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

OREGON ASSOCIATED COUNCIL OF THE BLIND,
Portland, Oreg., June 17, 1954.

Hon. WAYNE L. MORSE,
The United States Senate,
Washington, D. C.

DEAR SIR: The following resolution was unanimously approved by the Multnomah Chapter of the Oregon Associated Council of the Blind at their regular meeting of June 15, 1954:

"Whereas we consider that more adequate employment be provided for the legally blind; and

"Whereas to date, the privilege of the blind to operate vending stands and cafeterias in Federal buildings has not been adequately available where such space is provided; and

"Whereas it is a proven fact that the legally blind are capable of the operation of such vending stands and cafeterias: Therefore be it

"*Resolved,* That the Multnomah Chapter of the Oregon Associated Council of the Blind petition its Oregon congressional delegation to introduce adequate legislation to reserve all vending stand and cafeteria areas in Federal buildings to the legally blind only; and be it further

"*Resolved,* That copies of this resolution be sent to the Oregon congressional delegation, the House and Senate Committees on Social Legislation, Dr. Harold Erickson, chairman for the Commission of the Blind in the State of Oregon, and to the Portland daily papers."

Respectfuly submitted.

JOHN J. ZIMPELMAN,
President, Multnomah Chapter.
By JEANNÉ MOORE-SCHAUER,
Secretary.

RESOLUTION OF PORTLAND MAILERS' UNION No. 13

Mr. MORSE. Mr. President, I ask unanimous consent to have printed in the RECORD a resolution contained in a letter addressed to me by the Portland Mailers' Union No. 13, of Portland, Oreg., signed by W. H. Fox, secretary-treasurer, and dealing with certain legislative problems in connection with tax matters, as raised by that union.

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

PORTLAND MAILERS' UNION, No. 13,
Portland, Oreg., June 16, 1954.

Senator WAYNE MORSE,
United States Senate,
Washington, D. C.

DEAR MR. MORSE: The following resolution was adopted by our union and was to be sent to the President of the United States, Senators, and Representatives of Oregon:

"Whereas the International Typographical Union has practiced benevolence and fraternalism for over 100 years; and

"Whereas the International Typographical Union has paid over $100 million in pensions to its sick and superannuated members; and

"Whereas the International Typographical Union pioneered in creating pensions for members unable to work because of age or disability; and

"Whereas over 9,000 retired printers and mailers depend upon ITU pension payments for the necessities and little comforts of life; and

"Whereas in 1934, and for 20 years thereafter, the Department of Internal Revenue considered ITU pensions charitable and therefore not taxable; and

"Whereas the administration now in office favors tax concessions amounting to billions of dollars for the wealthy holders of corporate stocks; and

"Whereas this year the Department of Internal Revenue has officially ruled pensioners must include ITU pension payments received as taxable income when computing their income taxes for 1954; and

"Whereas neither the national budget nor the scales of justice can be balanced by taking pennies from pensioners and giving millions to millionaires: Therefore be it

"*Resolved,* That Portland Mailers Union, No. 13, at this regular union meeting, go on record as protesting as discriminatory, uncharitable, and unfair the ruling made by the Internal Revenue Department which places taxes on union pensions."

Adopted unanimously by Portland Mailers Union, No. 13, at their regular meeting May 16, 1954.

Sincerely,

W. H. FOX,
Secretary-Treasurer.

RECESS

Mr. GORE. Mr. President, under the order previously entered, I now move that the Senate stand in recess until tomorrow, at 11 o'clock a. m.

The motion was agreed to; and (at 8 o'clock and 16 minutes p. m.) the Senate took a recess, the recess being, under the order previously entered, until tomorrow, Thursday, July 1, 1954, at 11 o'clock a. m.

HOUSE OF REPRESENTATIVES

WEDNESDAY, JUNE 30, 1954

The House met at 10 o'clock a. m.

The Chaplain, Rev. Bernard Braskamp, D. D., offered the following prayer:

Most merciful and gracious God, wilt Thou now kindle within our souls a spirit that is more akin to Thy spirit, the spirit of wisdom and understanding, of sympathy and service.

We humbly confess that we are not wise enough to solve our many difficult problems and to interpret rightly the meaning of the hard and baffling experiences which we are continually encountering.

Show us how we may lay hold of the great eternal resources of spiritual insight and power as we seek to achieve the blessings of freedom and peace for ourselves and all mankind.

Grant that daily we may grow in faith and fidelity and be strengthened with courage to labor and with patience to wait for the time when the souls of men and nations shall be filled with the spirit of love and good will.

In the name of our blessed Lord we pray. Amen.

The Journal of the proceedings of yesterday was read and approved.

MESSAGE FROM THE SENATE

A message from the Senate, by Mr. Ast, one of its clerks, announced that the Senate had passed without amendment a bill of the House of the following title:

H. R. 9505. An act to continue the effectiveness of the act of December 2, 1942, as amended, and the act of July 28, 1945, as amended, relating to war-risk hazard and detention benefits until July 1, 1955.

The message also announced that the Senate had passed, with amendments in which the concurrence of the House is requested, a bill of the House of the following title:

H. R. 303. An act to transfer the maintenance and operation of hospital and health facilities for Indians to the Public Health Service, and for other purposes.

The message also announced that the Senate agrees to the amendment of the House of Representatives to Senate amendment No. 1 to the bill (H. R. 9474) entitled "An act to extend the authority of the President to enter into trade agreements under section 350 of the Tariff Act of 1930, as amended."

LEGISLATIVE - JUDICIARY APPROPRIATION BILL, 1955

Mr. BOW. Mr. Speaker, I call up the conference report on the bill (H. R. 9203) making appropriations for the legislative branch and the judiciary branch for the fiscal year ending June 30, 1955, and for other purposes, and I ask unanimous consent that the statement be read in lieu of the report.

The Clerk read the title of the bill.

The SPEAKER. Is there objection to the request of the gentleman from Ohio?

There was no objection.

The Clerk read the statement.

The conference report and statement are as follows:

CONFERENCE REPORT (H. REPT. No. 1997)

The committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H. R. 9203) making appropriations for the legislative branch and the judiciary branch for the fiscal year ending June 30, 1955, and for other purposes, having met, after full and free conference, have agreed to recommend and do recommend to their respective Houses as follows:

That the Senate recede from its amendments numbered 48 and 61.

That the House recede from its disagreement to the amendments of the Senate numbered 1, 2, 3, 4, 5, 6, 7, 8, 10, 12, 13, 16, 18, 19, 20, 21, 28, 29, 30, 33, 34, 35, 37, 38, 39, 41, 49, 50, 51, 53, 57, 58, 59, and 64 and agree to the same.

Amendment numbered 52: That the House recede from its disagreement to the amendment of the Senate numbered 52, and agree to the same with an amendment as follows: In lieu of the sum proposed by said amendment insert "$4,717,636"; and the Senate agree to the same.

Amendment numbered 54: That the House recede from its disagreement to the amendment of the Senate numbered 54, and agree to the same with an amendment as follows: In lieu of the sum proposed by said amendment insert "$875,000"; and the Senate agree to the same.

Amendment numbered 55: That the House recede from its disagreement to the amendment of the Senate numbered 55, and agree to the same with an amendment as follows: In lieu of the sum proposed by said amendment insert "$1,332,000"; and the Senate agree to the same.

Amendment numbered 56: That the House recede from its disagreement to the amendment of the Senate numbered 56, and agree to the same with an amendment as follows: In lieu of the sum proposed by said amendment insert "$260,000"; and the Senate agree to the same.

AUTHENTICATED U.S. GOVERNMENT INFORMATION GPO

Amendment numbered 60: That the House recede from its disagreement to the amendment of the Senate numbered 60, and agree to the same with an amendment as follows: In lieu of the sum proposed by said amendment insert "$12,850,000"; and the Senate agree to the same.

Amendment numbered 62: That the House recede from its disagreement to the amendment of the Senate numbered 62, and agree to the same with an amendment as follows: In lieu of the sum proposed by said amendment insert "$1,443,550"; and the Senate agree to the same.

The committee of conference report in disagreement amendments numbered 9, 11, 14, 15, 17, 22, 23, 24, 25, 26, 27, 31, 32, 36, 40, 42, 43, 44, 45, 46, 47, and 63.

FRANK T. BOW,
SAM COON,
ERRETT P. SCRIVNER,
JOHN TABER,
MICHAEL J. KIRWAN,
J. VAUGHAN GARY,
CLARENCE CANNON,
Managers on the Part of the House.

KARL MUNDT,
STYLES BRIDGES,
LEVERETT SALTONSTALL,
BURNET R. MAYBANK,
Managers on the Part of the Senate.

STATEMENT

The managers on the part of the House at the conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H. R. 9203) making appropriations for the legislative branch and the judiciary branch for the fiscal year ending June 30, 1955, and for other purposes, submit the following statement in explanation of the effect of the action agreed upon and recommended in the accompanying conference report as to each of such amendments, namely:

TITLE I—LEGISLATIVE BRANCH

Senate

Amendments Nos. 1–47: Authorize funds for various Senate and joint activities, as proposed by the Senate, except Amendment No. 22 on which the House managers will propose to appropriate $120,775.

Amendment No. 48: Strikes out Senate language which proposed extension of the Civil Service Retirement Act to certain non-Federal employees.

Amendment No. 49: Appropriates $20,000 for the Joint Committee on Reduction of Nonessential Federal Expenditures, as proposed by the Senate.

Amendments Nos. 50 and 51: Appropriate $799,900 for subway and office building expenses, as proposed by the Senate.

Library of Congress

Amendment No. 52: Appropriates $4,717,636 for salaries and expenses instead of $4,500,000 as proposed by the House and $4,935,272 as proposed by the Senate.

Amendment No. 53: Appropriates $1,100,000 for salaries and expenses of the Copyright Office as proposed by the Senate instead of $1,000,000 as proposed by the House.

Amendment No. 54: Appropriates $875,000 for the Legislative Reference Service instead of $850,000 as proposed by the House and $916,079 as proposed by the Senate.

Amendment No. 55: Appropriates $1,332,000 for distribution of catalog cards instead of $1,250,000 as proposed by the House and $1,414,037 as proposed by the Senate.

Amendment No. 56: Appropriates $260,000 for general increase of the Library of Congress instead of $250,000 as proposed by the House and $270,000 as proposed by the Senate.

TITLE II—THE JUDICIARY

Amendment No. 57: Appropriates $210,160 for salaries and expenses, Court of Customs and Patent Appeals, as proposed by the Senate instead of $206,500 as proposed by the House.

Amendment No. 58: Appropriates $495,630 for salaries and expenses, Customs Court, as proposed by the Senate, instead of $500,000 as proposed by the House.

Amendment No. 59: Appropriates $5,472,500 for salaries of judges, Courts of Appeals, District Courts, and other Judicial Services, as proposed by the Senate instead of $5,650,000 as proposed by the House.

Amendment No. 60: Appropriates $12,850,000 for salaries of supporting personnel, instead of $12,750,000 as proposed by the House and $12,923,690 as proposed by the Senate.

Amendment No. 61: Appropriates $1,800,000 for travel and miscellaneous expenses, as proposed by the House, instead of $1,963,705 as proposed by the Senate.

Amendment No. 62: Appropriates $1,443,550 for expenses of referees instead of $1,400,000 as proposed by the House and $1,487,100 as proposed by the Senate.

TITLE III—GENERAL PROVISIONS

Amendment No. 63: Reported in disagreement.

Amendment No. 64: Changes section number in the bill, as proposed by the Senate.

