I yield to the gentleman from Illinois.

Mr. BUSBEY. Of course, the gentleman knows that the Congress has no right to appropriate funds that are not authorized. The $55 million is the full authorization.

Mr. DOYLE. I realize that, but that does not alter the fact, in my judgment, that as soon as possible the Congress should authorize enough to help these impacted school districts to receive the full amount to do the job which should be done.

Mr. BUSBEY. May I say that, in my opinion, the whole program should be reviewed at this time, due to the fact that many defense industries have been closed down in certain localities, expensive installations have been curtailed to a great extent, and we ought to know just exactly what the situation is at the present time in these communities.

Mr. DOYLE. I think that is true, and the sooner we know what the facts are the better it will be for the children of the country.

Mr. BAILEY. Mr. Chairman, will the gentleman yield?

Mr. DOYLE. I yield to the gentleman from West Virginia.

Mr. BAILEY. I probably can clarify the point for the gentleman from California. There are two things that contributed to reducing that item from $98 million to $55 million. We enacted last year Public Law 246. A lot of the old projects that were under Public Law 815 have been processed under Public Law 246, which cut down some of the $98 million. Then in Public Law 246 we changed it so that it would be on the basis of unhoused school children and that resulted in another slice off. So all we actually need is $55 million.

Mr. DOYLE. I thank the gentleman who I pleasantly recall came to my native State of California a few years ago for Congress and gave his high talents to sponsor necessary legislation in the interests of our schools all over our Nation. I urge this Congress to see that the full anticipated amount of the total of $95,500,000 is available as soon as practical to do so.

Another important step which should be promptly taken by the executive department as soon as practical is the presidential determination of their areas in southern California, and elsewhere too, as allowed by the present existing law.

I shall gladly support the amendment announced to increase the appropriation, and I am pleased that the majority party leadership favors it on the floor today, even though it was not budgeted and even though the Director of the Budget has not approved it.

Mr. CANNON. Mr. Chairman, I yield 10 minutes to the gentleman from Rhode Island [Mr. FOGARTY].

Mr. FOGARTY. Mr. Chairman, on last Friday I served notice on the full Committee on Appropriations that I was going to offer two amendments to this supplemental bill to provide—first, $55 million for school construction under the old act, Public Law 815, and $58 million under the act, as amended last July by unanimous vote of the House. I understand the leadership on the other side of the aisle met around noontime today, and decided on an amendment which will affect one-half of that sum. I inquire of the chairman of my subcommittee, the gentleman from Illinois [Mr. BUSBEY] if he has an amendment which he intends to offer to that part of the bill when we get to it?

Mr. BUSBEY. I do have an amendment to offer for the $55 million.

Mr. FOGARTY. That is just for the $55 million?

Mr. BUSBEY. That is all.

Mr. FOGARTY. I think under the circumstances that if that is amended, and no strings attached to it, to include the $55 million for construction under the old entitlements, I will go along with the amendment. But, I think the membership should be advised also, there is still due as far as we can determine from the Department of Education, $58 million under the new act to meet 100 percent of all the applicants for construction under the act, as amended last July. There is $40 million budgeted in the bill, which we will have up sometime in the

latter part of April or May. This, I presume, will be on the regular appropriation bill, and I now want to advise the House that I will at this time, reserve the right that, if the committee does not put in enough money under the new entitlements under the act, as amended, I intend to offer an amendment at that time on the floor of the House to make the amount sufficient to cover 100 percent of the entitlements under the act, as amended.

Mr. BUSBEY. Of course, the gentleman knows he does not have to reserve the right to make the amendment?

Mr. FOGARTY. I was just saying that as a figure of speech to make sure that you knew, and that every other Member of the House knows today what I intend to do if the committee, of which you are the chairman and I am a member, does not see fit to increase that amount to meet 100 percent of the obligations that this Congress has laid down.

Mr. NICHOLSON. Mr. Chairman, will the gentleman yield?

Mr. FOGARTY. I yield.

Mr. NICHOLSON. Will this proposed amendment by the committee of half of this amount take care of the schoolhouses that have already been built?

Mr. FOGARTY. This $55 million primarily is to reimburse those school districts that built these schoolhouses and were never reimbursed for their Federal share—yes. The other $58 million is new money under the act, as amended last July, as I understand it.

There is one other thing I do want to mention, and that is there was some discussion a little while ago about the cut in the employment services where they asked some $14 million, and the committee allowed $7 million. We have been cutting this fund every year. I have maintained in past years that this three-tenths of 1 percent, which is collected from the employers countrywide, is turned into the Treasury of the United States for the purposes of defraying expenses of administration of employment services in every State of the Union. The Federal Government is making about $60 million profit on this three-tenths of 1 percent every year. Why in the world the committee and the Congress refuses to appropriate sufficient funds to administer this program, when actually it is not coming out of the Federal Government's Treasury, I do not understand. In fact, since the program has been in operation, the Federal Government has made a profit of between $600 million and a billion dollars according to what might be termed expenses.

I think the committee went too far on that again this year, and I hope that when we have the regular appropriation bill before us—I made the suggestion in the committee on this supplemental bill—that we establish a sufficient amount of money in the contingent fund which this committee established 5 or 6 years ago that would meet increases in work load, increases in State salaries, and changes in State laws that could not be foreseen at the time the Bureau of the Budget, the Federal Security Agency, or our committee dealt with the problem.

Mr. BUSBEY. Mr. Chairman, will the gentleman yield?

Mr. FOGARTY. I yield.

Mr. BUSBEY. Did I understand my good friend from the great State of Rhode Island to say these moneys are not appropriated out of the Treasury? It was my understanding that the money went right into the Treasury the same as income taxes do.

Mr. FOGARTY. I do not think I said quite that. I did say that this 0.3 percent is collected from the payrolls for the purposes of administering this law in the various States; in other words, it is collected and turned into the Treasury of the United States, and then the Treasury of the United States dispenses it to the local States to pay their expenses. It is not the same as income tax at all; it has no relationship to income tax or any other tax.

This 0.3 percent is for the specific purpose of paying for the administration of this program, and the Federal Government this year will make a profit of $60 million on that one item alone. I think that when we are taking in funds like that it is the responsibility of this Congress to see to it that the States get back their share. It comes out of the States to the Federal Treasury to administer this program equitably and fairly, especially in these days when we have high unemployment over the country.

Mr. GARY. Mr. Chairman, will the gentleman yield?

Mr. FOGARTY. I yield.

Mr. GARY. While these funds go into the Treasury they go in as trust funds reserved for specific payment, do they not?

Mr. FOGARTY. No; it is not the same as a trust fund, not like the old-age and survivors' insurance; no, they are paid directly into the Treasury, but they are not taxes to constitute revenue for the carrying on of the general expenses of the Federal Government; they are taxes to bring in revenue to carry out the administration of this program.

Mr. GARY. Reserved for that particular purpose.

Mr. FOGARTY. Yes.

Mr. GARY. Just as other trust funds, to fulfill a particular purpose.

Mr. FORAND. Mr. Chairman, will the gentleman yield?

Mr. FOGARTY. I yield.

Mr. FORAND. Is it not a fact that these funds are not collected as general revenue but represent money collected and placed in the Treasury for a specific purpose? The intent of Congress was that this fund should be used for the purpose of administering this law, but the Government has been dealing with it as though it were a part of the general revenue.

Mr. FOGARTY. The gentleman is absolutely right.

Mr. BAILEY. Mr. Chairman, will the gentleman yield?

Mr. FOGARTY. I yield to the distinguished gentleman from West Virginia.

Mr. BAILEY. I would like to direct the gentleman's attention again to the $55 million item in the appropriation for the Department of Education. In answering the inquiry of the gentleman from Massachusetts [Mr. NICHOLSON], the gentleman from Rhode Island left the impression that the majority of the $55 million was to reimburse school districts for projects already constructed.

I may advise the gentleman from Rhode Island that only a reasonable percentage of that, probably 20 or not more than 30 percent, will be used for that purpose.

I may advise the gentleman further that there are now some 220 districts that were given allocations under Public Law 815 a few years ago, that have gone ahead with their own local financing, but there has not been made available a single cent of Federal money to match the local contributions, and the projects are idle now, construction waiting on Federal money. That will account for more than 50 percent of the $55 million.

Mr. FOGARTY. I want to thank my distinguished friend from West Virginia. He knows more about the original law than I, for he was one of the fathers of the law when it was enacted in 1950. The statement of the gentleman from Massachusetts, I believe, was that a school had been built in his district, the money paid out by the local district, but never repaid by the Government because we did not appropriate the money. This $50 million will take care of that situation.

Mr. BAILEY. And it would take care of the other situation, too?

Mr. FOGARTY. Yes.

Mr. CANNON. Mr. Chairman, I yield 8 minutes to the gentleman from Virginia [Mr. GARY].

Mr. GARY. Mr. Chairman, I merely wish to call attention very briefly to some of the testimony with reference to the refugee program. Many of you will recall that last year President Eisenhower recommended that 240,000 refugees be admitted to the United States. The Congress on August 7 passed a bill authorizing 214,000 refugees, 5,000 of which were adjustments for those already in the United States. This act, therefore, provides for the admission of 209,000 refugees not now in the United States.

The Congress at that time appropriated $3 million to carry out that program. The department requested in this bill an additional $1,560,000 to finance its operations to the end of this fiscal year, which would be June 30 next. The committee went rather fully into this request, and I think the testimony which appears beginning on page 300 of the hearings and particularly at page 311 will be interesting to the Members of the Congress. Up to the present time, they have spent $672,000. During the 7 months that the program has been in progress less than 50 visas have been issued, and according to the best information that we can obtain, only 6 refugees have been admitted to the United States. Now, that is over $100,000 per refugee.

I like to be fair in these matters and I think for the sake of fairness it should be stated that the officials in charge of this program claimed that it was neces-

sary for them to prepare and plan the program. They likened it to building a railroad. They said they had to build a railroad to the refugees to get them out. Now they say the railroad is completed; the refugees are clamoring for tickets, but they cannot take them aboard because they are screening in this country the employees who are going to screen the refugees in foreign countries.

My distinguished colleague from New York then took up the inquiry, and you will note the testimony which he developed on page 314. Mr. Alexander had been one of the leaders in the IRO and the displaced persons program, and the gentleman from New York [Mr. ROONEY] suggested to Mr. Alexander that they had already screened employees under the IRO and displaced persons programs and asked why they could not use some of those. The reply was that the Committee on the Judiciary in the other body had ordered that no employees from the IRO or the displaced persons program at the policy level should be employed. That means, of course, that people with experience are barred from this program.

Then, if you will look on page 318, you will find that the question was asked if they could not have screened these employees while they were building the railroad so that when the passengers were ready to embark, they could then screen the passengers and take them aboard. The reply was that "many times your hindsight is better than your foresight."

May I say that our subcommittee turned down the request for the additional $1,560,000, and I think very properly so, because clearly the program is not progressing as had been anticipated and it is doubtful whether they can spend between now and June 30, the entire $3 million which has already been appropriated for that purpose.

Mr. GROSS. Mr. Chairman, will the gentleman yield?

Mr. GARY. I yield to the gentleman from Iowa.

Mr. GROSS. Was that the only explanation your committee got for the establishment of this figurative railroad and for the spending of this $672,000 to bring 6 refugees into this country?

Mr. GARY. If you will read the testimony, you will find that that is the explanation.

Mr. GROSS. I have not had the opportunity to read the testimony. I certainly want to commend the gentleman for explaining to us what has happened in this case.

Mr. GARY. I thought the Members of the Congress would be interested in the present status of the program.

Mr. GROSS. This sort of thing is indefensible to me that they could spend $672,000 to bring 6 refugees into this country, and then have the State Department come before the committee and ask for 991 more employees on top of that record. I commend the gentleman.

Mr. GARY. The record speaks for itself.

Mr. JAVITS. Mr. Chairman, will the gentl man yield?

Mr. GARY. I yield to the gentleman from New York.

Mr. JAVITS. Does not the gentleman feel that this is verging up into a national scandal; if we passed a bill authorizing the admission of over 200,000 refugees and admitting only 6, that we ought to have a look at this situation to see if it is not falling over its own feet or if Mr. McLeod of the State Department is following the intent and desire of Congress in respect of this legislation. I am for it. It is a wise and considered element of the policy of the United States and should get moving or we should know why.

Mr. GARY. I will say to the gentleman that I personally have never been enthusiastic about the program. But I stated in committee to the State Department officials who appeared before our subcommittee that in my judgment the act either should be carried out or repealed.

Mr. JAVITS. I will say to the gentleman that I am enthusiastic about the program and I am going to look into this matter carefully, and to do my utmost to lay the situation before the House.

Mr. GROSS. Mr. Chairman, will the gentleman yield?

Mr. GARY. I yield to the gentleman from Iowa.

Mr. GROSS. If the act is repealed forthwith, that cannot be too soon, as far as I am concerned.

Mr. CANNON. Mr. Chairman, I yield 10 minutes to the gentleman from New York [Mr. ROONEY].

Mr. ROONEY. Mr. Chairman, while I have now been a member of the Committee on Appropriations for many years, I have never seen such appropriations abracadabra as is going on here today. It would seem that the alleged Republican budget-cutting drive has gone into reverse. To find my distinguished and sincere friend, the chairman of the full Committee on Appropriations, the gentleman from New York [Mr. TABER], a party to inserting $55 million in this bill today without a request for it from President Eisenhower's Bureau of the Budget is something I never expected to witness.

Mr. TABER. Mr. Chairman, will the gentleman yield?

Mr. ROONEY. I yield to the distinguished chairman of the full committee.

Mr. TABER. I wonder if the gentleman from New York [Mr. ROONEY], my dear friend of long standing, feels that he will have to vote for that amendment?

Mr. ROONEY. I shall be glad to follow the learned gentleman with regard thereto. He is the great saviour of the taxpayer's dollar. His party is the party which is going to balance the budget. What kind of budget balancing is this?

I have in my hand Report No. 1372 on the pending Third Supplemental Appropriation bill, 1954, the report from the distinguished Committee on Appropriations, and on the very first page the gentleman from New York [Mr. TABER] says:

> Budget estimates considered by the committee total $424,090,496. Appropriations recommended total $394,521,596, a reduction of $29,568,900.

At the meeting of the full House Committee on Appropriations last Friday it was claimed that this $29,568,900 was a substantial savings for the taxpayers, amounting to 6.9 percent of the amount of the requested budget estimates. But now, when the gentleman adds to the amount approved at the meeting of the full committee last Friday, to-wit: $394,521,596, the amount $55 million, which the gentleman from New York [Mr. TABER] knows has not even been requested by Mrs. Hobby, the Eisenhower Bureau of the Budget, or the Eisenhower administration, we have the sum of $449,521,596, or $25,431,100 over and above the amount which the Eisenhower administration requested. Instead of a savings, as alleged in this report, of $29,568,900, or 6.9 percent of the amount of the budget estimates, John Q. Taxpayer is in the hole to the extent of $25,431,100.

The distinguished gentleman from Virginia [Mr. GARY] made mention here today of the fact that it has cost over $600,000 to date to bring in six refugees. It is indeed an unfortunate situation when, although the authorizing law was enacted on the 7th of August of last year, and although at that time the Eisenhower administration was given an appropriation of $3 million, only six refugees have been brought in to date. Our consulates abroad, and in particular those in Italy, have lists of prospective immigrants in five figures, in tens and twenties and fifty thousands, who have been carefully interviewed and checked and looked up and down and backwards with regard to their entry as prospective decent citizens into the United States. But it seems that only good and deserving Republicans may go abroad to screen those already screened by the consulates and the Foreign Service. They don't want experienced personnel. Let me call your attention to the following colloquy which appears in the printed hearings on this bill:

> Mr. ROONEY. Under the Displaced Persons Act of 1948, you brought in over 200,000 aliens, did you not?
>
> Mr. ALEXANDER. That is right.
>
> Mr. ROONEY. And your experience has shown that only dozens, or thereabout, of those people were bad security risks; is that true, as far as you know?
>
> Mr. ALEXANDER. A small number.
>
> Mr. ROONEY. An infinitesimal number?
>
> Mr. ALEXANDER. Yes; relatively.
>
> Mr. ROONEY. What happened to the personnel that worked on that program?
>
> Mr. ALEXANDER. It folded up and they are gone, and out of the Government.
>
> Mr. ROONEY. Could you not get those people?
>
> Mr. ALEXANDER. We had to——
>
> Mr. ROONEY. They did a good job. Why couldn't you get them?
>
> Mr. ALEXANDER. We had a directive from the Judiciary Committee, not to hire anyone who had anything to do with policy on the IRO or the DPC program.
>
> Mr. ROONEY. Oh, I see.

The third matter which I shall bring to the attention of the House concerns the administration's now famous numbers game. On the Saturady evening before last our former colleague, Vice President RICHARD M. NIXON, in his widely publicized and televised speech told the American public that—

> This administration recognizes the danger of Communist infiltration in the United States.

The Vice President went on to say:

I have here a breakdown of the files of over 2,400 people who have left the Federal payroll either by resignation or discharge under this program since May, and the great majority of these, incidentally, were inherited from the previous administration.

This is what their files show: 422 of the files showed that they contained information indicating subversive activities or associations.

The Vice President then said that he thought—

All of you will agree that people with information like that in their files shouldn't be working for the Federal Government. That's what we think, and that's why they aren't working for the Federal Government today. Now, that's what the administration in the executive branch has done.

This may all be very well and good, but what about these Government employees who the Vice President says were engaged in subversive activities? If that allegation is the truth, then why have not these subversive employees been prosecuted for a felony? There is a law on the statute books known as Public Law 759 of the 81st Congress, enacted in 1950, which provides as follows, at section 1209:

Provided further, That any person who * * * advocates, or who is a member of an organization that advocates, the overthrow of the Government of the United States by force or violence and accepts employment the salary or wages for which are paid from any appropriation or fund contained in this or any other act shall be guilty of a felony and, upon conviction, shall be fined not more than $1,000 or imprisoned for not more than 1 year.

The Communist Party has been found by the Subversive Activities Control Board to be an organization which advocates the overthrow of the Government of the United States by force or violence. I say, Why have not these Government employees engaged in subversive activities whose files were mentioned by the Vice President in his broadcast a week ago Saturday evening been prosecuted under this law?

I asked this same question of the Assistant Attorney General, in the absence of Attorney General Brownell before our committee, and the following is the answer, later submitted for the record. The Assistant Attorney General could not answer this question at the moment of the hearing. Later submitted by the Department of Justice was this statement, which appears at page 229 of the printed hearings:

The records of the Department do not disclose that any indictments have been returned or prosecutions brought under the provisions of this statute.

The statute I have mentioned has been in every appropriation bill for at least 6 or 7 years. It is permanent law. It certainly goes back far enough to cover people who were engaged in subversive activities while they were Government employees. I say to President Eisenhower and the administration that the sooner you get to prosecuting these Communists and subversives, whom you say you found in the Government, the better. The American public is entitled to know what you are going to do about this.

Mr. CANNON. Mr. Chairman, I yield the balance of the time to the distinguished gentleman from Massachusetts [Mr. McCORMACK].

Mr. McCORMACK. Mr. Chairman, of course, we know that when the amendment stage is reached, we are going to witness an interesting and somewhat unusual picture of an amendment being offered to increase this bill $55 million, with the approval of our distinguished friend, the gentleman from New York [Mr. TABER]. To me, that is really making history. My purpose in addressing the committee on this occasion is to call attention to an item in the budget message sent up by President Eisenhower, which the committee eliminated, and to urge that it be adopted by the Committee of the Whole when I offer the amendment to put it back in the bill. I think arguments should not be necessary to satisfy the membership on both sides of the aisle on this particular proposition. We all know that unemployment is increasing, and I am not going to discuss the factors or the influences at this time, but I am going to discuss a matter which the President recommended and which this committee eliminated, which I think should appeal to each and every one of us as a desirable thing for the House to do to support the President. In the President's budget message, there was an item of $1,281,300 for the payment of claims weekly from April 1 to June 30. That simply means that the Congress appropriated money which in turn is allocated to the several States, as we know, for the payment of administrative expenses in connection with the payment of unemployment compensation enabling the several States in their wisdom, if they so desire, to make weekly payments to those entitled to unemployment compensation under the State law rather than biweekly payments. I hardly think any argument in favor of that action is necessary or should be necessary. Prior to September of last year, the Congress always appropriated money so that the several States could make weekly payments. In the Truman budget of last year, the total budget was $218 million. The Eisenhower budget was $213,600,000 and in that there was included enough funds to permit the several States to make weekly rather than biweekly payments, if they so desired. The committee reported out a bill for $187,300,000. That is the sum which passed the House. As it passed the Senate, the bill provided for $197,100,000 and the conference agreed upon $192,205,000. As a result of that cut, the several States were compelled to go on a biweekly payment, assuming that they did not want to do so. Some of the States do make weekly payments. They have to make it up out of their own State funds appropriated for that purpose. President Eisenhower in his budget recommendation of last year contemplated that the appropriations should be made so that the several States could make weekly payments of unemployment compensation.

I might say for the benefit of my colleague that so far as I can find out, prior to last September and the period previous to that there were but two States in the Union that paid on a biweekly basis, which was action on the part of those States.

In this supplemental budget recommendation the President specifically included $1,281,300 for this purpose; but the subcommittee and the full committee eliminated this with some other items, and while I favor them, I am not including the other items in my amendment. My amendment goes to one proposition: That we ought to appropriate the money to enable the several States of the Union if they so desire, between April 1 and June 30 of 1954—for the remainder of this fiscal year—to make unemployment-compensation payments weekly rather than biweekly.

As I said, I do not think argument is necessary. We are all reasonable ladies and gentlemen; we all want to do the right thing. I think we all realize that those who are getting unemployment compensation are not possessed of much of the world's spoils. I think we realize the importance of that money going to them weekly rather than biweekly. You and I cannot judge this question based upon our own financial position, because at least we have a dollar in our pocket; it must be considered from the angle of the person who is without employment, not only that person but his family, and the importance of that check coming to them for whatever period is prescribed by State law, weekly rather than biweekly.

I think it would be an entirely sound thing to do and a fair thing to do, and a humane thing to do, for you and me to put these things back into the budget recommended by President Eisenhower enabling the several States to make weekly payments of unemployment compensation rather than to make payments every 2 weeks. At the proper time, when the bill is read under the 5-minute rule, I shall offer such an amendment. I hope before that time arrives that the chairman of the subcommittee, the chairman of the full committee, and the other members of the committee will confer and accept the amendment or agree to have the amendment offered by one of the Republican members of the Committee on Appropriations. I have no pride of authorship; I get no pleasure out of feeling that it is my duty to offer this amendment because I wish it was in the bill; I am thinking of about 3,500,000 persons who are out of employment at the present time with many others. But they are receiving unemployment-compensation checks, and I am thinking of the importance of weekly payments to them at this time rather than payments every 2 weeks.

Mr. ROBSION of Kentucky. Mr. Chairman, will the gentleman yield?

Mr. McCORMACK. I yield.

Mr. ROBSION of Kentucky. What was the situation in this regard in 1950 when there were 4,500,000 out of work? Were they paid every week or biweekly?

Mr. McCORMACK. I am unable to answer the gentleman, but I will accept his statement as to what the condition was; I am not making any controversial

remarks on this occasion. If the gentleman says it was the same situation—I have no knowledge of it—I will accept his word. But that does not justify the same procedure at this time.

Mr. ROBSION of Kentucky. I asked for information.

The CHAIRMAN. The time of the gentleman from Massachusetts has expired.

Mr. TABER. Mr. Chairman, I yield 10 minutes to the gentleman from Virginia [Mr. BROYHILL].

Mr. BROYHILL. Mr. Chairman, I would like to speak on the section of this bill which has to do with appropriations for the Department of Health, Education, and Welfare. While I feel that northern Virginia could be one of the wealthiest communities in this country, I regret having to state that most dairy cows in the United States are better housed than many of our school children. That is a fact. Most dairy cows are better housed than many of our school children in northern Virginia. You may say to me, that is a local problem, a State problem, and we should not call upon the Federal Government for aid. That is partly true, except that the Congress has recognized as a part of its responsibility an obligation to these communities in the enactment of Public Laws 815 and 874, as amended by Public Laws 246 and 248.

Since I have been a Member of Congress I have seen several Members of this body who have found it necessary to take the floor of the House and repeatedly point out that Public Laws 815 and 874 were not Federal aid to education. I imagine on several occasions prior to the 83d Congress, and since the time 815 and 874 were enacted, several Members found it necessary to clarify that issue.

I realize that Public Laws 815 and 874 are confusing, they are complicated, and it is necessary to use repetition in order to emphasize what is the purpose of the measures. At the risk of being somewhat repetitious myself, I would like to try to simplify what is the true purpose of these measures.

They simply do this: They provide for payment by the United States to school districts or local communities that have suffered from the impact of Federal installations in their areas, to be used for assistance in the construction and maintenance of schools, and are based upon a formula which has to do with the number of children of Federal employees attending the schools in those areas.

Why do we pay these communities on a formula which is based on the number of children of Federal employees? We all know it does not cost any more to educate the child of a Federal employee than it does to educate the child of anyone else. These Federal employees are generally an asset to the community. They raise the standard of living, they raise the educational and intellectual background of the citizenry, they have a great deal of civic interest and citizenship participation. In addition, in the areas that have been impacted by Federal employees we find that crime and delinquency are a great deal lower.

Why then should we pay these communities for the children of Federal employees? Many Members of this body, I know, have served in various capacities in local governments as mayors and as members of city councils. You know that the economy of every community is based upon a certain amount of revenue coming from residents, local business and industry. We all know that the residents, that is houses and homes, will not pay a sufficient revenue to the township to support the schools in the area. We must receive a large portion of our revenue in these local communities from the industry in those communities. The Federal Government moves into a community, it becomes a part of the industry of that community and brings in people who must be provided with community facilities. Those communities do not receive payment in lieu of taxes from the Federal Government for the property the Federal Government owns. In addition, the Federal Government moves into an area and it can move out again at any rate at which it would like to move out, sometimes suddenly and without notice. Therefore, the Congress in recognizing that it was imposing a hardship on these communities, enacted Public Laws 815 and 874 and set up this particular formula, which meant that the Congress was recognizing a small portion of its obligation to the various communities that have suffered from this impact.

As a result of this action of the Congress, the communities acted accordingly. They drew plans, let contracts, bonded their communities and set out with a school construction program. But, then, what happened? Congress changed its mind. They said, "We are not going to fulfill our obligation. We are not going to do what we promised we would do," which meant that many Members of Congress have had to come back every year with hats in their hands, with humility, begging for these funds to be appropriated by Congress, which merely means that Congress would be meeting their obligation which they previously promised they would do, to these various communities. In Public Law 815 there has been $440 million authorized. There are 941 school districts, school areas, involved. About half of these school districts, about 500, have received all the money which Congress promised them. About 200, 25 percent of them, only got part of their funds, and 200 others did not get a dime. We have appropriated all of this $440 million with the exception of $98 million, and we cut that down last year in an authorization bill to $55 million. I am very happy to find here today that the gentleman from Illinois [Mr. BUSBEY] is going to offer an amendment to restore that amount.

Now, I think every Member of this Congress can take pride, point with pride, at a reduction in expenditures last session of $14 billion, but I do not think that we can point with pride to economy in Government if we are going to arrive at that economy by refusing to meet our just and legal obligations to pay a just and honest debt. Every Member of this body can reduce his personal expenditures, economize on his personal budget, by merely refusing to pay his just and legal debts, but we cannot economize in this Government by refusing on the part of this Congress to meet its just and legal obligations. I further understand that the gentleman from Rhode Island [Mr. FOGARTY] will offer an amendment to appropriate $58 million to take care of the construction of schools for this year's construction program.

Mr. BUSBEY. Mr. Chairman, will the gentleman yield?

Mr. BROYHILL. I yield to the gentleman from Illinois.

Mr. BUSBEY. I would just like to say that if we had stopped appropriating some of these billions of dollars for what I call Operation Rathole all over the world, we would not have to be in here taking up the time of the Congress fighting about pennies in trying to take care of our own people. I think it is high time that a few of us think about our own people and take some of the money from the foreign-aid program and put it into these worth-while programs, such as those in the Department of Health, Education, and Welfare that I have wrestled with since I have been in Congress.

Mr. BROYHILL. I have no quarrel with the gentleman on that. However, whatever we do with our friends abroad we cannot do it at the expense of our school children in this country.

Mr. BUSBEY. Does not the gentleman believe we ought to think of our own people first?

Mr. BROYHILL. Yes. I do not like to be dramatic or try to be emotional about this thing, by saying that we are jeopardizing the education of all our children. Regardless of what Congress does, I think our people will find some ways and means to educate our children. We might have to educate them in cow barns and lower the salaries of our teachers, not pay them an adequate amount, and sacrifice some other community facilities, but somehow we will find ways and means for educating our children. But, that does not relieve the Congress of meeting its obligations to our various communities.

So, I urge every Member of this body to support both amendments, the Busbey amendment and the Fogarty amendment, which will do nothing more than permit Congress to meet its obligation, what they actually promised these communities they would do.

Mr. TABER. Will the gentleman yield?

Mr. BROYHILL. I yield to the gentleman from New York.

Mr. TABER. I would assume that the gentleman wants to do the right and honest thing. I wonder if he understands that there has already been appropriated toward that new program that was set up, $70 million.

Mr. BROYHILL. I do.

Mr. TABER. And that only $35 million has been obligated and that the balance, $35 million, will carry through the balance of this fiscal year; that there is a budget estimate pending of $40 million to start the new year with, and that the committee has not yet held hearings on it and we do not know what the

picture is. We have been told, however, that out of the $146 million of claims at least 10 percent will not be valid, and so we cannot go ahead and we ought not to go ahead and do something foolish and provide funds that are not necessary and cannot be used.

Mr. BROYHILL. The figures that I have received from the Department of Health, Education, and Welfare, which were based on the authorization bill last year, show that we need an additional $58 million to meet our responsibility.

Mr. TABER. Pardon me. I have the figures here, but they do not show that. I will show the gentleman the statement that we have received from them, that probably is the same that the gentleman received, and if he will look it over, he will see that that is not correct.

Mr. BROYHILL. Would the gentleman support an amendment that would provide funds that the Department of Health, Education, and Welfare stated would be necesary?

Mr. TABER. They do not know what is necessary.

The CHAIRMAN. The time of the gentleman from Virginia has expired.

Mr. HOWELL. Mr. Chairman, I ask unanimous consent to extend my remarks at this point in the RECORD.

The CHAIRMAN. Is there objection to the request of the gentleman from New Jersey?

There was no objection.

Mr. HOWELL. Mr. Chairman, it is my belief that the sum of $7,551,100 is inadequate for the proper administration of unemployment compensation by the States during the remainder of this fiscal year. I believe the amount should be restored to the original $14,500,000 requested by the Department of Labor. I base my belief on the experience of the New Jersey Division of Employment Security during this current fiscal year.

Because of budget cuts enacted during the first session of this Congress, the New Jersey Division of Employment Security was forced in August to lay off 500 employees at a time when the number of claims was increasing. Overtime operations were eliminated, claimants were placed on a biweekly reporting schedule, and 12 part-time local offices were closed. By the end of November, a critical situation had developed with nearly 65,000 backlogged claims on hand awaiting the writing of checks. Temporary relief was obtained in December when $500,000 was made available through a State appropriation from the agency's auxiliary compensation fund.

In commenting on this chaotic situation, which resulted in widespread hardship among New Jersey workers who had lost their jobs, the commissioner of labor and industry pointed out that adequate financing of employment security administration by the Federal Government is of primary importance to the welfare of the State. He further stated that breakdowns in operations under the instability of the present system of budgetary grants cause delays in benefit payments to unemployed workers when the income is most needed.

The sum appropriated by the Federal Government for the fiscal year 1954 for the State administration of unemployment compensation is $192,205,000. This figure is approximately $5 million less than the amount appropriated for this purpose by the budget of the Democratic administration for the fiscal year 1953.