FRANK T. BOW,
SAM COON,
ERRETT P. SCRIVNER,
JOHN TABER,
MICHAEL J. KIRWAN,
J. VAUGHAN GARY,
CLARENCE CANNON,
Managers on the Part of the House.

The SPEAKER. The question is on the conference report.

The conference report was agreed to.

The SPEAKER. The Clerk will report the first amendment in disagreement.

Mr. BOW. Mr. Speaker, I ask unanimous consent to consider en bloc those amendments on which the House managers will move to recede and concur, as follows: Nos. 9, 11, 14, 15, 17, 23, 24, 25, 26, 27, 31, 32, 36, 40, 42, 43, 44, 45, 46, 47, and 63.

The SPEAKER. Is there objection to the request of the gentleman from Ohio?

There was no objection.

The Clerk read the amendments, as follows:

Amendment No. 9, page 2, line 17, insert:

"OFFICE OF THE VICE PRESIDENT

"For clerical assistance to the Vice President, at rates of compensation to be fixed by him in multiples of $5 per month, $55,410."

Amendment No. 11, page 2, line 23, insert:

"OFFICE OF THE SECRETARY

"For office of the Secretary, $444,020: *Provided,* That the basic compensation of the Assistant Parliamentarian shall be increased from $5,940 to $7,000, so long as the position is held by the present incumbent."

Amendment No. 14, page 3, line 8, insert:

"For clerical assistance to the conference of the majority, at rates of compensation to be fixed by the chairman of said committee, $33,310."

Amendment No. 15, page 3, line 11, insert:

"For clerical assistance to the conference of the minority, at rates of compensation to be fixed by the chairman of said committee, $33,310."

Amendment No. 17, page 3, line 18, insert:

"OFFICE OF SERGEANT AT ARMS AND DOORKEEPER

"For office of Sergeant at Arms and Doorkeeper, $1,276,875, including 7 additional pages at the basic annual rate of compensation of $1,800 each, as authorized by Public Law 357, 83d Congress; 1 foreman of skilled laborers at $2,100 basic and 4 skilled laborers at $1,920 basic each in lieu of 5 skilled laborers at $1,920 basic each; assistant postmaster at $4,560 basic in lieu of assistant postmaster at $4,140 basic; superintendent, service department, at $4,380 basic in lieu of foreman in folding room at $3,600 basic; assistant superintendent, service department, at $2,460 basic in lieu of clerk in folding room at $2,460 basic; clerk in service department at $1,980 basic in lieu of clerk in folding room at $1,980 basic; chief machine operator at $2,460 basic in lieu of chief folder at $2,460 basic; and 13 machine operators at $1,740 basic each in lieu of 13 folders at $1,740 basic each: *Provided,* That hereafter the Senate folding room shall be known as the Senate service department."

Amendment No. 23, page 5, line 6, insert:

"Joint Committee on Atomic Energy: For salaries and expenses of the Joint Committee on Atomic Energy, including the objects specified in Public Law 20, 80th Congress, $188,060, and including compensation for stenographic asistance at such rates and in accordance with such regulations as may be prescribed by the Committee on Rules and Administration notwithstanding the provisions of Public Law 585, 79th Congress."

Amendment No. 24, page 5, line 14, insert:

"Joint Committee on Printing: For salaries for the Joint Committee on Printing at rates to to be fixed by the committee, $39,585; for expenses of compiling, preparing, and indexing the Congressional Directory, $1,600; for compiling, preparing, and indexing material for the biographical directory, $1,900, said sum, or any part thereof, in the discretion of the chairman or vice chairman of the Joint Committee on Printing, may be paid as additional compensation to any employee of the United States; and for travel and subsistence expenses at rates provided by law for Senate committees, $4,500; in all, $47,585."

Amendment No. 25, page 5, line 25, insert:

"Vice President's automobile: For purchase, exchange, driving, maintenance, and operation of an automobile for the Vice President, $5,835."

Amendment No. 26, page 6, line 3, insert:

"Automobile for the President pro tempore: For purchase, exchange, driving, maintenance, and operation of an automobile for the President pro tempore of the Senate, $5,835."

Amendment No. 27, page 6, line 6, insert:

"Automobiles for majority and minority leaders: For purchase, exchange, driving, maintenance, and operation of two automobiles, one for the majority leader of the Senate, and one for the minority leader of the Senate, $11,670."

Amendment No. 31, page 6, line 19, insert:

"Inquiries and investigations: For expenses of inquiries and investigations ordered by the Senate or conducted pursuant to section 134 (a) of Public Law 601, 79th Congress, including compensation for stenographic assistance of committees at such rates and in accordance with such regulations as may be prescribed by the Committee on Rules and Administration notwithstanding the provisions of section 134 (a) of Public Law 601, 79th Congress; and including $400,000 for the Committee on Appropriations, to be available also for the purposes mentioned in Senate Resolution No. 193, agreed to October 14, 1943, and Public Law 20, 80th Congress, $1,224,120: *Provided,* That no part of this appropriation shall be expended for per diem and subsistence expenses (as defined in the Travel Expense Act of 1949) at rates in excess of $9 per day except that higher rates may be established by the Committee on Rules and Administration in the case of travel beyond the limits of the continental United States."

Amendment No. 32, page 7, line 12, insert:

"Folding documents: For the employment of personnel for folding speeches and pamphlets at a gross rate of not exceeding $1.50 per hour per person, $27,000."

Amendment No. 36, page 7, line 24, insert:

"Motor vehicles: For maintaining, exchanging, and equipping motor vehicles for carrying the mails and for official use of the offices of the Secretary and Sergeant at Arms, $9,560."

Amendment No. 40, page 8, line 9, insert:

"Airmail and special-delivery stamps: For airmail and special-delivery stamps for Senators and the President of the Senate, as authorized by law, $19,400, and the maximum allowance per capita of $132.07 is increased to $200 for the fiscal year 1955 and thereafter."

Amendment No. 42, page 8, line 17, insert:

"Communications: For an amount of communications which may be expended interchangeably for payment, in accordance with such limitations and restrictions as may be prescribed by the Committee on Rules and Administration, of charges on official telegrams and long-distance telephone calls made by or on behalf of Senators or the President of the Senate, such telephone calls to be in addition to those authorized by the provisions of the Legislative Branch Appropriation Act, 1947 (60 Stat. 392; 2 U. S. C. 46c, 46d, 46e), the First Deficiency Appropriation Act, 1949 (63 Stat. 77; 2 U. S. C. 46d-1), Second Supplemental Appropriation Act, 1952, Public Law 254, 82d Congress, and Public Law 178, 83d Congress, $14,550."

Amendment No. 43, page 9, line 6, insert:

"The Sergeant at Arms is authorized and directed to secure suitable office space in post office or other Federal buildings in the State of each Senator for the use of such Senator and in the city to be designated by him: *Provided*, That in the event suitable space is not available in such buildings and a Senator leases or rents office space elsewhere, the Sergeant at Arms is authorized to approve for payment, from the contingent fund of the Senate, vouchers covering bona fide statements of rentals due in an amount not exceeding $900 per annum for each Senator."

Amendment No. 44, page 9, line 16, insert:

"The Sergeant at Arms of the Senate is authorized and directed to approve for payment from the contingent fund of the Senate to each Senator an amount not to exceed $150 quarterly, upon certification of each such Senator, for official office expenses incurred in his State."

Amendment No. 45, page 9, line 21, insert:

"Effective July 1, 1954, the paragraph relating to payment of toll charges on official long-distance telephone calls originating and terminating outside of Washington, D. C., under the heading 'Contingent Expenses of the Senate' in Public Law 479, 79th Congress, as amended, is amended to read as follows:

" 'There shall be paid from the contingent fund of the Senate, in accordance with rules and regulations prescribed by the Committee on Rules and Administration of the Senate (1) the toll charges on strictly official long-distance telephone calls originating and terminating outside of Washington, D. C., and (2) the toll charges on strictly official long-distance telephone calls to or from Washington, D. C., in excess of those authorized to be paid under the preceding paragraph, not to exceed $1,200 per year, for each Senator.' "

Amendment No. 46, page 10, line 14, insert:

"The Secretary of the Senate and the Sergeant at Arms are authorized and directed to protect the funds of their respective offices by purchasing insurance in an amount necessary to protect said funds against loss. Premiums on such insurance shall be paid out of the contingent fund of the Senate, upon vouchers approved by the chairman of the Committee on Rules and Administration."

Amendment No. 47, page 10, line 21, insert:

"Salaries or wages paid out of the foregoing items under 'Contingent expenses of the Senate' shall be computed as basic rates, plus increased and additional compensation, as authorized and provided by law."

Amendment No. 63, page 40, line 25, insert:

"SEC. 302. The appropriations, authorizations, and authority with respect thereto in this act or any regular annual appropriation act for the fiscal year 1955 which has not been enacted into law prior to July 1, 1954, shall be available from and including such date for the purposes respectively provided in such appropriations, authorizations, and authority. All obligations incurred during the period between June 30, 1954, and the date of enactment of this act or the applicable act in anticipation of such appropriations, authorizations, and authority are hereby ratified and confirmed if in accordance with the respective terms thereof."

Mr. BOW. Mr. Speaker, I offer a motion to recede and concur, which is at the desk.

The Clerk read as follows:

Mr. Bow moves that the House recede from its disagreement to Senate amendments Nos. 9, 11, 14, 15, 17, 23, 24, 25, 26, 27, 31, 32, 36, 40, 42, 43, 44, 45, 46, 47, and 63, and concur therein.

The motion was agreed to.

The SPEAKER. The Clerk will report the next amendment in disagreement.

The Clerk read as follows:

Senate amendment No. 22: Page 4, line 24, insert:

"Joint Committee on the Economic Report: For salaries and expenses of the Joint Committee on the Economic Report, $108,275, including compensation for stenographic assistance at such rates and in accordance with such regulations as may be prescribed by the Committee on Rules and Administration notwithstanding the provisions of Public Law 304, 79th Congress."

Mr. BOW. Mr. Speaker, I move that the House recede and concur in the Senate amendment with an amendment.

The Clerk read as follows:

Mr. Bow moves that the House recede from its disagreement to the amendment of the Senate numbered 22, and concur therein with an amendment, as follows: In lieu of the sum named in said amendment, insert "$129,775."

The motion was agreed to.

A motion to reconsider the votes by which action was taken on the several motions was laid on the table.

Mr. BOW. Mr. Speaker, I ask unanimous consent to extend my remarks at this point in the RECORD.

The SPEAKER. Is there objection to the request of the gentleman from Ohio?

There was no objection.

Mr. BOW. Mr. Speaker, the conference report and the several amendments just agreed to provide total appropriations for the fiscal year 1955 for the legislative and judicial branches of the Government of $98,197,494. This total is considerably greater than the amounts contained in the bill as it passed the House, however, as is customary, the House did not act on items for the support of the Senate. Although the total increase is $15,841,549 over the House bill, $15,485,123 represents items for the direct support of the Senate, joint committees, and services of the Architect of the Capitol on behalf of the Senate. The items of real increase over the House approved amounts thus total only $356,426.

With respect to the Library of Congress, various items were agreed to which resulted in an overall increase for the Library of $434,636 above the House figure. These increases are offset to the extent of $78,210 in reductions elsewhere in the bill.

Of course, the managers on the part of the House insisted on rejecting in its entirety Senate amendment No. 48, which proposed to place certain non-Federal employees under the Federal retirement system. This proposal would have established a most dangerous precedent by extending retirement benefits to persons not on the Federal payroll who are not contributing to the retirement fund.