In the face of this reduction, joblessness has risen to higher levels during the current fiscal year, and threatens to remain at this higher level. The most recent report of the Labor Department states that the number of initial claims for unemployment compensation for the week ending March 13 was 310,363. The number of new claims for the same week last year was 170,116. This is an increase of 80 percent over the 1953 level of new claims for unemployment compensation.

The Department of Labor requested the sum of $14,500,000 in supplemental appropriations for the remainder of this fiscal year. This request has been cut back to $7,551,100 by the Appropriations Committee. I fail to see how this reduction can be justified in the face of the flood of new claims coming into unemployment compensation offices these days. I believe the loss of a man's job is severe enough a hardship to endure without encountering delays in receipt of unemployment compensation checks. These workers paid into the unemployment fund when they had jobs, and they have every right to expect that the Federal and State governments will see to it that they receive checks promptly when they are so urgently needed.

DISASTER LOAN REVOLVING FUND

Mr. H. CARL ANDERSEN. Mr. Chairman, I ask unanimous consent to extend my remarks at this point in the RECORD.

The CHAIRMAN. Is there objection to the request of the gentleman from Minnesota?

There was no objection.

Mr. H. CARL ANDERSEN. Mr. Chairman, last July, Congress authorized $150 million to meet the emergency in drought areas, particularly with reference to the problem which had developed in livestock areas due to the severe drought and falling prices. This money was provided as follows:

Economic disaster loans	$30,000,000
Special livestock loans	60,000,000
Emergency feeding program	40,000,000
Total, disaster loan fund	130,000,000
Production and subsistence loans	20,000,000
Grand total	150,000,000

Latest estimates indicate that the emergency feeding program will run in excess of the original estimate of $40 million. Offsetting this, however, it now appears that there will be an unused balance for economic disaster loans which can be transferred to cover this increase. The language in the bill is recommended to accomplish this.

The additional amount is needed to reimburse the President's disaster relief fund for the $10 million advanced from that fund last fall to cover the emergency hay feeding program established in cooperation with the 12 drought disaster States to supplement the program for providing feed concentrates from CCC stocks.

FOREST SERVICE—FIGHTING FOREST FIRES

The serious drought conditions throughout the country last year resulted in an unusually heavy forest fire season. More fires occurred, they burned much stronger than usual, and they lasted longer and were much more difficult to handle. For example, during brief periods in August more than 1,000 lightning fires were started in northern Idaho and Montana. Similar situations developed in other areas of the West.

The number of fires between July 1 and November 30 during the 3 years of 1950, 1951, and 1952 averaged a little above 4,000. During the same period in 1953 the number exceeded 5,500.

Furthermore the situation in such areas as Colorado and South Dakota will be bad again this spring as a result of the extreme deficiency of snowfall this winter. There have been some fires in these areas already this winter, in a period of the year which is traditionally free of fires.

In the regular bill for 1954 we provided the usual $6 million for this purpose. Through January it had been necessary to spend over $9 million, and there is little doubt but that several more million will be required by June 30.

This deficiency will provide a total of $10,500,000 for the 1954 fiscal year. There is some possibility that even this amount may not be sufficient.

COMMODITY CREDIT CORPORATION

At the time the administrative authorization of $17,100,000 was provided last year, the estimates of volume of commodity loans and purchases for the year were about normal.

Since the enactment of the regular bill, the volume of transactions for wheat, corn, cotton, and dairy products has increased tremendously. For example, the volume of loans for wheat is now estimated at 67 percent higher than was forecast last spring. The acquisition of corn is running 44 percent higher, loans on cotton will be 60 percent higher, and acquisitions of dairy products is about 170 percent higher.

Based on indications of sizable increases in these programs, the Director of the Budget authorized the CCC to operate on a deficiency basis beginning last September, acting under his authority contained in the Antideficiency Act. Accordingly, this item is in the nature of a true deficiency rather than a supplemental request.

In reviewing the estimate, the committee reduced the amount based on actual obligations through February 28. The $2 million provided should carry the present force through the balance of the year and allow room for some expansion to meet the further workload increases related to loans and purchases expected in May and June.

FARM CREDIT ADMINISTRATION

The funds provided in the bill are needed to take care of three categories of additional expense resulting from the Farm Credit Act of 1953. That act separated the Farm Credit Administration

from the Department of Agriculture and created a new 12-man board of directors. The amount recommended consists of the following:

1. Personnel, travel and other expenses of the new board	$67,000
2. Creation of new Legal Division to perform the work formerly furnished by the Solicitor of Agriculture	35,000
3. Additional administrative and supervisory expense resulting from separation from Department of Agriculture	18,000
Total	120,000

This item is also a deficiency, since the Director of the Bureau of the Budget authorized Farm Credit to operate on a deficiency basis beginning last December.

The CHAIRMAN. The Clerk will read the bill for amendment.

The Clerk read as follows:

MARITIME ACTIVITIES

Operating-differential subsidies

For an additional amount for "Operating-differential subsidies," $19,500,000, to remain available until expended.

Mr. TOLLEFSON. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, during general debate I brought to the attention of the chairman of the Appropriations Committee [Mr. TABER] an item appearing in the bill covering ship-operation subsidies. The item in the bill is $19.5 million, a reduction of $10 million from the Department's request. In response to a question which I put to the gentleman from New York [Mr. TABER], I understood that the reason for the reduction in the request was that the committee was not entirely satisfied with the vouchers which had been approved, nor perhaps with the contracts under which they were approved, and, possibly, with some of the procedures. The gentleman informed me, as I understood him, that the committee would investigate the matter, and if the vouchers were found to be valid and justifiable they would be paid; further, that in no sense should the action of the committee be considered in any way as a repudiation of the Government's obligation.

Mr. TABER. Mr. Chairman, will the gentleman yield?

Mr. TOLLEFSON. I yield to the gentleman from New York.

Mr. TABER. The last part is correct, but as to the other part there were several other things, including the method of handling their income, and their exemptions and preferences, and that sort of thing, that we will have to go into. It will involve quite a lot of items. We will try to do whatever is right after we have our picture. There is no repudiation of any obligation. We want to have the thing developed so that we can know just exactly what the situation is.

Mr. TOLLEFSON. I appreciate that. I want to make clear the other statement I understood the gentleman to make—that if upon the investigation which I understand the committee is to make it is found that these particular vouchers are justifiable and are legitimate they will be paid.

Mr. TABER. Of course, I cannot guarantee they will be paid, but the committee will consider them and I am sure they will approve what they think is justified.

Mr. TOLLEFSON. I thank the gentleman.

This reduction of the request has had some effect upon the shipping industry. It has raised some questions in their mind, and perhaps justifiably so because they had not known exactly what was in the mind of the committee when it made the reduction.

Mr. PHILLIPS. Mr. Chairman, will the gentleman yield?

Mr. TOLLEFSON. I yield to the gentleman from California.

Mr. PHILLIPS. I share the same concern the gentleman shares about the validity of the obligation and the obligation imposed upon us, but I have looked into the matter and I am satisfied this is in no sense a repudiation of the obligation, and that those bills which can be justified before the committee will be paid. I also confirm the desire of the committee to see that they are promptly audited and that the items in them are properly reported to the committee.

Mr. TOLLEFSON. I thank the gentleman.

Mr. BOW. Mr. Chairman, will the gentleman yield?

Mr. TOLLEFSON. I yield to the gentleman from Ohio.

Mr. BOW. May I make inquiry of the gentleman whether the legislative committee is making any inquiry or investigation of the subsidies and the manner in which they are being considered?

Mr. TOLLEFSON. Yes. The committee will go into not only the operating subsidy question but also the construction differential subsidy matter. However, I have suggested to the chairman of the Committee on Appropriations that in respect to this particular matter his committee go into it because they know what questions they have in mind and perhaps could get a quicker answer to the problem which confronts them than our committee. But we are going into this entire subsidy program before the end of the session and we hope that by the end of the session we will have some matters to present to you.

Mr. BOW. Do I correctly understand the gentleman intends to conduct an investigation other than the hearings?

Mr. TOLLEFSON. Yes, indeed. As a part of the hearings there will be investigation.

May I say a word about this subsidy question, because, as I have indicated, this action has had some impact upon the industry. Starting last year, when Congress adopted a private financing law, we sought to get private financing of ship construction. To date we have been able to get not one dollar of private financing.

One of the reasons for our inability to do so has been the general feeling on the part of the lending institutions—I am not talking about the shipping industry, I am talking about financial institutions, now—that the attitude of the Government toward these subsidies is very uncertain.

(On request of Mr. McCORMACK, and by unanimous consent, Mr. TOLLEFSON was allowed to proceed for 5 additional minutes.)

Mr. TOLLEFSON. I thank the gentleman from Massachusetts.

The private-financing institutions have been reluctant to finance ship construction because they have not been certain what the policy or the attitude of the Federal Government itself has been toward the subsidy program.

The ship-subsidy program and philosophy is a rather complicated and involved one, and I do not expect that I shall be able to go into it in detail here, but I would like to discuss it very generally and very briefly because it is of considerable importance to the security and welfare of the United States. The question which Congress must answer constantly is this: Does the United States want a strong and adequate merchant marine? If the answer is in the affirmative, and it always has been as far as I can see in the record, then inevitably it means that we must have a subsidy program—an operation subsidy and a construction subsidy because obviously in this country we cannot build ships as cheaply as they can build them abroad, nor can we operate them as cheaply. That policy has been supported by every Maritime Commission that has been appointed. It has been supported by a number of Presidents, including President Eisenhower. I want to read a communication from him dated in 1952. I will only read a part of it wherein he says:

> In 1944, from London, I said, "When final victory is ours, there is no organization that will share its credit more deservedly than the American merchant marine."
>
> We were caught flatfooted in both World Wars because we relied too much upon foreign-owned and operated shipping to carry our cargoes abroad and to bring critically needed supplies to this country.
>
> America's industrial prosperity and military security both demand that we maintain a privately operated merchant marine adequate in size and of modern design to insure that our lines of supply for either peace or war will be safe.
>
> I consider the merchant marine to be our fourth arm of defense and vital to the stability and expansion of our foreign trade.

The same type of statement was made by President Wilson, President Roosevelt, and by President Truman.

Mr. ALLEN of California. Mr. Chairman, will the gentleman yield?

Mr. TOLLEFSON. I yield.

Mr. ALLEN of California. I commend the acting chairman of the Committee on Merchant Marine and Fisheries for the statement he is making. I would like to commend him even more for the activity and interest that he has engendered by the leadership that he has given to the committee. I think I speak the minds of all the Members in saying that we appreciate very much his leadership and the renewed activity that has come to the committee on which we serve.

Mr. TOLLEFSON. I thank the gentleman very much for his kind remarks. And may I say to the House that the gentleman from California [Mr. ALLEN] is one of the outstanding authorities on

merchant-marine matters. We are fortunate, indeed, to have him not only on our committee but as a Member of Congress.

Mr. McCORMACK. Mr. Chairman, will the gentleman yield?

Mr. TOLLEFSON. I yield.

Mr. McCORMACK. Mr. Chairman, I understand there are only 25 ships in American yards today under construction and 11 of them are registered under the flags of other nations.

Mr. TOLLEFSON. I am not certain as to the figures, but I have no doubt that the gentleman from Massachusetts is correct.

Mr. McCORMACK. And the 11 ships of other nations are being constructed here because the production facilities of these foreign nations are being taxed to capacity, and that is the only reason they are being built in this country.

Mr. TOLLEFSON. That is right.

Mr. McCORMACK. Ship construction abroad, particularly in England, is very intense and very feverish; is that not correct?

Mr. TOLLEFSON. Most of the great nations of the world have recognized and are still recognizing the importance of a merchant marine. For that reason they are outdoing us in new ship construction. We have dropped to fourth place, and if we continue our neglect of our own merchant marine needs we will drop further than that.

Mr. Chairman, on March 2 I addressed this distinguished body on the proposition that the United States needs and must have an adequate merchant fleet in peace as in time of war.

In that statement I pointed out the appalling cost of maritime myopia which history has proved time and time again, and I stated that one of the tragedies of history is that its lessons are so seldom learned, so often ignored.

How can we so soon forget that our neglect of the merchant marine in World War I cost this Nation over $3 billion and that in World War II we again spent over $12 billion to build the ships that were necessary to victory?

But there is another side of this story that needs to be told and retold because we were better prepared in World War II than in World War I and our preparedness paid rich dividends to the Nation.

Prior to the First World War we had so neglected our shipping that we were carrying only 9 percent of our own foreign trade. We were at the mercy of foreign merchant fleets and we paid dearly for our mistakes for we were caught in the pinch of shipping rates controlled by foreign nations which for general cargo skyrocketed 1,117 percent. Who paid for that mistake? The answer is plain—the American taxpayer paid and paid again.

The cost of our lack of a sound maritime policy was so staggering—so convincing that in 1920 we passed a Merchant Marine Act in which the Congress declared it to be the policy of the United States to do whatever may be necessary to have a merchant marine of the best equipped and most suitable vessels sufficient to carry the greater portion of our commerce and serve as a naval or military auxiliary in time of war.

Sixteen years later the Congress reaffirmed this basic philosophy but this time with even greater emphasis.

This, gentlemen, was the Merchant Marine Act of 1936 which was enacted on June 29, 1936, after almost 2 years of investigation and debate. It stands today as the Magna Carta of the American merchant marine—the cornerstone—indeed the very foundation of our national maritime policy.

Was it a wise decision the Congress made in 1936? Let me refer you to the language of the Harvard report of 1945 which said, and I quote:

> Because of the 1936 act the United States had both a nucleus of modern merchant vessels before the disaster at Pearl Harbor in December 1941 and the machinery for greatly expanding ship production to meet the extraordinary requirements of World War II.

Was it a good business decision? Let us face the facts. Let the record speak for itself.

When World War II broke out the principal pool of privately owned new ships available for war service were the ships built and building for the subsidized lines under the 1936 act. Our Government realized substantial dollar benefits from its original investment in the construction of these ships at a time when the world price of tonnage was soaring.

Unlike the situation in World War I when, as I have said, shipping rates for general cargo skyrocketed to 1,117 percent, general cargo rates in World War II increased by 70 percent. Our prudence—our foresight—paid dividends. We were no longer at the mercy of foreign shipping.

We were not completely ready for the enormous demands made on our merchant shipping but we were better prepared than ever before in our history. The 1936 act had given us a head start—a nucleus of ships and sailors and management know-how on which we built the merchant marine which according to Fleet Admiral King proved to be "an integral part of our country's armed might in time of crises."

There were many who recognized the contribution which our American merchant marine made to the winning of the ultimate victory. But none could speak with greater authority—with more conviction—than the great military leader of World War II—who today serves his country as the President of the United States.

On October 3, 1952, President Eisenhower stated:

> In 1944, from London, I said, "When final victory is ours, there is no organization that will share its credit more deservedly than the American merchant marine."
>
> We were caught flat-footed in both world wars because we relied too much upon foreign-owned and operated shipping to carry our cargoes abroad and to bring needed supplies to this country.
>
> America's industrial prosperity and military security both demand that we maintain a privately operated merchant marine adequate in size and of modern design to insure that our lines of supply for peace or war will be safe.
>
> I consider the merchant marine to be our fourth arm of defense and vital to the stability and expansion of our foreign trade.

Yes, the policies in the 1936 Merchant Marine Act have proved to be sound, prudent, and economic.

Why, then, it is that they are so misunderstood? I confess that I am shocked and bewildered at times by the lack of even elementary understanding of the policies—the objectives of this our basic maritime law. It is precisely because we are again faced with the results of such misunderstanding that I address myself to a particular phase of our 1936 act. Nor is this the voice of a single Congressman because a majority of my colleagues on the Merchant Marine and Fisheries Committee share my convictions and join in my apprehension.

I have before me Report No. 1372, 83d Congress, 2d session, containing on page 10 under the heading "Maritime Activities—Operating Differential Subsidies," the following sentence—and I quote:

> The bill includes $19,500,000 additional for this item, a reduction of $10 million in the budget estimate.

Such a simple statement to convey so much meaning. But what exactly does it mean?

Gentlemen, it means that the Government of the United States will not be able to honor its contractual commitments. It means that the faith and credit of our Nation is in jeopardy. Is it economy? The answer is emphatically, No. Do we wipe out our debts by postponing the payment of our just and legal obligations? The answer is obvious.

Let me explain what I mean. Let me explain why a majority of the Merchant Marine and Fisheries Committee has authorized me to clarify this situation and attempt to rectify it.

When the Department of Commerce requested this additional amount of $29,500,000 for "Operating-differential subsidies," it said, and I quote:

> Funds made available under this appropriation are for the purpose of paying amounts due the subsidized operators under the terms of existing contracts. Fund authority is not used to incur new obligations, but to make payments under existing obligations.

Let me emphasize that the statement refers to "existing contracts" and "existing obligations." Who are the contracting parties? On the one hand we have the ship operators, on the other the United States. Have the ship operators fulfilled their obligation under the contracts? The answer is in the records of the Maritime Administration. They have operated American-flag ships, with American crews for a stipulated number of voyages on routes declared to be essential to the commerce of the United States. In addition, they have complied with all the restrictions imposed upon them by our Government. Yes, the record is plain, the Maritime Administration has certified that these lines have lived up to their end of the bargain by approving the vouchers submitted by the lines as contract payments for contract services.

When were these services rendered? For what period were these obligations incurred? Of the total amount requested in this supplemental, $7,600,608

was for the calendar years 1947 through 1952, $4,989,237 was applicable to the third quarter of calendar year 1953, and the remainder was applicable to the fourth quarter of calendar year 1953.

It is plain that these are not forward commitments. They are neither "guesstimates" nor estimates. These are for approved vouchers. They are bills due and payable. Do we economize by not paying our bills? Since the operators have fulfilled their obligations can the United States do less?

Possibly the action of the Appropriations Committee in cutting this request for a supplemental appropriation is the result of a misunderstanding of the law which authorizes these contracts.

Under authority of title VI of the Merchant Marine Act of 1936, as amended, operating-differential subsidies may be paid to United States citizens operating vessels in the foreign commerce of the United States on essential routes or services. The operating subsidy is designed to place the American operator on a basis of parity with his low-cost foreign competitors.

In simple language the Government under the authority of this act says to the operator: If you will operate your ships under the American flag regularly in good times or bad on a route the United States designates as essential, the Government will pay the difference between your high American costs and the lower foreign costs. Then you will be in a competitive position to succeed or fail by your own efforts. The Govrnment will not guarantee you a profit but if you earn more than a specified return we will divide the excess with you on a 50–50 basis until the entire subsidy is repaid to Uncle Sam.

That seems to me to be a fair and reasonable proposition. How has it worked?

From 1928 to 1951 the net cost to the Government of operating differential payments was $147,158,234. Direct Federal income and profit taxes paid by these companies in the same period total $130,503,000 or just $16,655,324 short of the amount due the lines for operating subsidies. This does not take into account the taxes on wages and salaries which at present withholding rates are estimated to yield about $24 million annually in income taxes.

Yes, it has been good business for the Government to pay operating differential subsidies and the real cost has been nil.

Now I do not contend that this favorable pattern will continue. The evidence indicates that it will not and that appropriations for this purpose may increase as recapture declines. But if they do we must weigh the benefits against the cost. Steamship operators are not the beneficiaries of this program. The real beneficiaries are the American workers and farmers and industries across the breadth of our great land whose prosperity depends upon our ability to sell our goods in foreign markets and to import the materials necessary to our industrial economy. Add to these the countless thousands in banks, insurance companies, ship supplies, and others who directly or indirectly depend for their livelihood on the existence of an American merchant marine. The benefits are manifold and widespread and it was in recognition of these that the policy of paying operating differentials was established.

Surely with that understanding of the basic objective, principles, and results, no one can dispute its merits and advantages.

But if there be doubters or those who cannot or will not understand, can anyone deny that the United States must honor its contractual obligations?

The contracting lines have done their job. They have lived up to their contracts. They have presented their bill for contractual services. These bills have been approved and, fantastic as it may seem, the lines have paid income taxes on moneys due and owing to them by the United States but which they have not received, although some of the service dates back to 1947.

This injustice must be corrected and I am confident that when both houses review this situation, the cut in the supplemental appropriation will be restored and the good faith and credit of the United States will, as a result, be unimpaired.

Mr. COOLEY. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, I ask unanimous consent to proceed for 5 additional minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from North Carolina?

There was no objection.

The CHAIRMAN. The gentleman from North Carolina is recognized for 10 minutes.

Mr. COOLEY. Mr. Chairman, since we are now discussing an appropriation bill, I assume that it is entirely appropriate for me to bring to your attention pertinent information concerning "Operation Reindeer." Perhaps no Member of the House knows anything at all about this particular "operation." It might well be called Stassen's Operation Santa Claus. I hope that I may have the attention of members of the Committee on Appropriations. Frankly, I do not believe that members of the committee understand fully just how the money made available under section 513 (b) of the Mutual Security Act of 1953 has been used. Certainly, I cannot believe that any member of the committee or any Member of Congress had the slightest idea that any part of the funds made available by that section would be used to finance a Santa Claus program such as that conducted by Gov. Harold Stassen, Director of the Foreign Operations Administration, when he sent Santa Claus into 17 nations of the world bearing 5 million Christmas presents to be delivered in the yuletide. So bold was the great Director in the misuse of Federal funds, and so filled with the spirit of St. Nicholas, he actually named the project and called it "Operation Reindeer." Perhaps you can imagine what a broad smile Santa Claus Stassen had on his beaming face as he loaded his 5 million Christmas presents on the sleighs of Santa Claus and drove the gallant reindeer across the seaways and into the airways of the universe. His heart must have been filled with the generous spirit of giving—giving most anything—as long as it could be given away at the expense of the American taxpayers.

Governor Stassen has a right to be generous—generosity is an attribute that is admired by all right-thinking people; but there is an old Latin adage to the effect that "One must be just before he is generous." I do not hesitate to say that neither the President nor his appointee, Mr. Stassen, nor any other person connected with this administration had either a legal or a moral right to play Santa Claus with the money appropriated under section 513 (b) of Public Law 118 in the 1st session of the 83d Congress, which reads as follows:

(b) Special use of funds: Amend section 513 (b) (relating to special use of funds) to read as follows:

"(b) Not more than $100,000,000 of the funds made available under this act, of which not more than $20 million may be allocated to any one country, may be used in any fiscal year by the President, to be expended, without regard to the requirements of this act, or any other act for which funds are authorized by this act, in furtherance of the purposes of such acts, when the President determines that such use is important to the security of the United States. The President shall notify the Committee on Foreign Relations of the Senate and the Committee on Foreign Affairs of the House of Representatives upon making any such determination."

While I am convinced that the use of such funds in the financing of "Operation Reindeer" was a deliberate and willful misappropriation and illegal and unauthorized use of the money made available under section 513 (b), I shall not be content for Members of Congress to accept my interpretation of the law. I have, therefore, written a letter to Hon. Lindsay C. Warren, the great Comptroller General, requesting him to investigate the matter fully and to give me an official opinion concerning the use of the money which was used in the financing of Operation Reindeer. Here is a copy of my letter to Mr. Warren dated March 23, 1954. The letter contains a brief statement of some of the pertinent facts and circumstances.

MARCH 23, 1954.

Hon. LINDSAY C. WARREN,
Comptroller General, General Accounting Office, Washington, D. C.
(Attention: Mr. Frank H. Weitzel.)

MY DEAR GENERAL WARREN: Since the problems of agriculture, including the disposal of surplus agricultural commodities accumulated in the inventories of the Commodity Credit Corporation, are appropriate subjects for the consideration of Members of the House Committee on Agriculture, I am prompted to write this letter to request an investigation and an opinion as to the propriety of certain Federal expenditures made by the Foreign Operations Administration.

I have information to the effect that the Foreign Operations Administration used in excess of $15 million from the Mutual Security appropriation under the provisions of section 513 (b) of the Mutual Security Appropriations Act of 1954 for the purpose of giving away 5 million Christmas presents to individuals throughout the world. This project of the Foreign Operations Administration was either known as the Christmas food package program, Operation Reindeer or "Stassen's Santa Claus program." The gift packages contained raisins, rice, prunes, and "beef and gravy," among other things.

It seems that the Director of FOA, Mr. Harold Stassen introduced a "fresh approach to the actual conduct of the various programs and projects" of the Administration which he directs, and decided to give Christmas gifts to individuals in about 17 or more countries throughout the world. While some of the food was purchased from the Commodity Credit Corporation I understand that most of it was purchased in ordinary trade channels and in "consumer-size packages bearing American packers' brands" and further that "the program was designed to get some of our plentiful supplies of food directly in the hands of those who would most welcome it and at a time when giving is traditional." These last two quotations were taken from a letter dated March 12, 1954, written to me by Dr. D. A. FitzGerald, Deputy Director for Operations. According to the report to Congress on the Mutual Security Program for the 6 months ended December 31, 1953, which was not released until March 8, 1954, the "Operation Reindeer" program or "Christmas Present" program cost approximately $15.5 million. According to Dr. FitzGerald's letter to me of March 12, 1954, "The total cost of the program is currently estimated at not to exceed $13.8 million," but Dr. FitzGerald indicated that final figures were not yet available.

Frankly, I do not believe that you will find anything in the legislative history of section 513 (b) of the Mutual Security Appropriations Act of 1954 which would indicate that Congress intended money thereby appropriated or any part of it would be used for the purpose of giving Christmas presents to individuals, either at home or abroad. The section, 513 (b), of Public Law 118, entitled "Special Use of Funds" clearly limits the use of the $100 million made available by that section. No reference whatever is made to individuals and there is no indication that Congress intended that any part of the money should be used for the purpose of making gifts to individuals. There is a limitation to the effect that "Not more than $20 million may be allocated to any one country." The section also clearly indicates that before any part of such funds may be used the President is required to determine "that such use is important to the security of the United States." I cannot believe that Congress intended that the money made available by section 513 (b) should be used for the purpose of making gifts to individuals selected either by the President, the Director of FOA, or any other person, and it occurs to me that the use of such funds for such purposes is unwarranted and contrary to the clear intent and meaning of the language of the section, 513 (b).

You will note that section 513 (b) requires the President, upon making a determination to use the funds, to notify the Committee on Foreign Relations of the Senate and the Committee on Foreign Affairs of the House of Representatives, but said section does not indicate that the President's communication shall be either secret or classified. When I called upon the chairman of the Committee on Foreign Affairs of the House to advise me of the contents of a communication dated September 25, 1953, concerning the program which I have referred to, I was advised that the communication had not been brought to his attention before the date of my inquiry, but that upon examination he had found that the letter was marked "Secret." The communication likewise had not been brought to the attention of the ranking Democrat on the Committee on Foreign Affairs. The chairman of the House Committee on Foreign Affairs appeared to be surprised when I advised him concerning the program and he indicated a willingness to cooperate with me in trying to arrange for the contents of the communication to be made available. I understand that the chairman of the Committee on Foreign Affairs has now called upon the White House to lift the ban of secrecy from the communication to the end that its contents might be made available to other Members of Congress.

Since the program Operation Reindeer, or whatever name it is called, has been surrounded by such secrecy I am constrained to call upon you for a full and complete investigation and for a determination as to the use of the funds expended in connection with Mr. Stassen's Santa Claus program.

I am advised that the international organization CARE received from FOA the equivalent of approximately 500,000 Christmas packages, and that CARE paid to FOA the equivalent of approximately $1 per package. Certainly there is nothing in section 513 (b) which would indicate that even the President had a right to give any part of the money or food purchased with the money to any organization or individual to be passed on to other individuals in other countries. Information which I have indicates that CARE packages were delivered as personal gifts to individuals from John Jones, Main Street, U. S. A. Certainly I have no objection to CARE participating in any charitable enterprise. In fact, I understand that CARE offered to pay FOA $1 a package for the 5 million packages, but that Mr. Stassen and his associates decided to permit CARE to participate in the distribution of only 500,000 of such packages and that Mr. Stassen's agency gave away the other 4½ million packages.

I am advised further that after these packages had been delivered that four American couples, not affiliated with the Federal Government, were selected to go to Europe to observe the preparation of the plan for the utilization of these gift packages, their actual distribution to families and to report on the effectiveness of the project in terms of accomplishing the objective. This is also a quotation from Dr. FitzGerald's letter and should be considered in connection with the following: "That we would engender friendlier feeling toward the United States on the part of several million needy people who received these Christmas packages." This is a clear indication that the program was prompted by the Christmas spirit or the spirit of giving rather than by its importance to the security of the United States. Certainly by no stretch of the imagination could you read into section 513 (b) the right of the President or his Director of Foreign Operations Administration to use any part of the fund to pay the expenses of four American couples to travel into different countries of the world for the purposes mentioned. In addition to paying traveling expenses of four American couples I am advised that they were paid per diem. With all of our missions abroad it certainly would seem unnecessary to send four American couples to far-distant countries for the purpose of making observations. Frankly, I do not believe that any Member of Congress intended that any part of this money should be used as it has been used. I shall be glad to make available to you all of the information I have in my files concerning this matter.

Thanking you for your usual prompt attention, and with kindest personal regards, I am

Cordially yours,

HAROLD D. COOLEY.

Neither lawyer nor layman can read Santa Claus into any part of section 513 (b), the law which I have cited. This remarkable program, the Christmas food-package program, "Operation reindeer, or Stassen's Santa Claus story," or whatever you want to call it, was apparently shrouded in great secrecy. Under the law the President was required, upon making a determination to use any part of the $100 million of funds made available under section 513 (b) of the act, to notify the Committee on Foreign Relations of the Senate and the Committee on Foreign Affairs of the House of Representatives, and the act placed certain very definite limitations upon the use of such funds. The law provided that "not more than $20 million may be allocated to any one country." I emphasize the word "country" since the word "country" is used in the law and the word "individual" is not used in the law. I do not recall that in the legislative history of this appropriation anything was said or done which would indicate that any part of the $100 million would be used by the President or any other person for the purpose of making donations or gifts or presents of any kind to individuals anywhere either at home or abroad. For what purpose was this money made available? The act itself clearly indicates that the President could use the money only when he had in good faith determined that the use of the money, or any part of it, was "important to the security of the United States." The President was not authorized to use any part of the money for the purpose of disposing of surplus agricultural commodities, nor was he authorized to use any part of the money to brighten the lives of people at Christmastime or to create a feeling of friendship around the world.

With the law in mind let us take a look at the record.

Here are some quotations from a letter dated March 12, 1954, which I received from Dr. D. A. FitzGerald, Deputy Director for Operations, Foreign Operations Administration. Dr. FitzGerald's letter was in response to inquiries which I had made in a telephone conversation and here is what Dr. FitzGerald said about the program:

> The program was designed to get some of our plentiful supplies of food directly in the hands of those who would most welcome it and at a time when gift giving is traditional.

Is there anything connected with the defense of the United States indicated in that statement? Here is another quote from Dr. FitzGerald's letter:

> It was intended to demonstrate to the people of all the free nations that the United States was interested not only in the general economic progress of the entire country but in the well-being of the individual and his family as well.

Is there anything about national defense in that statement? Further quoting from Dr. FitzGerald's letter:

> We hoped, and in practice this turned out to be a fact, that we would engender friendlier feeling toward the United States on the part of several million needy people who received these Christmas packages.

This is the spirit of friendship to be sure but what do you find in all this sentiment to warrant Mr. Stassen, or for that matter the President, in concluding and in determining that all this gift giving was, to quote the law again, "important to the security of the United States." Dr. FitzGerald's letter further indicates that while "some of the cheese and all of the canned beef came directly

from the Commodity Credit Corporation stocks" other articles of food were purchased in the open market and "in consumer size packages bearing American packers' brands." The packages contained everything from shortening to sugar and raisins and rice and honey and beef and gravy. It was really a Santa Claus package. I am certain that there were hundreds of thousands of members of families in America, in your district and in mine and throughout the length and breadth of our Nation, who would have been glad to have received one of Stassen's Santa Claus stockings filled to the brim with goodies.

According to Dr. FitzGerald, some of this food "was used by United States military personnel stationed in Europe at Christmas parties, for orphanages and other charitable groups."

I am certain that every Member of Congress holds in high esteem that great international, worldwide charitable organization known as CARE. I am advised that officials of CARE offered to take full responsibility for the delivery of all of Mr. Stassen's Christmas presents and actually offered to pay to FOA $5 million for the privilege of delivering these gifts to the needy people of friendly nations but Mr. Stassen was so anxious to play Santa Claus himself he did not agree for CARE to deliver the gifts although CARE has a competent organization trained and skilled in the arts of giving. Mr. Stassen did finally agree to let CARE handle 500,000 packages and for these 500,000 packages CARE "paid FOA $1 per package for 500,000 packages." FOA paid the ocean freight and in turn paid CARE $0.985 per package, "subject to final adjustment of a few cents, if the audited costs of the packaging material are found to be less than the original estimate." To the end that you might have the full information contained in Dr. FitzGerald's letter, I herewith submit the same for your consideration:

FOREIGN OPERATIONS ADMINISTRATION,
Washington, D. C., March 12, 1954.

Hon. HAROLD D. COOLEY,
House of Representatives,
Washington, D. C.

DEAR MR. COOLEY: This is in reference to our telphone conversation of March 9, 1954, in regard to the Christmas food package program and I promised to furnish you with additional information which I did not have at hand at the time of our conversation.

The program was designed to get some of our plentiful supplies of food directly in the hands of those who would most welcome it and at time when gift giving is traditional. In particular, it was intended to demonstrate to the people of all the friendly nations that the United States was interested not only in the general economic progress of the entire country but in the well-being of the individual and his family as well. We hoped, and in practice this turned out to be a fact, that we would engender friendlier feeling toward the United States on the part of several million needy people who received these Christmas packages.

The food provided in this program included evaporated milk, cheese, vegetable oil shortening, canned beef, dried beans, dried prunes, raisins, rice, honey, and sugar. These foods, mostly in consumer size packages bearing American packers' brands, were assembled into family packages of about 13 pounds. Because of limitations due to indigenous production, dietary habits, and availability from the United States on short notice, all of the items were not included in every package. Some of the cheese and all of the canned beef came directly from the Commodity Credit Corporation stocks. The shortening was purchased with the provision that replacement cottonseed oil would be purchased by the processor from Government stocks.

The total cost of the program is currently estimated at not to exceed $13.8 million, but we do not yet have a final accounting from the Department of Agriculture which was the procurement agency for the food contained in the packages.

Three types of distribution were used in handling the approximately 5 million food packages:

1. Distribution by the Government of the country in which the packages were distributed, either directly or through its voluntary relief agencies. Under this scheme the food was furnished free of cost at the port of entry. Some of this food was used by United States military personnel stationed in Europe at Christmas parties for orphanages and other charitable groups. All local distribution, packaging, and handling costs were carried by the government of the recipient country or its voluntary relief agencies. About 4.4 million packages were handled this way.

2. Distribution by Hadassah and the American Middle East Relief. These two agencies paid us 50 cents a package. In addition to paying for the food in each package, we also paid ocean freight. No other costs to FOA were involved. They were absorbed either by the agencies concerned or by their affiliates abroad. These two agencies handled 140,000 packages.

3. CARE. This organization paid FOA $1 per package for 500,000 packages. However, in addition to paying ocean freight, we also paid CARE 98½ cents per package, subject to final adjustment of a few cents, if the audited costs of the packaging material are found to be less than the original estimate. This payment to CARE included cost of packaging in the United States and at least a portion of handling and distributing in the country of destination. Thus the cost to the United States for the CARE program was about 48½ cents per package more than the cost through other voluntary relief agencies. CARE had proposed that it handle the entire program on the basis of paying the United States Government 50 cents per package and FOA paying CARE for its cost of packaging and distribution. This would have meant that if CARE had handled the entire 5 million packages, the additional cost to the United States Government would have been about $2½ million more than the costs incurred as the program was handled.

In order to assure identification of the products as having come as a free gift of the United States, paper bags with the clasped hand emblem of FOA in color were sent with all of the food shipments, except the CARE packages which were in corrugated paper shipping containers, marked both with the clasped hand emblem and with the usual CARE markings.

Four American couples, not affiliated with the Federal Government, were selected to go to Europe to observe the preparation of the plan for the utilization of these gift packages, their actual distribution to families, and to report on the effectiveness of the project in terms of accomplishing the objective. Each couple was assigned to a country but in some instances visited 1 or 2 other countries. They were on these assignments from 3 to 7 weeks, the time depending on the scheduled food parcel distribution in the country to which the couples were assigned. They were paid per diem and travel expenses only. They observed and reported on all phases of the program, including the distribution by CARE.

I believe this covers all the questions which arose in our telephone conversation, but if you need additional information I shall endeavor to furnish it promptly upon receipt of a further request.

Sincerely yours,
D. A. FITZGERALD,
Deputy Director for Operations.

While it is perhaps to be regretted that CARE was not permitted to handle the entire 5 million gifts, the fact remains that you cannot read into the law any authority granted to the President, Mr. Stassen, or to anyone else to use any part of the $100 million to purchase articles, commodities, or anything else of value and to give such articles or commodities, or anything of value, to any individual, to any organization, or association; and certainly there is no authority in the law for such articles to be acquired and resold, even at a dollar a package, to any individual, organization, or association. Yet, here is Dr. FitzGerald's statement that CARE paid to the Foreign Operations Administration $500,000 for 500,000 packages. It seems to me that if Santa Claus Stassen had a right to permit CARE to acquire and to distribute 500,000 packages, he had authority to have permitted CARE to have acquired the entire 5 million packages. It appears that if CARE had been permitted to handle the 5 million packages, CARE would have paid the Foreign Operations Administration $5 million and this amount of money could have been saved by the Foreign Operations Administration for the taxpayers of America, but apparently Mr. Stassen refused to accept the proposition submitted by CARE and preferred to let CARE handle only 10 percent of all "Santa Claus' cargo." If Mr. Stassen thought that CARE was capable of delivering the 500,000 packages, I wonder why he was not willing to trust CARE to deliver the other 4,500,000 gifts? The only answer is that Mr. Stassen really wanted to be Santa Claus.

I understand that some of these gifts were sent around the world marked "John Doe, Main Street, U. S. A." If individuals here in America wanted to send packages to needy friends across the sea, this could be done by paying only $1 to the organization charged with the responsibility of delivering packages to selected and specified friends.

Mr. Chairman, I want to be charitable to Mr. Stassen, but actually I cannot bring myself to believe that he advised the President fully concerning Operation Reindeer and I am thoroughly convinced that the members of the Foreign Affairs Committee of the House and the Foreign Relations Committee of the Senate were not advised fully concerning either his purpose or his program. When I first called this matter to the attention of the distinguished chairman of the Foreign Affairs Committee of the House and to the ranking Democratic member of that great committee, neither of them had any information or knowledge concerning Operation Reindeer or the Christmas food package program. I want to compliment the distinguished gentleman from Illinois, Congressman ROBERT B. CHIPERFIELD, who immediately when the matter was called to his attention, indicated that he was anxious

to cooperate in every way in an effort to obtain full information concerning this project. Upon inquiry I was advised by a member of Mr. CHIPERFIELD'S staff that a letter had been received from the President on September 25, 1953, pertaining to this particular expenditure, but I was advised that the contents of the letter could not be made avaliable to me for the very good reason that it was marked "Secret." It is difficult for me to understand why, if this were such a worthy program, there should be anything secret about it. Certainly the letter should have been brought to the attention of the chairman and of the members of the Foreign Affairs Committee of the House and of the Foreign Relations Committee of the Senate. Otherwise there should be no purpose in requiring the President to advise these two committees. I have been assured that Mr. CHIPERFIELD has called upon the White House to lift the ban of secrecy attached to the letter to the end that its contents might be made available to me and to other Members of Congress. I hope that I shall be able to give you the contents of the letter at an early date. If Mr. Stassen had a right to give away ten or fifteen million dollars of the $100 million provided by section 513 (b), by the same authority he had a right to give away the entire $100 million. If Congress intended that this $100 million should be given to the President to be given away in the spirit of friendship at Christmastime or to relieve hunger abroad, then certainly members of the appropriate committees should be able to throw some light on the subject. If there is anything in the legislative history or in the act of Congress to which I have referred which authorizes the use of this money in this fashion, I am certain that our great Comptroller General, the watchdog of our Treasury, will come up with the facts. I am certain that Mr. Warren's investigation will be entirely impartial and in all respects thorough. I am certain that Members of Congress have great respect for his good judgment, and if the Comptroller General concludes that this was an authorized use of Federal funds, I am certain that we shall accept and abide by such judgment as he shall render.

If, by the law, the President was authorized to purchase and to give away food, something will have to be read into the law which I have not been able to find. I hope you will read the law and I ask you to try to find somewhere couched in paragraph 513 (b) any right or authority for the President or Mr. Stassen to select 4 couples, husbands and wives, and to send them on a trip into 17 nations of the world to check on the delivery of Christmas presents to needy people. Here is an article from the Washington Post dated December 12, 1953:

GOP COUPLES GO TO EUROPE AS INSPECTORS

The Foreign Operations Administration has sent four husband-wife teams to Europe to take a look at distribution of holiday gift food packages being sent abroad by private and governmental agencies.

They left without fanfare this week and will be in Europe through the holiday season, returning after New Year's day. The Government is paying transportation, per diem expenses, and a $25-a-day consultant's fee for both husbands and wives.

The 8 persons, selected by FOA boss Harold Stassen, include 1 member of the Republican National Committee and others prominent in the GOP.

They are: Mr. and Mrs. Oscar A. Ahlgren, of Whiting, Ind., Mrs. Ahlgren is president of the General Federation of Women's Clubs.

Mr. and Mrs. Robert W. Gunderson, of Rapid City, S. Dak. Mrs. Gunderson is GOP national committeewoman.

Mr. and Mrs. C. Edward Howard, of Excelsior, Minn. Mrs. Howard is a regent of the University of Minnesota.

Mr. and Mrs. Newton P. Leonard, of Providence, R. I. Mrs. Leonard is president of the National Congress of Parents and Teachers.

Chief object of the teams will be, in the words of an FOA spokesman, "to take a temperature reading on how effective the program is and to get the reaction of the people who receive the packages." They will report to Stassen on returning.

About a half-million food parcels are being sent by CARE on behalf of Americans who put up $1 each to cover packing and shipping costs. FOA is supplying the food, mostly surplus butter, canned beef, and powdered milk. Each package contains 11 pounds of food.

They go to such organizations as orphanages, hospitals, and other institutions. A group of American private organization workers already overseas checks on the distribution.

CARE did not ask for the husband-wife teams, but is willing to have its program checked by one and all.

And here is another article from the Washington Post dated December 16, 1953, and another dated December 23, 1953:

JUNKETS DE LUXE

Foreign Operations Administrator Stassen is no slouch as a promoter, and he has made a convincing case for most of his program. But his latest distribution of largesse, minor though it is, raises some perplexing questions of public policy that call for an explanation. Mr. Stassen has designated four husband-wife teams to go to Europe at public expense to check on the distribution of some food parcels. There are hundreds of American officials already in Europe perfectly capable of making the check—if it needs to be made, which is doubtful. CARE and the other agencies involved have representatives on the scene to make checks and supervise the distribution. But Mr. Stassen seems to be dispensing the Christmas spirit among the 8 persons—1 of whom is a GOP national committeeman—who will receive all transportation expenses, $16 per diem each, and $25 per day as a consultant's fee. What is not very clear, though, is how these junkets fit into the economy program.

OPERATION REINDEER

Of the many ways in which Americans express their regard for their fellow man at Christmastime, one of the most appealing is a new plan devised by CARE and the Foreign Operations Administration. For the mere sum of $1 anyone in the United States may send a Christmas package to a needy recipient to 12 European and 7 Latin American countries. The 500,000 special dollar packages contain a really amazing assortment of beef, sugar, shortening, milk, prunes, beans, and rice—all foodstuffs purchased by the Government for distribution abroad. CARE itself supervises the distribution in each of the countries—quite capably, we may add, without the need for the junketeering "inspectors" Mr. Stassen has sent abroad.

It scarcely needs to be added that this dollar plan does not supplant the other extensive voluntary giving carried out through CARE all over the world. The more than $150 million worth of food, clothing, and equipment distributed in this fashion during the past 7½ years has not only been an outlet for American humanitarianism, it also has been an important unofficial adjunct of foreign policy. The knowledge that fortunate Americans did and do care about the needy elsewhere (as well as at home) has been one of the things that have helped to keep the free world free. It is not too late to join in Operation Reindeer. Contributions may be made to the Washington CARE office, 1346 Connecticut Avenue NW., phone Columbia 5-9320.

Mr. RABAUT. Mr. Chairman, will the gentleman yield?

Mr. COOLEY. I yield to the gentleman from Michigan.

Mr. RABAUT. Has this anything to do with cleaning up the Washington mess?

Mr. COOLEY. This is a little mess all its own. Frankly, I cannot believe that the Republican leadership in either House of Congress would countenance this misuse of Federal funds or would approve of Stassen becoming Santa Claus at the expense of American taxpayers. Stassen was a little ingenious, however, in naming the program Operation Reindeer. Now, that is just plumb cute and Christmaslike. Stassen could have more appropriately named the project Operation Santa Claus, by Harold Stassen. Certainly Republicans in Congress will condemn this personal giveaway program and I believe that the chairmen of appropriate committees should call upon Mr. Stassen for a full and frank discussion and insist upon a full disclosure of all the pertinent facts. It really would be interesting to read the opinion of Mr. Stassen's lawyer or legal adviser authorizing or justifying such use of these particular funds.

By another section of the same law, section 550, we authorized the use of not less than $100 million and not more than $250 million to be used directly or indirectly, to finance the purchase of surplus agricultural commodities or products thereof, produced in the United States. The pertinent parts of section 550 read as follows:

USE OF SURPLUS AGRICULTURAL COMMODITIES

SEC. 550. (a) Not less than $100 million and not more than $250 million of the funds authorized to be appropriated under this act, shall be used, directly or indirectly, to finance the purchase of surplus agricultural commodities, or products thereof, produced in the United States.

(b) The President is authorized to enter into agreements with friendly countries for the sale and export of such surplus agricultural commodities under conditions negotiated by him with such countries and to accept in payment therefor local currency for the account of the United States. In negotiating agreements for the sale of such commodities, the President shall—

(1) take special precaution to safeguard against the substitution or displacement of usual marketings of the United States or friendly countries, and to assure to the maximum extent practicable that sales prices of such commodities are consistent with maximum world market prices of like commodities of similar quality, and to obtain the recommendations of the Secretary of Agri-

culture in carrying out the provisions of this subsection;

(2) use private trade channels to the maximum extent practicable;

(3) give appropriate emphasis to underdeveloped and new market areas;

(4) obtain assurance that the purchasing countries will not resell or transship to other countries or use for other than domestic consumption commodities purchased under this program without specific approval by the President.

Five hundred and fifty is the food section and there is nothing in 513 (b) to indicate that we intended any of the funds from 513 (b) to buy Christmas presents.

Frankly, Mr. Chairman, if there is nothing wrong or unusual about this program, can you imagine why President Eisenhower should have made his communication to the committees of Congress either "classified" or "secret"? Since when did it become necessary to shroud our generosity in secrecy? What could possibly be secret in the President's communication? I venture to say that the communication was prepared by none other than Mr. Harold Stassen himself. If the communication concerned some secret of national defense, why we would not even make inquiry about it. If Mr. Stassen is the person responsible for marking the communication "Critical material" or "Classified material" or "Secret," then I want to say to the everlasting glory of the chairman of the Committee on Foreign Affairs that all Members of Congress will appreciate his lifting the ban of secrecy from this important communication to the end that all of us and those we represent might know the facts involved.

Mr. SMITH of Wisconsin. Mr. Chairman, will the gentleman yield?

Mr. COOLEY. I yield to the gentleman from Wisconsin.

Mr. SMITH of Wisconsin. I want to commend the gentleman for bringing this matter to the attention of the House. If what he says is true, Harold Stassen should be removed from his position.

Mr. COOLEY. Here is another interesting article from the Minneapolis Star of December 2, 1953:

[From the Minneapolis (Minn.) Star of December 2, 1953]

GOP WOMEN LEADERS AND MATES GET TRIPS ABROAD—TEAMS TO CHECK ON OPERATION OF CHRISTMAS FOOD GIFTS

(By Wilbur Elston)

WASHINGTON.—The Foreign Operations Administration (FOA) is giving away 4 million Christmas food packages in 20 foreign countries. To check on the operation of the program, the agency, headed by Harold Stassen, is sending five husband and wife teams on month-long inspection trips to various parts of the world.

Three of the women assigned to such teams have been top Republican leaders in their home States. The other two are the national presidents of the General Federation of Women's Clubs and the National Parent-Teachers Association.

One of the couples is Mr. and Mrs. C. Edward Howard, Excelsior, Minn. Mrs. Howard is a regent of the University of Minnesota and a former Minnesota State Republican chairwoman.

Another is Mr. and Mrs. Robert W. Gunderson, Rapid City, S. Dak. Mrs. Gunderson is Republican national committeewoman for South Dakota.

Other teams:

Mr. and Mrs. W. Vance Hickman, Winston-Salem, N. C. (Mrs. Hickman is acting chairman of the Republican State committee.)

Mr. and Mrs. Oscar Ahlgren, Whiting, Ind. (Mrs. Ahlgren is president of the General Federation of Women's Clubs.)

Mr. and Mrs. Newton P. Leonard, Providence, R. I. (Mrs. Leonard is president of the National Parent-Teachers Association.)

An FOA spokesman said the new program was proposed because of the success of the recent distribution of American surplus food to Germans on both sides of the Iron Curtain.

About 3½ million packages will be given to the governments of 5 Western European countries on a government-to-government basis, and the receiving countries will handle distribution to their people. Cooperating countries will be Germany, Italy, Spain, France, and Greece.

Another 600,000 parcels will be given to private relief agencies in this country, which will distribute the food in France, Norway, Iceland, Yugoslavia, United Kingdom, Peru, Chile, Bolivia, Ecuador, Haiti, Brazil, Panama, and several other countries.

Under both programs, the plan is to distribute about 12 pounds of food in a brown paper bag stenciled with the American flag and the FOA's clasped-hands seal. Contributors to the private agencies also will have their own names stenciled on the bags.

The sacks will contain different items in different countries, but the food will include dried prunes, raisins, shortening, rice, dry beans, sugar, canned beef, evaporated milk, and cheese.

The food to be distributed is being supplied from surplus Government stocks with FOA reimbursing the Department of Agriculture for the $12,500,000 worth of food used.

The job of the teams will be to see how the food is distributed, to check on whether it is reaching the people who need it, to make sure there is no waste and to report on the people's reaction and the possible benefits to the United States, the FOA spokesman said.

The five inspection teams will come to Washington Monday for a briefing and then will be sent abroad at Government expense for about a month.

(Mr. and Mrs. Howard will leave Thursday on the first leg of the trip to Europe.

(Mrs. Howard said she and her husband will visit Western Europe, but she does not yet know the specific assignment. Among places mentioned, she said, have been Madrid, Spain; Paris; Rome; Frankfort, Germany, and Vienna, Austria.

(Mrs. Howard was an active campaigner in the GOP presidential nomination bids of Stassen. She made the speech nominating Stassen in Chicago in 1952.)

I am advised that the members of these teams were furnished transportation and were paid $16 each per diem and $25 each consulting fee.

Mr. BENNETT of Michigan. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, I am taking this time, if I may have the attention of the gentleman from Illinois, chairman of the Subcommittee on Health, Education, and Welfare, to ask him a question in respect of the reasons for the reduction in the grants to States for unemployment compensation and employment service administration. The people in Michigan who are affected by this program, both those representing employee groups and employer groups, are very much concerned about the action taken by the subcommittee.

I have a telegram that was sent to my colleague, Mr. DONDERO. I think all Members from the State of Michigan received the same wire. It is from the Michigan Employers Unemployment Compensation Commission, and says:

We urge favorable House action on Bureau of Employment Security, Department of Labor supplemental budget request of $14½ million. This full amount rather than $7½ million recommended by the House Appropriations Committee is necessary if Michigan is to have the proportionate share essential to proper administration.

I assume that other States are in the same fix.

I should like to yield to the gentleman from Illinois [Mr. BUSBEY] to ask him what justification the committee has for failing to allow the additional amount.

Mr. BUSBEY. In the first place, I wish to advise the gentleman from Michigan that we have not reached that point in the bill. When we do, I have been informed that the gentleman from Massachusetts [Mr. MCCORMACK] intends to offer an amendment to restore some of the funds.

In direct answer to the gentleman's question, I will say that the Unemployment Compensation Bureau has been provided in this bill with a fund which is far greater than any amount they have ever had in any year in the history of the United States, including 1950, when unemployment was much greater than it is at the present time.

Mr. BENNETT of Michigan. According to the committee report, the committee disallows funds requested for State salary increases. In Michigan, for example, the legislature had provided for salary increases for employees who carry on this program, and unless additional funds are provided they will have to get along without these employees or compel them to work for lesser pay in spite of the salary increase.

As I understand it, this money does not come from general tax funds. It comes from contributions made to a specific fund by the employers themselves. So that when we get a request from groups, such as the one I referred to whose wire I read, we are getting requests from people who represent the people who are paying this money into the Treasury.

Mr. BUSBEY. The gentleman is correct when he says that they put the money into the Treasury. But when he says the money does not come out of the general funds, the gentleman is not correct, because the money does come out of the general funds.

Some time ago, during the general debate, in answer to a question, I stated that many of the agencies and departments of the Government have not only been requested to absorb salary increases, but are doing so. In many cases, they are absorbing the penalty-mail costs, as well as other costs. When an amendment is offered, and when we reach that point in the bill, I think I shall be able to point out to the gentleman from Michigan [Mr. BENNETT], as well as to others, many places where they could effect savings which would offset the little that has not been allowed by the committee.

Mr. BENNETT of Michigan. I am sure they will be glad to have that information because, in spite of the fact that they are responsible and are charged with the administration of the program, in Michigan they apparently do not agree with the gentleman from Illinois [Mr. BUSBEY]. If an amendment such as has been referred to is not offered by anyone else, I propose to offer an amendment to insert the additional amount necessary, because I think it is justified.

The CHAIRMAN. The Clerk will read.

The Clerk read as follows:

INTERNAL REVENUE SERVICE

Salaries and expenses

For an additional amount for "salaries and expenses," $3,600,000.

Mr. JONES of Missouri. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, I take this time to get a little information relative to the operation of the Internal Revenue Service. I have talked to one or two members of the committee, and they have told me that they got no impression from the representatives of that Service who appeared that there was any intention to reduce the Service. However, I do know that in Missouri they have closed at least one office in the eastern district. I have received word that they have notified the people who are employed in one of the out-State offices in my home town of Kennett, Mo., that that office is to be closed within the next 6 months. I do know that if that office is closed they are going to be compelled to spend more money for operation in the way of mileage and other expenses, not to mention the fact that they are going to work an injustice on employees of the Service who do have their homes in that community and who presumably would be offered the opportunity to transfer to some other office.

I am also concerned about this because of the fact—and I am not charging that any politics is involved—that it is apparent that with three offices in the 10th District of Missouri, two of those offices are located in counties which normally go Republican, and the office about which I am speaking is in a county in the center of a predominantly Democratic area and serves four counties which are normally and consistently Democratic. It looks as if someone might be interested in bringing about a hardship on those employees in that office, causing them to want to leave the Service.

I have information here showing that during the year 1952 the 4 men who are employed in that office, which, by the way, is located in the post office building and therefore has not occasioned any great amount of expense, handled some 3,895 cases and collected a total of some $203,137.

I also am a little concerned about the fact that upon hearing the rumor that this office at Kennett was to be closed, I contacted the Internal Revenue Service and talked to Mr. Winkle, who is in charge of field offices, relative to the rumor about closing this office. He told me at that time, and that was in the early part of January, that a survey was being made of all offices merely as a matter of routine, and promised to give special attention to the condition that I explained existed there at Kennett, where 4 men were employed taking care of 4 of the most heavily populated rural counties of the State, with a total population of approximately 164,000. He said he would contact me before any action was taken even if a recommendation should be made to close that office at Kennett. He did not contact me, although an official has gone down and told the employees at that office that they were to make arrangements to get ready to be moved.

May I ask someone on the Appropriations Committee if it was represented to them that some of these offices were to be closed at the time they asked for these additional funds? Can the chairman give me that information?

Mr. GARY. I will be very glad to answer any question the gentleman has. The amount contained in this bill for the Internal Revenue Service covers only the cost of mail which has been transferred from the Post Office to the Internal Revenue Service. The gentleman will recall that heretofore the cost of handling Government mail has been paid by the Post Office and charged to the Post Office account. Last year the Congress passed an act providing that each department should pay for its own mail. The estimated cost of mail for the Internal Revenue Service for the balance of this fiscal year, according to my recollection, was over $4 million. The Department decided they could not absorb the entire cost. They will absorb a part of it, but they asked for $3,600,000 to cover the balance of the mail cost. That is the item that is included in this bill.

Mr. JONES of Missouri. In the report, it mentions about salaries and expenses while it says restricted to postage, still you discuss that the program contemplates a steady increase in the number of enforcement personnel during the current year.

Mr. GARY. That was developed during the hearings on the annual appropriation bill for the fiscal year 1955, which has already been passed by the House.

Mr. JONES of Missouri. That is included in the report on this bill, is it not?

Mr. GARY. No; it may be included in the report, but it has nothing to do with the item we are talking about now.

Mr. JONES of Missouri. It is included in the report, and I wonder if the committee ascertained whether or not there was being adopted a policy of closing up these offices?

Mr. GARY. What I have been trying to say to the gentleman is that they made a report on that to the committee during the hearings on the regular annual appropriation bill. They reported at that time that they were reducing the number of districts which had been set up when the reorganization plan was adopted. My recollection is that they put in 17 regional offices. They reported to us that they had found out that they did not need that many offices, and that they were reducing the number of offices to 9, thereby saving $2 million in operating costs which would be applied to increasing their field force so that they could investigate more income returns and thereby bring in more revenue.

Mr. JONES of Missouri. I think they put one over on your committee then because I think it is apparent they are doing the same thing the Department of Agriculture did when they put their reorganization plan over on us and told us it was for economy and it was for efficiency, and it turned out to be nothing but pure politics from the bottom to the top. I regret to say this service is apparently trying to do the same.

Mr. GARY. I will say to the gentleman they certainly did not put one over on our committee because our committee has nothing to do with the reorganization of the Department.

Mr. JONES of Missouri. You appropriate money for them to operate and you give them the opportunity to do that.

Mr. GARY. The Congress gave the Treasury Department the authority to reorganize the Internal Revenue Service in an act passed several years ago. They merely reported to us the results of their activity in that respect.

Mr. JONES of Missouri. I still insist and I challenge anyone, even including experts in the Internal Revenue Service, to show that any economy will be effected through closing the Kennett major zone office which during the time that it has been in operation has had one of the best records of any office in the State of Missouri. Unfortunately the record during the past few months may not show a true reflection of the efficiency of the four field officers due to the fact that one of these men was away from the office for several months due to ill health which resulted in his death only a few days ago. I wish to point out that during the year 1952 which might be a typical year and one in which all four of the field men were on the job most of the time, except for a period of 5 months when one man was taken from this office and assigned to the racket squad working out of St. Louis on a temporary assignment. If this Kennett office is closed and the four counties which have been serviced by the four field men working out of this central office are transferred to one of the other two offices in southeast Missouri, it will necessitate more expense in the way of travel and per diem and furthermore it should be apparent that the service to the people of that district will be curtailed and in all probability the collections reduced, not to mention the fact that the Internal Revenue Service may lose the services of some of these capable experienced employees who might not elect to accept the opportunity of transferring to some other office.

The CHAIRMAN. The time of the gentleman from Missouri has expired.

The Clerk will read.

The Clerk read as follows:

CHAPTER V

DEPARTMENT OF LABOR

BUREAU OF EMPLOYMENT SECURITY

Grants to States for unemployment compensation and employment service administration

For an additional amount for "Grants to States for unemployment compensation and employment service administration," $7,551,100, which shall be available only to the ex-

tent that the Secretary finds necessary to meet increased costs of administration resulting from changes in a State law or increases in the numbers of claims filed and claims paid over those upon which the State's basic grant (or the allocation for the District of Columbia) was based, which increased costs of administration cannot be provided for by normal budgetary adjustments.

Mr. BENNETT of Michigan. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. BENNETT of Michigan: On page 10, line 8, strike out "$7,551,100" and insert "$14,500,000."

Mr. BENNETT of Michigan. Mr. Chairman, all this amendment does is to restore the request of the budget, making the total authorization $14,500,000 instead of $7,551,100. I think it is important that this additional money be granted for the administration of this program. Our people in Michigan are very conservative in their requests in this regard, and they are deeply concerned about the effect the proposed cut by the Committee on Appropriations will have on the administration of the program in Michigan. I am sure the situation in Michigan on this is not unique and that other States undoubtedly have the same problems. I cannot see any justification for disallowing funds that have been requested for State salary increases of these employees after the commitment has been made, and I cannot see any justification for requiring that claims be made on the basis of every 2 weeks instead of on a weekly basis, as is the policy in Michigan, at least, where critical unemployment dictates need for claimants being paid on a weekly basis. I will ask for permission in the House to insert some telegrams that I have received.

I hope, Mr. Chairman and members of the Committee, that you will support the adoption of this amendment.

Mr. BAILEY. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, I can assure my colleagues that I will not consume the 5 minutes to which I am entitled under this pro forma motion.

I am interested in the amendment offered by the gentleman from Michigan to this extent—I do not know whether my State of West Virginia is involved in the question of any salary increases, but it is involved in the question of increased workload. I am sure my colleagues here in the House have no conception of the situation that has developed in my State. Largely due to the administration of the reciprocal trade-agreements program by the present Tariff Commission, four West Virginia major industries are practically devastated.

Let me inform my colleagues that we have in 26 of the 55 counties in West Virginia 106,200 persons on relief. You must realize that that means a doubling and tripling of the workload on the unemployment compensation board.

I am interested in whether there is enough money to process those cases, and I am more vitally interested, Mr. Chairman, in what the condition of that fund is that is available for the unemployed people in West Virginia. I was advised by one of the members of the committee that there is legislation being considered to provide for a loan by the Federal Government to States where their unemployment-compensation funds have become exhausted. West Virginia is right on the point of having to face that situation because we cannot continue to carry the load. And, speaking of unemployment, the State of West Virginia convened a special session of the legislature and made an additional million dollars of relief funds available. We do not have another meeting of the legislature until January next.

We have a serious situation in our State. I am interested in whether there is going to be any money to even pay the limited number of weeks that are due those people. It is a serious situation. I would like to know that there is enough money there to pay for whatever additional help is needed, whether we need what the gentleman from Michigan is asking for or not, and I certainly want the committee to approach this on the basis of need, not on the basis of what they think they need. And what facts did you have when you put this supplemental item in there?

Mr. BUSBEY. Mr. Chairman, will the gentleman yield?

Mr. BAILEY. I yield to the gentleman from Illinois.

Mr. BUSBEY. I may say to the gentleman that we are just as concerned over the situation as are he and the gentleman from Michigan. The subcommittee at this time is getting ready to hear witnesses on this very same thing to take into consideration in connection with the fiscal 1955 appropriation bill which will be coming to the floor of the House in the near future.

Mr. BAILEY. They will have starved to death over in West Virginia before you get around to that. Will this item that you are restoring here now prevent their reducing the force in a State like West Virginia where they ought to add to the force to handle the increased load? It does cut down their personnel.

Mr. BUSBEY. We did not go into what would happen in each individual State. We do think that this amount of money will take care of the situation very nicely for the Nation as a whole.

Mr. BAILEY. Let me remind the gentleman from Illinois that you are allocating it to States; not only the 3 percent but the whole fund is allocated to the States.