DEPARTMENTS OF LABOR, AND HEALTH, EDUCATION, AND WELFARE APPROPRIATION BILL, 1955

Mr. BUDGE. Mr. Speaker, I call up the conference report on the bill (H. R. 9447) making appropriations for the Departments of Labor, and Health, Education, and Welfare, and related independent agencies, for the fiscal year ending June 30, 1955, and for other purposes, and ask unanimous consent that the statement of the managers on the part of the House be read in lieu of the report.

The Clerk read the title of the bill.

The SPEAKER. Is there objection to the request of the gentleman from Idaho?

There was no objection.

The Clerk read the statement.

The conference report and statement are as follows:

CONFERENCE REPORT (H. REPT. No. 1998)

The committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H. R. 9447) making appropriations for the Departments of Labor, and Health, Education, and Welfare, and related independent agencies, for the fiscal year ending June 30, 1955, and for other purposes, having met, after full and free conference, have agreed to recommend and do recommend to their respective Houses as follows:

That the Senate recede from its amendments numbered 7, 8, 11, 13, 14, 15, 17, 20, 29, 32, 37, and 39.

That the House recede from its disagreement to the amendments of the Senate numbered 6, 9, 12, 19, and 25 and agree to the same.

Amendment numbered 1: That the House recede from its disagreement to the amendment of the Senate numbered 1, and agree to the same with an amendment as follows: In lieu of the sum proposed by said amendment insert "$1,327,000"; and the Senate agree to the same.

Amendment numbered 2: That the House recede from its disagreement to the amendment of the Senate numbered 2, and agree to the same with an amendment as follows: Restore the matter stricken out by said amendment, amended to read as follows: ", of which not more than $85,000 shall be for international labor affairs"; and the Senate agree to the same.

Amendment numbered 3: That the House recede from its disagreement to the amendment of the Senate numbered 3, and agree to the same with an amendment as follows: In lieu of the matter proposed by said amendment insert "not to exceed $50,000 for improving the conditions of migratory labor;"; and the Senate agree to the same.

Amendment numbered 4: That the House recede from its disagreement to the amendment of the Senate numbered 4, and agree to

the same with an amendment as follows: In lieu of the sum proposed by said amendment insert "$722,500"; and the Senate agree to the same.

Amendment numbered 5: That the House recede from its disagreement to the amendment of the Senate numbered 5, and agree to the same with an amendment as follows: In lieu of the sum proposed by said amendment insert "$4,705,000"; and the Senate agree to the same.

Amendment numbered 10: That the House recede from its disagreement to the amendment of the Senate numbered 10, and agree to the same with an amendment as follows: In lieu of the sum proposed by said amendment insert "$6,116,500"; and the Senate agree to the same.

Amendment numbered 16: That the House recede from its disagreement to the amendment of the Senate numbered 16, and agree to the same with an amendment as follows: In lieu of the sum proposed by said amendment insert "$635,000"; and the Senate agree to the same.

Amendment numbered 21: That the House recede from its disagreement to the amendment of the Senate numbered 21, and agree to the same with an amendment as follows: In lieu of the sum proposed by said amendment insert "$850,000"; and the Senate agree to the same.

Amendment numbered 22: That the House recede from its disagreement to the amendment of the Senate numbered 22, and agree to the same with an amendment as follows: In lieu of the sum proposed by said amendment insert "$21,737,000"; and the Senate agree to the same.

Amendment numbered 23: That the House recede from its disagreement to the amendment of the Senate numbered 23, and agree to the same with an amendment as follows: In lieu of the sum proposed by said amendment insert "$14,147,500"; and the Senate agree to the same.

Amendment numbered 24: That the House recede from its disagreement to the amendment of the Senate numbered 24, and agree to the same with an amendment as follows: In lieu of the sum proposed by said amendment insert "$16,668,000"; and the Senate agree to the same.

Amendment numbered 26: That the House recede from its disagreement to the amendment of the Senate numbered 26, and agree to the same with an amendment as follows: In lieu of the sum proposed by said amendment insert "$8,270,000"; and the Senate agree to the same.

Amendment numbered 27: That the House recede from its disagreement to the amendment of the Senate numbered 27, and agree to the same with an amendment as follows: In lieu of the sum proposed by said amendment insert "$6,180,000"; and the Senate agree to the same.

Amendment numbered 28: That the House recede from its disagreement to the amendment of the Senate numbered 28, and agree to the same with an amendment as follows: In lieu of the sum proposed by said amendment insert "$7,600,500"; and the Senate agree to the same.

Amendment numbered 31: That the House recede from its disagreement to the amendment of the Senate numbered 31, and agree to the same with an amendment as follows: In lieu of the sum proposed by said amendment insert "$64,400,000"; and the Senate agree to the same.

Amendment numbered 33: That the House recede from its disagreement to the amendment of the Senate numbered 33, and agree to the same with an amendment as follows: In lieu of the sum proposed by said amendment insert "$1,487,500"; and the Senate agree to the same.

Amendment numbered 34: That the House recede from its disagreement to the amendment of the Senate numbered 34, and agree to the same with an amendment as follows: In lieu of the sum proposed by said amendment insert "$1,112,500"; and the Senate agreed to the same.

Amendment numbered 35: That the House recede from its disagreement to the amendment of the Senate numbered 35, and agree to the same with an amendment as follows: Restore the matter stricken out by said amendment, amended to read as follows: "*Provided*, That, except as may be otherwise provided for herein, not more than $200,000 of the funds, including trust funds, appropriated by this title may be used at the departmental level under authority of section 601 of the Act of June 30, 1932 (47 Stat. 417), as amended, and section 7 of Reorganization Plan No. 1 of 1953"; and the Senate agree to the same.

Amendment numbered 36: That the House recede from its disagreement to the amendment of the Senate numbered 36, and agree to the same with an amendment as follows: In lieu of the sum proposed by said amendment insert "$1,800,000"; and the Senate agree to the same.

Amendment numbered 38: That the House recede from its disagreement to the amendment of the Senate numbered 38, and agree to the same with an amendment as follows: In lieu of the matter stricken out and inserted by said amendment, insert the following: "$90,000, of which $45,000 shall be available only to the National Institutes of Health,"; and the Senate agree to the same.

Amendment numbered 40: That the House recede from its disagreement to the amendment of the Senate numbered 40, and agree to the same with an amendment as follows: In lieu of the sum proposed by said amendment insert "$425,500"; and the Senate agree to the same.

The committee of conference report in disagreement amendments numbered 18 and 30.

HAMER H. BUDGE,
BEN F. JENSEN,
JOHN TABER,
CLIFF CLEVENGER,
JOHN E. FOGARTY,
A. M. FERNANDEZ,
CLARENCE CANNON,
Managers on the Part of the House.

EDWARD J. THYE,
STYLES BRIDGES,
WILLIAM F. KNOWLAND,
MILTON R. YOUNG,
DENNIS CHAVEZ,
RICHARD B. RUSSELL,
LISTER HILL,
Managers on the Part of the Senate.

STATEMENT

The managers on the part of the House at the conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H. R. 9447) making appropriations for the Departments of Labor, and Health, Education, and Welfare, and related independent agencies, for the fiscal year ending June 30, 1955, and for other purposes, submit the following statement in explanation of the effect of the action agreed upon and recommended in the accompanying conference report as to each of such amendments, namely:

TITLE I—DEPARTMENT OF LABOR

Office of the Secretary

Amendment No. 1—Salaries and expenses: Appropriates $1,327,000 instead of $1,300,000 as proposed by the House and $1,354,000 as proposed by the Senate.

Amendment No. 2—Salaries and expenses: Restores language proposed by the House limiting amount available for international labor affairs and increases such amount to $85,000 instead of $60,000 as proposed by the House.

Bureau of Labor Standards

Amendment No. 3—Salaries and expenses: Provides not to exceed $50,000 for improving the conditions of migratory labor instead of $100,000 proposed by the Senate. The managers on the part of the House and Senate are disturbed by the lack of central coordination of the increasing activities in this field by many executive agencies. The managers believe that the expenditure of the same amount of Federal funds would result in a more effective program if these activities were more closely coordinated, and strongly urge that the 1956 budget for the executive branch be prepared with a view to correcting this deficiency.

Amendment No. 4—Salaries and expenses: Appropriates $722,500 instead of $665,000 as proposed by the House and $780,000 as proposed by the Senate.

Bureau of Employment Security

Amendment No. 5—Salaries and exenses: Appropriates $4,705,000 instead of $4,650,000 as proposed by the House and $4,760,000 as proposed by the Senate.

Amendment No. 6—Salaries and expenses: Strikes language proposed by the House and inserts language as proposed by the Senate to give the Department discretion in determining the total amount to be set aside for the Veterans' Employment Service.

Amendments Nos. 7 and 8—Grants to States for unemployment compensation and employment services administration: Establish a contingency fund of $16,400,000 as proposed by the House instead of $6,000,000 as proposed by the Senate and strike language proposed by the Senate.

Amendment No. 9—Salaries and expenses, Mexican farm labor program: Appropriates $1,581,000 as proposed by the Senate instead of $1,521,000 as proposed by the House.

Wage and Hour Division

Amendment No. 10—Salaries and expenses: Appropriates $6,116,500 instead of $6,000,000 as proposed by the House and $6,233,000 as proposed by the Senate.

General Provisions

Amendment No. 11: Strikes language proposed by the Senate to provide authority to transfer funds between appropriations.

TITLE II—DEPARTMENT OF HEALTH, EDUCATION, AND WELFARE

American Printing House for the Blind

Amendment No. 12—Education of the blind: Appropriates $205,000 as proposed by the Senate instead of $175,000 as proposed by the House.

Food and Drug Administration

Amendment No. 13—Salaries and expenses: Appropriates $5,100,000 as proposed by the House instead of $5,200,000 as proposed by the Senate.

Office of Education

Amendment No. 14—Payments to school districts: Appropriates $55,000,000 as proposed by the House instead of $58,500,000 as proposed by the Senate.

Amendment No. 15—Payments to school districts: Strikes language proposed by the Senate regarding the effective date of the 3-percent absorption feature of Public Law 874, 81st Congress, as amended.

Office of Vocational Rehabilitation

Amendment No. 16—Salaries and expenses: Appropriates $635,000 instead of $620,000 as proposed by the House and $650,000 as proposed by the Senate.

Public Health Service

Amendment No. 17: Strikes language proposed by the Senate for the purpose of paying expenses for schooling for dependents of personnel stationed abroad under certain circumstances.

Amendment No. 18—Tuberculosis: Reported in disagreement.

Amendment No. 19—Engineering, sanitation, and industrial hygiene: Appropriates $3,565,000 as proposed by the Senate instead of $3,295,000 as proposed by the House.

Amendment No. 20—Disease and sanitation investigations and control, Territory of Alaska: Restores language proposed by the House relating to the marine health units "Health" and "Hygiene."

Amendment No. 21—Salaries and expenses, hospital construction services: Appropriates $850,000 instead of $750,000 as proposed by the House and $950,000 as proposed by the Senate. In acting on this item the managers took into consideration the pending request for a supplemental appropriation of $200,000 for this activity.

Amendment No. 22—National Cancer Institute: Appropriates $21,737,000 instead of $21,237,000 as proposed by the House and $22,737,000 as proposed by the Senate.

Amendment No. 23—Mental health activities: Appropriates $14,147,500 instead of $13,460,000 as proposed by the House and $14,460,000 as proposed by the Senate.