Mr. BUSBEY. That is not the committee's responsibility. The Department of Labor allocates to the States.

Mr. FERNANDEZ. Mr. Chairman, will the gentleman yield?

Mr. BAILEY. I yield to the gentleman from New Mexico.

Mr. FERNANDEZ. I want to say to the gentleman for whatever comfort it may be to him that we have been told on high authority that this unemployment situation will take a turn for the better during the month of April.

Mr. BAILEY. I thank the gentleman from New Mexico.

Mr. DONDERO. Mr. Chairman, I rise in support of the pending amendment.

It may be that the amendment offered by the gentleman from Michigan is not necessary. The amount is not $7 million; it is $6,948,900.

There are two things in connection with this that induces me to take the floor at this time. First, I am informed that the Michigan Civil Service Commission has issued an order for an increase in salaries of the State employees. These people working for this particular compensation bureau are State employees.

The second thing that challenges my attention is the fact that this request comes from the Employers Unemployment Compensation Bureau themselves, the people who pay the money into this fund. If this were not justified in the State from which I come it would seem to me that those who pay the money into the fund would not be the ones requesting this increase. For that reason I am influenced to support the amendment offered by the gentleman from Michigan [Mr. BENNETT]. If the amount is too much and not required, certainly it will not be paid out until needed.

I hope, therefore, that the amendment offered by the gentleman from Michigan [Mr. BENNETT] will have the support of the committee.

Mr. JAVITS. Mr. Chairman, will the gentleman yield?

Mr. DONDERO. I yield to the gentleman from New York.

Mr. JAVITS. We have had the same complaints from our commissioner of labor in New York, who has said that the amount is inadequate to do the job of handling unemployment insurance claims. It seems to me that whether or not this threat of recession is serious, we certainly want to keep this unemployment insurance sound. I shall therefore support the amendment offered by the gentleman from Michigan.

Mr. Chairman, I include the following telegram:

DETROIT MICH., *March 22, 1954.*

Representative GEORGE A. DONDERO,
House of Representatives,
Washington, D. C.:

We urge favorable House action on Bureau of Employment Security, Department of Labor, supplemental budget request of $14½ million. This full amount rather than the $7½ million recommended by the House Appropriations Committee is necessary if Michigan is to have the proportionate share essential to proper administration.

MICHIGAN EMPLOYERS' UNEMPLOYMENT COMPENSATION BUREAU,
COLIN L. SMITH, *Manager.*

Mr. KNOX. Mr. Chairman, will the gentleman yield?

Mr. DONDERO. I yield to the gentleman from Michigan.

Mr. KNOX. I would like also to state that this additional money would go toward the retirement fund of those employees who are now working for the unemployment-compensation commissions of all the States. I notice by the report that that is eliminated from the provision which money could be achieved for. As to the question relative to the Civil Service Commission, the gentleman is absolutely correct. The Civil Service Commission sets all of the pay scales in Michigan and the number of employees that the agencies shall employ, so, therefore, I think the gentleman is justified,

and I think I will be justified, in supporting the amendment offered by the gentleman from Michigan [Mr. BENNETT].

Mr. DONDERO. The gentleman from Michigan [Mr. KNOX] is well qualified to speak on this matter. He was former speaker of the House of Representatives of the State of Michigan.

Mr. RABAUT. Mr. Chairman, will the gentleman yield?

Mr. DONDERO. I yield to the gentleman from Michigan.

Mr. RABAUT. I want to state to my friend from Michigan that I have the same telegrams that our colleague from Michigan who offered the amendment has and they are very convincing. More than that, let me refer to page 33 of the hearings, to the testimony of Mr. Bernstein, who is the commissioner of unemployment compensation of that State and regional vice president of the Interstate Conference of Unemployment Security Agencies, as well as a member of its grants committee. He made a very strong argument on page 33 of the hearings for money for those purposes so necessary with the growth of unemployment, which I want to admit today has receded a little bit, but for the first time, and it is still far above the figures that we talked about some time ago.

Mr. BUSBEY. Mr. Chairman, will the gentleman yield?

Mr. DONDERO. I yield to the gentleman from Illinois.

Mr. BUSBEY. In answer to the gentleman from Michigan, my good friend [Mr. RABAUT], it is customary for the heads of practically all agencies spending Federal funds to come in and make a plea for additional money. There is nothing different in that pattern than what has always been customary in Government.

Mr. RABAUT. Mr. Chairman, if the gentleman will yield further, listen to this language: "We are subject to constant criticism throughout the country by employer groups" not workers but employer groups "because of the fact that we are not screening our claims adequately."

Mr. BUSBEY. In reply, I would say that the chairman of the subcommittee handling this appropriation has not received one single wire nor one single letter from any employer group, including my own State of Illinois.

Mr. RABAUT. Well, I have got them.

The CHAIRMAN. The time of the gentleman from Michigan has expired.

Mr. RABAUT. Mr. Chairman, the amendment offered by my colleague the gentleman from Michigan [Mr. BENNETT] deserves the support of every Member of this House.

I call your attention to the language of the committee report on page 18 expressing the feeling that there was not "sufficient showing of an emergency situation to reverse the basis on which the regular 1954 bill was enacted less than 1 year ago."

The basis referred to is a biweekly method of taking claims for unemployment compensation. This imposes an artificial waiting period on suddenly laid-off workers who are in urgent need of unemployment compensation, the only cushion they have against economic recession. The funds requested in this bill would have allowed State employment security agencies to take claims on a weekly basis and avoid this waiting period.

In the face of unemployment figures which are mounting in every corner of the country the committee has found an insufficient showing of an emergency. I call to your attention some figures which reached my desk this morning from the Michigan Employment Security Commission: 214,000 jobless people throughout the whole of Michigan, and 140,000 of them in Detroit is an emergency in any man's language. Why even the present administration, which is trying to play down the seriousness of our present economic situation has declared Detroit to be a labor-surplus area entitling the city to emergency consideration with respect to Government contracts. Which end of Pennsylvania Avenue are we to believe? The answer is clear. Let us not "kid" ourselves. Millions of unemployed workers all over America need the assistance that a proper appropriation in this bill can give them.

This is not entirely a prolabor situation. As was pointed out effectively in the hearings before the committee, industry objects to the biweekly basis because under it workers are not screened often enough against available job opportunities. We can expedite the screening process by making available the proper funds, thus helping to find jobs quickly for those taking unemployment compensation and reducing the number of claims.

On this specific point, I received a telegram yesterday from the employer Members of the Michigan Employment Security Advisory Council, which I would like to quote briefly at this point:

> We feel that the long-established weekly basis for claims taking is essential in the interest of prompt payment of claims and as a protection against abuses. Employers provide the funds from which these appropriations are being made and we favor adequate provision for proper administration by the States.

The Honorable G. Mennen Williams, Governor of Michigan, also wired me on this measure, advising that—

> Critical unemployment in Michigan dictates need for claimants being paid on weekly basis.

The amendment is sound and meritorious. It deserves the approval of the House.

Mr. SMITH of Wisconsin. Mr. Chairman, I move to strike out the last word.

Mr. TABER. Mr. Chairman, I wonder if we could not have an agreement as to time on this debate. I ask unanimous consent that all debate on this amendment and all amendments thereto close in 10 minutes, the last 5 minutes to be reserved for the committee.

Mr. CANNON. That is satisfactory on this side, Mr. Chairman.

The CHAIRMAN. Is there objection to the request of the gentleman from New York?

There was no objection.

Mr. SMITH of Wisconsin. Mr. Chairman, I think that the committee should fully understand that the money we are talking about is money that has already been contributed by the employers to this particular fund. I notice that they have paid into the Treasury three-tenths of 1 percent for what they call the Federal unemployment tax. The contribution made to the fund, I am informed, amounts to $280 million for this present fiscal year. The Congress for this fiscal year has appropriated only $192.2 million, so there is, as the gentleman from Rhode Island [Mr. FOGARTY] pointed out earlier in the day, a surplus of some $60 million or more in the fund at this time additional to the amount which the gentleman from Michigan is now requesting under his amendment that the original budget estimate be restored so that unemployed workers will receive prompt payments of the amounts due them.

Mr. NICHOLSON. Mr. Chairman, will the gentleman yield?

Mr. SMITH of Wisconsin. I yield to the gentleman from Massachusetts.

Mr. NICHOLSON. There is over $600 million in that fund that they have collected from the employer.

Mr. SMITH of Wisconsin. I am talking about the amounts appropriated for the present fiscal year and the amounts that have been contributed. I do not know what the accumulation is, but I assume the gentleman is correct.

This matter is causing a great deal of trouble in Wisconsin, as it is in Michigan, where unemployment exists and where it may possibly increase, but we hope it will not. In a letter from the chairman of the Wisconsin Industrial Commission, written just a short time ago, he says:

> In Wisconsin we had to lay off 90 from our permanent employment service staff, thereby cutting the staff about 23 percent. That has of course meant poorer and slower placement service to employers and to jobless workers. And slower placement work means lost production as well as higher benefit costs.

Mr. BUDGE. Mr. Chairman, will the gentleman yield?

Mr. SMITH of Wisconsin. I yield to the gentleman from Idaho.

Mr. BUDGE. Is it the contention of the gentleman from Wisconsin [Mr. SMITH] that the lay-offs have occurred by reason of the decrease during this fiscal year in the amount appropriated to the Bureau of Employment Security?

Mr. SMITH of Wisconsin. I am not sure that I understand the gentleman's question, but it is my understanding that the Appropriations Committee cut requested amount $20 million, when the original appropriation was considered.

Mr. BUDGE. The figure for this fiscal year is the highest it has ever been in history and is about $2½ million higher than it was in 1953, if the amount approved here by the committee is adopted.

Mr. SMITH of Wisconsin. Apparently there was a protest at the time the committee acted on this original appropriation as I have said. Now our State people are coming back and saying that "This justifies our protest on your action earlier in the year." It does not

make sense to me to cut $21 million when there is a great need for most of it and when it has already been paid into the Treasury of the United States.

Mr. MEADER. Mr. Chairman, will the gentleman yield?

Mr. SMITH of Wisconsin. I yield to the gentleman from Michigan.

Mr. MEADER. I would like to say that I join with the gentleman from Wisconsin [Mr. SMITH] in support of the amendment offered by my colleague, Mr. BENNETT of Michigan. My own district has one area which has been declared a disaster area and entitled to special consideration. In other areas in my district there has been unemployment caused by the cancellation of a huge aircraft contract. This matter of unemployment compensation is one of the matters of keen interest on the part of the Legislature of the State of Michigan at this time, and in my judgment it is no time to cut down the funds for the administration of these unemployment relief benefits.

Mr. SMITH of Wisconsin. I agree with the gentleman. No cut should be made in the appropriation when a critical situation exists and when the money is or should be available.

I want to conclude by reading from a telegram that I received this morning from the director of the Wisconsin Industrial Commission who has jurisdiction of the unemployment compensation funds and its administration, Mr. Vogta Wrabity.

President Eisenhower requested $14½ million to permit decent State administration of jobless benefits. The Appropriations Committee recommended only $7½ million for higher workloads. It provides nothing for better handling or prompt weekly payments of jobless benefits.

It is bad enough to be out of work and I know what that means. Certainly the least we can do is to make certain that these compensation checks and the administration of the funds are taken care of fully and expeditiously, for the best interest of our unemployed workers.

Mr. Chairman, this amendment should pass and I support it wholeheartedly.

Mr. LANHAM. Mr. Chairman, will the gentleman yield?

Mr. SMITH of Wisconsin. I yield to the gentleman from Georgia.

Mr. LANHAM. I agree with the gentleman from Wisconsin. I am in favor of this amendment.

Mr. SMITH of Wisconsin. Thank you.

Mr. NELSON. Mr. Chairman, I ask unanimous consent to extend my remarks at this point in the RECORD.

The CHAIRMAN. Is there objection to the request of the gentleman from Maine?

There was no objection.

Mr. NELSON. Mr. Chairman, I rise in support of the amendment offered by the gentleman from Michigan [Mr. BENNETT]. This amendment would increase the appropriation in this supplemental bill for unemployment compensation administration by $7 million roughly. Such an increase would allow the taking of claims on a weekly basis rather than on a biweekly basis as is now done.

The chairman of the Maine Employment Security Commission has reported to me that curtailment of funds in this field has resulted in delayed payments to claimants. The greatest factor in delay is the instructions the commission is under to take claims on a biweekly basis. Through the sound and excellent administration that the Maine commission has always shown, they hope to put claim-taking back on a weekly basis in a month or more. This amendment will insure that this is possible.

Administration of unemployment compensation is a poor place to practice questionable economies. Funds earmarked for that purpose have been paid in by employers. A large surplus now exists.

That man or woman who is unfortunate enough to be thrown out of a job is entitled to and needs prompt and accurate servicing and payment of his claim on a weekly basis. We should, without hesitation, provide enough funds to make certain that that can and will be done.

I am pleased indeed that the committee has indicated in its report and the chairman of the subcommittee has stated on the floor that this same matter will be carefully considered in the budget for 1955. All of us who are deeply concerned about the prompt, weekly payment of claims will watch the appropriation for that purpose carefully.

Mr. LANHAM. Mr. Chairman, I ask unanimous consent to revise and extend my remarks at this point in the RECORD.

The CHAIRMAN. Is there objection to the request of the gentleman from Georgia?

There was no objection.

Mr. LANHAM. Mr. Chairman, I am in favor of the amendment offered by the gentleman from Michigan [Mr. BENNETT], and in justification of my position I am introducing into the RECORD with my own remarks, a letter which I received some weeks ago from the Honorable Ben T. Huiet, commissioner of labor of Georgia, under whose jurisdiction the unemployment-compensation program and the employment service are operated.

I regret to know that there is as much unemployment in my State as this letter indicates and feel sure that the amount sought to be added to the appropriation bill by the gentleman from Michigan [Mr. BENNETT], is, if anything, too small.

GEORGIA DEPARTMENT OF LABOR,
EMPLOYMENT SECURITY AGENCY,
Atlanta, Ga., March 2, 1954.

Hon. HENDERSON LANHAM,
Member of Congress, New House Office Building, Washington, D. C.

DEAR CONGRESSMAN: There has been presented to the House Subcommittee on Labor a request of $14,500,000 for supplemental grants to States for unemployment insurance and employment service administration for the remainder of this fiscal year. The sharply rising volume of unemployment since September 1, 1953, has created the need for this appropriation as the State agencies are budgeted on workloads experienced. For example, the number of claimants in your district has increased from 2,550 to 9,529. There are now 34,026 persons claiming weekly job-insurance payments in Georgia, and the number has almost tripled in the past 6 months. Many unemployed persons who are not covered by job insurance have registered for work in our 34 local offices. We now have on file a total of 62,991 applications for work. We must continue and intensify our efforts to find jobs for these thousands of workers. Accordingly, the administrative funds currently available for this program will not finance needs for the remainder of this fiscal year.

We urge your favorable consideration of the above request and recommend that payment be authorized from the $14,500,000 of all actual salary increases paid to State agency personnel. The original appropriation for the fiscal year 1954 prohibited payment of salary increases from the contingency fund, contrary to the policy in prior years. This has caused substantial damage and embarrassment to the employment-security program. The principle permitting payment of salary increases from contingency funds should also be continued in the appropriation to finance the employment-security program in fiscal year 1955.

I shall personally appreciate your support of this request.

Cordially yours,

BEN T. HUIET,
Commissioner, Department of Labor of Georgia.

The CHAIRMAN. The gentleman from Idaho [Mr. BUDGE] is recognized.

Mr. BUDGE. Mr. Chairman, we on the committee are just as much concerned as anyone that the people out of work receive their unemployment-compensation checks, to which they are entitled. We are just as much concerned about that as are the gentlemen from Michigan and the gentleman from Wisconsin [Mr. SMITH]. However, the situation with which we are confronted is that the amendment offered will not accomplish the purpose sought. To begin with, let us make a comparison of the funds which have been made available to this agency. As I said a few moments ago, for the fiscal year 1954, if the committee recommendation is sustained here, we will have the largest appropriation in history for this agency, $199,756,100.

Let us compare that with, say, the year 1950. The caseload has changed considerably since 1950. In the year 1950 the insured unemployment being administered by this agency was 2,033,100 people. In 1954 the estimate given the subcommittee by the agency was 1,403,000 insured unemployed. Conversely, in 1950 there were $174 million appropriated to this agency for this purpose, and this year, as I said, there were practically $200 million appropriated.

The salary item about which there has been so much discussion is not actually involved in the amendment offered by the gentleman from Michigan. The moneys sought to be increased by this amendment go into the contingency fund. Under the present law the money, even though it were appropriated under this amendment offered by the gentleman from Michigan, would not be available to pay increased State salaries. Under the language of the bill, the $14,500,000 sought to be appropriated by this amendment would be available only to meet increased costs resulting from increased workload attributable to an increase in claims filed and paid and

changes in State unemployment-compensation laws. The House should know that these are the only things that this $14,500,000 could be used for, before it votes on this amendment.

The other items, as to weekly rather than biweekly reporting, is something the committee desires to go into in the regular hearings which are now in progress. We have not prohibited any State from doing this work in that manner if it sees fit. We have in this bill allowed practically all of the money which was requested except for the two items of the salary increase and the question about weekly rather than biweekly reporting, which is still optional, and this amendment would not accomplish either of those purposes.

Mr. PERKINS. Mr. Chairman, will the gentleman yield?

Mr. BUDGE. I yield to the gentleman from Kentucky.

Mr. PERKINS. I first want to state that I intend to support the amendment offered by the gentleman from Michigan. I doubt the accuracy of the figures the gentleman just gave the committee in connection with the number of people who are now receiving unemployment benefits. The gentleman will find that 2,200,000 last week was the number.

Mr. BUDGE. I decline to yield further.

The information I gave is contained on page 19 of our hearings and is the information which was furnished the committee by the Bureau of Employment Security.

Mr. PERKINS. Did the gentleman check those figures?

The CHAIRMAN. The gentleman declines to yield further.

Mr. BUSBEY. Mr. Chairman, will the gentleman yield?

Mr. BUDGE. I yield to the gentleman from Illinois.

Mr. BUSBEY. May I ask the gentleman from Idaho this: If this is such an emergency, why is there still $4 million left in the contingency fund? The amendment for nearly $7 million which the gentleman from Michigan has offered does not correct the situation he wants to correct at all. It is just a matter of absorbing some of these items that the bureaus can absorb themselves.

Mr. CRETELLA. Mr. Chairman, I rise in support of the amendment offered by the gentleman from Michigan [Mr. BENNETT] which amendment restores to the appropriation to the Department of Labor the sum of $6,948,900. It is obvious to me that this Department is one which can definitely utilize the funds appropriated by his amendment and will allow the payment for expenses for workload increases in connection with unemployment compensation claims.

In my State of Connecticut, the staff of the Department administering the unemployment compensation is inadequate and I have been urged by the commissioner of labor of my State, as well as labor organizations, to support this increase which I do wholeheartedly and enthusiastically.

It is bad enough for one to be out of employment without being hampered and delayed by the inadequacy of a force to adjudicate his claim. I am sure that if there should be more money than is needed for this purpose by the adoption of this amendment, that the fund will be wisely and judiciously administered by the respective States. I hope the amendment passes.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Michigan [Mr. BENNETT].

The question was taken; and the Chairman being in doubt, the Committee divided and there were—ayes 62, noes 79.

Mr. RABAUT. Mr. Chairman, I demand tellers.

Tellers were ordered, and the Chairman appointed as tellers Mr. BENNETT of Michigan and Mr. BUSBEY.

The Committee again divided; and the tellers reported that there were—ayes 87, noes 86.

So the amendment was agreed to.

The Clerk read as follows:

DEPARTMENT OF HEALTH, EDUCATION, AND WELFARE

OFFICE OF EDUCATION

Payments to school districts

For an additional amount for "Payments to school districts," $5,850,000.

Mr. BUSBEY. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. BUSBEY: Page 11, after line 8, insert:

"Assistance for school construction

"For an additional amount for providing school facilities and for grants to local educational agencies in federally affected areas as authorized by Public Law 815, 81st Congress, as amended by Public Law 246, 83d Congress, $55 million, to remain available through December 31, 1954, all of which shall be available for payments authorized by section 209 (c) of Public Law 815, 81st Congress, as amended by section 2 (e) of Public Law 246, 83d Congress: *Provided*, That entitlements shall be paid on a pro rata basis if there be not enough to cover all legal entitlements."

The CHAIRMAN. The gentleman from Illinois is recognized for 5 minutes.

Mr. BUSBEY. Mr. Chairman, I do not believe 5 minutes are necessary for the explanation of this amendment, because it has been thoroughly discussed in general debate.

I do want to say that the amendment has been read by the chairman of the House Committee on Education and Labor, the gentleman from Pennsylvania [Mr. McCONNELL], as well as the ranking minority member of the committee, the gentleman from North Carolina [Mr. BARDEN], and both have agreed to the language of the amendment.

This item was not in the original bill, as reported by the subcommittee and the full committee, due to the fact that there was no request from the Department for this money. Although we intended bringing this supplemental bill on the floor last Tuesday, it developed that there was a very great amount of interest, on the part of many Members, in this item. We thought it only fair to the membership of the committee, and the whole House, to have some hearings on this matter before making the final decision. Hearings were held last Tuesday afternoon. Copies of the hearings are available at this time at the desk, and anyone can read what happened at the hearings.

I think the amendment speaks for itself.

Mr. FORAND. Mr. Chairman, will the gentleman yield?

Mr. BUSBEY. I yield to the gentleman from Rhode Island.

Mr. FORAND. Did I understand the gentleman to say there was no request from the Department for this amount?

Mr. BUSBEY. There was no request in the supplemental budget that was before the subcommittee.

Mr. FORAND. From the Budget?

Mr. BUSBEY. From the Budget; yes.

Mr. FORAND. That is different from the Department; that is the point I am trying to clear up: Did the Department ask for it and was it cut out by the Bureau of the Budget, or was it that the Department did not ask?

Mr. TABER. Mr. Chairman, will the gentleman yield?

Mr. BUSBEY. I yield.

Mr. TABER. There was no request of the Department to the Budget.

Mr. LANHAM. Mr. Chairman, will the gentleman yield?

Mr. BUSBEY. I yield to the gentleman from Georgia.

Mr. LANHAM. I am informed that the Department of Education did not request this money because they were instructed by the Bureau of the Budget not to do so.

Mr. BUSBEY. If the gentleman knows that, he has information that I personally do not have.

Mr. LANHAM. I have the information but I cannot recall the names of the people who gave it to me. I think it is true. However, the gentleman can find out if he will investigate a little.

Mr. LANHAM. Mr. Chairman, I am strongly in favor of this amendment, and am glad the Committee on Appropriations has offered this amendment. This sum of $55 million will pay no more than 70 percent of original entitlement. After hearings before the House Education Committee, June 1953, the House voted unanimously to pay these entitlements in full—$95 million. The Senate was reluctant to accept this amount; a compromise figure of $55 million was accepted, with appropriation to be made during this session. The above statement is in keeping with the intent and purpose of the law as passed by Congress, as may be found in the last paragraph on page 5 of report 702 of the 83d Congress, 1st session, as follows:

It was the clear and expressed intent of Congress in enacting title II of Public Law 815 to pay to all school districts which duly applied for payments, and met all the statutory requirements, the amount called for by the formulas set forth in the law. Many school districts, in reliance upon this clearly expressed congressional intent, have drawn on their own resources to go ahead with urgently needed school construction in advance of the availability of Federal appropriations—as the law, in fact, permitted and encouraged them to do—only to find that as a result of their initiative in meeting their school facilities needs, they were unable because of reduced priority to share in appropriations later made available. Others had already bonded themselves to capacity by constructing schools for federally connected children prior to the enactment of Public Law 815 and were entitled to reimbursement under the provisions of that law

authorizing applications for reimbursement in such situations. Many still have unmet needs for new buildings as a result of recent school population increases.

The purpose of this appropriation is to provide the Federal Government with funds for meeting its responsibility for aiding school construction in school districts burdened with an increased enrollment of federally connected children from June 30, 1939, to June 30, 1952, except that no school district would receive reimbursement for any expenditure for construction of school facilities under a contract entered into before September 30, 1950.

Title II, Georgia entitlements, are as follows:

1. Board of Education, Bibb County	$361,542.00
2. Douglas City Board of Education	75,000.00
3. Marietta City Board of Education	773,968.00
4. Clayton Board of Education	63,967.77
5. Cobb County Board of Education	107,235.99
6. Floyd County Board of Education	321,556.00
7. Liberty County Board of Education	129,164.82
8. Muscogee County Board of Education	962,479.00
9. Dublin Public Schools	38,472.78
Total	2,833,386.36

FEDERAL BURDEN ON LOCAL TAXPAYER

The opposition to the amendment under consideration fails to recognize that this action intends only to provide funds to carry out the provisions of the law.

These provisions, in essence, are to relieve local taxpayers of burdens imposed on local areas because of Federal activities.

The weight of Federal activities should fall equally on all citizens of the United States and not on local taxpayers. I therefore support this amendment and congratulate the committee on offering it.

The intent of Public Law 815 is to provide funds for school housing for children coming into a community because of Federal impact.

This law was conceived in bipartisan spirit and should be so continued. The school districts having claim under these laws should be paid without further delay.

Mr. FRELINGHUYSEN. Mr. Chairman, will the gentleman yield?

Mr. BUSBEY. I yield to the gentleman from New Jersey.

Mr. FRELINGHUYSEN. Is it not the fact that Dr. Brownell, Commissioner of Education, in testimony, suggested that it was the responsibility of his office of initiating a request for such funds and that such request is under active review at this time by the Department?

Mr. BUSBEY. Yes. The Department had this matter under review and study at the time the question came up about the $55 million being added in this supplemental appropriation bill.

I think that is as it should be. The Secretary wanted to study this matter sufficiently to know that she was doing the right thing before she made her recommendation. Unfortunately, we cannot tell now if there will or will not be another 1954 supplemental bill before the end of the fiscal year. If we knew that there would be, I would very definitely have preferred to await the results of Secretary Hobby's study and her recommendations.

Mr. FRELINGHUYSEN. Mr. Chairman, I ask unanimous consent to extend my remarks at this point in the RECORD.

The CHAIRMAN. Is there objection to the request of the gentleman from New Jersey?

There was no objection.

Mr. FRELINGHUYSEN. Mr. Chairman, I am glad to support wholeheartedly the amendment just offered by the gentleman from Illinois [Mr. BUSBEY]. As a member of the Education and Labor Committee, and as a member of its subcommittee which recommended the extension of the legislation under discussion today, I have been most interested in seeing that aid is promptly made available by these federally affected school districts.

Like many other members, I have a number of these schools in my district. Just a few days ago a group of citizens from Denville Township in my home county of Morris, presented me with a petition bearing more than 2,900 signatures. They asked me for assistance in getting Federal funds to cover an application for reimbursement totaling $190,500, which had been approved in June 1952. These are commitments recognized by law, and these legitimate claims need prompt consideration.

In closing, I should like to commend the gentleman from New York [Mr. TABER], the distinguished chairman of the Appropriations Committee, for the position which he has taken here today. Both he and the gentleman from Illinois [Mr. BUSBEY] have pointed out that no specific request for this appropriation has been made by the Department of Health, Education, and Welfare. They are willing, nonetheless, because of the urgency of this situation, to support the amendment which we are now considering. These funds are badly needed in school districts throughout the country, and unquestionably will be put to good use.

Mr. SEELY-BROWN. Mr. Chairman, I rise in support of the amendment offered by the gentleman from Illinois [Mr. BUSBEY].

Mr. Chairman, my proper support of legislation relating to the school construction assistance program in areas with substantial increases in federally connected school children is a matter of public record. It is a record well known by the people of my district whom I have the honor to serve as a Member of Congress.

This original program was established under Public Law 815, 81st Congress. Last year the program was continued and amended in accordance with the provisions of Public Law 246, 83d Congress.

During the closing days of the last session, the House-Senate conference committee considering this legislation agreed to extend for 1 year—to June 30, 1954—the time for making appropriations under the original program, and authorized an appropriation of not to exceed $55 million to cover grants not in excess of 70 percent of the remaining unpaid entitlements.

The Town of Groton still has a vital stake in this matter in its Fitch High School 8-room addition construction project application in the amount of $350,244.

Mr. S. B. Butler, superintendent of schools for the town of Groton, advises me that on a 70-percent basis the town's share of approximately $245,000 will make possible the elimination of the present double shift arrangements in the Poquonnock bridge area.

Last year—on February 19, 1953—when a similar appropriation bill was under consideration, I urged my colleagues to provide adequate funds for this basic program. At that time I analyzed in detail the very real problems of the town of Groton with regard to providing proper and adequate educational facilities for the children of that community.

These same basic problems are shared by other towns of my State, namely, Waterford, East Lyme, Manchester, Southington, West Hartford, Windsor Locks, East Hartford, and Glastonbury. Since all of these towns had valid applications on file as of June 30, 1952, they are vitally intrested in this proposed amendment. I urge its adoption because I believe it to be the proper responsibility of Congress to honor these unpaid entitlements—entitlements previously authorized by Congress.

Mr. MAGNUSON. Mr. Chairman, I rise in support of this amendment.

I think it is unfortunate that many of our people have been so preoccupied with the dramatic events of modern history that they have lost track of what is happening in our schools.

Population increases during the last decade alone would be enough to cause a tremendous crisis in the Nation's school systems. But that is only one of the factors involved.

Since the beginning of the war in Korea and the subsequent accelerated defense program, thousands of families have flocked to the areas around Federal installations and defense industrial plants. Some sections of the country were affected more than others.

The tendency to concentrate defense industries in certain areas has served to aggravate the problem.

Consequently, the school systems in those communities faced and still are facing an especially critical shortage of school-housing facilities. They have done the best they could under the burden of greatly increased enrollments.

Clearly, the Federal Government has an obligation to help those communities whose school systems have been hard hit by the influx of relocated children. That is why we must approve additional funds for school construction today.

In Public Law 815 of the 81st Congress and Public Law 246 of the 83d, the Congress recognized that obligation. The Congress tried to provide financial assistance to those communities affected by defense activities. It set up standards of eligibility which the communities were required to meet before qualifying for this Federal school-construction aid.

Mr. Chairman, I regard these laws as firm commitments by the Congress to

help the local communities in providing minimum school facilities. I do not believe we should run out on this obligation to our children.

In the majority of cases, the relocated children come from families without taxable real estate in the new communities in which they have come to live for temporary periods. They are not intentional tax dodgers. It is simply that there is no effective machinery for making them contributing patrons of the schools which their children attend.

This amendment is merely a move to carry to its completion a declared policy of this Congress.

Mr. McCONNELL. Mr. Chairman, I move to strike out the requisite number of words.

Mr. Chairman, I want to get this matter as clear as possible.

First of all, I wish to commend the chairman of the Appropriations Committee, the gentleman from New York [Mr. TABER]. The situation in which we find ourselves was not of his making. It was due to the fact that the Department of Health, Education, and Welfare had not made a specific request under the $55 million authorization that we passed last year. That authorization was passed in the House, approved by the Senate and signed by the President. In other words, it is the law of the land—Public Law 246—that an appropriation of $55 million shall be made to take care of past entitlements authorized under the formula set forth in Public Law 815.

Going back a couple of years to the previous legislation it was stated that certain areas, if they conformed to various standards and formulas, and so forth, would be entitled to a certain amount of money for construction. A large number of districts put in their applications, which applications were approved and authorized. Many of them were not paid. The total, I think, was approximately $98 million in applications for entitlements which were not paid. We put in the bill last year, the extension of Public Law 815, the proviso that $95 million shall be paid on those past entitlements for construction. That was passed virtually unanimously in the House. The other body provided for no such back payments, but in conference an amount of $55 million was agreed upon.

We stated that where applications had been in and approved and payments authorized by June 30, 1952, they should be paid to the extent of 70 percent of those authorizations.

Now, it might be well to point out that while the bill was being considered last year the Department opposed our putting in for payment of back entitlements. Now we find, although that bill was finally passed and signed back in August of last year, that not a single move has been made by the Department of Health, Education, and Welfare to make any request for payments on past entitlements. We said in the bill passed last year, which is now the law of the land, the Committee on Appropriations would have up until June 30 this year to take care of appropriating $55 million. Someone has argued that we ought to wait a couple of months longer, perhaps until June, to act on the $55 million item, but there is great danger that it will be lost in the shuffle at the fiscal year end, June 30, 1954, and therefore I think that this amendment offered by the gentleman from Illinois [Mr. BUSBEY] to provide for $55 million should be passed at this time.

If there are any questions, I will be glad to answer them.

Mr. BARDEN. Mr. Chairman, will the gentleman yield?

Mr. McCONNELL. I yield to the gentleman from North Carolina.

Mr. BARDEN. I asked the gentleman to yield just to make this observation: I appreciate the remarks made by my chairman. I concur in them heartily. I compliment him for keeping faith with the committee, with the House, and with the people to whom this money will go. They had a right to believe that it was a commitment, and I think nothing less than what we are doing should be passed as total good faith. The chairman has been very frank in his statement. He has discussed it with his committee fully and fairly. I compliment him, and I appreciate the position that he is taking in this matter. May I say this further: May I just again agree that the confusion that arose is not the making of the gentleman from New York [Mr. TABER] or the gentleman from Illinois [Mr. BUSBEY]. The Department is certainly at fault in this matter.

Mr. McCONNELL. I thank the gentleman.

Mr. BUSBEY. Mr. Chairman, will the gentleman yield?

Mr. McCONNELL. I yield to the gentleman from Illinois.

Mr. BUSBEY. I want to thank the gentleman from North Carolina [Mr. BARDEN] for making that clear, because I did not want any misunderstanding on this matter, because this $55 million that I offered the amendment on, on the bill before us, was not cut out of the bill by the subcommittee or the full Committee on Appropriations because we had no request before our committee for the $55 million or any other sum.

Mr. McCONNELL. I thought I made that clear, but I will also reemphasize it. The gentleman from Illinois [Mr. BUSBEY] is correct. He is not at fault in any way, because no requests for past entitlements were made.

Mr. BARDEN. Mr. Chairman, I ask unanimous consent that the gentleman from Pennslvania [Mr. McCONNELL] be allowed to proceed for 5 additional minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from North Carolina?

There was no objection.

Mr. HOLMES. Mr. Chairman, will the gentleman yield?

Mr. McCONNELL. I yield to the gentleman from Washington.

Mr. HOLMES. I want to congratulate the gentleman upon his clarifying statement concerning this matter. I want at this time to go on record very strongly in favor of this amendment.

Mr. PERKINS. Mr. Chairman, will the gentleman yield?

Mr. McCONNELL. I yield to the gentleman from Kentucky.

Mr. PERKINS. Mr. Chairman, I wish to compliment the distinguished chairman of the Committee on Education and Labor for his excellent statement and for his fair statement. I believe the chairman will agree that unless this appropriation goes through now, in all probability it is all over with; it is now or never. Is that a correct statement?

Mr. McCONNELL. I do not know whether it is now or never, but I think it very imperative that it be passed now.

In closing, Mr. Chairman, I just want to quote something that I said in debate last year:

> Congress has demonstrated by an overwhelming majority the recognition of a Federal obligation to those local areas financially affected by the acquisition of property and the influx of thousands of additional schoolchildren. The committee unanimously believes that a moral obligation exists in that respect and therefore authorizes a total of $95 million to take care of previous obligations.

I had that feeling about the $95 million; so did this House, but because the other body provided nothing, we agreed to 70 percent of the unpaid obligations, or a figure of $55 million. So I think the approval of this amendment in the amount of $55 million is amply justified.

Mr. NICHOLSON. Mr. Chairman, will the gentleman yield?

Mr. McCONNELL. I yield to the gentleman from Massachusetts.

Mr. NICHOLSON. Will we get only 70 percent of what was originally agreed to?

Mr. McCONNELL. We authorized last year, coming out of the final conference, 70 percent of the unpaid obligations on past entitlements to be the amount that would be paid. That is the amount, $55 million, for which we are asking appropriations.

Mr. NICHOLSON. I thank the gentleman, because I think it is a moral obligation and we ought to take care of it.

Mr. BUSBEY. Mr. Chairman, will the gentleman yield?

Mr. McCONNELL. I yield to the gentleman from Illinois.

Mr. BUSBEY. But that 70 percent was a compromise, taking into consideration what we call minimum standards.

Mr. McCONNELL. Not entirely, I will say to the gentleman from Illinois. Some of it was this. As you take care of some unhoused children, under the new requests, you probably would cut out the need for a certain percentage of past entitlements where construction had not been fully completed.

Mr. BUSBEY. That does not mean that some communities are only going to get 70 percent of what they spent on their school buildings.

Mr. McCONNELL. No; but they will receive only 70 percent of the unpaid entitlements which have been approved or authorized as of June 30, 1952.

Mr. TABER. Mr. Chairman, will the gentleman yield?

Mr. McCONNELL. I yield to the gentleman from New York.

Mr. TABER. But that only applies to 70 percent on the balance remaining. That is, if they had distributed $100,000 overall and had received only $40,000, they would now receive 70 percent of the $60,000.

Mr. McCONNELL. They would receive 70 percent of the unpaid entitlements, whatever that happened to be. My understanding is that in considering the unpaid entitlements the Department would take into account amounts that had been paid previously on those same entitlements.

Mr. CANNON. Mr. Chairman, I ask unanimous consent that the gentleman from Washington [Mr. TOLLEFSON], the gentleman from New Jersey [Mr. WOLVERTON], the gentleman from Michigan [Mr. OAKMAN], the gentleman from Alabama [Mr. ELLIOTT], and the gentleman from Kansas [Mr. MILLER] may extend their remarks at this point in the RECORD.

The CHAIRMAN. Is there objection to the request of the gentleman from Missouri?

There was no objection.

Mr. TOLLEFSON. Mr. Chairman, I shall support the amendment offered by the gentleman from Illinois [Mr. BUSBEY], which would appropriate $55 million additional school construction funds for assistance to those school districts which have qualified for assistance under Public Law 815 of the 81st Congress. Under that law many school districts filed applications for assistance and were awarded entitlements in those instances where they met the criteria fixed by the law.

To date a majority of those schools have received financial assistance from the Federal Government under appropriations heretofore made. Other schools have not received help, although entitled to it, simply because Congress has not appropriated sufficient funds to do so. This amendment seeks to take care of those schools, at least to the extent which is authorized by existing law.

In my opinion, the Federal Government ought to recognize its obligation to the schools which have not received help under their entitlements given them pursuant to Public Law 815.

Mr. WOLVERTON. Mr. Chairman, the amendment that has been offered by the gentleman from Illinois [Mr. BUSBEY] providing $55 million to carry out the purposes of Public Law 815, 81st Congress, chapter 995, 2d session, for the construction of school facilities in areas affected by Federal activities, is highly necessary.

Public Law 815 was adopted by Congress in recognition of the impact which certain Federal activities have had on the school-construction needs in the areas in which such Federal activities have been carried on. In that legislation Congress declared it to be the public policy of the United States to bear the cost of constructing school facilities in such areas in the manner and to the extent provided in the legislation.

In full expectation that such would be the policy of the United States, arrangements were made by many local communities coming within the provisions of the bill. They fully expected to receive the financial aid intended. Applications were accordingly filed. The purpose of this amendment is to fulfill the obligations that have thus been created and for which the financial aid expected has not been received. The amendment is most meritorious and should be adopted.

Mr. OAKMAN. Mr. Chairman, I want to add my wholehearted support to the amendment of my distinguished colleague the gentleman from Michigan [Mr. BENNETT].

During the transition from our wartime to a peacetime economy it is inevitable that economic adjustments take place. It is impossible to make this shift without temporarily experiencing some unemployment. All branches of Government should surely cooperate to the fullest in making this transition as painless as humanly possible.

One of the more important phases of this program is the prompt and regular payment of all unemployment compensation claims. The amendment of the gentleman from Michigan is important and necessary for this purpose. The people of Michigan, the employees, the employers, and all levels of government in Michigan have united in asking the Congress to provide this needed assistance now.

Mr. Chairman, I urge my fellow Members of the House to support the pleas of our people and to vote for the passage of the Bennett amendment.

Mr. ELLIOTT. Mr. Chairman, I rise in support of the Busbey amendment to provide $55 million to cover entitlement earned by impacted school districts under the terms of Public Law 815, as amended.

There is no reason, certainly no good reason, why this appropriation should not be made at this time. As a matter of fact, it is already greatly delayed. Several millions of dollars for Alabama's schools are included in this appropriation.

Now, I wish to turn to the plight of our schools in general. In 1951 Hamon, in an article in School Life, estimated that 600,000 public school classrooms would be needed during the next 7 years. If this estimate was correct, our country would need in the neighborhood of $20 billion to furnish this generation of schoolchildren with adequate schoolroom facilities. As far back as 1943 the National Resources Planning Board estimated that an expenditure of a billion dollars a year for 10 years would be necessary to eliminate deficiencies in public elementary and secondary school housing.

The generation of children now in and entering the public schools needs not only seating space but it needs libraries, gymnasiums, shops, music, art, drama rooms, lunchrooms, libraries, and other related facilities.

We are living in the age of the atom, in the day of the frightening explosion of hydrogen, in the day of bacteriological developments, which threaten to erase mankind from the face of the earth.

We are living in a day when a developed, a trained, and educated intelligence is more sorely needed than at any time in the history of the world.

In the face of these things how can we overlook, or neglect, or pass by on the other side the need of our public schools?

Here are some figures that speak for themselves: 66 percent of the public high schools of America do not have medical suites; 43 percent do not have cafeterias; 17 percent do not have auditoriums; 11 percent do not have gymnasiums; shame that 22 percent do not have libraries; 59 percent do not have art rooms; 33 percent do not have music rooms; 18 percent do not have science rooms; 12 percent do not have shops; 15 percent do not have homemaking rooms; 24 percent do not have business education rooms.

I submit to the House of Representatives that the time has arrived that we must do something to improve America's schools.

A Federal aid bill, providing funds to the States and local communities for the construction of schoolhouses, is immediately justified. I trust this Congress will give this problem its immediate attention.

Mr. MILLER of Kansas. Mr. Chairman, I rise to support the amendment. There has been a lot of discussion and some conjecture as to why this amendment is desirable and necessary. As I said on the floor of the House when a similar bill was before us in the last session, Congress has committed the United States Government to contribute to the expense of housing and educating the pupils of those school districts that have been impacted because of Federal defense activities. In honor, this Congress has no alternative but to pass this amendment and thereby to keep what amounts to the plighted word of the United States Government.

Why the necessary amount was not made a part of the bill as brought to the floor by the committee, whether it was deliberately omitted, or whether it was an oversight, is of no importance so far as the people affected are concerned. The fact remains that the passage of this amendment will correct the omission and I intend to support the bill as amended.

Mr. FOGARTY. Mr. Chairman, I move to strike out the requisite number of words.

Mr. Chairman, I do not know yet that anyone has given the reason why this request has not heretofore been made to the Congress. There is only one reason why the request was not made to Congress before today and that lies in the old Federal Security Administration itself.

As the chairman of the Committee on Education and Labor said just now—and I remember reading his testimony of last July when this bill was amended and extended by a unanimous vote of this Congress—the Congress had on more than one occasion demonstrated by overwhelming majorities that they were for this law and for appropriations to back up the law.

I have always maintained, as a member of the Committee on Appropriations, that when Congress by a unanimous vote authorizes an expenditure or an appropriation of a sum such as this $55 million, the amount we have under consideration today, it is then mandatory upon the executive branch of the Government to pay some attention to the will of Congress. In this particular case the executive branch of the Government paid little attention to that unanimous

vote of last July until about 2 weeks ago. How many times the Department of Education recommended it to the Secretary of Health, Education, and Welfare, I do not know; I am referring to this appropriation of $55 million. I know that on two occasions it was recommended, but no action was taken.

To the best of my knowledge and information, up to this point, nothing was going to be done about it until last Friday or until the latter part of February, when the people from the Department of Education appeared before our subcommittee and requested a supplemental of $5,800,000 under Public Law 874. It was then that we started asking questions about the unpaid obligations of the Federal Government to these school districts, to the tune of $55 million, and about the necessary amount of money to be budgeted and appropriated to meet all of the applications, eligible for payment under the new act, Public Law 815. They told us at that time it would amount to $58 million in new money over the $40 million that is being recommended in the regular appropriation bill for the construction of new projects under the law as the Congress extended the law last July by a unanimous vote.

Mr. FERNANDEZ. Mr. Chairman, will the gentleman yield?

Mr. FOGARTY. I yield to the gentleman from New Mexico.

Mr. FERNANDEZ. I think the gentleman ought to be commended for calling the matter to the attention of the committee, to the attention of the distinguished gentleman from New York [Mr. TABER], our chairman, and to the House. The gentleman was the first man that called it to our attention. All of us from the States affected—and most of the States are affected—are grateful to the gentleman for doing so.

Mr. FOGARTY. I thank the gentleman.

I have no fault to find with anybody on this side of the aisle at all or in the Congress itself. The fault does not lie in the House of Representatives because it extended this act last July by unanimous vote. The people downtown absolutely refused to go to the Bureau of the Budget and ask for one dime of this money.

When this bill was passed, as I remember it, back in 1950, there were no politics in the bill at all. When it was again passed, as I read the RECORD, on July 8 of last year, there were no politics in it, and I do not want to see any politics in it today.

I have an amendment I intended to offer that I told the full Committee on Appropriations on last Friday I was going to offer that would amount to $113 million, of which $55 million would be available for payments authorized by section 209 (c) of the public law which you have under discussion today. So, in order to keep politics out of education in our country—and I think we should keep politics out of it and not play politics with the school kids of this country—I have agreed to go along with my distinguished chairman, the gentleman from Illinois [Mr. BUSBEY], on this $55 million, with the understanding that we give serious consideration to the other $58 million which we have been told by people in the Department of Education is owed or will be owed under the applications that were received as of last November.

(On request of Mr. CANNON, and by unanimous consent, Mr. FOGARTY was allowed to proceed for 5 additional minutes.)

Mr. FOGARTY. I am going to support the amendment offered by my chairman [Mr. BUSBEY] for $55 million. However, I say to the Members of this House that when sometime after the Easter recess we appear before you with our regular appropriation bill for the Department of Labor and the Department of Health, Education, and Welfare, I will offer an amendment that will be justified. One that will meet 100 percent of the eligible applicants under the law as amended last year in Public Law 815, so that they will have the money available starting July 1 to build the buildings that are needed at the present time and to give to these children in the federally impacted areas decent educational facilities, that they do not now have in this country. I hope by the demonstration here this afternoon, that we are taking politics out of education. I hope that when this Congress by an overwhelming vote, whether it be on education or anything else, speaks with a unanimous voice, or as I said, by an overwhelming vote, the people in our executive departments will pay some attention to the will and intent of the Congress. I believe that is their job and their responsibility. I hope this afternoon will be an example to them to pay some attention to the Congress in the future.

Mr. FORRESTER. Mr. Chairman, will the gentleman yield?

Mr. FOGARTY. I yield.

Mr. FORRESTER. I compliment the gentleman and the committee for the splendid thing that has been done here today. I want you to know I am extremely grateful because I just do not know how some of my small counties that have suffered so much from the military impact could have possibly operated. I am particularly gratified to know the gentleman will pursue this matter further, and that sometime in April the gentleman is going to renew his request for this other money.

Mr. WHITTEN. Mr. Chairman, will the gentleman yield?

Mr. FOGARTY. I yield.

Mr. WHITTEN. I want to add my commendation to that extended to the gentleman from Rhode Island by the gentleman from Georgia. I raised with the gentleman from Rhode Island the question of seeing that this amendment provides or make these funds available until used. I understood that agreement had been reached that they would continue available until January 1956. Is the gentleman assured that that will be ample time to actually put into the process and make available these funds so that they will carry out the purpose, or is there any question in the gentleman's mind as to whether the availability of these funds should be for an indefinite period?

Mr. FOGARTY. I cannot speak for the Department of Education, but I would think that between now and January 1, they could examine every application and make sure they were entitled to this money.

Mr. BARDEN. Mr. Chairman, will the gentleman yield?

Mr. FOGARTY. I yield.

Mr. BARDEN. May I say to the gentleman from Mississippi I am informed these applications or requests have been on file since about the middle of 1952. They have been reviewed and inspected and certified, and have been ready for action for several months. I think the Department will do the wise thing in rechecking to see that the entitlements are correct and that some of the projects that may be for one reason or another discontinued will be given the proper consideration. But in view of that fact, and in view of the fact that it is now almost April 1, I agree with the gentleman that it did not look as if there was time enough to let it go until July 1. I do think January 1 is ample time.

Mr. WHITTEN. I thank the gentleman.

Mr. WILSON of California. Mr. Chairman, will the gentleman yield?

Mr. FOGARTY. I yield.

Mr. WILSON of California. On this question of past entitlements, is it the gentleman's understanding that each school district with entitlement will get approximately 70 percent of the entitlement, or will some 70 percent of those districts with entitlements get full payment on their entitlement? Does the gentleman have any understanding about that?

Mr. FOGARTY. I yield to my distinguished friend, the gentleman from North Carolina [Mr. BARDEN].

Mr. BARDEN. This $55 million will be paid on a prorata basis to the school districts with entitlements.

Mr. WILSON of California. It will be paid on a prorata basis to each district with entitlement?

Mr. BARDEN. Yes, that is clearly set out in the law.

Mr. WILSON of California. I wanted to get that clear in the RECORD to show that it is the intent of the Congress that that percentage would be paid to each school district with entitlement.

Mr. BARDEN. It will be prorated. That is part of the amendment.

Mr. JONES of Missouri. Mr. Chairman, in connection with the amendment which has been recommended by the committee, I am hopeful that there will be sufficient funds to adequately care for those situations to which, as has been pointed out by the gentleman from Rhode Island, Congress has given its emphatic approval. The Malden School District has been carrying an enormous burden during the past several years as a result of a situation which Congress intended should be relieved through legislation approved in this House by a practically unanimous vote. Yet only recently has this area been considered as eligible for Federal funds for maintenance and operation and is still awaiting executive approval for it to become eligible for construction funds.

I am including with my remarks copy of a letter under date of November 3, 1953, to Mr. Samuel Brownell, United States Commissioner of Education, which shows the history and status of the Malden, Missouri, Air Base which is presently and for the past few years been used as a training base for NATO students. This letter also points out the heavy burden placed on the public-school organization in that community. I am informed by Mr. W. I. Myers, superintendent of the Malden public schools that—

There has been an increase of 199 average daily attendance of school children in the Malden Public Schools due to the activities of this training program. In 1950–51, before reactivation of the Malden Air Base, this school had an average daily attendance of 980.1, and now the average daily attendance is 1,179, showing the increase of 199 average daily attendance.

In addition to this large increase of school children, which has placed a severe financial burden on the school district, this area has also been greatly affected by the serious drought condition existent for the past 2 years. This is predominantly a farming area, and the drought has created an acute unemployment situation. Business prosperity in this area mainly depends upon agricultural conditions.

The air-training program at the airbase has given some relief to this unemployment situation, but not enough to offset the conditions.

As a result of this areawide unemployment the school revenue from local sources has been greatly impaired.

Due to these conditions we feel that the vicinity of the Malden Air Base should be considered a critical defense area.

We have applied for emergency aid every year for the past 3 years, but at this time have not definitely been declared eligible for emergency financial aid.

As stated above, I have been assured that the Malden school has been approved and is eligible for some Federal aid for maintenance and operation which is to be advanced within the next few days. At this point I include the letter to Mr. Brownell setting forth the conditions under which I believe it should undoubtedly be approved for construction aid:

NOVEMBER 3, 1953.

Mr. SAMUEL BROWNELL,
United States Commissioner of Education, United States Department of Health, Education, and Welfare, Office of Education, Washington, D. C.

Re status of Malden Air Base.

DEAR SIR: The Malden Air Base operated as a United States Army Air Force Field during World War II. The land was acquired by the Government in 1942, and the Air Force started preflight operations in that year. At the close of World War II, the base was declared surplus property and turned over to the War Assets Administration. At that time, through the State Department of Education and the United States Office of Education, the Malden School District filed an application for the facilities suitable for educational purposes. It was necessary to acquire additional facilities to care for the additional children living in the 250 housing units at the airbase.

Mr. Frank K. Reid, field representative of the United States Office of Education, came to Malden, June 15, 1947, from Topeka, Kans. Mr. Reid approved the facilities applied for, as being suitable for educational purposes, and recommended that they be included in the city's application for the airbase.

The city of Malden acquired the Malden Air Base as surplus property from the War Assets Administration in 1948, as a municipal air field under the supervision of the Civil Aeronautics Authority, and turned over to the Malden School District No. C–11 those buildings suitable for school purposes. The Malden School District used these facilities until the airbase was reactivated in 1951, when these facilities had to be given up to make room for the NATO training program. The children from the base now have to be transported to the central school in Malden, which is overtaxing our school housing facilities.

As a result of Anderson air activities personnel and Army personnel, we have enrolled 150 additional students in the 1951–52 school year, 300 additional students in the 1952–53 school year, and expect an increase of that number for the 1953–54 school year in addition to our regular enrollment. This not only overtaxes housing facilities, but places a heavy burden on school finances, as from 6 to 10 additional teachers have had to be added to our elementary teaching staff. The only financial aid we receive is State aid, which amounts to about $77 per child. Per capita cost per child is $186, therefore there is a deficit of $109 per child. During the 1952–53 school year, the extra cost to the district of educating the 300 children amounted to $32,700, which has to be borne by the school district. The airbase with its evaluation of $2 million, at our school tax rate of 3.10, would amount to $62,000 in taxes. However, the base is declared tax-free, therefore the school district realizes no income from taxes on this property, and yet we must educate these children at the expense of the people of the local community.

In the fall of 1952, the Malden School District was declared ineligible for emergency building aid (Public Law 815) and ineligible for current expenses aid (Public Law 874), by the United States Office of Education, because the Malden Air Base was declared outside the status of Federal property. Since the revision of these two bills, we are asking that you again review and reconsider the eligibility of our school for aid under these provisions.

The bills H. R. 6049 and H. R. 6078 have been passed by the 83d Congress and approved by President Eisenhower. Members of Congress regarded this legislation merely as a provision for Federal payment of an obligation, Federal shouldering of a part of the financial burden placed upon certain communities by Federal activities, or a form of Federal payment in lieu of revenue lost to the communities from Federal ownership of property.

Public Law 246 adds to Public Law 815 a new title III, the purpose of which is "to provide assistance for the construction of urgently needed minimum school facilities in school districts which, since the school year 1951–52, have had substantial increases in school membership as a result of new or increased Federal activities."

Public Law 248, amending Public Law 874 of the 81st Congress, extends through the fiscal year 1956 the Federal program of financial aid for the operation of schools in districts especially affected by Federal activities.

A change which became effective July 1, 1953, is a provision that defines Federal property so as to include properties owned by the United States and leased to a private contractor, even though the contractor's leasehold interest is subject to local taxation under State law.

Public Law 248 makes changes in provisions under Public Law 874 for the education of children who reside on Federal property for whose education local tax revenues may not be expended or for whom no local education agency is able to provide suitable free public education. In such cases the Federal Government provides education directly through schools located on Federal bases under Federal supervision or under contract with a local agency. The changes in the law are directed toward clarification of the relevant responsibilities of the Commissioner of Education or of the local contracting agency.

The Congress has appropriated $66,500,000 for payments under Public Law 874, as amended, in the current fiscal year 1954.

During the past 2 school years, the Malden School District has educated these children, which are a result of Federal activities. However, the district cannot continue to do this, as you can readily see. There must be some means of securing aid if we are to survive.

Respectfully yours,

W. I. MYERS,
Superintendent, Malden Public Schools, Authorized Representative To Apply for Federal Aid.

(Copies to Mr. J. L. Watson, field representative, United States Office of Education; Mr. H. Kenneth Kirchner, assistant commissioner, State department of education.)

Mr. THORNBERRY. Mr. Chairman, I want to join those who have commended the gentleman from Illinois [Mr. BUSBEY] and the members of his subcommittee in providing the additional funds necessary to cover the applications of school districts for construction funds under past entitlement. The Congress created this obligation and the funds should be provided.

However, I am also interested in the assurances which have been given that in the regular appropriation bill, providing funds for the next fiscal year, the Committee will give every consideration to providing funds necessary to cover those applications of school districts affected by Federal facilities under present entitlement. From what I understand here, the Committee will give consideration to providing approximately $58 million at that time.

In the congressional district which I am privileged to represent, the San Marcos School District, of San Marcos, Tex., is attempting to provide educational facilities to the children who are in San Marcos as a result of Gary Air Force Base, a splendid arm of our Air Force. San Marcos Independent School District has an application pending for funds which will provide construction of sorely needed additional space for these children. I am assured that if this amount is provided, the application of the San Marcos School District will be taken care of.

For this reason I appreciate the assurances which have been given, and I hope that the necessary funds will be provided in the bill which the Committee expects out in the near future.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Illinois [Mr. BUSBEY].

The amendment was agreed to.

The Clerk concluded reading the bill.

Mr. TABER. Mr. Chairman, I move that the Committee rise.

The motion was agreed to.

Accordingly the Committee rose; and the Speaker having resumed the chair, Mr. MORANO, 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. 8481) making supplemental

appropriations for the fiscal year ending June 30, 1954, and for other purposes, had directed him to report the bill back to the House with sundry amendments, with the recommendation that the amendments be agreed to and that the bill as amended do pass.

Mr. TABER. Mr. Speaker, I move the previous question on the bill and all amendments thereto to final passage.

The previous question was ordered.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

GENERAL LEAVE TO EXTEND REMARKS

Mr. TABER. Mr. Speaker, I ask unanimous consent that all Members may have permission to revise and extend their remarks in the RECORD on the bill just passed.

The SPEAKER. Is there objection to the request of the gentleman from New York?

There was no objection.

INDEPENDENT OFFICES APPROPRIATION BILL

Mr. PHILLIPS. Mr. Speaker, I ask unanimous consent that the Committee on Appropriations may have until midnight Friday to file a report on the independent offices appropriation bill.

The SPEAKER. Is there objection to the request of the gentleman from California?

There was no objection.

Mr. CANNON reserved all points of order on the independent offices appropriation bill.

ADJOURNMENT UNTIL MONDAY—LEGISLATIVE PROGRAM FOR NEXT WEEK

Mr. HALLECK. Mr. Speaker, I ask unanimous consent that when the House adjourns today it adjourn to meet at noon on Monday next.

The SPEAKER. Is there objection to the request of the gentleman from Indiana?

Mr. RAYBURN. Mr. Speaker, reserving the right to object, I think the membership would be interested in knowing what we may expect next week.

Mr. HALLECK. Mr. Speaker, on Monday we will take up the independent offices appropriation bill for which arrangement has just been made for filing of the report by tomorrow midnight. General debate will continue throughout Monday.

On Tuesday we will continue consideration of that bill, reading it for amendment, and expect to bring the matter to final passage on Tuesday.

Wednesday we are hopeful that H. R. 7839, the Housing Act of 1954, will be ready from the Committee on Banking and Currency. If so we will take that up on Wednesday. I do not know how long will be required to conclude consideration of the matter.

Consideration of that measure and the others that I shall name will continue on through Wednesday, Thursday, and Friday of next week.

We are also hopeful there will be reported from the Judiciary Committee what I choose to call an antitraitor bill, having to do with the making of certain evidence admissible in certain prosecutions.

Mr. RAYBURN. That is the so-called wiretapping bill?

Mr. HALLECK. Some call it the wiretapping bill, but I call it the antitraitor bill. It just provides for making certain evidence admissible in criminal prosecutions involving the security of the country.

The other bills are:

S. 984, providing for a judicial review of Tax Court decisions.

H. R. 2556, having to do with extradition to occupied countries.

H. R. 569, from the Committee on Post Office and Civil Service, to impound mail in certain cases.

The SPEAKER. Is there objection to the request of the gentleman from Indiana?

There was no objection.

UNITED STATES AIR FORCE ACADEMY

Mr. ARENDS, for the gentleman from Missouri [Mr. SHORT], submitted a conference report and statement on the bill (H. R. 5337) to provide for the establishment of a United States Air Force Academy, and for other purposes.

NEW HAVEN RAILROAD

Mr. GOODWIN. 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 Massachusetts?

There was no objection.

Mr. GOODWIN. Mr. Speaker, inability of the Interstate Commerce Commission to cope with the infiltration of well-managed railroads by self-interested stockholder groups makes it clear that something must be done to give ICC adequate investigating power.

The Commerce Commission is the oldest Federal board in existence. Yet its power to deal from the beginning with questionable management situations is strictly limited. Its freedom to initiate action should be on the same judicial footing as that of the Federal Power Commission, the Civil Aeronautics Administration Board, the Federal Communications Commission, and others which are free to investigate a complaint of interested parties or upon their own motion.

The present weakness of the Commerce Act is shown by ICC Chairman J. Monroe Johnson's plea of "no authority" when asked to examine the dual interest of Patrick B. McGinnis, of New York, and others in two large competing systems, Central of Georgia and Norfolk Southern.

It is contended that McGinnis and his associates unlawfully dictated the management and operation policy of these two railroads for nearly a year and that they are still dictating them through officer and director replacements of their own choosing. There is no secret as to the ambition of the McGinnis group to extend its railroad domination through the New York, New Haven & Hartford by ousting the management of President F. C. Dumaine, Jr., in the present widely publicized proxy fight.

As a Member of Congress, I am determined to do whatever I can to insure good and honest transportation service for the people of New England. I am aroused by the possibility that the New Haven Railroad's return to solvency and good service may be imperiled and am alerted by a fight which seems to have been begun by outside capitalists for no purpose other than to evaluate dividend payments at the sacrifice of public patronage and esteem.

To all who have read the ICC report on the affairs of Norfolk Southern Railroad under McGinnis management, it is clear that the Commerce Commission does not think much of the McGinnis group. This Commission document, issued February 1, 1954, fairly bristles with condemnation.

The ICC needs help to make such findings effective against the reports of such conduct at the expense of other railroads. It needs to be authorized to act as FCC would act on the renewal application of an unworthy group, seeking to gain control of radio or to do what the CAB has often done to restrain an unfit operator from continuing to manage air-carrier service against the public interest.

To give ICC similar powers where railroads are concerned, its investigative and administrative authority must be extended by amendment of the Commerce Act. I am presenting a bill in the House which will do this, an exact duplicate of which is being introduced at the same time in the Senate by Senator GREEN, of Rhode Island.

SPECIAL ORDER GRANTED

Mr. CRUMPACKER asked and was given permission to address the House for 30 minutes on Tuesday next, following the legislative program and any special orders heretofore entered.

COMMITTEE ON BANKING AND CURRENCY

Mr. WOLCOTT. Mr. Speaker, I ask unanimous consent that the Committee on Banking and Currency may have until Sunday midnight to file a report on the bill H. R. 7839.

The SPEAKER. Is there objection to the request of the gentleman from Michigan?

There was no objection.

SIGNING OF ENROLLED BILLS AND JOINT RESOLUTIONS

Mr. HALLECK. Mr. Speaker, I ask unanimous consent that, notwithstanding the adjournment of the House until Monday next, the Clerk be authorized to receive messages from the Senate and that the Speaker be authorized to sign

any enrolled bills and joint resolutions duly passed by the two Houses and found truly enrolled.

The SPEAKER. Is there objection to the request of the gentleman from Indiana?

There was no objection.

SPECIAL ORDER GRANTED

Mr. HESELTON asked and was given permission to address the House today following the remarks of Mr. GATHINGS.

EXTENSION OF REMARKS

By unanimous consent, permission to extend remarks in the RECORD, or to revise and extend remarks, was granted to:

Mr. KING of California (at the request of Mr. BOLLING) and to include a statement.

Mrs. SULLIVAN and to include a letter.