Amendment No. 24—National Heart Institute: Appropriates $16,668,000 instead of $16,168,000 as proposed by the House and $17,168,000 as proposed by the Senate.

Amendment No. 25—Dental health activities: Appropriates $1,990,000 as proposed by the Senate instead of $1,740,000 as proposed by the House.

Amendment No. 26—Arthritis and metabolic disease activities: Appropriates $8,270,000 instead of $7,270,000 as proposed by the House and $9,270,000 as proposed by the Senate.

Amendment No. 27—Microbiology activities: Appropriates $6,180,000 instead of $5,930,000 as proposed by the House and $6,430,000 as proposed by the Senate.

Amendment No. 28—Neurology and blindness activities: Appropriates $7,600,500 instead of $6,913,000 as proposed by the House and $8,413,000 as proposed by the Senate.

St. Elizabeths Hospital

Amendment No. 29—Major repairs and preservation of buildings and grounds: Strikes out language proposed by the Senate to provide for reimbursement of a portion of these expenses by the executive agencies and the District of Columbia using the facilities of the hospital.

Amendment No. 30—Construction, maximum security building: Reported in disagreement. The managers on the part of the House will move to recede and concur in the language of the Senate which provides $110,000 for the preparation of tentative drawings for a maximum security building and for reimbursement of a pro rata share of the expenses of future construction by the District of Columbia with an amendment which would add to the latter provision the expenses of major repairs. In agreeing to this language the managers on the part of the House and the Senate anticipated a consolidation of appropriation items for future years to include under "Construction" all major repairs and to include under "Salaries and expenses" any minor items. The managers therefore desire that the budget for 1956 be prepared in this manner.

Social Security Administration

Amendment No. 31—Salaries and expenses, Bureau of Old-Age and Survivors Insurance: Authorizes $64,400,000 instead of $64,150,000 as proposed by the House and $64,650,000 as proposed by the Senate.

Amendment No. 32—Salaries and expenses, Bureau of Old-Age and Survivors Insurance: Strikes provision of the Senate relating to the position of Director, Bureau of Old-Age and Survivors Insurance.

Amendment No. 33—Grants to States for public assistance: Appropriates $1,487,500 instead of $1,450,000 as proposed by the House and $1,550,000 as proposed by the Senate.

Office of the Secretary

Amendment No. 34—Salaries and expenses: Appropriates $1,112,500 instead of $1,075,000 as proposed by the House and $1,150,000 as proposed by the Senate.

Amendment No. 35—Salaries and expenses: Restores, with perfecting language, the provision of the House limiting the transfer of funds for the performance of centralized activities at the departmental level.

Amendment No. 36—Salaries and expenses, Office of Field Services: Appropriates $1,800,000 instead of $1,775,000 as proposed by the House and $1,835,000 as proposed by the Senate.

Amendment No. 37—Working capital fund: Strikes language proposed by the Senate relating to the use of this fund for the additional functions of central accounting service and central internal audit service.

General provisions

Amendment No. 38—Section 204: Provides a limitation of $90,000 on the amount which may be used for expenses of travel to meetings instead of $75,000 as proposed by the House and $105,000 as proposed by the Senate and provides that $45,000 of such limitation shall be available only to the National Institutes of Health as proposed by the Senate.

Amendment No. 39: Strikes language proposed by the Senate to provide authority to transfer funds between appropriations.

TITLE IV—NATIONAL MEDIATION BOARD

Amendment No. 40—Salaries and expenses: Appropriates $425,500 instead of $422,000 as proposed by the House and $429,000 as proposed by the Senate.

HAMER H. BUDGE,
BEN F. JENSEN,
JOHN TABER,
CLIFF CLEVENGER,
JOHN E. FOGARTY,
A. M. FERNANDEZ,
CLARENCE CANNON,
Managers on the Part of the House.

The SPEAKER. The question is on the conference report.

The conference report was agreed to.

The SPEAKER. The Clerk will report the first amendment in disagreement.

The Clerk read as follows:

Senate amendment No. 18: Page 20, line 22, insert "of which not less than $4,500,000 shall be available only for grants to States, to be matched by an equal amount of State and local funds expended for the same purpose, for direct expenses of case-finding projects including salaries, fees, and travel of personnel directly engaged in case finding and the necessary equipment and supplies used directly in prevention and case-finding operations, but excluding the purchase of care in hospitals and sanatoria."

Mr. BUDGE. Mr. Speaker, I move that the House recede and concur in the Senate amendment with an amendment.

The Clerk read as follows:

Mr. BUDGE moves that the House recede from its disagreement to the amendment of the Senate numbered 18, and concur therein with an amendment, as follows: In lieu of the matter proposed by said amendment insert ", of which not less than $4,500,000 shall be available only for grants to States, to be matched by an equal amount of State and local funds expended for the same purpose, for direct expenses of prevention and case-finding projects including salaries, fees, and travel of personnel directly engaged in prevention and case-finding and the necessary equipment and supplies used directly in prevention and case-finding operations, but excluding the purchase of care in hospitals and sanatoria."

The motion was agreed to.

The SPEAKER. The Clerk will report the next amendment in disagreement.

The Clerk read as follows:

Senate amendment No. 30: Page 27, line 15, insert the following:

"Construction, maximum security building: For the preparation of tentative drawings for a maximum security building at St. Elizabeths Hospital, $110,000: *Provided*, That with respect to construction of new facilities hereafter authorized the per diem rate calculated for the District of Columbia pursuant to section 2 of the act of August 4, 1947 (24 U. S. C. 168a), shall include a proportionate share of the annual increment of the depreciated total cost of such construction, such depreciation to be based on the estimated life, not exceeding 40 years, of such construction, to be determined by the Board of Commissioners of the District of Columbia, beginning with the fiscal year following completion of construction, and such proportionate share shall be deposited in the Treasury to the credit of miscellaneous receipts."

Mr. BUDGE. Mr. Speaker, I move that the House recede and concur in the Senate amendment with an amendment.

The Clerk read as follows:

Mr. BUDGE moves that the House recede from its disagreement to the amendment of the Senate numbered 30, and concur therein with an amendment, as follows:

"Construction, maximum security building: For the preparation of tentative drawings for a maximum security building at St. Elizabeths Hospital, $110,000: *Provided*, That with respect to construction of new facilities hereafter authorized, and expenditures for major repairs of buildings and grounds, the per diem rate calculated for the District of Columbia pursuant to section 2 of the act of August 4, 1947 (24 U. S. C. 168a), shall include a proportionate share of repairs and of the annual increment of the depreciated total cost of such construction, such depreciation to be based on the estimated life thereof, not exceeding 40 years, beginning with the fiscal year following completion of construction, and such proportionate share shall be deposited in the Treasury to the credit of miscellaneous receipts."

The motion was agreed to.

A motion to reconsider the votes by which action was taken on the several motions was laid on the table.

DEPARTMENTS OF STATE, JUSTICE, AND COMMERCE, AND THE UNITED STATES INFORMATION AGENCY APPROPRIATION BILL, 1955

Mr. CLEVENGER. Mr. Speaker, I call up the conference report on the bill (H. R. 8067) making appropriations for the Departments of State, Justice, and Commerce, and the United States Information Agency, for the fiscal year ending June 30, 1955, and for other purposes, and ask unanimous consent that the statement of the managers on the part of the House be read in lieu of the report.

The Clerk read the title of the bill.

The SPEAKER. Is there objection to the request of the gentleman from Ohio?

There was no objection.

The Clerk read the statement.

The conference report and statement are as follows:

CONFERENCE REPORT (H. REPT. No. 2000)

The committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H. R. 8067) making appropriations for the Departments of State, Justice, and Commerce, and the United States Information Agency, for the fiscal year ending June 30, 1955, and for other purposes, having met, after full and free conference, have agreed to recommend and do recommend to their respective Houses as follows:

That the Senate recede from its amendments numbered 8, 12, 13, 19, 20, 22, 29, 32, 34, 36, 44, 45½, and 48.

That the House recede from its disagreement to the amendments of the Senate numbered 3, 5, 6, 7, 15, 16, 18, 24, 38, and 39, and agree to the same.

Amendment numbered 2: That the House recede from its disagreement to the amendment of the Senate numbered 2, and agree to the same with an amendment as follows: In lieu of the number proposed by said amendment insert "seven"; and the Senate agree to the same.

Amendment numbered 4: That the House recede from its disagreement to the amendment of the Senate numbered 4, and agree to the same with an amendment as follows: In lieu of the sum proposed by said amendment insert "$475,000"; and the Senate agree to the same.

Amendment numbered 9: That the House recede from its disagreement to the amendment of the Senate numbered 9, and agree to the same with an amendment as follows: In lieu of the sum proposed by said amendment insert "$245,000"; and the Senate agree to the same.

Amendment numbered 10: That the House recede from its disagreement to the amendment of the Senate numbered 10, and agree to the same with an amendment as follows: In lieu of the sum proposed by said amendment insert "$310,000"; and the Senate agree to the same.

Amendment numbered 11: That the House recede from its disagreement to the amendment of the Senate numbered 11, and agree to the same with an amendment as follows: In lieu of the sum proposed by said amendment insert "$14,700,000"; and the Senate agree to the same.

Amendment numbered 14: That the House recede from its disagreement to the amendment of the Senate numbered 14, and agree to the same with an amendment as follows: In lieu of the sum proposed by said amendment insert "$2,472,500"; and the Senate agree to the same.

Amendment numbered 21: That the House recede from its disagreement to the amendment of the Senate numbered 21, and agree to the same with an amendment as follows: Restore the matter stricken out by said amendment, amended to read as follows:

"SEC. 207. None of the funds appropriated by this title may be used in the preparation or prosecution of the suit in the United States District Court for the Southern District of California, Southern Division, by the United States of America against Fallbrook Public Utility District, a public service corporation of the State of California, and others: *Provided*, That this section shall have no force and effect after the effective date of H. R. 5731, Eighty-third Congress, as finally enacted into law."

And the Senate agree to the same.

Amendment numbered 23: That the House recede from its disagreement to the amendment of the Senate numbered 23, and agree to the same with an amendment as follows: In lieu of the sum proposed by said amendment insert "$2,050,000"; and the Senate agree to the same.

Amendment numbered 26: That the House recede from its disagreement to the amendment of the Senate numbered 26, and agree to the same with an amendment as follows: In lieu of the sum proposed by said amendment insert "$97,650,000"; and the Senate agree to the same.

Amendment numbered 27: That the House recede from its disagreement to the amendment of the Senate numbered 27, and agree to the same with an amendment as follows: In lieu of the sum proposed by said amendment insert "$600,000"; and the Senate agree to the same.

Amendment numbered 28: That the House recede from its disagreement to the amendment of the Senate numbered 28, and agree to the same with an amendment as follows: In lieu of the sum proposed by said amendment insert "$6,320,000"; and the Senate agree to the same.

Amendment numbered 30: That the House recede from its disagreement to the amendment of the Senate numbered 30, and agree to the same with an amendment as follows: In lieu of the sum proposed by said amendment insert "$2,000,000"; and the Senate agree to the same.

Amendment numbered 31: That the House recede from its disagreement to the amendment of the Senate numbered 31, and agree to the same with an amendment as follows: In lieu of the sum proposed by said amendment insert "$65,000,000"; and the Senate agree to the same.

Amendment numbered 33: That the House recede from its disagreement to the amendment of the Senate numbered 33, and agree to the same with an amendment as follows: In lieu of the matter proposed by said amendment insert "and twelve"; and the Senate agree to the same.