Mr. DAVIS of Georgia and to include a statement by the gentleman from Florida [Mr. LANTAFF] made this morning before the Committee on Post Office and Civil Service.

Mr. MADDEN and to include a statement he made this morning before the Committee on Post Office and Civil Service.

Mr. HOFFMAN of Michigan and to include extraneous matter.

Mr. DONDERO to revise and extend his remarks made in Committee and include a telegram.

Mr. COOLEY (at the request of Mr. JONES of Missouri) to revise and extend his remarks made in Committee and include extraneous matter.

Mr. LANHAM to revise and extend his remarks in Committee on the Bennett amendment and include a letter.

Mr. ROONEY to revise and extend his remarks made in Committee and to include extraneous matter.

Mr. ROOSEVELT (at the request of Mr. ROONEY).

Mr. BARRETT (at the request of Mr. ROONEY).

Mr. RABAUT to extend his remarks following those of Mr. DONDERO in Committee and to include extraneous matter.

Mr. BOW.

Mr. DOYLE (at the request of Mr. McCORMACK) to revise and extend his remarks in and out of Committee and to include extraneous matter.

Mr. SCOTT in two instances and to include an editorial.

ENROLLED BILL SIGNED

Mr. LECOMPTE, from the Committee on House Administration, reported that that committee had examined and found truly enrolled a bill of the House of the following title, which was thereupon signed by the Speaker:

H. R. 5632. An act to provide for the conveyance of a portion of the Camp Butner Military Reservation, N. C., to the State of North Carolina.

THE THREAT OF JUDICIAL LAWMAKING

The SPEAKER. Under previous order of the House, the gentleman from Arkansas [Mr. GATHINGS] is recognized for 25 minutes.

Mr. GATHINGS. Mr. Speaker, I ask unanimous consent to revise and extend my remarks and to include extraneous matter.

The SPEAKER. Is there objection to the request of the gentleman from Arkansas?

There was no objection.

Mr. GATHINGS. Mr. Speaker, after reversing itself 32 times within the past 16 years the Supreme Court of the United States could not be expected to receive the plaudits and commendation of the American people. The decisions of the Court formerly were legend; they were sacrosanct. Our citizens had the right to rely upon the decisions of the Supreme Court as being precedents. Men were chosen for membership on this high tribunal on the basis of ability and for their standing and reputation as able practitioners of the law. Unfortunately this system was changed in the thirties by the then Chief Executive, who sought to impose his will upon the Court and called its members "nine old men." Legislation was introduced in the Congress to pack the Court by increasing its size. These bills failed of enactment and, as a result, scorn and contempt was cast at those legislators of both Houses who possessed the patriotism and fortitude to oppose the court-packing proposal.

The case was carried to the people in several States and in each instance the constituents of these servants of the people approved their actions. The people in those States desired to maintain the time-honored system of checks and balances—the separation of powers of the three departments of Government. It was their conviction that the High Court should not be subservient to any Chief Executive. They felt that judicial appointments should not be made to carry out any President's scheme, plan or philosophy of Government, as it would destroy the prestige of the law and courts alike.

It is not within the province of the Supreme Court to write opinions which would amend the Constitution of the United States. The Supreme Court can construe the Constitution; it can interpret the Constitution, but it does not have the power to amend it. The machinery has been set up in the Constitution itself providing a definite manner of amending the Constitution; the people themselves have a voice in any such amendment.

On June 18, 1953, the gentleman from Georgia, [Mr. DAVIS], and on March 15, 1954, the gentleman from Mississippi [Mr. WILLIAMS], inserted as part of their remarks a list of overruling cases and a list of overruled cases in which the Supreme Court overruled time-honored law from the present day to a period as far back as 95 years. The present court has so consistently struck down established law and set up different guideposts in their stead that members of the Supreme Court itself have bitterly assailed such practice. Mr. Justice Roberts, in the case of *Smith* v. *Allwright, et al.* (321 U. S. 649), had this to say on page 669, and I quote:

The reason for my concern is that the instant decision overruling one announced about 9 years ago tends to bring adjudications of this tribunal into the same class as a restricted railroad ticket, "good for this day and train only."

The legislative department of the Government should have the full power to make the laws and not the judiciary department. The Supreme Court as now constituted has brazenly attempted to change our laws through the process of court legislation, or judicial law.

The Supreme Court's racial segregation decision in our public schools is awaited with great concern and may be handed down at an early date. It will be one of the most significant decisions of the Court in many decades. The cases to be decided originated in South Carolina, Virginia, the District of Columbia, Delaware, and Kansas. The question of whether racial segregation in the public schools, mostly at the grade level, would in itself abrogate the 14th amendment.

In 1896 the case of Plessy against Ferguson was decided. In that case the Court held that the statute of Louisiana, acts of 1890, No. 111, requiring that railway companies provide equal but separate accommodations for both the white and colored races, and further that no person shall occupy "seats in coaches other than the ones assigned to them, on account of the race they belong to," and conferring upon train officers the power to refuse to carry passengers who would not occupy the coach to which they were assigned and exempting the railway company from liability for such refusal are not in conflict with the provisions either of the 13th amendment or of the 14th amendment to the Constitution of the United States. I quote from a part of the opinion of the Court since it touched upon the matter of establishing separate schools for white and colored children:

The object of the amendment was undoubtedly to enforce the absolute equality of the two races before the law, but in the nature of things it could not have been intended to abolish distinctions based upon color, or to enforce social, as distinguished from political equality, or a commingling of the two races upon terms unsatisfactory to either. Laws permitting, or even requiring, their separation in places where they are liable to be brought into contact do not necessarily imply the inferiority of either race to the other, and have been generally, if not universally, recognized as within the competency of the State legislatures in the exercise of their police power. The most common instance of this is connected with the establishment of separate schools for white and colored children, which has been held to be a valid exercise of the legislative power even by courts of States where the political rights of the colored race have been longest and most earnestly enforced.

In *Gong Lum et al.* v. *Rice et al.* (275 U. S. 78), the Court said:

The right and power of the State to regulate the method of providing for the education of its youth at public expense is clear.

Citing *Cumming* v. *Richmond County Board of Education* (175 U. S. 528, 545), Mr. Justice Harlan, in delivering the opinion of the Court in that case, said:

Under the circumstances disclosed, we cannot say that this action of the State court was, within the meaning of the 14th amendment, a denial by the State to the plaintiffs

and to those associated with them of the equal protection of the laws, or of any privileges belonging to them as citizens of the United States. We may add that while all admit that the benefits and burdens of public taxation must be shared by citizens without discrimination against any class on account of their race, the education of the people in schools maintained by State taxation is a matter belonging to the respective States, and any interference on the part of Federal authority with the management of such schools cannot be justified except in the case of a clear and unmistakable disregard of rights secured by the supreme law of the land.

Attorney General Herbert Brownell, Jr., and eight other members of his staff filed a brief urging the Court to overrule the cases that have consistently held that "separate and equal facilities satisfied all constitutional requirements" and to hold that segregation is unlawful. The Justice Department is taking up the torch of one group of citizens even though such position it takes totally disregards the many previous decisions of the Court on the question at issue.

It is a mammoth undertaking for public schools to offer equal facilities to white and Negro races. In the State of Arkansas every effort is being made to give all pupils the highest type of educational advantages. I quote from a news release from the State board of education written by Commissioner A. W. Ford in this regard:

Schools in Arkansas are the best in our history. This does not imply that we do not have many problems. But it does indicate that significant progress is being made in public education.

Ninety-eight percent of pupils, both white and Negro, are attending school 9 months this year. Our transportation system is one of the best. The school-lunch program ranks with the best in the Nation. Millions have been spent in recent years for new buildings and equipment. Our teachers are the best in our history. This is shown by the constant improvement in teacher preparation.

Many other improvements could be noted. The morale of the school people has definitely improved.

We will continue to have problems. But we should be thankful for living in a country where we can have problems and where we are privileged to work on these problems in our own way.

I have received some letters from eminent Arkansas educational leaders with respect to the manner in which school districts are now being operated in various cities of my district. These school leaders are superintendents of schools in which an appreciable percent of pupils in such districts attend the colored schools.

I have a letter from Superintendent J. E. Harris, of the Marvell Public Schools, Marvell, Ark., and I quote from his letter as follows:

MARVELL PUBLIC SCHOOLS,
Marvell, Ark., February 27, 1954.

The Honorable E. C. GATHINGS,
House of Representatives,
Congress of the United States,
Washington, D. C.

DEAR "TOOK": I have your letter of February 24 before me and I am happy to be able to help you in submitting the following information as per your request:

1. Our district schools, according to the 1952–53 records, could only operate three months on tax funds paid by Negroes in our district.

2. The district assumes a total expense of $78,500 per year to operate Negro schools in this district.

3. Our expenditures for transportation of Negro pupils last year was $10,000.

4. About 90 percent of the operating funds spent on Negro schools is borne by whites.

5. The personal property assessment, less utilities, in our district is broken down as follows: White—$685,125; colored—$230,700.

If I can be of further service to you, please feel free to call on me.

Sincerely yours,

J. E. HARRIS,
Superintendent.

The next letter that I would like to make a part of my remarks is from Superintendent O. M. Shultz, Jr., of Wilson public schools, Wilson, Ark., and I quote:

WILSON PUBLIC SCHOOLS,
Wilson, Ark., March 3, 1954.

Mr. E. C. GATHINGS,
Congress of United States,
House of Representatives,
Washington, D. C.

DEAR MR. GATHINGS: Regarding yours of February 24, I have done my best to secure accurate answers for you.

1. Our school district could not operate 1 day on tax funds paid by Negroes in our district. The total assessed valuation of the Wilson School District is $2,368,237. Our tax assessor estimates the real estate owned by Negroes in our district would be assessed around $4,000 and the personal property around $13,439.30. The real-estate estimate is rather accurate, due to the fact that we took land ownership plots in arriving at this estimate. The personal-property estimate was arrived at by taking 2 percent of personal-property valuation of the school district, which the assessor thought to be about right. The only way that we could arrive at an accurate figure would be to go through every personal property assessment sheet. The real-estate assessments do not show whether they belong to Negro or white.

2. During the 1952–53 school year, $40,271.25 was spent in operation of Negro schools. You understand, of course, that only a part of the money for operation of schools comes from local revenue.

3. In the 1952–53 school year, it cost $4,300 to transport the Negro pupils of this district. This figure includes only actual expenditure. In other words, no depreciation or capital outlay on buses is figured.

4. The colored people of our district bear less than 1 percent of expense of local taxes in the Wilson School District.

5. According to our audit, the following figures give the per-pupil cost of Negroes and whites for the 1952–53 school year:

White high-school cost per pupil	$277.33
White elementary-school cost per pupil	140.83
Negro high-school cost per pupil	789.79
Negro elementary-school cost per pupil	60.24

It is my hope that the above information will be of some value to you. If I can be of further help, do not hesitate to call me.

Respectfully yours,

O. M. SHULTZ, Jr.,
Superintendent, Wilson Schools.

I include a letter from Superintendent A. L. Whitten, of the Marianna public schools, Marianna, Ark.:

MARIANNA PUBLIC SCHOOLS,
Marianna, Ark., March 8, 1954.

The Honorable E. C. GATHINGS,
House of Representatives,
Washington, D. C.

DEAR TOOK: I was glad to get your letter of February 24, in which you were asking about expenses for our Negro schools.

We have about 1,400 Negroes and 1,200 white students in our district. We employ 41 teachers of each race. Our white teachers have higher qualifications in general than the Negroes and receive about $380 a year more salary.

I should think that the local tax paid by Negroes would operate our entire district for 4 or 5 weeks.

You asked about the amount of money spent to operate Negro schools. I should like to report that $76,619 was spent in 1951–52 as current expenses for our Negro schools. This was 40 percent of the total amount spent in current funds for that school year. We spent $2,078 to transport Negro students, but are spending twice that amount this year.

The Marianna district receives about one-half of its revenue from State sources and the remainder comes from a 28-mill levy on the assessed valuation in our district which embraces 232 square miles. I should think that the white taxpayers of this district pay at least 85 percent of the total operating cost for all the schools in the district. We operate the only high school for Negroes in Lee County and have approximately 60 nonresident pupils in high school. We are asking a 4-mill increase in local taxes this year in order that we can make further improvements in Negro teachers' salaries and in the facilities for Negro students.

Our Negro patrons have great pride in their own high school and if it were properly equipped and if they were provided with sufficient classroom space and good teachers, I am sure they would be very happy on the present segregated basis.

If we attempted to equalize fully from local sources of revenue, it would be necessary that the total millage be increased from the present 28 mills to approximately 45 to 50 mills. Most of this expense would come in providing adequate buildings and transportation facilities.

I appreciate your interest in this subject and I am sincerely hoping for a separate but equal ruling from the Supreme Court.

Cordially yours,

A. L. WHITTEN,
Superintendent.

I had occasion to discuss this matter of nonintegrated schools with Mr. W. B. Nicholson, an able and learned superintendent of the public school system at Blytheville, Ark., on his recent visit to Washington enroute home from the Atlantic City National School Conclave. Mr. Nicholson prepared a most timely résumé with respect to the opportunities offered both white and Negro students in the Blytheville School District. I would like to quote verbatim from Professor Nicholson's statement:

EVALUATION OF THE RACE PROBLEM IN BLYTHEVILLE PUBLIC SCHOOLS, BLYTHEVILLE, ARK.

In the Blytheville School System all schools without respect to race are under the administration of one superintendent, one board of education, one elementary supervisor, and one high-school supervisor. Classes of Negro children are visited regularly by the supervisors who are white women. These supervisors from time to time take over the classes and demonstrate teaching techniques for the benefit of the teacher. Regular teachers' meetings are held and attended by the supervisors.

All teachers in the Blytheville School System are paid according to the same salary schedule. It is a significant fact that one of the first grade teachers in a Negro school qualifies for the highest classroom salary provided for in the salary schedule. This teacher has a master's degree and maximum teaching experience. First grade teachers receive slightly more than other teachers according to the salary schedule. Therefore, this teacher qualifies for and receives the highest classroom salary the schedule provides for.

A recent secret poll of the Negro teachers in the Blytheville school system showed that 1 teacher out of total of 36 voted against segregation. The others favored segregation with equalization of educational facilities and opportunities. The point these teachers made was that under a segregation policy their teaching positions were safe and secure.

They, themselves, furnished me with data showing the pitifully small number of Negro teachers employed throughout the Nation, especially in the north and east, where it is claimed segregation is not practiced.

PER PUPIL COST OF THE SCHOOLS

The per pupil cost of the Blytheville school system averages for the elementary schools slightly more than $160. The average per pupil cost for Negro elementary schools is included in this figure.

In the high schools the per-pupil cost for white children is somewhat higher than the same cost for Negro children. When it is considered that more than nine-tenths of the school tax money is paid by white taxpayers and that approximately 60 percent of the children in school are white, it does not become necessarily an injustice, if the per-pupil cost for white children is a few percentages higher than the per-pupil cost for Negro children.

Certain Negro leaders in this community have pointed out to me a danger which they see in the close association of teen-age children of the two races in school. They point out that this is the time that the mating instinct awakens and asserts itself with great force. They fear for the continued existence of their race if segregation in schools should be abolished. They know they are in the great minority and in due course of time their descendants as pure-blood Negroes would cease to be. They tell me they are proud of their racial identity and prefer to see their racial integrity and individuality maintained and perpetuated. Their contention is, and I think justly so, for equalization of opportunity in all fields of human endeavor and also for ample assurances and help in maintaining their racial integrity and dignity.

W. B. NICHOLSON,
Superintendent of Schools.

Mr. Speaker, I ask unanimous consent that the teacher salary schedule of the Blytheville Public School system be inserted at this point in the RECORD.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Arkansas?

There was no objection.

Teacher salary schedule, Blytheville public schools, Blytheville, Ark.

Professional training	Period	Base salary	Salary including experience increments			
			1 year	2 years	3 years	4 years
1 year	Monthly	$132.75	$132.75	$132.75	$132.75	$132.75
	Annual	1,194.75	1,194.75	1,194.75	1,194.75	1,194.75
2 years	Monthly	162.00	167.00	172.00	177.00	177.00
	Annual	1,458.00	1,503.00	1,548.00	1,593.00	1,593.00
3 years	Monthly	193.50	199.50	205.50	211.50	211.50
	Annual	1,741.50	1,795.50	1,849.50	1,903.50	1,903.50
4 years	Monthly	249.72	256.72	263.72	270.72	277.72
	Annual	2,247.50	2,310.50	2,373.50	2,436.50	2,499.50
5 years	Monthly	276.50	284.50	292.50	300.50	308.50
	Annual	2,488.50	2,560.50	2,632.50	2,704.50	2,776.50

Mr. GATHINGS. Some 3 or 4 years ago a bond issue was voted by the patrons of the Blytheville School District for the purpose of constructing a school building which was badly needed by both white and Negro pupils. The directors of the Blytheville School District saw fit to give priority to the building of the colored school although an urgent need existed to build additional white facilities to alleviate a severe overcrowded condition. I cite this Blytheville case as typical of the general attitude of our people in assuming the weighty responsibility which rests upon them to offer the highest type of school training to members of both races. We feel without reservation or equivocation that every child of school age, regardless of color, is entitled under the Constitutions of the State of Arkansas and of the United States to equal educational opportunities and advantages with respect to that received by any other child. At the same time, we hold that school children should be classified into reasonable qualifications, including sex, race, age, and mental capacity. The individual States make these decisions, and rightly so.

One of the things that can be done by this Congress to provide better schools and school facilities would be the enactment of the bill (S. 2779) sponsored by my colleague the senior Senator from Arkansas, the Honorable JOHN L. MCCLELLAN. The bill would provide limited Federal financial assistance to the 48 States for the construction of public secondary and elementary school facilities. This assistance will aid the States materially, and the local districts, in providing a greatly improved school system. Under the McClellan bill, the first consideration is "the urgency of the need" and the equitable and nondiscriminatory priorities in apportionment of the Federal funds to projects where one need for assistance is greatest.

The relations between the races in the State of Arkansas and throughout the South have continuously improved in recent years. They are better today than they ever have been before. We only ask to be let alone, and that any problem affecting the education of our young people be handled by the several States themselves. The continuation of segregation in our public schools is in the interest of continued good relations and the advancement of both races.

Our American heritage is priceless; our system of government is the envy of nations everywhere. The maintenance and preservation of constitutional government is, or ought to be, the concern of all. Our forebears settled here to escape from the yokes of tyranny and oppression so that they might enjoy the blessings attending a free people. The framers of our Constitution were patriots in the truest sense. They wrote into that document in article 1, section 1, and I quote:

All legislative powers herein granted shall be vested in a Congress of the United States, which shall consist of a Senate and House of Representatives.

Encroachment by the Supreme Court of the United States on that constitutional provision is not a threat, it is a reality. The danger is real. The issues raised by these five cases now before the Court should turn on the 10th amendment, which reserves all powers to the States which are not specifically delegated to the Federal Government. I cannot believe that the Justices of the Court will run roughshod over precedents and propriety in handing down this decision.

Mr. Speaker, the matter of providing school facilities to the Nation's children is a matter for the several States to determine. Any action on the part of the Supreme Court to destroy the segregated school system in the State of Arkansas, as well as the other States, will do irreparable harm to both the Negro and white races alike. I trust that the Supreme Court will see fit, in deciding these five school cases, to base its ruling on precedents and not on political considerations. The cases should be dismissed.

Mr. HOFFMAN of Michigan. Mr. Speaker, will the gentleman yield?

Mr. GATHINGS. I yield to the gentleman from Michigan.

Mr. HOFFMAN of Michigan. The statement which the gentleman has made, I think, is necessary and also constructive. I wonder if the gentleman has noted the decisions of the Supreme Court which you might say enacted legislation, labor legislation, especially touching the Wagner Act.

Mr. GATHINGS. There are at least 32 decisions in which the Supreme Court overrode previous decisions of that particular tribunal.

Mr. DAVIS of Georgia. Mr. Chairman, will the gentleman yield?

Mr. GATHINGS. I yield.

Mr. DAVIS of Georgia. The bulwarks of our Government and of our civilization will continue to stand only if we have people with intellect and capacity to recognize it when they are being attacked and who have the courage to oppose such attacks and resist them vigorously when they are made.

The gentleman has pointed out to the House this afternoon very clearly the danger which we face by having one of the bulwarks of our Government torn down, the bulwark of States rights. The gentleman has pointed out to us very clearly that these rights are now under attack through a method of usurpation of legislative functions by the judicial department.

The gentleman has rendered a great service to us by calling attention to this, and I want to commend him for the very able address which he has just delivered.

Mr. GATHINGS. I thank the gentleman from Georgia, and I want to say that the gentleman from Georgia is an able attorney and had a marvelous record as judge in his own State prior to his coming to this body. He has consistently been the spearhead in connection with the maintenance of constitutional processes and I thank him so much for his splendid contribution.

Mr. HERLONG. Mr. Speaker, will the gentleman yield?

Mr. GATHINGS. I yield.

Mr. HERLONG. I was very much interested in the remarks of the gentleman with regard to segregation in our schools. I should like to relate an incident that happened when I was home during our vacation last year.

A Negro doctor came to see me and asked if there was legislation pending up here designed to make white and colored children go to the same schools. I told him there was no legislation, but that there were cases in the Supreme Court.

He said, "I hope you will do everything you can to prevent that from happening, because," he said, "I was born and raised in Boston; I was educated at Boston University, and I have practiced there. I now have moved to Florida because I feel I can render a greater service to my people here in Florida, and my children are happier here." He said, "They would not be happy if they were compelled to go to the same school with white children."

That points up and emphasizes just what the gentleman said a moment ago about the ill effect of forcing the two races together.

Mr. GATHINGS. I agree with the gentleman and thank him wholeheartedly.

Mr. BENNETT of Florida. Mr. Speaker, will the gentleman yield?

Mr. GATHINGS. I yield.

Mr. BENNETT of Florida. I compliment the gentleman particularly on his acknowledgment of the fact that our Federal Government has a responsibility to assist in the construction of Negro schools. I have introduced legislation to accomplish this objective, and I hope that hearings can soon be had upon it.

Mr. GATHINGS. I had not known before that the gentleman from Florida was sponsoring this legislation. School facilities for both races are needed.

Mr. MILLS. Mr. Speaker, will the gentleman yield?

Mr. GATHINGS. I yield to the gentleman from Arkansas.

Mr. MILLS. I desire to join my other colleagues in complimenting the gentleman from Arkansas on the statement he has made and the fact he has brought this information to the Members of the House and to the country as a whole. Certainly the gentleman's statement is timely and I hope that many will take heart in the points which the gentleman has made. If we in our State and in other States are given some time, these problems can be worked out at State level, as the gentleman desires them to be worked out.

Mr. GATHINGS. I thank the gentleman very much. The problems posed in the five cases before the Court are solely State matters.

Mr. WILLIAMS of Mississippi. Mr. Speaker, will the gentleman yield?

Mr. GATHINGS. I yield to the gentleman from Mississippi.

Mr. WILLIAMS of Mississippi. The gentleman has painted a very clear picture of what I consider to be perhaps the greatest danger facing our American democratic institutions. The question of whether or not segregation in public schools shall be continued in the South is more or less a minor question in relation to the long-range damage that would result from an adverse Supreme Court decision in this instance. We in the South are not so much disturbed over the immediate effects of an adverse Supreme Court ruling. It would be a very simple matter for us to abolish our public schools and set up a private segregated school system, which we certainly will do in the event the Supreme Court rules that we must integrate our public schools.

The real danger rests in the tendency of the Court, to disregard the 10th amendment of the Constitution of the United States in rendering its decisions, and also to disregard the fact that only Congress has the power to pass laws. There has been a tendency in recent years, as you know, for the Supreme Court to usurp legislative powers, powers which rightfully belong to the Congress and to the Congress exclusively.

I was very much disturbed when I read the seven questions which were propounded by the Supreme Court to the attorneys on both sides in this case.

The SPEAKER pro tempore (Mr. Bow). The time of the gentleman from Arkansas has expired.

(On request of Mr. WILLIAMS of Mississippi and by unanimous consent, Mr. GATHINGS was allowed to proceed for an additional 5 minutes.)

Mr. WILLIAMS of Mississippi. Mr. Speaker, in my opinion the questions which were asked by the Supreme Court in this case were questions which related exclusively to legislative matters. They dealt with methods of implementing an adverse court decision, purely a legislative prerogative. In my opinion, the court is not properly concerned with the answers to those questions; those are matters for Congress to determine.

Mr. GATHINGS. I am grateful to the gentleman from Mississippi for bringing his splendid comments to the attention of this House. I want to say to the gentleman from Mississippi that he made a marvelous talk to this House just a few days ago on this same subject.

Mr. FORRESTER. Mr. Speaker, will the gentleman yield?

Mr. GATHINGS. I yield to the gentleman from Georgia.

Mr. FORRESTER. I certainly want to compliment the gentleman upon his most logical and most timely address. I cannot help but regret the fact that when matters like this are discussed there are so few Members of this body on the floor. In addition to that, I seriously deplore that speeches of this kind and character cannot be printed without expense to the Congressmen in order that matters of this kind might be distributed into the homes of America. You know, it is a sad and tragic fact that a lot of our people in this country are completely unaware of one of the greatest dangers confronting this country today. The people are entitled to that kind of information. I was impressed with the gentleman's criticism concerning Attorney General Brownell. The gentleman is entitled to that criticism. There is no doubt about that. He could not possibly be a friend of the Court. As a matter of fact, he is an intruder and it should have been considered as an insult to the Court.

But now I want to be fair about it. I want to say that the chances are good that Attorney General Brownell felt he was following precedent because some of our Democratic Attorneys General have done the same thing. But it is not right and it is absolutely beyond the realm of his position, whether he be Democrat or whether he be Republican or who he is. I compliment the gentleman very much on his criticism relative to the issue that was brought before the Court on segregation. It is a matter that has been completely closed for 88 years. I cannot understand why Attorney General Brownell feels that it is a matter that has not been solved. Mr. Sumner and Mr. Thaddeus Stevens, the radical of radicals on this issue, understood that the matter was closed. But I certainly cannot understand why, when he looks at the District of Columbia, the seat of this Government, that for 88 years you have had segregated schools in the District of Columbia, which you could not possibly have had, had the matter not been completely settled. Yes; the gentleman is eminently correct. The Supreme Court, unfortunately, has become a lawmaking agency instead of a law-construing agency and is absolutely running wild without any check and without any balance. I thank the gentleman for his contribution to constitutional government.

Mr. GATHINGS. I thank the gentleman from Georgia most heartily. I want to say to the gentleman from Georgia that I have heard many Members of this House make complimentary remarks with regard to the marvelous talk he made recently on the question of judicial law. I agree with their views.

Mr. HOFFMAN of Michigan. Mr. Speaker, will the gentleman yield?

Mr. GATHINGS. I yield to the gentleman from Michigan.

Mr. HOFFMAN of Michigan. When the gentleman so kindly yielded to me a few minutes ago, I did not have in mind the question of segregation, rather how far the Court might go in judicial legislation. But, in view of what was said by the gentleman from Mississippi [Mr. WILLIAMS], to the effect that perhaps a State would do away with its public system of education, then does the gentleman or did the gentleman from Georgia, where I understand they now have such legislation, think that the Supreme Court or the Congress could order the State to establish and maintain a system of education for all the people?

I am asking for information, and not in any critical vein.

Mr. GATHINGS. I feel that neither the Supreme Court nor Congress should attempt to dictate to the States what should be done with respect to public education. I should like to yield to the gentleman from Georgia.

Mr. DAVIS of Georgia. Mr. Speaker, if the gentleman is asking me—I see he is looking in this direction—in the first place, I do not think at all that the Supreme Court has any authority to outlaw segregation or to outlaw any-

thing else. I think they have no authority or jurisdiction whatsoever to change the law, amend the law, modify it, or affect it in any way. But what they have authority to do and what they have been doing are two entirely different things.

To answer the question that the gentleman asked, I think that the Supreme Court feels that they have authority to take the step which the gentleman has just suggested. I think they feel that they are entirely capable of outlawing segregation and then of ordering the State to comply with whatever decision they might hand down; although, at the same time, I think that it would be completely unconstitutional and they would be completely without authority or jurisdiction. In my opinion neither the Supreme Court nor the Congress can, under the Constitution, order a State to establish or maintain a particular system of education. The kind of system a State maintains, or whether it maintains a system at all, are questions for the State to determine—not the Supreme Court or Congress.

Mr. GATHINGS. I am in full accord with the gentleman's position and wish to laud him for his efforts to preserve constitutional government in this country.

The SPEAKER pro tempore. The time of the gentleman has again expired.

Mr. HOFFMAN of Michigan. Mr. Speaker, I ask unanimous consent that the gentleman have an additional 5 minutes.

Mr. BROWNSON. I object.

The SPEAKER pro tempore. Objection is heard.

Mr. HOFFMAN of Michigan. If the gentleman will stick around, I have 20 minutes, and I will make the same request.

THE NATIONAL SCIENCE FOUNDATION

Mr. HESELTON. Mr. Speaker, I want to speak today about the National Science Foundation. I have been greatly interested in the Foundation from the beginning when it was no more than an idea in the heads of some of our leading scientists, educators, and public officials. I followed the progress and worked toward the realization of this idea through the long legislative incubation period.

For a time, even after the legislation was approved, the existence of the Foundation seemed to be touch and go because of lack of funds. But today I am confident that the Foundation is here to stay and grow in importance. After 3 years of successful operation I know that the principles upon which it was founded are correct and that the need for this central scientific agency is greater than ever before.

In the Foundation we have an organization designed to serve as guardian for and to promote basic research in the sciences. It is based on our profound belief that knowledge is good for its own sake and that from the search for scientific truth, in ways which we cannot always foresee, we best serve the purposes of our national security, health, and prosperity. The facts of the matter are that the greatest and most vital practical advances trace directly back to basic research.

The importance of basic research and of the place of the Foundation in our national life has been recognized by other Federal agencies which depend upon technology. Recently the Honorable Donald A. Quarles, Assistant Secretary of Defense for Research and Development, called attention to the continuing need for new scientific knowledge as a base for our military technology.

Our tremendous effort during the last war—

He states—

diverted scientists from their main mission of basic research and education. As a result, applied research and development has rapidly overtaken the supply of basic knowledge. Recognizing this vacuum after the war, the military departments furnished a considerable part of Federal support of basic research. However, in creating the National Science Foundation in 1950, the express intent of Congress was that the Foundation take over the support of general-purpose research. During the Korean war appropriations for the Foundation were so meager that only partial readjustment was possible. Since then, there have been pressures to complete the readjustment and, in line with this, the Department of Defense plans to get out of the business of supporting research for the general purpose of advancing science, leaving this function to the National Science Foundation.

I would also call to your attention certain pertinent passages in the recent report of the Committee on Interstate and Foreign Commerce on the toll of disease and present efforts to prevent and control disease. This excellent document contains a thoroughly up-to-date assessment of the state of our knowledge on heart disease, cancer, mental illness, arthritis, and other major diseases which afflict and cripple our people today. This report strongly emphasizes that scientists, even those interested in specific diseases, urge continuing and increased support for additional research on the basis common to many diseases.

Simply increasing the availability of medical care—

The report states—

cannot of itself solve the problems of disease. One of our prime sources is that of knowledge—knowledge about the causes of the principal diseases that plague mankind today. Without such knowledge the prevention and control of many such diseases is impossible.

The report notes that basic research study often appears abstract and unrelated to disease problems when taken out of the context of which they are an integral part.

These investigations—

It states—

are, however, on the frontier of medical research. In the opinion of many scientists, not only must the volume of work in this noncategorical and basic area be adequately supported, but expansion of such studies is a matter of high priority. The reason for this belief is the fact that disease is an abnormal functioning of one or more parts of the machinery which makes up the human body. To understand the abnormality and its causes, it is necessary to know and understand the normal processes and functions. Thus, one of the primary objectives must be the attainment of knowledge which permits a fuller understanding of the fundamental life processes that make the body function as an organized and well-regulated machine.

So, we learn that we must strengthen our basic underlying knowledge of nature in order to make advances in specific fields. Herein lies the strength and the promise of the work supported by the National Science Foundation.

Now, I wish to point out how basic research contributes to the industrial advance and wealth of this country. I will mention some specific examples of how basic research carried out during the past 25 years has contributed in the single field of chemistry to our gross national product.

First, there are the basic studies on polymerization or the step-by-step growth of large organic molecules. From this work, carried on in large part in the universities, has grown the synthetic-rubber industry, with a gross production this year of $600 million, and the synthetic-fiber industry—nylon, dacron, and so forth—amounting to $400 million, and a large section of the plastics industry amounting to $600 million a year.

Basic research on the separation of liquids and gases led directly to the modern processes for production of benzene, toluene, xylene, and butadiene—industries totaling $350 million a year.

Basic chemical studies of titanium and its compounds—supported in large part by the Government—have made possible the $200 million titanium industry, and the use of titanium as a structural material is just beginning.

Basic studies on vitamin chemistry have enabled us to manufacture synthetic vitamins A, B1, B2, C, and D valued at $50 million a year.

Basic research on antibiotics has led to the synthesis of chloromycetin, the first synthetic antibiotic.

Basic studies on thermodynamics and the physical chemistry of organic compounds have led to greater yields in petroleum processing and the development of better motor fuels—adding another $300 million a year to an already giant industry.

Basic studies of surface-active agents have created the wholly new detergent industry which today contributes $500 million to our gross national product.

As the distinguished gentleman from New York [Mr. COLE] is well aware, the atomic-energy industry in the last analysis depends largely upon chemistry for processing and reprocessing of fuel elements. Our use of uranium, plutonium, beryllium, zirconium, and the other materials needed in this great new industry has stemmed directly from basic research.

These are simply a few examples from one field of science. But they may help to show how directly basic research increases our national wealth and helps to assure a rising standard of living in this country.

By the end of the current—1954—fiscal year the Foundation will have obligated about $6.5 million for about 600 research projects in basic science. Since the average project is financed for 2 years, the Foundation in effect has made

possible the fuller utilization of 1,200 project-years of our best scientific talent.

We often speak of the need for conservation and wise utilization of our national resources. Hundreds of millions of dollars are appropriated each year for conservation of water, of forests, of topsoil, of minerals, and of petroleum. Here we are concerned with not only the conservation and most effective utilization but the expansion of one of our greatest national resources—the supply of competent, well-trained scientists. Russia's intense efforts to increase its supply of scientifically trained manpower emphasizes the importance of our continued affairs along this line.

For fiscal 1955 the President has asked for $14 million for the program of the Foundation, of which $10 million is allocated for the direct support of basic research. This includes $3 million provided for research no longer to be supported by the Department of Defense—essential research but research not directly related to military operations and, hence, more appropriately carried on by the Foundation.

This support of basic research does not compete for the services of the able scientists in the country. It simply enables them to increase their productivity in their chosen fields of research and, at the same time, provides vitally necessary experience and training for younger scientists.

The rest of the Foundation's appropriation will be expended directly on the education of promising young scientists, on improving education in the sciences, on improving the means and methods of furthering the exchange of scientific information, and on making those studies which will assist this country in developing the wisest national policies regarding science.

These are productive dollars. In supporting basic research we buy at reasonable prices a stronger, healthier, more prosperous nation.

In conclusion, I am including the text of the Executive order issued by the President on March 17 with reference to scientific research by the Federal Government and the press release which accompanied it.

The Executive order follows:

EXECUTIVE ORDER—ADMINISTRATION OF SCIENTIFIC RESEARCH BY AGENCIES OF THE FEDERAL GOVERNMENT

Whereas the security and welfare of the United States depend increasingly upon the advancement of knowledge in the sciences; and

Whereas useful applications of science to defense, humanitarian, and other purposes in the Nation require a strong foundation in basic scientific knowledge and trained scientific manpower; and

Whereas the administration of Federal scientific research programs affecting institutions of learning must be consistent with the preservation of the strength, vitality, and independence of higher education in the United States; and

Whereas in order to conserve fiscal and manpower resources, it is necessary that Federal scientific research programs be administered with all practicable efficiency and economy; and

Whereas the National Science Foundation has been established by law for the purpose, among others, of developing and encouraging the pursuit of an appropriate and effective national policy for the promotion of basic research and education in the sciences:

Now, therefore, by virtue of the authority vested in me as President of the United States, it is hereby ordered as follows:

SECTION 1. The National Science Foundation (hereinafter referred to as the Foundation) shall from time to time recommend to the President policies for the Federal Government which will strengthen the national scientific effort and furnish guidance toward defining the responsibilities of the Federal Government in the conduct and support of scientific research.

SEC. 2. The Foundation shall continue to make comprehensive studies and recommendations regarding the Nation's scientific research effort and its resources for scientific activities, including facilities and scientific personnel, and its foreseeable scientific needs, with particular attention to the extent of the Federal Government's activities and the resulting effects upon trained scientific personnel. In making such studies, the Foundation shall make full use of existing sources of information and research facilities within the Federal Government.

SEC. 3. The Foundation, in concert with each Federal agency concerned, shall review the scientific research programs and activities of the Federal Government in order, among other purposes, to formulate methods for strengthening the administration of such programs and activities by the responsible agencies, and to study areas of basic research where gaps or undesirable overlapping of support may exist, and shall recommend to the heads of agencies concerning the support given to basic research.

SEC. 4. As now or hereafter authorized or permitted by law, the Foundation shall be increasingly responsible for providing support by the Federal Government for general-purpose basic research through contracts and grants. The conduct and support by other Federal agencies of basic research in areas which are closely related to their missions is recognized as important and desirable, especially in response to current national needs, and shall continue.

SEC. 5. The Foundation, in consultation with educational institutions, the heads of Federal agencies, and the Commissioner of Education of the Department of Health, Education, and Welfare, shall study the effects upon educational institutions of Federal policies and administration of contracts and grants for scientific research and development, and shall recommend policies and procedures which will promote the attainment of general national research objectives and realization of the research needs of Federal agencies while safeguarding the strength and independence of the Nation's institutions of learning.

SEC. 6. The head of each Federal agency engaged in scientific research shall make certain that effective executive, organizational, and fiscal practices exist to insure (a) that the Foundation is consulted on policies concerning the support of basic research; (b) that approved scientific research programs conducted by the agency are reviewed continuously in order to preserve priorities in research efforts and to adjust programs to meet changing conditions without imposing unnecessary added burdens on budgetary and other resources; (c) that applied research and development shall be undertaken with sufficient consideration of the underlying basic research and such other factors as relative urgency, project costs, and availability of manpower and facilities; and (d) that, subject to considerations of security and applicable law, adequate dissemination shall be made within the Federal Government of reports on the nature and progress of research projects as an aid to the efficiency and economy of the overall Federal scientific research program.

SEC. 7. Federal agencies supporting or engaging in scientific research shall, with the assistance of the Foundation, cooperate in an effort to improve the methods of classification and reporting of scientific research projects and activities, subject to the requirements of security of information.

SEC. 8. To facilitate the efficient use of scientific research equipment and facilities held by Federal agencies:

(a) the head of each such agency engaged in scientific research shall, to the extent practicable, encourage, and facilitate the sharing with other Federal agencies of major equipment and facilities;

(b) a Federal agency shall procure new major equipment or facilities for scientific research purposes only after taking suitable steps to ascertain that the need cannot be met adequately from existing inventories or facilities of its own or of other agencies; and

(c) the Interdepartmental Committee on Scientific Research and Development shall take necessary steps to insure that each Federal agency engaged directly in scientific research is kept informed of selected major equipment and facilities which could serve the needs of more than one agency. Each Federal agency possessing such equipment and facilities shall maintain appropriate records to assist other agencies in arranging for their joint use or exchange.

SEC. 9. The heads of the respective Federal agencies shall make such reports concerning activities within the purview of this order as may be required by the President.

DWIGHT D. EISENHOWER.

THE WHITE HOUSE, *March 17, 1954.*

The press release follows:

THE WHITE HOUSE,
March 17, 1954.

The President today issued an Executive order designed to strengthen the conduct and administration of the scientific research and development programs of the various departments and agencies of the Federal Government.

The order directs the National Science Foundation to make studies of the scientific activities of the Nation and to recommend to the President policies to strengthen the research effort and define the Federal Government's role in it. The Foundation, over a period of time, is expected to become increasingly responsible for providing Federal support for basic research carried on in universities and other nonprofit institutions. Other Federal agencies, however, will continue to carry on basic research which is closely related to their statutory missions.

The Foundation will also study the effects of Federal research support on the Nation's educational institutions and recommend policies and procedures to promote the attainment of the Federal research objectives while safeguarding the strength and independence of the educational institutions.

The order also directs the head of each agency engaged in research to make sure that such research programs reflect urgent needs and are carried on economically and with regard to the efficient use of scientific manpower. In this connection the order provides a new method to facilitate the exchange of scientific equipment and facilities among the Federal agencies so as to avoid buying new equipment or building new facilities when another agency has unused equipment or facilities available.

In connection with his approval of the order, the President made the following statement:

"Science has a vital role in our Nation's security and growth. During the past half-century, it has brought about a vast transformation in industry, in agriculture, in medicine, in transportation, and in communications. Military science has been revolutionized by technological development. The impact of science is increasingly felt in

every field of public policy including foreign affairs. All this has been brought about through a combination of vision, initiative, business enterprise, a strong educational system, and the dedicated enthusiasm of the scientific community.

"The responsibilities of the Federal Government toward science have likewise changed greatly. In 1940, the Federal Government spent about $100 million in supporting research and development. The budget which I have just transmitted to the Congress calls for expenditures for these purposes in the next fiscal year of over $2 billion. This is convincing evidence of the important role of science and technology in our national affairs.

"The rapid expansion of Federal responsibility requires prudent administration. More than half of all the investment in the Nation today for scientific research and development is being made by the Federal Government. In large measure, these Federal funds are paid to industry and educational institutions for the conduct of research and development projects. Thus, our Federal policies and practices regarding research and development are felt immediately and substantially by industry and our educational institutions.

"More than 90 percent of this Federal support is presently going into applied research and development. This is the practical application of basic knowledge to a variety of products and devices. However, only a small fraction of the Federal funds is being used to stimulate and support the vital basic research which makes possible our practical scientific progress. I believe strongly that this Nation must extend its support of research in basic science.

"While the Executive order which I have signed today calls upon the National Science Foundation to carry out important responsibilities in regard to scientific research, it is also designed to strengthen the conduct and support of vital research and development in the several agencies where science is important in achieving their assigned missions.

"This order will for the first time set in motion important steps leading to a thorough and continuing review of the status of the Federal Government's activities in science, and thus enable the Government, together with industry, higher education, and the scientific community, to move forward with assurance toward the achievement of the Nation's goals.

"I expect and believe that this order will clarify the position of the Government toward the support and advancement of science in the Nation and that it will contribute in a constructive sense to the development of our national policy in this important and critical area."

And I want to quote two paragraphs from a letter I received from Dr. Alan T. Waterman, Director of the Foundation:

By focusing attention on the Federal research and development effort, and in particular on the need for greater emphasis on the more fundamental aspects of research, the President's order serves to remind the American people of the increasing importance of science to our national welfare and defense.

By defining for the Federal agencies with research and development programs the areas of individual responsibility as well as those which involve cooperative action, the order will assist the National Science Foundation and other agencies in functioning effectively.

Certainly this constructive effort by the President and the officials of the Foundation merit the warm support of Congress and the people of this country. Such support will bring great rewards in an increasingly strengthened advancement of science in its field of our national policy.

I am including an excellent editorial from the New York Times dealing with this development:

THE PRESIDENT ON SCIENCE

The President has directed the National Science Foundation to survey Federal research and development programs that now cost us well over $2 billion a year and that need coordination. His statistics and his recommendations are those to be found in the Foundation's annual report of 1953. Back of them is the general conviction that this country must rely largely on science to maintain its military and industrial position, and that basic research, the backbone of technological development, has not been adequately supported.

Of the vast sums that we are spending for research and development, 76 percent go to the Department of Defense and about 10 percent to the Atomic Energy Commission, again largely for defense. This can be explained in part by the national dread of another world war and the emphasis on atomic and other weapons and of that New Look of which we hear so much, but only in part. Despite the astounding progress in science, we have relied too much on Europe for new discoveries that we exploited. Even the way that led to the atomic bomb was indicated by Europe.

The National Science Foundation was created in 1950 to do exactly what the President had in mind, or, in the words of the act, "to develop and encourage the pursuit of a national policy for the promotion of basic research and education in the sciences." Yet the various Government agencies that carry on research on a large scale do so independently, and there is nothing like an overall Federal policy. For the National Foundation it must be said that it is fully aware of the need and that last year it completed preliminary plans for a survey of the Nation's effort in research and development. The stage is now set for action.

SPECIAL ORDER

The SPEAKER pro tempore. Under previous order of the House, the gentleman from Indiana [Mr. BROWNSON] is recognized——

Mr. HOFFMAN of Michigan. Mr. Speaker, in view of the objection, I make the point of order that a quorum is not present.

The SPEAKER pro tempore. Obviously a quorum is not present.

Mr. MEADER. Mr. Speaker, I move that the House do now adjourn.

The SPEAKER pro tempore. The question is on the motion of the gentleman from Michigan [Mr. MEADER].

The question was taken; and on a division (demanded by Mr. DAVIS of Georgia) there were—ayes 2, noes 7.

So the motion was rejected.

Mr. ROONEY. Mr. Speaker, a parliamentary inquiry.

The SPEAKER pro tempore. The gentleman will state it.

Mr. ROONEY. Is there some delay? Is there a hiatus at this time in the proceedings?

The SPEAKER pro tempore. The House may not proceed without a quorum.

Mr. DAVIS of Georgia. Mr. Speaker, I move a call of the House.

The SPEAKER pro tempore. The question is on the motion of the gentleman from Georgia [Mr. DAVIS].

The question was taken; and on a division (demanded by Mr. DAVIS of Georgia) there were—ayes 4, noes 5.

Mr. HOFFMAN of Michigan. Mr. Speaker, I make the point of order that a quorum is not present and object to the vote on the grounds that a quorum is not present.

The SPEAKER pro tempore. It has already been established that a quorum is not present.

Mr. HOFFMAN of Michigan. Then I object to the vote.

Mr. WILLIAMS of Mississippi. Mr. Speaker, a parliamentary inquiry.

The SPEAKER pro tempore. The gentleman will state it.

Mr. WILLIAMS of Mississippi. The vote, as I understand it, came on a motion; is that correct?

The SPEAKER pro tempore. That is correct.

Mr. WILLIAMS of Mississippi. The vote having been objected to on the ground that a quorum is not present, am I correct in thinking that the rollcall is automatic?

The SPEAKER pro tempore. The rollcall is not automatic.

The SPEAKER assumed the chair.

The SPEAKER. The Chair recognizes the gentleman from Pennsylvania [Mr. MCCONNELL].

ADJOURNMENT

Mr. MCCONNELL. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 4 o'clock and 36 minutes p. m.), under its previous order, the House adjourned until Monday, March 29, 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:

1386. A letter from the Secretary of Agriculture, transmitting a draft of a proposed bill entitled "A bill to amend the Federal Crop Insurance Act, as amended"; to the Committee on Agriculture.

1387. A letter from the Secretary of Agriculture, transmitting a draft of a proposed bill entitled "A bill to amend section 8a (4) of the Commodity Exchange Act, as amended"; to the Committee on Agriculture.

1388. A letter from the Acting Secretary of the Treasury, transmitting a report on reasons why and responsibility for overdraft of allotment account, 17th Coast Guard District, pursuant to subsection (i) of section 3679 of the Revised Statutes, as amended (31 U. S. C., Sup. V 665); to the Committee on Appropriations.

1389. A letter from the Archivist of the United States, transmitting a report on records proposed for disposal and lists or schedules covering records proposed for disposal by certain Government agencies; to the Committee on House Administration.

1390. A letter from the Assistant Secretary of the Interior, transmitting one copy each of certain bills passed by the Legislative Assembly of the Virgin Islands and the Municipal Council of St. Thomas and St. John, pursuant to section 16 of the Organic Act of the Virgin Islands of the United States approved June 22, 1936; to the Committee on Interior and Insular Affairs.

1391. A letter from the Commissioner, Immigration and Naturalization Service,

Department of Justice, transmitting a list of names involving suspension of deportation, and requesting that they be withdrawn from those before the Congress and returned to the jurisdiction of the Immigration and Naturalization Service; to the Committee on the Judiciary.

1392. A letter from the Commissioner, Immigration and Naturalization Service, Department of Justice, transmitting a list of cases involving the provisions of section 4 of the Displaced Persons Act of 1948, as amended, and requesting that they be withdrawn from those before the Congress and returned to the jurisdiction of the Immigration and Naturalization Service; to the Committee on the Judiciary.

1393. A letter from the Chief Scout Executive, Boy Scouts of America, transmitting the 44th Annual Report of the Boy Scouts of America for the year 1953, pursuant to the act of June 15, 1916, "An act to incorporate the Boy Scouts of America, and for other purposes" (H. Doc. No. 356); to the Committee on Education and Labor and ordered to be printed with illustrations.

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. KEATING: Committee on the Judiciary. H. R. 2556. A bill to amend section 3185 of title 18, United States Code; with amendment (Rept. No. 1416). Referred to the Committee of the Whole House on the State of the Union.

Mr. SHORT: Committee of Conference. H. R. 5337. A bill to provide for the establishment of a United States Air Force Academy, and for other purposes (Rept. No. 1427). Ordered to be printed.

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. GRAHAM: Committee on the Judiciary. H. R. 1465. A bill for the relief of Helga Rossmann and her child; with amendment (Rept. No. 1417). Referred to the Committee of the Whole House.

Miss THOMPSON of Michigan: Committee on the Judiciary. H. R. 3026. A bill for the relief of Barbara Gene Coster; without amendment (Rept. No. 1418). Referred to the Committee of the Whole House.

Miss THOMPSON of Michigan: Committee on the Judiciary. H. R. 3038. A bill for the relief of Mrs. Olympia Cuc; without amendment (Rept. No. 1419). Referred to the Committee of the Whole House.

Miss THOMPSON of Michigan: Committee on the Judiciary. H. R. 3131. A bill for the relief of Wesley Howard Leahy; with amendment (Rept. No. 1420). Referred to the Committee of the Whole House.

Mr. HYDE: Committee on the Judiciary. H. R. 3249. A bill for the relief of Katharina Link; with amendment (Rept. No. 1421). Referred to the Committee of the Whole House.

Mr. GRAHAM: Committee on the Judiciary. H. R. 3903. A bill for the relief of Sister Iolanda Sita, Sister Guerrina Brioli, Sister Pasqualina Coppari, Sister Anna Urbinati, Sister Ida Raschi, and Sister Elvira P. Mencarelli; without amendment (Rept. No. 1422). Referred to the Committee of the Whole House.

Mr. HYDE: Committee on the Judiciary. H. R. 4236. A bill for the relief of Nahi Youssef; with amendment (Rept. No. 1423). Referred to the Committee of the Whole House.

Mr. WALTER: Committee on the Judiciary. H. R. 4510. A bill for the relief of Mrs. Helen Kon; with amendment (Rept. No. 1424). Referred to the Committee of the Whole House.

Mr. HYDE: Committee on the Judiciary. H. R. 4747. A bill for the relief of Gio Batta Podesta; without amendment (Rept. No. 1425). Referred to the Committee of the Whole House.

Mr. GRAHAM: Committee on the Judiciary. H. R. 4813. A bill for the relief of Radu Florescu and Nicole Elizabeth Michel Florescu; without amendment (Rept. No. 1426). 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 Mrs. PFOST:

H. R. 8558. A bill to continue temporarily existing 90 percent of parity price supports for milk and butterfat; to the Committee on Agriculture.

By Mr. BENDER:

H. R. 8559. 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 Interstate and Foreign Commerce.

By Mr. BOW:

H. R. 8560. A bill to amend the Agricultural Act of 1949 to provide a limitation on the downward adjustment of price supports for milk and butterfat and the products of milk and butterfat; to the Committee on Agriculture.

By Mr. CARLYLE:

H. R. 8561. A bill to direct the Secretary of the Interior, in cooperation with the Secretary of the Army, to erect at Dunn, N. C., a suitable memorial to the late Maj. Gen. William Carey Lee; to the Committee on House Administration.

By Mr. GROSS:

H. R. 8562. A bill to authorize the Director of the Census to collect and publish statistics on imports of twine; to the Committee on Post Office and Civil Service.

By Mr. HALE:

H. R. 8563. A bill to amend section 804 of the District of Columbia Code of March 3, 1901, with respect to the penalty in case of assault with a dangerous weapon committed in the Senate Chamber or the House Chamber; to the Committee on the District of Columbia.

By Mr. JAVITS:

H. R. 8564. 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 Interstate and Foreign Commerce.

By Mr. O'HARA of Minnesota:

H. R. 8565. A bill to amend section 1089 of the act entitled "An act to establish a code of law for the District of Columbia," approved March 3, 1901, as amended, with respect to the satisfaction of attachments, levies, or other processes against compensation and other income; to the Committee on the District of Columbia.

By Mrs. ROGERS of Massachusetts:

H. R. 8566. A bill to authorize the coinage of special 50-cent pieces in commemoration of the 300th anniversary of the founding of Billerica, Mass.; to the Committee on Banking and Currency.

By Mrs. ROGERS of Massachusetts (by request):

H. R. 8567. A bill to increase the rates of service-connected death compensation payable to widows and children of persons who served in the active military or naval service; to the Committee on Veterans' Affairs.

By Mrs. ROGERS of Massachusetts:

H. R. 8568. A bill to provide for the issuance of a special postage stamp in commemoration of the 300th anniversary of the founding of Billerica, Mass.; to the Committee on Post Office and Civil Service.

By Mrs. ROGERS of Massachusetts (by request):

H. R. 8569. A bill to provide increases in pensions for nonservice disabled who have dependents; to the Committee on Veterans' Affairs.

By Mr. SHORT:

H. R. 8570. A bill to authorize the Secretary of the Navy to dispose of certain uncompleted naval vessels, and for other purposes; to the Committee on Armed Services.

H. R. 8571. A bill to authorize the construction of naval vessels, and for other purposes; to the Committee on Armed Services.

By Mr. THOMPSON of Texas:

H. R. 8572. A bill to provide a method for compensating claims for damages sustained as the result of the explosions at Texas City, Tex.; to the Committee on the Judiciary.

By Mr. BRAMBLETT:

H. R. 8573. A bill providing for the conveyance by the United States to the Monterey County Flood Control and Water Conservation District, Monterey County, Calif., of certain lands in Camp Roberts Military Reservation, Calif.; to the Committee on Armed Services.

By Mr. DONOHUE:

H. R. 8574. A bill to amend the Servicemen's Readjustment Act of 1944 so as to reduce from 4½ percent to 4 percent the maximum interest rate on home loans made, guaranteed, or insured under that act; to the Committee on Veterans' Affairs.

By Mr. POAGE:

H. R. 8575. A bill to amend the Agricultural Act of 1949, as amended, with respect to price supports for basic commodities; to the Committee on Agriculture.

By Mr. POFF:

H. R. 8576. A bill to provide for jury trials in condemnation proceedings in United States district courts; to the Committee on the Judiciary.

By Mr. TOLLEFSON:

H. R. 8577. 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 Interstate and Foreign Commerce.

By Mr. YORTY:

H. R. 8578. A bill to increase the basic rates of compensation of certain officers and employees of the Federal Government; to the Committee on Post Office and Civil Service.

PRIVATE BILLS AND RESOLUTIONS

Under clause 1 of rule XXII, private bills and resolutions were introduced and severally referred as follows:

By Mr. FOUNTAIN:

H. R. 8579. A bill for the relief of Z. A. Hardee; to the Committee on the Judiciary.

By Mr. MARTIN of Massachusetts:

H. R. 8580. A bill for the relief of Miss Athena Kitsopoulou; to the Committee on the Judiciary.

By Mr. SCUDDER:

H. R. 8581. A bill for the relief of William J. Robertson; to the Committee on the Judiciary.

By Mr. WALTER:

H. R. 8582. A bill for the relief of Mariotoula Georga; 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:

584. By Mr. CURTIS of Massachusetts: Petition of the Boston Branch, National Postal Transport Association, relative to Post Office handling of 3-cent mail by air; to the Committee on Post Office and Civil Service.

585. By Mr. TALLE: Petition signed by Mrs. Charlotte Walby and 31 other persons in Allamakee and Winneshiek Counties, Iowa, advocating the passage of H. R. 1227; to the Committee on Interstate and Foreign Commerce.

586. By Mr. SADLAK: Petition of the board of directors of the Connecticut Tuberculosis Association opposing any further reduction in the Federal budget for tuberculosis control; to the Committee on Appropriations.

587. By the SPEAKER: Petition of Mrs. G. B. McGowin and others, Tampa, Fla., requesting passage of H. R. 2446 and H. R. 2447, proposed social-security legislation known as the Townsend plan; to the Committee on Ways and Means.

588. Also, petition of H. C. Curtis and others, West Palm Beach, Fla., requesting passage of H. R. 2446 and H. R. 2447, proposed social-security legislation known as the Townsend plan; to the Committee on Ways and Means.

EXTENSIONS OF REMARKS

Postal Pay Legislation

EXTENSION OF REMARKS

OF

HON. JAMES C. DAVIS

OF GEORGIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, March 25, 1954

Mr. DAVIS of Georgia. Mr. Speaker, the House Post Office and Civil Service Committee is engaged in holding hearings on legislation to increase salaries of postal and other workers. Today the gentleman from Florida [Mr. LANTAFF] made a statement to the committee regarding this legislation.

Mr. LANTAFF was a valued member of the Post Office and Civil Service Committee for some time. He has, during his service in Congress, made a close study of postal and civil-service problems.

The statement which he made to the committee shows a careful study and a wide knowledge of the subject under consideration.

I insert it herewith as a part of these remarks:

STATEMENT OF HON. WILLIAM C. LANTAFF, OF FLORIDA, BEFORE THE HOUSE COMMITTEE ON POST OFFICE AND CIVIL SERVICE, MARCH 25, 1954, ON THE SUBJECT OF A POSTAL PAY INCREASE AND THE FRY REPORT

Mr. Chairman, as a former member of the Post Office and Civil Service Committee, I am deeply interested in the legislation pending before you to provide an increase in pay for postal employees. At the outset, I should like to say that for various personal reasons, I am not seeking reelection to the Congress, nor am I aspiring to any other political job. I plan to resume the practice of law in Miami, Fla., following adjournment of the 83d Congress. Therefore, my appearance before you today is not prompted by any political motives, but rather because of a sincere interest in the Post Office Department and its employees.

I realize that the committee must weigh several factors in arriving at a decision as to whether or not the pay of our postal employees should be increased and if so, by how much. Many of you are perhaps thinking that such an increase would make the task of balancing the budget even more difficult. Some of you undoubtedly have experienced the situation in your communities where a position paying $4,040 a year is sought after by dozens of applicants and that, accordingly, there is no necessity to raise postal pay this year. Others perhaps are wondering how you can justify a record of voting for economy in Government if you approve the expenditure of an additional $320 million, as called for by the Rhodes-Withrow bills. All of these factors unquestionably complicate the issue for you.

From a survey conducted in my district, I am convinced, however, that not only the best interests of the postal employees will be served, but also the best interests of the Post Office Department by an increase in postal pay. As an example, of the 260 postal clerks in the Miami Post Office, 38 percent are forced to engage in part-time work in addition to their postal duties in order to provide for their families. The wives of 35 percent of these employees are forced to work. Notwithstanding this supplemental income, debts increased for 70 percent of the clerks during the past year. The average total debts, not including mortgages, amounts to $762.96, and 19 percent of the clerks have been forced to borrow on their insurance policies. The same situation that we find in the case of post-office clerks is also true of the letter carriers in the Miami office. Out of 271 letter carriers, 48 percent engaged in part-time work and the wives of 43 percent of the letter carriers were working. At the same time, 83 percent of the carriers reported an increase in debts.

These surveys were both taken in the summer months. It is quite probable that the survey would show a greater number working during the winter months, because of the fact that work opportunities are not as great in Miami in the summer as they are in the winter.

It seems rather obvious that today's wage scale is not geared to today's high cost of living and is wholly unrealistic. Such a wage scale adversely affects the morale of this loyal group of employees and in the long run increases the costs of operating the Department. That such is true is supported by the fact that there was a 25 percent personnel turnover at the Miami post office for the period April 1, 1952, through March 31, 1953, exclusive of Christmas and seasonal help. This amounted to more than one a day for each working day. Certainly, no business of comparable size could operate efficiently or economically with such a turnover.

Our objective in 1951, when we increased postal salaries, was to bring these wages in line with the high cost of living and to enable the Post Office Department to compete with private industry in recruiting competent individuals into the service. As of July 1, 1951, when that increase became effective, the Consumer's Price Index of the Bureau of Labor Statistics was 185.5. As of December 1953, the index stood at 192.1. This is the last figure available for the old series index.

At the present time, the average annual salary of a post office clerk is approximately $4,040, and that of the letter carrier is $4,018, according to the report of the Postmaster General for July 1, 1952. It will thus be seen that the ratio between the salary and the BLS Index is approximately $22 for each point of the index. Therefore, in order to place the postal employee in the same salary position that we placed him in 1951, we would have to raise his salary at least $154 per annum.

There is another factor which I believe we should consider in arriving at a realistic wage scale. For the 5-year period from 1947 to 1952, the Post Office handled an increase in volume of 33 percent in number of pieces and 29 percent in weight, with an increase in personnel of only 9 percent. These figures are taken from the annual report of the Postmaster General. If we only use one-fourth of this improvement factor, which I feel sure you will agree is most reasonable, we could conclude that an additional 5 percent should be added to postal salaries as a reward to the postal employee for increasing the efficiency of the service, even in the face of a demoralizing wage scale.

Certainly, no one can deny that our postal employees, in common with our citizens generally, are entitled to financial recognition for the part they have played and are playing in increasing efficiency and productivity in the Department. If we in Congress recognize that the employees of the Federal Government are entitled to share in the modest extent I have recommended, I feel sure that this added incentive will produce even greater savings in the Department and a better postal service.

Now, if we consider that a wage increase of $154 is necessary to restore the purchasing power to the postal employee that we endeavored to give him in 1951, we would then have an average annual earning for a postal clerk of $4,194. To this should be added the 5 percent that I have referred to, which amounts to $209.70. The total increase that would be justified, therefore, on the basis that I have outlined would be a minimum of $363.70 per annum.

I recognize that there is considerable merit in the position taken by our employee groups that postal salaries should be designed so as to provide the employee with at least the same sum that was available for normal living expenses in the year 1939. However, the other factors which I have discussed at the outset of these remarks undoubtedly make it difficult for the committee to go as far in the adjustment of postal salaries as you would like to do. Certainly, though, there is ample justification for a salary increase of approximately $400 per annum, and I urge the committee to increase postal salaries at least by this amount, so that the Department can recruit and retain the high type of employee capable of rendering the type of service demanded by the American people.

Before concluding my remarks I would like to briefly comment on the Fry report. Following presentation of this plan to Congress by the Postmaster General, I consulted with the postal employees in my district to determine whether or not the Fry recommendations were workable, and while I certainly don't pose to be an authority on the subject, I would like to call to the attention of this distinguished committee certain recommendations of the Fry report which I do not believe are in the best interests of the postal service.

In the first place, the plan of the Postmaster General contemplates that each postmaster will allocate individual jobs to grades for which specifications have been published. In other words, a clerk in the Miami post office might be classified as a clerk, junior,

first-class post office, or possibly even as a mail handler, first-class post office, both of which positions are a grade 3. That same clerk, however, might be classified in grade 4 as a clerk, distribution, first-class post office, or even as a grade 5, station clerk or senior window clerk in a first-class post office. Now, would those clerks subscribing loyalty to whichever political party might be in power be designated as grade 5 clerks and those in the minority party as grade 3 clerks? If the employee is placed in grade 4, is there any assurance that, based on the whims of the postmaster, the position might not be downgraded subsequently to grade 3? It seems obvious to me that such a recommendation could lead to untold abuse and a breakdown of our civil service system.