Amendment numbered 35: That the House recede from its disagreement to the amendment of the Senate numbered 35, and agree to the same with an amendment as follows: In lieu of the matter stricken out and inserted by said amendment insert:

"War Shipping Administration liquidation: Not to exceed $6,000,000 of the unexpended balance of the appropriation to the Secretary of the Treasury in the Second Supplemental Appropriation Act, 1948, for liquidation of obligations approved by the General Accounting Office as properly incurred against funds of the War Shipping Administration prior to January 1, 1947, is hereby continued available during the current fiscal year, and shall be available for the payment of obligations incurred against the working fund titled: 'Working fund, Commerce, War Shipping Administration functions, December 31, 1946.'"

And the Senate agree to the same.

Amendment numbered 37: That the House recede from its disagreement to the amendment of the Senate numbered 37, and agree to the same with an amendment as follows: In lieu of the sum proposed by said amendment insert "$11,500,000"; and the Senate agree to the same.

Amendment numbered 41: That the House recede from its disagreement to the amendment of the Senate numbered 41, and agree to the same with an amendment as follows: In lieu of the sum proposed by said amendment insert "$3,150,000"; and the Senate agree to the same.

Amendment numbered 42: That the House recede from its disagreement to the amendment of the Senate numbered 42, and agree to the same with an amendment as follows: In lieu of the sum proposed by said amendment insert "$2,100,000"; and the Senate agree to the same.

Amendment numbered 45: That the House recede from its disagreement to the amendment of the Senate numbered 45, and agree to the same with an amendment as follows: In lieu of the number proposed in said amendment insert "305"; and the Senate agree to the same.

Amendment numbered 46: That the House recede from its disagreement to the amendment of the Senate numbered 46, and agree to the same with an amendment as follows: In lieu of the sum proposed by said amendment insert "$77,114,000"; and the Senate agree to the same.

Amendment numbered 50: That the House recede from its disagreement to the amendment of the Senate numbered 50, and agree to the same with an amendment as follows: In lieu of the sum proposed by said amendment insert "$35,000"; and the Senate agree to the same.

Amendment numbered 51: That the House recede from its disagreement to the amendment of the Senate numbered 51, and agree to the same with an amendment as follows: In lieu of the matter proposed by said amendment insert "more than twenty employees and two studios for the"; and the Senate agree to the same.

The committee of conference report in disagreement amendments numbered 1, 17, 25, 40, 43, 47, and 49.

CLIFF CLEVENGER,
F. R. COUDERT, JR.,
FRANK T. BOW,
SAM COON,
JOHN TABER,
JOHN J. ROONEY, (except as to certain amendments).
PRINCE H. PRESTON,
ROBERT L. F. SIKES,
CLARENCE CANNON,
Managers on the Part of the House.

STYLES BRIDGES,
LEVERETT SALTONSTALL,
HOMER FERGUSON,
H. ALEXANDER SMITH,
LISTER HILL,
Managers on the Part of the Senate.

STATEMENT

The managers on the part of the House at the conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H. R. 8067) making appropriations for the Departments of State, Justice, and Commerce, and the United States Information Agency, for the fiscal year ending June 30, 1955, and for other purposes, submit the following statement in explanation of the effect of the action agreed upon and recommended in the accompanying conference report as to each of such amendments, namely:

TITLE I—DEPARTMENT OF STATE

Amendment No. 1—Salaries and expenses: Reported in disagreement. The $200,000 provided by transfer is for the continuation of the Foreign Relations volumes.

Amendment No. 2—Salaries and expenses: Authorizes the purchase of 7 vehicles at not to exceed $3,600 each, instead of 5 as proposed by the House and 15 as proposed by the Senate.

Amendment No. 3—Salaries and expenses: Inserts language of the Senate relative to the Metals and Minerals staff.

Amendment No. 4—Representation allowances: Appropriates $475,000 instead of $450,000 as proposed by the House and $500,000 as proposed by the Senate.

Amendment No. 5—Acquisition of buildings abroad: Inserts language of the Senate providing that certain salaries and expenses previously paid from another appropriation item be paid from this appropriation.

Amendment No. 6—Acquisition of buildings abroad: Appropriates $2,500,000 as proposed by the Senate instead of $2,750,000 as proposed by the House.

Amendment No. 7—Acquisition of buildings abroad: Provides that not less than $2,000,000 shall be used to purchase foreign

credits owed to or owned by the Treasury of the United States as proposed by the Senate instead of $2,400,000 as proposed by the House.

Amendment No. 8—Missions to international organizations: Appropriates $1,050,000 as proposed by the House instead of $1,053,000 as proposed by the Senate.

Amendment No. 9—American sections, international commissions: Appropriates $245,000 instead of $235,000 as proposed by the House and $248,000 as proposed by the Senate.

Amendment No. 10—International fisheries commissions: Appropriates $310,000 instead of $295,000 as proposed by the House and $325,000 as proposed by the Senate.

Amendment No. 11—International educational exchange activities: Appropriates $14,700,000 instead of $9,000,000 as proposed by the House and $15,000,000 as proposed by the Senate.

Amendment No. 12—Section 111: Strikes out the language of the Senate relative to appointments to the Foreign Service.

Amendment No. 13—Section 112: Strikes out the language of the Senate relative to additional supergrades.

TITLE II—DEPARTMENT OF JUSTICE

Legal activities and general administration

Amendment No. 14—Salaries and expenses, general administration: Appropriates $2,472,500 instead of $2,450,000 as proposed by the House and $2,495,000 as proposed by the Senate.

Amendment No. 15—Salaries and expenses, United States attorneys and marshals: Appropriates $14,500,000 as proposed by the Senate instead of $14,000,000 as proposed by the House.

Amendment No. 16—Fees and expenses of witnesses: Appropriates $1,000,000 as proposed by the Senate instead of $1,200,000 as proposed by the House.

Immigration and Naturalization Service

Amendment No. 17—Salaries and expenses: Reported in disagreement.

Federal prison system

Amendment No. 18—Salaries and expenses, Bureau of Prisons: Eliminates the limitation on departmental personal services as proposed by the Senate.

Amendment No. 19—Salaries and expenses, Bureau of Prisons: Appropriates $26,385,000 as proposed by the House instead of $23,850,000 as proposed by the Senate.

General provisions—Department of Justice

Amendment No. 20—Section 202: Restores the provision of the House relative to the minimum annual salary of certain attorneys.

Amendment No. 21—Section 207: Restores the provision of the House restricting the use of funds for the preparation or prosecution of the suit in the United States District Court for the Southern District of California, Southern Division, by the United States of America against Fallbrook Public Utility District, with the provision that this section shall have no force and effect after the effective date of H. R. 5731, 83d Congress, as finally enacted into law.

Amendment No. 22—Section 207: Strikes out 5-percent transfer proposal of the Senate.

TITLE III—DEPARTMENT OF COMMERCE

Office of the Secretary

Amendment No. 23—Salaries and expenses: Appropriates $2,050,000 instead of $2,000,000 as proposed by the House and $2,100,000 as proposed by the Senate.

Bureau of the Census

Amendment No. 24—Salaries and expenses: Strikes out the language of the House relative to the compilation of statistics on coffee.

Amendment No. 25—Census of agriculture: Reported in disagreement.

Civil Aeronautics Administration

Amendment No. 26—Salaries and expenses: Appropriates $97,650,000 instead of $96,450,000 as proposed by the House and $97,850,000 as proposed by the Senate.

Amendment No. 27—Maintenance and operation of public airports, Territory of Alaska: Appropriates $600,000 instead of $550,000 as proposed by the House and $650,000 as proposed by the Senate.

Business and Defense Services Administration

Amendment No. 28—Salaries and expenses: Appropriates $6,320,000 instead of $6,070,000 as proposed by the House and $6,820,000 as proposed by the Senate.

Bureau of Foreign Commerce

Amendment No. 29—Salaries and expenses: Strikes out the proposal of the Senate relative to the purchase of materials for exhibits for use in international trade fairs.

Amendment No. 30—Salaries and expenses: Appropriates $2,000,000 instead of $1,500,000 as proposed by the House and $2,500,000 as proposed by the Senate.

Maritime activities

Amendment No. 31—Operating-differential subsidies: Appropriates $65,000,000 instead of $55,000,000 as proposed by the House and $85,000,000 as proposed by the Senate.

Amendment No. 32—Operating-differential subsidies: Strikes out the transfer proposal of the Senate.

Amendment No. 33—Operating-differential subsidies: Provides that not less than 112 voyages shall be for operators who have not held contracts prior to July 1, 1952, instead of 150 as proposed by the House and 100 as proposed by the Senate.

Amendment No. 34—Salaries and expenses: Strikes out the transfer proposal of the Senate.

Amendment No. 35—War Shipping Administration liquidation: Provides that not to exceed $6,000,000 of the unexpended balance is continued available instead of $2,000,000 as proposed by the House and $12,500,000 as proposed by the Senate.

Amendment No. 36: Strikes out the language inserted by the Senate.

Patent Office

Amendment No. 37—Salaries and expenses: Appropriates $11,500,000 instead of $11,000,000 as proposed by the House and $12,000,000 as proposed by the Senate.

Bureau of Public Roads

Amendments Nos. 38 and 39—Federal-aid highways: Adjust appropriation between 1953 and 1954 fiscal year authorizations as proposed by the Senate.

Amendment No. 40—Inter-American Highway: Reported in disagreement.

National Bureau of Standards

Amendment No. 41—Research and testing: Appropriates $3,150,000 instead of $3,000,000 as proposed by the House and $3,300,000 as proposed by the Senate.

Amendment No. 42—Radio propagation and standards: Appropriates $2,100,000 instead of $2,000,000 as proposed by the House and $2,200,000 as proposed by the Senate.

General Provisions—Department of Commerce

Amendment No. 43—Section 304: Reported in disagreement.

Amendment No. 44—Section 305: Strikes out the proposal of the Senate relative to additional supergrades.

Amendment No. 45—Section 306: Inserts the proposal of the Senate limiting the amount available for management studies, and changes section number to "305."

TITLE IV—UNITED STATES INFORMATION AGENCY

Amendment No. 45½—Salaries and expenses: Restores language proposed by the House in lieu of language proposed by the Senate.

Amendment No. 46—Salaries and expenses: Appropriates $77,114,000 instead of $75,814,000 as proposed by the House and $83,814,000 as proposed by the Senate.

Amendment No. 47—Salaries and expenses: Reported in disagreement.

Amendment No. 48—Salaries and expenses: Strikes out the language proposed by the Senate.

Amendment No. 49—Salaries and expenses: Reported in disagreement.

Amendment No. 50—Salaries and expenses: Provides that not to exceed $35,000 may be used for representation abroad instead of $30,000 as proposed by the House and $60,000 as proposed by the Senate.

Amendment No. 51—Salaries and expenses: Provides that no appropriation in this act shall be available for more than 20 employees and 2 studios for the operation of the International Broadcasting Service in New York City after December 31, 1954.

CLIFF CLEVENGER,
F. R. COUDERT, Jr.,
FRANK T. BOW,
SAM COON,
JOHN TABER,
JOHN J. ROONEY (except as to certain amendments),
PRINCE H. PRESTON,
ROBERT L. F. SYKES,
CLARENCE CANNON,
Managers on the Part of the House.

Mr. ROONEY. Mr. Speaker, does the gentleman expect to explain the conference report and the action of the conferees?

Mr. CLEVENGER. Not at the present time.