One of the best morale factors in the Post Office Department has heretofore been the fact that a career employee in the Department could work up through the post office to the highest ranks in the Department. This incentive has certainly enabled us to keep good men in the postal system, even though salaries were inadequate. Our clerks, by performing many duties in the Department, became well qualified to move into positions as supervisors or postmasters. Illustrative of the many duties performed by our postal clerks are these pictures which were taken in the Miami post office, which I would like to supply to the committee at this time.

I would also like to introduce to the committee at this time a summary of the postal service of one of our clerks in the Miami post office, as well as a statement provided at my request by Mr. E. Ervin Gayle, vice president of the Florida Federation of Post Office Clerks, showing the multiple duties of a postal clerk in an average first-class post office.

From this evidence I think this committee can readily see that a postal clerk is sort of a jack-of-all-trades who becomes well versed in all the operations of the post office, thus qualifying him for promotion to the supervisory ranks.

It is obvious to me that the Fry report contemplates breaking down this system. First, it is recommended that these clerks be grouped into specific categories and their duties limited to specific tasks. Secondly, it is recommended that there be no arbitrary barriers to preventing supervisory positions from being filled by personnel from outside the postal service. Adoption of such a recommendation would certainly break down the morale of the postal department, as well as the civil-service system, and would mean eventually that such supervisory positions were to be filled only through the patronage system. To such a conclusion I certainly cannot subscribe.

Finally, I would like to call the committee's attention to the fact that adoption of the reclassification recommendations would lead to less efficiency and economy. If you will note in the pictures which I have submitted to the committee, the clerks are employed on various duties, depending on need, within an office. They may work on the distribution system for 4 hours. They would then provide relief for other clerks on the window, or they might even, when necessary, perform mail-handler's duties. Now, if they are classified as grade 3 clerks, are they to be expected to perform grade 5 work when necessary? If they are classified as grade 4 clerks, can they be utilized to do the work of a grade 3 clerk? Or will the tendency be to perform just the duties of the clerk in the grade to which he has been assigned? It is conceivable that adoption of the proposed reclassification system would lead to much unproductive time and require more employees to do the job.

I do feel, however, that there is merit in providing a different classification for some of our special and technical employees in the Department, but I cannot subscribe to the report of the Fry committee.

With the vast knowledge of postal operations possessed by the members of this committee, I am hopeful that any reclassification action will be deferred until after a select committee from the Department and the employee organization, working with select members of this committee, can make a complete and thorough study of this field.

La Salle College Basketball Champions

EXTENSION OF REMARKS

OF

HON. HUGH D. SCOTT, JR.

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, March 25, 1954

Mr. SCOTT. Mr. Speaker, a champion deservedly merits admiration and commendation, especially when this distinction was achieved through competition. We in Philadelphia are especially proud of our national collegiate basketball champions, the team of La Salle College. Since this notable and outstanding institution is located within the heart of my congressional district, it is only natural that I am so enthusiastic about the distinguished record of this team.

The game of basketball is played by hundreds of American colleges, and the winner of the National Collegiate Athletic Association tournament is generally regarded as collegiate champion of the land. On Saturday night, March 20, La Salle College, of Philadelphia, defeated Bradley University, of Peoria, Ill., 92–76, at Kansas City, Mo., in the final NCAA tournament game and was presented with the James W. St. Clair trophy, emblematic of national college basketball supremacy. The scaling of these heights of achievement is a tribute to Athletic Director James J. Henry, Coach Ken Loeffler, and every member of the La Salle College basketball squad, and a fitting climax to a season of hard work, cooperative effort, and real sportsmanship.

The Explorers started the season with all-American Tom Gola and veteran Frank O'Hara back from last year's team that had won 25 and lost 3 and was rated as the sixth best team in the country. However, even with Gola and O'Hara, the opinion was that a predominantly sophomore team would not be able to hold up through the difficult schedule that faced La Salle. With the skill of a master craftsman, Coach Loeffler developed his inexperienced players and used his two proven stars to the best advantage. As the season progressed, Loeffler's balanced offense and diversified defense began to prove their worth. At the end of the regular season, La Salle had won 21 games and lost only 4. In NCAA tournament play, after winning a thrilling contest from Fordham University, the youthful Explorers swept past North Carolina State College, the United States Naval Academy, Pennsylvania State University, and Bradley University, to the national championship.

Philadelphia's pride has been so well expressed in an editorial contained in the March 22 issue of the Philadelphia Daily News that I include it as a part of my remarks. It follows:

LA SALLE—PHILADELPHIA'S PRIDE

It was a triumph and a victory for every citizen of this fair city when the gallant La Salle basketball team won the national championship, out in Kansas City, to bring once more to the attention of the world the glowing worth of Philadelphia's athletes. And identified with every hero in every victory inevitably is the way of life which produces such achievement, makes it possible, and underwrites it with courage and training and sacrifice and skill.

The race is not always to the swift, nor to the strong, as we are told in Ecclesiastes, for there are other qualities upon which life itself has set the values and measured the worth. These other values, the intangibles, the unseen, all contributed to the triumph of our La Salle Explorers. Neither a big team, nor a small team, neither a band of lighting cohesion, nor a crushing power machine, La Salle's triumph symbolizes unison, common purpose, selflessness, the team spirit.

The great all-American Tom Gola played his outstanding part. The thoughtful, careful, craftsmanship of Coach Ken Loeffler was another essential. But so was the combined effort, and the individual effort, of each and every other player, from the sub on the bench to the star making the basket. So, likewise, was the spirit of the entire La Salle student body and faculty, which infused new strength and purpose into the players' hearts and gave high reason for their winning.

So, too, the pride of Philadelphians in their own, a pride now richer and stronger than ever.

The citizens of Philadelphia owe a debt to the college and to its athletes and its students.

They have carried our way of life along with their own ideals of effort to another pinnacle of athletic triumph.

The entire Nation will see and admire and respect.

And we will give thanks to La Salle and its stars like Gola, and its great Coach Loeffler, and each and every one in its classrooms and on its faculty, for the glory of achievement they have paraded before the world and personally brought to us.

We owe La Salle not only a civic gratitude and pride, but also a civic duty. The gallant team should be appropriately honored by the city fathers and undoubtedly will be.

Stabilization of the Dairy Industry

EXTENSION OF REMARKS

OF

HON. FRANK T. BOW

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Thursday, March 25, 1954

Mr. BOW. Mr. Speaker, I have today introduced a bill to stabilize the dairy industry. It is similar to that introduced by other Members of the House and of the Senate.

The proposed drop in the dairy-support level from the present 90 percent to 75 percent will result in an income loss that would be a catastrophe, not only to the dairy farmers of my district, but to those of the Nation. It will result in an estimated loss of $600 million in current dairy income for the Nation. This could well trigger off a general de-

pression, but in any event it is certain to create a depression in the segment of agriculture involved.

I want to point out to the Congress that the dairy segment of agriculture is the largest in the Nation, representing 20 percent of the gross farm income and involving more than 2 million farmers throughout the Nation.

Such a drastic income drop in this period of transition from a wartime to a peacetime economy is dangerous. This transition should be a gradual one, and maintaining the purchasing power in the hands of the Nation's dairy farmers is one of the best guaranties we have that such a transition will be gradual and orderly.

As you know, President Eisenhower expressed this viewpoint in his farm message, when he declared that changes in supports should be gradual—"in steps of 5 percentage points of the old parity per year"—during the transitional period to a modernized parity system.

If we impoverish this great segment of agriculture I predict that we will soon be asked to support the general economy with appropriations far exceeding the investment we would make in raising the dairy-support level from the announced 75 percent to the 85 percent proposed in my bill. I urge the Congress to give the most careful consideration to this matter immediately.

I submit an illustration of dairy farmers' income in my district:

	1952	1953	1954
Pounds produced	200,000	200,000	200,000
Price	$5	$4.50	$3.75
Gross income	$10,000	$9,000	$7,500
Cost of production	$6,700	$6,700	$6,700
Net income	$3,300	$2,300	$800

1949 census dairy farms in district 4477

Stark	1,540
Tuscarawas	1,110
Wayne	1,827

Day preceding census 1950 adjusted 1953 level, 1,500,000 pounds milk produced daily; 543,124,015 pounds produced annually.

Pounds whole milk sold 1949 adjusted 1953 level, 413,138,435 pounds at 50 cents per hundredweight.

Seventy-five percent support result equals two to two and one-half million dollars, or about 10 to 13 percent loss of income.

Greek Independence Day

EXTENSION OF REMARKS

OF

HON. WILLIAM A. BARRETT

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, March 25, 1954

Mr. BARRETT. Mr. Speaker, under leave to extend my remarks in the RECORD, I wish to include the following tribute to one of our great allies, its peoples, and our American citizens of Hellenic descent.

The Greeks have been for centuries in the forefront of pioneers in nearly all fields of human activity, including all the arts and sciences which go into the making of western civilization. They have, however, been particularly prominent as teachers and practitioners of what we today call the social sciences. To them, free and unfettered speculation and experimentation in all phases of social and political activity seemed quite natural. In this way, they learned and came to appreciate the true worth of freedom and independence—individual as well as group and communal independence. This was the basis upon which their democratic city-states of yore were founded. Independence and freedom were the two most distinctive characteristics of these earliest known city-states. Thus, the independence which we prize most highly today was known to the Greek city-states some 2,500 years ago.

Subsequently, over the course of the centuries, through ancient and medieval times, the Greeks were unable to preserve their independence. And with the 15th century when all Greece was overrun by the Turks, it seemed as if that cradle of western civilization, with all its splendor and glory, was lost to the West.

Fortunately that was not to be the case. Almost four centuries of subjection to alien rule, sometimes under the harshest of tyrants, did not eradicate the Greek spirit of independence. During that time the Greeks nursed and nurtured their goal of national independence. And when their religious and spiritual leader, Archbishop Germanos of Patras unfurled the flag of revolt against their Turkish overlords on March 25, 1821, all Greeks to a man rallied to his aid.

From then on it took 8 years of hard fighting to regain the political independence of Greece. This was accomplished through the supreme sacrifice which Greeks cheerfully made for the attainment of their most cherished ideal.

Today Greece stands as a fortress of freedom in the Mediterranean and is of great importance strategically and geographically to our own national defense and security. She is a true and stanch ally, and the investments of the United States in this cradle of western civilization were wise and judicious. Our firm stand and financial assistance to Greece has resulted in uniting Greece, not only internally, but also with Turkey and Yugoslavia in their common stand against aggressor forces.

Today, on the 133d anniversary of the Independence Day of Greece, we join in its celebration and hope that this anniversary will always be celebrated in peace and freedom.

One Hundred Thirty-third Anniversary of Greek Independence

EXTENSION OF REMARKS

OF

HON. HUGH D. SCOTT, JR.

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, March 25, 1954

Mr. SCOTT. Mr. Speaker, I would like to join with the many loyal Americans of Hellenic descent in commemorating the 133d anniversary of Greek independence. The great Hellenic culture has had a profound and lasting effect on the freedom-loving nations of the Western World. The Greeks as did the Americans fought long and hard to attain their independence and are ready and willing to fight just as hard and long in order to retain it. It is with great pride that Americans are able to know the Greek nation as a true and staunch ally in the continuing struggle for freedom for all people throughout the world. May the free peoples always be so fortunate as to number the brave Hellenes as one of the stanchest supports of the structure of collective security which stands, and must always stand, against the brutish forces of totalitarianism.

Greek Independence Day

EXTENSION OF REMARKS

OF

HON. F. D. ROOSEVELT, JR.

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Thursday, March 25, 1954

Mr. ROOSEVELT. Mr. Speaker, today, March 25, marks the 133d anniversary of Greek independence. On this day in the year 1821 the Archbishop of Patras unfurled the national flag of Greece and the revolution against rule by the Ottoman Empire started.

The Greek urge to freedom was so compelling that the embattled Greek people fought against fantastic odds for over 6 years until their independence was finally assured after the great Naval Battle of Navarino in 1827.

The independence of Greece is one of the most glorious events of 19th century European history. The fight for freedom by the Greek people attracted the support of many outstanding world personalities and we all remember the glorious efforts in this endeavor of the great poet, Lord Byron.

The course of history for the valiant Greek nation has not been easy. Freedom from foreign domination was maintained from 1827 to 1941 and the world will not soon forget the heroic struggles of the Greek people against fascism, and how they overcame great odds in driving back Mussolini's army in 1940. When the Nazis joined the fray, however, the Greek nation was overwhelmed, its people subjugated, its earth scorched, and its economic resources systematically destroyed by Hitler's hordes.

The Greek nation was once again liberated through the assistance of the British in 1944, but over 400,000 Greeks died of starvation during the period of ruthless occupation.

After World War II liberated Greece it found its chief ports in ruins, three-fourths of its merchant fleet destroyed, the vital Corinth Canal blocked by mines, major rail lines torn up, highways useless, hundreds of bridges down, and farmland unproductive. With more than 1,500 villages and towns destroyed,

thousands of people were homeless and living standards reached an almost impossibly low level.

In this moment of Greek national weakness the Communists struck. Unable to win a strong voice in the new Greek Government, they formed guerrilla bands to terrorize the villagers and to prevent them from carrying on their essential task of rehabilitation. This Communist move was intended to deal a deathblow to the war-torn economy of Greece and in the ensuing vacuum to force the country to accept Kremlin control.

Early in March of 1947 the Greek Government appealed to the United States for assistance. With a great example of courage and foresight and in full recognition, not only of the humanitarian needs of the Greek people but of the danger of international communism to the security of the free world and the United States, President Truman boldly responded with the initiation of what is now known as the Truman Doctrine for Greece and Turkey. The President then secured approval from Congress of his initial request for $300 million which went into the guns and equipment for the Greek Army as well as foodstuffs and other necessities for the population, and the Greek people were again on the way to the establishment of decency and freedom. Aided by an American military mission, a revitalized Greek Army defeated the Communists and established peace in October of 1949. Continued United States aid has helped rebuild the economy and has enabled the Greek people to strengthen their Army against another Communist attempt to seize power.

The United States action in Greece foreshadowed our stand in Korea, where American troops as well as United States military and economic assistance went into the fight against Communist aggression. It is also significant that the Greeks, having defeated the Communists at home, had a military unit fighting with other United Nations forces in Korea.

Today Greece and the United States share defense responsibilities as NATO partners. A United States military advisory mission is stationed in Athens, and Greek military personnel receive specialized training in America. With some 200,000 men under arms, Greece has a larger percentage of its population in active military service than any other European NATO nation, and this force could be doubled on short notice.

The treaty recently signed by Greece, Turkey, and Yugoslavia is a strong support to NATO defenses on the southeastern flank. We recognize that growing ties of friendship among these nations, as evidenced by the pact, will provide a stabilizing influence that will extend through Turkey to the Middle East.

And I have every confidence that the freedom-loving Greek people will ignore the recent request from the Soviet Union to repudiate this treaty. Not only do they hate totalitarianism of all kinds, but the Greek people have never gone back on their word.

The fight of the valiant Greek people against the Communists had further tragic consequences for this small nation which is the source of much of our western culture. During the course of this struggle against communism 25,000 Greek children were kidnapped by the Communists and sent behind the Iron Curtain for indoctrination by the Kremlin. Only a few hundred of these children, those who had been held in Yugoslavia, have been returned to their families. The Soviet bloc admits that they hold these 25,000 kidnapped children but cruelly insist on using them as child labor in Communist territory and refuse to return them to their families in Greece.

Here in our own country the Greek-American community has made a great contribution to our culture, to our economy, and to our democratic spirit. Almost every day we in the Congress are privileged to view the inspiring frescoes in the dome of our Nation's Capitol painted by Constantine Brumidi. Music lovers throughout the world thrill to the stirring genius of Dimitri Mitropoulos. The medical profession has long recognized the outstanding contributions to world health which the renowned Dr. Papanikolaou has made to the field of cancer research. The business community is privileged to enjoy the business genius of such as Spyros Skouras, and in the field of education we are deeply indebted to Raphael Demos, professor of philosophy at Harvard University.

There are today more than one-half million Americans of Greek origin and over 400 Greek Orthodox communities in the United States where their great traditions of culture are fostered and maintained. Each community has at least one church and parochial school where the Greek language and history is taught.

It is a great privilege to be able to join with the rest of the free world and with all of our patriotic American friends of Hellenic origin in observing March 25 as Greek Independence Day.

Postal Supervisors' Salaries Commensurate With Responsibilities

EXTENSION OF REMARKS

OF

HON. CECIL R. KING

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, March 25, 1954

Mr. KING of California. Mr. Speaker, under leave to extend my remarks in the RECORD, I include my statement before the House Committee on Post Office and Civil Service urging salaries for postal supervisors commensurate with their responsibilities:

Mr. Chairman, I ask your earnest consideration of the provisions of legislation in behalf of postal supervisors.

In addition to a cost-of-living increase, the postal supervisor has a particular objective in this session of Congress in the provisions of H. R. 2585 and S. 1750 which provide for an adjustment of the inequities that have been caused by salary legislation enacted since 1945. These identical bills also provide for within-grade promotions in each level of supervision.

It will appear evident that an injustice exists when it is pointed out that all employees under the Classification Act as well as most employees in the postal service enjoy periodic step increases. Postal supervisors, however, have the unique distinction of being confined to a single salary grade. This phase alone should merit and warrant enactment of this legislation.

In recent years inequities and injustices have crept into the salary structure of the postal supervisor. He has found himself the victim of an unfortunate legislative cycle that has narrowed the salaries in various levels of supervision and responsibility.

First the Little-Steel formula restricted a full adjustment in Public Law 134 enacted in July 1945. Then came horizontal increases that added to the inequities. Finally the Wage Stabilization Act nullified efforts for a full adjustment in Public Law 204 enacted in 1951.

The present salary structure has been thrown out of balance by the restrictions previously mentioned. They have caused a very narrow spread to exist between various levels of supervision. This in turn has resulted in inadequate compensation commensurate with responsibility. The proposed salary schedules on the other hand will spread the salaries to compensate in each grade and in each level of supervision and responsibility.

I feel there is full justification for the enactment of this legislation. In fact, I feel that the salaries of postal supervisors initially should be at least those provided in the final grade of the within-grade provisions. Particularly do I believe this when I compare the responsibilities and salaries of a postal supervisor with that of a supervisor in private industry or even within the Governmental service itself as provided in the general-service schedules. It also seems only equitable that assistant postmasters should be paid proportionately as to the responsibility held and also comparatively with the similar positions held in private industry, and that overtime should be available to supervisors at any time during the year as it is allowed to the clerks and carriers.

May I in behalf of the postal supervisors in my district appeal to your committee in its wisdom, Mr. Chairman, to approve this measure.

"Definitely Worth While To Initiate Some Sort of a Food Stamp Plan"—Letter From Former President of St. Louis Community Chest Commenting on Sullivan Bill

EXTENSION OF REMARKS

OF

HON. LEONOR K. SULLIVAN

OF MISSOURI

IN THE HOUSE OF REPRESENTATIVES

Thursday, March 25, 1954

Mrs. SULLIVAN. Mr. Speaker, I am pleased to have the comments of an outstanding St. Louis leader, Mr. William Charles, on my bill, H. R. 7870, for the establishment of a food-stamp plan for the distribution of some of our vast hoard of surplus food to people in outright need. Mr. Charles, who has worked long and hard in the vitally necessary, but often thankless, area of pub-

lic service represented by our organized charities and nongovernmental health and welfare agencies, has just recently retired as president of the Community Chest of St. Louis and St. Louis County.

Speaking as a private citizen, he reports that a need certainly exists for supplementing the generally inadequate relief grants and for providing some assistance of this nature to those needy persons ineligible for public assistance because of situations such as our law in Missouri that employable persons cannot receive public assistance regardless of their ability to find jobs.

It is his suggestion that actual distribution of surplus foods under a food-stamp plan be done through local merchants. My bill permits the Secretary of Agriculture to designate the exact method of distribution of up to $1 billion worth of surplus food a year by food stamps. Mr. Charles also suggests that if it is not possible to use the local stores, the cost of maintaining necessary depots for the distribution be borne by the Federal Government. That is the intent of H. R. 7870, but it may have to be spelled out more clearly. He further suggests that the cost of personnel for certifying needy persons not on public welfare rolls be reimbursed to the State or local welfare agencies assigned that responsibility under the bill.

Mr. Speaker, I think all of the Members will be interested in the informed and valuable comments from this outstanding St. Louis leader in the field of the organized charities, and I inclose his letter as part of my remarks:

COMMUNITY CHEST OF ST. LOUIS
AND ST. LOUIS COUNTY,
St. Louis, Mo., March 15, 1954.

Mrs. JOHN B. SULLIVAN,
Congress of the United States,
House of Representatives,
Washington, D. C.

DEAR MRS. SULLIVAN: This will acknowledge receipt of your letter of March 8 addressed to me as president of the Community Chest, a position from which I retired last week.

Speaking solely as a private citizen, I think that it would be definitely worth while to initiate some sort of a food stamp plan for persons now on relief or properly certified as being eligible for surplus foods. Certainly, a case could be made for supplementing the present relief grants to all categories of our public assistance group, where we generally know grants are inadequate. Certainly, a case could be made for providing some assistance of this sort to a fairly substantial number of families who because they are employable are not able to get any public assistance from the State of Missouri and there may be some other borderline situations also.

It would seem to me that there should be some assurances as follows:

1. If possible these food stamps should be redeemable through our local merchants. This would eliminate the necessity for any special distribution centers and would enable the individual to go to his usual store. This, by the way, was the practice in the immediate prewar period when we had a substantial surplus of food.

2. Or, if this is not possible and distribution depots of some sort have to be established, the cost of maintaining such depots and the necessary personnel should be borne by the Federal Government.

3. Then, with respect to certifying who is eligible beyond those persons now in receipt of public assistance, there should be some modest provision for reimbursing the States or municipalities for whatever special personnel they might have to hire to carry on this certification job.

Sincerely yours,

WILLIAM CHARLES.

Postal Salary Legislation

EXTENSION OF REMARKS
OF

HON. RAY J. MADDEN

OF INDIANA

IN THE HOUSE OF REPRESENTATIVES

Thursday, March 25, 1954

Mr. MADDEN. Mr. Speaker, this morning I appeared before the Post Office and Civil Service Committee of the House and testified in behalf of much-needed postal salary legislation that will give the postal employee a living wage. I do hope that the committee will give favorable action to the bill introduced by Congressman WITHROW, of Wisconsin, which is now being considered by the committee.

In addition to several communications from the Gary, Hammond, East Chicago, and Whiting, Ind., organizations of the postal employees, I submitted the following statement for the consideration of the Post Office and Civil Service Committee:

Mr. Chairman, I wish to thank the members of the Post Office and Civil Service Committee for this opportunity to present my views regarding the pending salary legislation concerning postal employees.

When I first came to Congress, in January 1943, I was happy to become a member of the Post Office and Post Roads Committee. At that time the postal employees had not received a permanent raise in salary for almost a quarter of a century. This committee met during the early days of the 78th Congress and over a period of several weeks held hearings on postal salary legislation and reported out a salary bill which was enacted into law in May 1943. Although the cost of living has increased by terrific proportions in the last 11 years, the postal employees have not been given equitable consideration by the Congress in salary increases which would overcome necessary living expenses. The increase in 1951 was but a pittance to enable the average postal employee and his family to enjoy just the ordinary necessities of modern living.

I represent a congressional district which is highly industrialized, and our people are exposed to the same abnormal high living costs as the people living in the city of Chicago and other great metropolitan areas.

I have received several surveys from groups of postal employees in the Calumet region of Indiana, setting out a breakdown of their wage check compared with the necessary monthly expenditures which they are compelled to meet monthly. I will submit for the record these salary breakdowns from Gary, Whiting, and Hammond, Ind., letter carriers organizations, and from other postal groups and organizations in the Calumet area of Indiana. I do hope that the members of your committee will take time to go over this astounding revelation of the financial condition of the postal workers in my area. It is revealed that 67 percent of the postal employees are compelled to seek outside work in order to make ends meet. This compares to 45 percent holding outside jobs which was revealed in the national poll. It is further revealed that approximately 65 percent of the wives of postal employees are working either part time or are seeking some source of outside income. This compares to 38.2 percent of the postal wives working on the national poll. Other very interesting statistics on this matter from my district are hereby submitted for the consideration of your honorable committee.

I firmly believe that if the Congress will give a substantial and equitable raise to the post-office employees, it would contribute a great deal to strengthen the purchasing power of the American public and this in turn will greatly aid industry and business which so sorely needs financial impetus to restore growing unemployment.

The Postmaster General's recommendation of reclassification legislation and accelerated pay increase at this time is not only unrealistic, complicated, and impractical, but it will not begin to provide just salary increases to the postal workers of America. If the Postmaster General is serious in his reclassification program, it should be submitted as separate legislation so this committee and Congress can give special study to the violent change in the American postal organization. His reorganization program and salary increases proposed would provide increases as low as ½ cent an hour for some postal employees. I firmly believe that the Postmaster General's recommendation is nothing more than a smokescreen in order to confuse the issue and muddy the waters to detract from the present legislation under consideration to give the postal workers an $800 flat pay raise. I believe the members of your committee sincerely feel that any employee, whether he is in private industry or Government service, should be paid adequate compensation; a salary which will retain his purchasing power parity with the paycheck which he received before Pearl Harbor. An $800 across-the-board increase as set out in the Withrow bill, would place the postal workers on an economic parity with the cost of living as it existed in 1938 and 1939.

I do not believe that the American public expect the Post Office Department to operate on a profit and loss basis. The American taxpayer pays billions to operate our Government and of course we realize that about 85 percent of this money is expended under the cost of war, both past, present, and future. The postal service is the one department of the Government which is in contact with every American almost daily. It is the one service which the taxpayer demands should be efficiently conducted. The men and women working in the service should be paid an ample wage and guaranteed future security for their homes and families. A raise of this kind would not only aid to restore employment in industry, but it would be a terrific impetus to our receding economy. I do hope this committee will report out favorably the Withrow bill and give the Congress an opportunity to debate and pass on the merits and demerits of this legislation so that postal workers of America can be placed on a plane close to the millions who work in industry, business, and other avenues of our economy.

A Swelled Head Quickly Reduced

EXTENSION OF REMARKS
OF

CLARE E. HOFFMAN

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Thursday, March 25, 1954

Mr. HOFFMAN of Michigan. Mr. Speaker, an editorial in the Chicago

Tribune of March 20, captioned "The Cure That Failed," for a few moments caused me to think quite well of myself. The first three sentences are as follows:

The Committee for Economic Development, a businessmen's organization, issued a report Monday declaring it to be essential that the Government adopt deficit financing whenever a serious recession in business develops. The committee says that to get out of a bad slump the Treasury should try not to raise enough revenue to pay for what it spends. Rather, it should reduce the income as the outgo mounts.

The Chicago Committee for Economic Development was of the opinion that, to balance the national budget, instead of soaking the people with additional taxes—for the Government has no other income—we should cut Federal appropriations.

Reading that paragraph for the third time, it came to my mind that several times on the floor of the House, and many, many times in letters to the home folks when they complained about high taxes—though some in the same letter asked for additional appropriations for one thing or another—I, and I capitalize the "I," had suggested that the true remedy was a reduction in governmental expenses.

Many times it has been my privilege to call attention to specific items, not only of extravagance, but of obvious waste, not only in the executive departments, but in the houskeeping of the Congress itself.

The all-too-often answer that came to me from some of my colleagues, and from some executive agencies, when it was suggested that this, that, or the other item of expenditure be avoided, was a frown or scowl, an expression of pain or disgust, a few left-handed compliments, downright plain rebuke or a suggestion that in some way I might practice a little more economy myself. The latter I have always tried to do, even though some of those who were personally adversely affected by the economy move did not appear overly happy.

When, as chairman of the House Committee on Government Operations, I suggested that, when Congress was not in session, the committee members should curtail some of their traveling, not only in this country, but abroad, the committee members—shall I say, "retaliated"; perhaps I should say, "responded"—by cutting off my authority as committee chairman to appoint special three-man subcommittees, and arrogated to themselves as members of subcommittees the authority to go when, where, and for any purpose they deemed advisable, to make investigations and hold hearings. Two of them have now spent 66 days abroad at taxpayers' expense.

Individuals and groups, inside and outside Government, think there should be economy—retrenchment—but usually in fields other than their own.

I still think that the way toward balancing the budget, toward reducing taxes, and sometime, I hope, making a payment on the national debt, is to cut down the expenditures of both the executive and the legislative departments. Just talking about it, promising it as each election approaches, so far hasn't done very much good.

This being an election year, if the people will get hot enough under the collar—if I may use that expression—to get after their Congressmen on this issue, there is still time before adjournment to get some worthwhile reductions in Federal expenditures.

SENATE

MONDAY, MARCH 29, 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:

Most merciful God, who art the fountain of all grace, who knowest our necessities before we ask, our ignorance in asking, and our fallible judgments: Have compassion, we beseech Thee, upon our infirmities. Strengthen us in all noble impulses, and daily increase in us the spirit of wisdom and understanding, the passion to find the truth and to be utterly fair in all our dealings and decisions. Dowered with privileges as no other Nation, give us a sympathy with other peoples whose prayer, "Give us this day our daily bread," has never yet been answered. May our high pedestal of well-being prove to be Thy call to protect the weak and exploited, that through the potent ministry of our dear land all peoples of the earth may be blessed. 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 Thursday, March 25, was dispensed with.

MESSAGES FROM THE PRESIDENT—APPROVAL OF BILLS AND JOINT RESOLUTION

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

On March 26, 1954:

S. 489. An act to direct the Secretary of the Army to convey certain land, located in Windsor Locks, Conn., to the State of Connecticut;

S. 1827. An act to authorize the Secretary of the Army to disclaim any interest of the United States in and to certain property located in the State of Washington;

S. 2111. An act to permit the flying of the flag of the United States for 24 hours of each day in Flag House Square, Baltimore, Md.;

S. 2318. An act to repeal the act entitled "An act to authorize the Director of the Census to collect and publish statistics of red-cedar shingles"; and

S. J. Res. 34. Joint resolution authorizing the Secretary of the Army to receive for instruction at the United States Military Academy at West Point, two citizens and subjects of the Kingdom of Thailand, and the Secretary of the Navy to receive for instruction at the United States Naval Academy at Annapolis, two citizens and subjects of the Kingdom of Belgium.

On March 27, 1954:

S. 79. An act to authorize the Secretary of the Interior to cooperate with the State of Kentucky to acquire non-Federal cave properties within the authorized boundaries of Mammoth Cave National Park in the State of Kentucky, and for other purposes.

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. 8481) making supplemental appropriations for the fiscal year ending June 30, 1954, and for other purposes, in which it requested the concurrence of the Senate.

The message also announced that the House had disagreed to the amendments of the Senate to the bill (H. R. 8224) to reduce excise taxes, and for other purposes; agreed to the conference asked by the Senate on the disagreeing votes of the two Houses thereon, and that Mr. REED of New York; Mr. JENKINS, Mr. SIMPSON of Pennsylvania, Mr. COOPER, and Mr. MILLS were appointed managers on the part of the House at the conference.

LEAVE OF ABSENCE

Mr. SCHOEPPEL. Mr. President, I ask unanimous consent for permission to be absent from the Senate from 2 o'clock today until Wednesday afternoon, in order that I may return to Kansas to attend a funeral.

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

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.

CHANGE OF CONFEREES ON EXCISE TAX BILL

Mr. KNOWLAND. Mr. President, because of the illness of the Senator from Georgia [Mr. GEORGE], I ask unanimous consent that the senior Senator from Colorado [Mr. JOHNSON] be substituted as one of the Senate conferees on the excise tax bill. After consultation with the minority, I understand the substitution is agreeable.

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.