Mr. ROONEY. Mr. Speaker, will the gentleman yield me 5 minutes?

Mr. CLEVENGER. Mr. Speaker, I yield 5 minutes to the gentleman from New York.

Mr. ROONEY. Mr. Speaker, although it seems the majority do not want to talk about it, I feel that the Members of the House and the public should be advised of the action of the conferees with regard to this conference report; but, first, I should like to take this opportunity to say something which was not but should have been said at the time last March when this bill was originally before the House for consideration.

I refer to the faithful and painstaking service to this committee of Mr. Jay B. Howe, executive secretary. He is one of the most capable and trusted members of the top staff of the House Committee on Appropriations. It does not make any difference to Jay which party is in power or who is the chairman. His allegiance and efforts are always for that chairman. And I am in a position to know, because I served for 4 years as chairman of this subcommittee and was a member of it when Jay first came to the Hill. He was loyal and faithful to the late Karl Stefan, of Nebraska, to myself, and to the distinguished gentleman from Ohio [Mr. CLEVENGER]. I see my friend, the gentleman from Ohio [Mr. CLEVENGER], vigorously nodding his head, and I know he agrees with every word I say with regard to Jay Howe. He and

I and every member of this committee admire and respect him.

Mr. CLEVENGER. Mr. Speaker, will the gentleman yield?

Mr. ROONEY. I yield to the gentleman from Ohio.

Mr. CLEVENGER. I want to add a word to what the gentleman from New York has said about Mr. Howe. While it rarely occurs to us to be lavish in our praise, I agree heartily with what the gentleman from New York has said about him. He is a fine public servant, wholly selfless in his service to his Government. He has been unfailing in providing the committee the assistance it requires in handling these highly complicated matters. There is no finer, no more able, no more objective man to be found.

Mr. ROONEY. In regard to this pending conference report, Mr. Speaker, when this bill H. R. 8067 passed the House last March 5 it contained appropriations for the Departments of State, Justice, and Commerce and for the United States Information Agency in the total amount of $1,168,988,000. The other body, upon its consideration of this bill, inserted a number of very extravagantly substantial amendments which increased the total of the bill to $1,235,021,280. So, your majority conferees are here this morning in full control with a conference report which is $36,122,500 above the action of the House. This interesting table sets fourth figures which show some of the reasons why the budget isn't going to be balanced this year as they promised:

Department	Estimate	House	Senate	Conference	Conference below estimate
State	$116,191,960	$108,410,000	[1] $114,783,280	[2] $114,110,000	−$2,081,960
Justice	177,732,000	176,542,000	177,352,000	176,864,500	−867,500
Commerce	930,997,000	808,222,000	[3] 859,072,000	837,022,000	−93,975,000
U. S. Information Agency	89,000,000	75,814,000	[4] 83,814,000	[4] 77,114,000	−11,886,000
Total	1,313,920,960	1,168,988,000	1,235,021,280	1,205,110,500	−108,810,460

[1] Includes $1,000,000 reappropriation.
[2] Includes $200,000 reappropriation.
[3] Includes $90,000,000 reappropriation.
[4] Includes transfer of $3,200,000 reappropriation.

We have added such niceties—and when I say "We," I mean the majority House conferees agreeing with the majority conferees of the other body—as $200,000 for the Department of State for printing foreign relations volumes, which, I dare say, although allocated and delivered to every Member over the years, have not been read by very many Members of the House.

They have increased the diplomatic representation allowance from $450,000 to $475,000. A few years ago, when they were in the minority, they were going to wipe it out completely.

Although, when this bill passed the House, it contained a very ample $9 million for the international educational exchange program, we now find that that very substantial sum has been increased to $14.7 million.

You will find that in regard to the legally required census of agriculture, for a sample census of which the committee and House turned down wholly a request in the amount of $3.5 million when this bill was originally before us for consideration, there is now inserted in the bill $16 million. You will remember I predicted that. I predicted it when you thought you were saving $3.5 million at the time this bill was before the House and I said that a full census of agriculture would be inserted. Now we have a real good one; a $16 million one.

In regard to the Civil Aeronautics Administration item and others, we find that the majority conferees do not seem to have much confidence in the Republican executive department, because they insist in this bill on giving them substantial sums of the taxpayers' money that they do not want, that they did not ask for, and which they frankly said they did not need.

In regard to the Patent Office in the Department of Commerce, the Commissioner of Patents and President Eisenhower's Bureau of the Budget and the Secretary of Commerce said they could run a better Patent Office this coming year than ever has been run before, for $11 million. You appropriated every nickel of it when you had this bill. So, what did our friends on the conference do? They added $1 million to the appropriation of the Patent Office, making it $12 million. Of course, it is only a million dollars of John Q. Public's money and maybe they will balance the budget next year; who knows? You would not think so from the following colloquy with Commissioner of Patents Watson, at page 126 of the regular printed hearings on appropriations for the Departments of State, Justice, and Commerce for 1955:

> Mr. ROONEY. In your proposed plan which you described with a chart a while ago—a copy of which I have in my hand—you would expect that by 1956 fiscal year you would have an annual appropriation for the Patent Office of almost $15 million; to wit, $14,700,000. This would compare, would it not, with an appropriation of $11,500,000 for the fiscal year 1951? Correct?
>
> Mr. WATSON. Yes.

Who said they were going to cut Government spending?

They have created an additional Assistant Secretary of Commerce in this bill. They have increased the cost of the Voice of America by $1,300,000.

The SPEAKER. The time of the gentleman has expired.

Mr. CLEVENGER. Mr. Speaker, I yield 3 additional minutes to the gentleman from New York [Mr. ROONEY].

Mr. ROONEY. Let me say that with regard to some of the 51 items I was in complete agreement. But I think the public is entitled to know all about this and have all the cards placed on the table. These expenditures of taxpayers' money should be explained to the House. If you are really going to try to balance the budget this year, as you said, and you get the opportunity to vote in a conference with the Senate, you do not proceed toward that goal by adding $36,122,500 in public funds to a bill such as this. This is your responsibility; you have the votes and the control if you want to use them.

With the bill increased by over $36 million you will find that the conferees have not appropriated the necessary funds to operate the American merchant marine. The conferees did increase the funds for operating-differential subsidies by 10 million but denied 15 million. That 15 million is no saving at all. The request of President Eisenhower and the Bureau of the Budget and the Secretary of Commerce was in the amount of $80 million for these subsidies to operate our merchant marine and enable it to compete with foreign shipping. The amount has now been compromised in the sum of $65 million. I repeat, that is no saving at all because under the law these subsidy payments for years gone by must be paid and will be paid.

I do not mean to say that my colleagues from the majority side of the House did not do the best they could on every item, and under all the circumstances, political and otherwise; the great pressures, and so forth. You should know that they tried to save some money, and I should tell you that they tried to save some money; some money such as these operating subsidies for the American merchant marine which by law have to be paid anyhow, and which are going to be paid.

Mr. HOFFMAN of Michigan. Mr. Speaker, will the gentleman yield?

Mr. ROONEY. I yield to the gentleman from Michigan.

Mr. HOFFMAN of Michigan. As I understand the statement of the gentleman, it is that they have added to this bill, and the gentleman says that as to some of those additions he agrees. Still the gentleman complains as to the overall picture. Now, what can I do or what can other Members of the House do to make it better? I am willing to vote "No" if the gentleman will explain what can be done.

Mr. ROONEY. The very able gentleman from Michigan [Mr. HOFFMAN] well knows that he can offer a motion to recommit this conference report with instructions to the conferees to insist on the House version of some of the items I have mentioned.

Mr. HOFFMAN of Michigan. Will the gentleman offer such a motion? I will vote for it, if the gentleman will make it.

Mr. ROONEY. I do not intend to do so. The Departments of State, Justice, and Commerce run out of money at midnight tonight.

The SPEAKER. The time of the gentleman has expired.

Mr. CLEVENGER. Mr. Speaker, this bill as agreed upon by the conferees appropriates, $1,201,910,500 for the Departments of State, Justice, Commerce, and

the United States Information Agency for fiscal year 1955. This is a reduction of $112,010,460 below the budget estimate, and is $210,307,101 below the appropriation for the present fiscal year for these departments. The following table sets forth the action in regard to this bill:

Department	Estimate	As passed the House	As passed the Senate	Conference	Conference below estimate
State	$116,191,960	$108,410,000	[1] $114,783,280	[2] $114,110,000	−$2,081,960
Justice	177,732,000	176,542,000	177,352,000	176,864,500	−867,500
Commerce	930,997,000	808,222,000	[3] 859,072,000	837,022,000	−93,975,000
U. S. Information Agency	89,000,000	75,814,000	[4] 80,614,000	[4] 73,914,000	−15,086,000
Total	1,313,920,960	1,168,988,000	1,231,821,280	1,201,910,500	−112,010,460

[1] Includes $1,000,000 reappropriation.
[2] Includes $200,000 reappropriation.
[3] Includes $90,000,000 reappropriation.
[4] Plus transfer of $3,200,000.

As in most conference agreements, some of the items are not exactly as everyone would like. However, the differences of the two Houses must be settled and a compromise arrived at. The bill before you is approximately $30 million lower than it was when it passed the Senate. The 2 largest increases over the bill as it originally passed the House are $16 million for a Census of Agriculture and $10 million more for operating-differential subsidies.

Mention has been made of the fact that $25,000 was added over the House allowance for the item "Representation." It should be pointed out, however, that the amount finally agreed upon is $25,000 below the recommendation of the Senate and, furthermore, the amount finally agreed upon is less than that which has been appropriated for this item for any year since 1945.

Mr. CLEVENGER. Mr. Speaker, I move the previous question on the conference report.

The previous question was ordered.

The conference report was agreed to.

The SPEAKER. The Clerk will report the first amendment in disagreement.

The Clerk read as follows:

Senate amendment No. 1: Page 4, line 6, insert "$62,027,280, and in addition $1,000,000 to be derived by transfer from the unobligated balance of the 1954 appropriation, 'Government in Occupied Areas.' "

Mr. CLEVENGER. Mr. Speaker, I move that the House recede and concur in the Senate amendment with an amendment.

The Clerk read as follows:

Mr. CLEVENGER moves that the House recede from its disagreement to the amendment of the Senate numbered 1, and concur therein with an amendment, as follows: In lieu of the matter proposed by said amendment insert "$62,500,000, and in addition $200,000 to be derived by transfer from the unobligated balance of the 1954 appropriation, 'Government in Occupied Areas.' "

The motion was agreed to.

The SPEAKER. The Clerk will report the next amendment in disagreement.

The Clerk read as follows:

Senate amendment No. 17: Page 22, line 9, insert ": *Provided*, That hereafter the compensation of the Deputy Commissioner, Immigration and Naturalization Service, shall be $15,000 per annum."

Mr. CLEVENGER. Mr. Speaker, I move that the House recede and concur in the Senate amendment with an amendment.

The Clerk read as follows:

Mr. CLEVENGER moves that the House recede from its disagreement to the amendment of the Senate numbered 17, and concur therein with an amendment as follows: In lieu of the matter proposed by said amendment insert ": *Provided*. That so long as the position is held by the present incumbent the compensation of the Deputy Commissioner, Immigration and Naturalization Service, shall be $15,000 per annum."

The motion was agreed to.

The SPEAKER. The Clerk will report the next amendment in disagreement.

The Clerk read as follows:

Senate amendment No. 25: Page 27, line 15, insert:

"Census of agriculture: For expenses necessary for taking, compiling, and publishing the 1954 Census of Agriculture, as authorized by law, including personal services by contract or otherwise at rates to be fixed by the Secretary of Commerce without regard to the Classification Act of 1949, as amended; and additional compensation of Federal employees temporarily detailed for field work under this appropriation; $16,000,000, to become immediately available and to remain available until December 31, 1959 (13 U. S. C. 216, as amended by 66 Stat. 736).

Mr. CLEVENGER. Mr. Speaker, I move that the House recede and concur in the Senate amendment.

The motion was agreed to.

The SPEAKER. The Clerk will report the next amendment in disagreement.

The Clerk read as follows:

Senate amendment No. 40: Page 43, line 12, insert ": *Provided*, That no part of this appropriation shall be allocated for expenditure in a particular country unless such allocation shall have been submitted to and received by the Senate and House Appropriations Committees 30 days in advance of the allocation."

Mr. CLEVENGER. Mr. Speaker, I move that the House recede and concur in the Senate amendment with an amendment.

The Clerk read as follows:

Mr. CLEVENGER moves that the House recede from its disagreement to the amendment of the Senate numbered 40, and concur therein with an amendment, as follows: In lieu of the matter proposed by said amendment insert ": *Provided*, That no part of this appropriation shall be allocated for expenditures in a particular country except with the approval of the President and a report to the Appropriations Committees of the House and Senate."

The motion was agreed to.

The SPEAKER. The Clerk will report the next amendment in disagreement.

The Clerk read as follows:

Senate amendment No. 43: Page 47, line 23, insert:

"SEC. 304. There shall be hereafter in the Department of Commerce, in addition to the Assistant Secretaries now provided for by law, one additional Assistant Secretary of Commerce, who shall be appointed by the President by and with the advice and consent of the Senate, and who shall be subject in all respects to the provisions of the act of July 15, 1947 (61 Stat. 326), as amended (5 U. S. C. 592a), relating to Assistant Secretaries of Commerce. Section 3 of Reorganization Plan No. 5 of 1950, as amended (64 Stat. 1263; 66 Stat. 121), is hereby repealed."

Mr. CLEVENGER. Mr. Speaker, I move that the House recede and concur in the Senate amendment.

The motion was agreed to.

The SPEAKER. The Clerk will report the next amendment in disagreement.

The Clerk read as follows:

Senate amendment No. 47: Page 51, line 19, insert "of which $3,200,000 shall be derived by transfer from the unobligated balance in the account 'International Information Activities, United States Information Agency.' "

Mr. CLEVENGER. Mr. Speaker, I move that the House recede and concur in the Senate amendment.

The motion was agreed to.

The SPEAKER. The Clerk will report the next amendment in disagreement.

Senate amendment No. 49: Page 51, line 25, insert "and of which not less than $300,000 shall be available for contracts with one or more private international broadcasting licensees for the purpose of developing and broadcasting under private auspices, but under the general supervision of the United States Information Agency, radio programs to Latin America, Western Europe, as well as other areas of the free world, which programs shall be designed to cultivate friendships with the peoples of the countries of those areas, and to build improved international understanding."

Mr. CLEVENGER. Mr. Speaker, I move that the House recede and concur in the Senate amendment with an amendment.

The Clerk read as follows:

Mr. CLEVENGER moves that the House recede from its disagreement to the amendment of the Senate numbered 49, and concur therein with an amendment as follows: In lieu of the sum named in said amendment insert "$200,000."

The motion was agreed to.

A motion to reconsider the votes by which action was taken on the several motions was laid on the table.

Mr. WAINWRIGHT. Mr. Speaker, I ask unanimous consent to extend my remarks at this point in the RECORD.

The SPEAKER. Is there objection to the request of the gentleman from New York?

There was no objection.

Mr. WAINWRIGHT. Mr. Speaker, the Secretary of State's Public Committee on Personnel, appointed in March of 1954, recommended measures for increasing the effectiveness of the Department's career personnel.

The keystone recommendation was to combine into one Foreign Service officer corps the personnel now engaged in foreign service work above the clerical level both at home and abroad but heretofore

organized in 3 separate groups under 3 separate administrative systems, namely, the Civil Service, the Foreign Service officer corps, and the Foreign Service staff.

This proposed integration will provide the following highly desirable advantages for the efficiency of the State Department:

(a) Elimination of the compartments into which a group doing the same kind of work is now divided and the substitution of a single administrative and personnel system in place of separate systems having separate legislative bases and separate rules for recruitment, training, promotion, and retirement. This combination will eliminate various invidious disparities between the systems.

(b) Substantial increase in the flexibility of the Foreign Service. With all of the officers at home and abroad in a single Foreign Service obliged to serve when required anywhere in the world, full use can be made wherever needed of all the various abilities and qualifications.

(c) Facilitation of periodic rotation of Foreign Service officers to service in the United States. At the present time only 119 out of 1,285 Foreign Service officers are on duty in the State Department in Washington. This means that Foreign Service officers seldom have home duty and become unfamiliar with trends and developments in the United States. After the integration program has been put into effect, there will be some 1,400 positions for Foreign Service officers in the State Department so that the normal career of a Foreign Service officer will consist of alternating tours of duty of 4 years in the United States and 6 years in the foreign field.

The integration program can be carried out under the provisions of section 517 of the Foreign Service Act of 1946 which provides for and encourages lateral entry into the Foreign Service officer corps of individuals who have served not less than 3 years in the State Department; that is, either as civil-service employees or Foreign Service staff employees. However, this legislative provision requires an individual who comes into the Foreign Service officer corps by lateral entry to start at the lowest pay of the Foreign Service officer class to which he is admitted. This causes unreasonable hardship in that such an individual may have to accept a reduction of pay which may amount to as much as nearly $2,000.

The proposed amendment to the appropriations bill has only the purpose of eliminating this hardship which would naturally serve to discourage civil service or Foreign Service staff people from lateral entry into the Foreign Service officer corps which is greatly desired by the Secretary in order to carry out this highly important integration program.

The proposed amendment does not permit admittance to the Foreign Service officer corps of any people from outside the Government service. In fact, lateral entrants must, under the Foreign Service Act of 1946, have served at least 3 years in the State Department.

The reason why this action was sought in the form of an amendment to the appropriations bill rather than as an item of enabling legislation was that the public committee's report was only recently available to and approved by the Secretary.

The proposed amendment to the appropriations bill for the fiscal year 1955 was sought in the circumstances described above in order to take care of the situation during that fiscal year. The Secretary of State proposes to request the legislative committees to enact an appropriate amendment to the Foreign Service Act of 1946 to take care of this situation for fiscal years subsequent to 1955.

I feel that its being left out is unfortunate, but not irreparable. The Department, under the guidance of its new, fine Under Secretary, Charles Saltzman has a chance to revitalize itself.

PERSONAL ANNOUNCEMENT

The SPEAKER. The Chair recognizes the gentleman from Alabama [Mr. ROBERTS].

Mr. ROBERTS. Mr. Speaker, yesterday when the House voted on the Guatemala resolution, Senate Concurrent Resolution 91, I was necessarily absent because I had to be at the hospital for treatment. Had I been present, I would have voted "yea."

REPUBLIC OF THE PHILIPPINES

Mr. ALLEN of California submitted a conference report and statement on the joint resolution (S. J. Res. 72) to authorize the Secretary of Commerce to sell certain vessels to citizens of the Republic of the Philippines; to provide for the rehabilitation of the inter-island commerce of the Philippines, and for other purposes.

CALL OF THE HOUSE

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

The SPEAKER. The Chair will count. [After counting.] One hundred and sixty-two Members are present, not a quorum.

Mr. ALLEN of Illinois. Mr. Speaker, I move a call of the House.

A call of the House was ordered.

The Clerk called the roll, and the following Members failed to answer to their names:

[Roll No. 90]

Albert	Hale	Miller, Nebr.
Angell	Hays, Ohio	Morrison
Beamer	Heller	Murray
Bentsen	Hillings	Norblad
Bonin	Holifield	Pfost
Buckley	Horan	Pillion
Burdick	Kersten, Wis.	Powell
Busbey	LeCompte	Regan
Camp	Lesinski	Riley
Chatham	Long	Shafer
Curtis, Nebr.	Lucas	Sutton
Dawson, Ill.	Lyle	Weichel
Dingell	Machrowicz	Wheeler
Dodd	Mailliard	Wilson, Tex.
Feighan	Mason	
Grant	Meader	

The SPEAKER. On this rollcall 388 Members have answered to their names, a quorum.

By unanimous consent, further proceedings under the call were dispensed with.

AGRICULTURAL TRADE DEVELOPMENT AND ASSISTANCE ACT OF 1954

Mr. HOPE. Mr. Speaker, I call up the conference report on the bill (S. 2475) to authorize the President to use agricultural commodities to improve the foreign relations of the United States, and for other purposes, and ask unanimous consent that the statement of the managers on the part of the House be read in lieu of the report.

The Clerk read the title of the bill.

The SPEAKER. Is there objection to the request of the gentleman from Kansas?

There was no objection.

The Clerk read the statement.

The conference report and statement are as follows:

CONFERENCE REPORT (H. REPT. NO. 1947)

The committee of conference on the disagreeing votes of the two Houses on the amendment of the House to the bill (S. 2475) to authorize the President to use agricultural commodities to improve the foreign relations of the United States, and for other purposes, having met, after full and free conference, have agreed to recommend and do recommend to their respective Houses as follows:

That the Senate recede from its disagreement to the amendment of the House to the text of the bill and agree to the same with an amendment as follows:

In lieu of the matter proposed to be inserted by the House amendment insert the following: "That this Act may be cited as the 'Agricultural Trade Development and Assistance Act of 1954'.

"SEC. 2. It is hereby declared to be the policy of Congress to expand international trade among the United States and friendly nations, to facilitate the convertibility of currency, to promote the economic stability of American agriculture and the national welfare, to make maximum efficient use of surplus agricultural commodities in furtherance of the foreign policy of the United States, and to stimulate and facilitate the expansion of foreign trade in agricultural commodities produced in the United States by providing a means whereby surplus agricultural commodities in excess of the usual marketings of such commodities may be sold through private trade channels, and foreign currencies accepted in payment therefor. It is further the policy to use foreign currencies which accrue to the United States under this Act to expand international trade, to encourage economic development, to purchase strategic materials, to pay United States obligations abroad, to promote collective strength, and to foster in other ways the foreign policy of the United States.

"TITLE I—SALES FOR FOREIGN CURRENCY

"SEC. 101. In furtherance of this policy, the President is authorized to negotiate and carry out agreements with friendly nations or organizations of friendly nations to provide for the sale of surplus agricultural commodities for foreign currencies. In negotiating such agreements the President shall—

"(a) take reasonable precautions to safeguard usual marketings of the United States and to assure that sales under this Act will not unduly disrupt world prices of agricultural commodities;

"(b) take appropriate steps to assure that private trade channels are used to the maximum extent practicable both with respect to sales from privately owned stocks and from stocks owned by the Commodity Credit Corporation;

"(c) give special consideration to utilizing the authority and funds provided by this Act, in order to develop and expand continuous market demand abroad for agricultural commodities, with appropriate emphasis on underdeveloped and new market areas;

"(d) seek and secure commitments from participating countries that will prevent resale or transshipment to other countries, or use for other than domestic purposes, of surplus agricultural commodities purchased under this Act, without specific approval of the President; and

"(e) afford any friendly nation the maximum opportunity to purchase surplus agricultural commodities from the United States, taking into consideration the opportunities to achieve the declared policy of this Act and to make effective use of the foreign currencies received to carry out the purposes of this Act.

"SEC. 102. (a) For the purpose of carrying out agreements concluded by the President hereunder, the Commodity Credit Corporation, in accordance with regulations issued by the President pursuant to subsection (b) of this section, (1) shall make available for sale hereunder at such points in the United States as the President may direct surplus agricultural commodities heretofore or hereafter acquired by the Corporation in the administration of its price support operations, and (2) shall make funds available to finance the sale and exportation of surplus agricultural commodities from stocks owned by the Corporation or pledged or mortgaged as security for price support loans or from stocks privately owned if the Corporation is not in a position to supply the commodity from its owned stocks: *Provided*, That to facilitate the use of private trade channels the Corporation, even though it is in a position to supply the commodity, may finance the sale and exportation of privately owned stocks if the Corporation's stocks are reduced through arrangements whereby the private exporter acquires the same commodity of comparable value or quantity from the Commodity Credit Corporation. In supplying commodities to private exporters under such arrangements Commodity Credit Corporation shall not be subject to the sales price restriction in section 407 of the Agricultural Act of 1949, as amended.

"(b) In order to facilitate and maximize the use of private channels of trade in carrying out agreements entered into pursuant to this Act, the President may, under such regulations and subject to such safeguards as he deems appropriate, provide for the issuance of letters of commitment against funds or guaranties of funds supplied by the Commodity Credit Corporation and for this purpose accounts may be established on the books of any department, agency, or establishment of the Government, or on terms and conditions approved by the Secretary of the Treasury in banking institutions in the United States. Such letters of commitment, when issued, shall constitute obligations of the United States and moneys due or to become due thereunder shall be assignable under the Assignment of Claims Act of 1940. Expenditures of funds which have been made available through accounts so established shall be accounted for on standard documentation required for expenditures of Government funds.

"SEC. 103. (a) For the purpose of making payment to the Commodity Credit Corporation to the extent the Commodity Credit Corporation is not reimbursed under section 105 for commodities disposed of and costs incurred under titles I and II of this Act, there are hereby authorized to be appropriated such sums as are equal to (1) the Corporation's investment in commodities made available for export under this title and title II of this Act, including processing, packaging, transportation, and handling costs, and (2) all costs incurred by the Corporation in making funds available to finance the exportation of surplus agricultural commodities pursuant to this title. Any funds or other assets available to the Commodity Credit Corporation may be used in advance of such appropriation or payments, for carrying out the purposes of this Act.

"(b) Transactions shall not be carried out under this title which will call for appropriations to reimburse the Commodity Credit Corporation, pursuant to subsection (a) of this section, in amounts in excess of $700,000,000.

"SEC. 104. Notwithstanding section 1415 of the Supplemental Appropriation Act, 1953, or any other provision of law, the President may use or enter into agreements with friendly nations or organizations of nations to use the foreign currencies which accrue under this title for one or more of the following purposes:

"(a) To help develop new markets for United States agricultural commodities on a mutually benefiting basis;

"(b) To purchase or contract to purchase strategic and critical materials, within the applicable terms of the Strategic and Critical Materials Stockpile Act, for a supplemental United States stockpile of such materials as the President may determine from time to time under contracts, including advance payment contracts, for supply extending over periods up to ten years. All strategic and critical materials acquired under authority of this title shall be placed in the above named supplemental stockpile and may be additional to the amounts acquired under authority of the Strategic and Critical Materials Stockpile Act. Materials so acquired shall be released from the supplemental stockpile only under the provisions of section 3 of the Strategic and Critical Materials Stockpile Act;

"(c) To procure military equipment, materials, facilities, and services for the common defense;

"(d) For financing the purchase of goods or services for other friendly countries;

"(e) For promoting balanced economic development and trade among nations;

"(f) To pay United States obligations abroad;

"(g) For loans to promote multilateral trade and economic development, made through established banking facilities of the friendly nation from which the foreign currency was obtained or in any other manner which the President may deem to be appropriate. Strategic materials, services, or foreign currencies may be accepted in payment of such loans;

"(h) For the financing of international educational exchange activities under the programs authorized by section 32 (b) (2) of the Surplus Property Act of 1944, as amended (50 U. S. C. App. 1641 (b)):

Provided, however, That section 1415 of the Supplemental Appropriation Act, 1953, shall apply to all foreign currencies used for grants under subsections (d) and (e) and for payment of United States obligations involving grants under subsection (f) and to not less than 10 per centum of the foreign currencies which accrue under this title: *Provided, however*, That the President is authorized to waive such applicability of section 1415 in any case where he determines that it would be inappropriate or inconsistent with the purposes of this title.

"SEC. 105. Foreign currencies received pursuant to this title shall be deposited in a special account to the credit of the United States and shall be used only pursuant to section 104 of this title, and any department or agency of the government using any of such currencies for a purpose for which funds have been appropriated shall reimburse the Commodity Credit Corporation in an amount equivalent to the dollar value of the currencies used.

"SEC. 106. As used in this Act, 'surplus agricultural commodity' shall mean any agricultural commodity or product thereof, class, kind, type, or other specification thereof, produced in the United States, either privately or publicly owned, which is or may be reasonably expected to be in excess of domestic requirements, adequate carryover, and anticipated exports for dollars, as determined by the Secretary of Agriculture.

"SEC. 107. As used in this Act, 'friendly nation' means any country other than (1) the U. S. S. R., or (2) any nation or area dominated or controlled by the foreign government or foreign organization controlling the world Communist movement.

"SEC. 108. The President shall make a report to Congress with respect to the activities carried on under this Act at least once each six months and at such other times as may be appropriate and such reports shall include the dollar value, at the exchange rates in effect at the time of the sale, of the foreign currency for which commodities exported pursuant to section 102 (a) hereof are sold.

"SEC. 109. No transactions shall be undertaken under authority of this title after June 30, 1957, except as required pursuant to agreements theretofore entered into pursuant to this title.

"TITLE II—FAMINE RELIEF AND OTHER ASSISTANCE

"SEC. 201. In order to enable the President to furnish emergency assistance on behalf of the people of the United States to friendly peoples in meeting famine or other urgent relief requirements, the Commodity Credit Corporation shall make available to the President out of its stocks such surplus agricultural commodities (as defined in section 106 of title I) f. o. b. vessels in United States ports, as he may request, for transfer (1) to any nation friendly to the United States in order to meet famine or other urgent relief requirements of such nation, and (2) to friendly but needy populations without regard to the friendliness of their government.

"SEC. 202. The President may authorize the transfer on a grant basis of surplus agricultural commodities from Commodity Credit Corporation stocks to assist programs undertaken with friendly governments or through voluntary relief agencies: *Provided*, That the President shall take reasonable precaution that such transfers will not displace or interfere with sales which might otherwise be made.

"SEC. 203. Not more than $300,000,000 (including the Corporation's investment in the commodities) shall be expended for all transfers, including delivery on board vessels in United States ports, under this title. The President may make such transfers through such agencies including intergovernmental organizations, in such manner, and upon such terms and conditions as he deems appropriate; he shall make use of the facilities of voluntary relief agencies to the extent practicable.

"SEC. 204. No programs of assistance shall be undertaken under the authority of this title after June 30, 1957.

"TITLE III—GENERAL PROVISIONS

"SEC. 301. Section 407 of the Agricultural Act of 1949 is amended by adding at the end thereof the following: 'Notwithstanding the foregoing, the Corporation, on such terms and conditions as the Secretary may deem in the public interest, shall make available any farm commodity or product thereof owned or controlled by it for use in relieving distress (1) in any area in the United States declared by the President to be an acute distress area because of unemploy-

ment or other economic cause if the President finds that such use will not displace or interfere with normal marketing of agricultural commodities and (2) in connection with any major disaster determined by the President to warrant assistance by the Federal Government under Public Law 875, Eighty-first Congress, as amended (42 U. S. C. 1855). Except on a reimbursable basis, the Corporation shall not bear any costs in connection with making such commodity available beyond the cost of the commodities to the Corporation in store and the handling and transportation costs in making delivery of the commodity to designated agencies at one or more central locations in each State.'

"SEC. 302. Section 416 of the Agricultural Act of 1949 is amended to read as follows:

" 'SEC. 416. In order to prevent the waste of commodities acquired through price-support operations by the Commodity Credit Corporation before they can be disposed of in normal domestic channels without impairment of the price-support program or sold abroad at competitive world prices, the Commodity Credit Corporation is authorized, on such terms and under such regulations as the Secretary may deem in the public interest: (1) upon application, to make such commodities available to any Federal agency for use in making payment for commodities not produced in the United States; (2) to barter or exchange such commodities for strategic or other materials as authorized by law; (3) in the case of food commodities to donate such commodities to the Bureau of Indian Affairs and to such State, Federal, or private agency or agencies as may be designated by the proper State or Federal authority and approved by the Secretary, for use in the United States in nonprofit school-lunch programs, in the assistance of needy persons, and in charitable institutions, including hospitals, to the extent that needy persons are served; and (4) to donate any such food commodities in excess of anticipated disposition under (1), (2), and (3) above to nonprofit voluntary agencies registered with the Committee on Voluntary Foreign Aid of the Foreign Operations Administration or other appropriate department or agency of the Federal Government and intergovernmental organizations for use in the assistance of needy persons outside the United States. In the case of (3) and (4) above the Secretary shall obtain such assurance as he deems necessary that the recipients thereof will not diminish their normal expenditures for food by reason of such donation. In order to facilitate the appropriate disposal of such commodities, the Secretary may from time to time estimate and announce the quantity of such commodities which he anticipates will become available for distribution under (3) and (4) above. The Commodity Credit Corporation may pay, with respect to commodities disposed of under this section, reprocessing, packaging, transporting, handling, and other charges accruing up to the time of their delivery to a Federal agency or to the designated State or private agency, in the case of commodities made available for use within the United States, or their delivery free alongside ship or free on board export carrier at point of export, in the case of commodities made available for use outside the United States. For the purpose of this section the terms "State" and "United States" include the District of Columbia and any Territory or possession of the United States.'

"SEC. 303. Whenever the Secretary has reason to believe that, in addition to other authorized methods and means of disposing of agricultural commodities owned by the Commodity Credit Corporation, there may be opportunity to protect the funds and assets of the Commodity Credit Corporation by barter or exchange of such agricultural commodities for (a) strategic materials entailing less risk of loss through deterioration or substantially less storage charges, or (b) materials, goods or requipment required in connection with foreign economic and military aid and assistance programs, or (c) materials or equipment required in substantial quantities for offshore construction programs, he is hereby directed to use every practicable means, in cooperation with other Government agencies, to arrange and make, through private trade channels, such barters or exchanges or to utilize the authority conferred on him by section 4 (h) of the Commodity Credit Corporation Charter Act, as amended, to make such barters or exchanges. Agencies of the United States Government procuring such materials, goods or equipment are hereby directed to cooperate with the Secretary in the disposal of surplus agricultural commodities by means of barter or exchange. Strategic materials so acquired by the Commodity Credit Corporation shall be considered as assets of the Corporation and other agencies of the Government, in purchasing strategic materials, shall purchase such materials from Commodity Credit Corporation inventories to the extent available in fulfillment of their requirements. The Secretary is also directed to assist, through such means as are available to him, farmers' cooperatives in effecting exchange of agricultural commodities in their possession for strategic materials.

"SEC. 304. The President shall exercise the authority contained herein (1) to assist friendly nations to be independent of trade with the U. S. S. R. or nations dominated or controlled by the U. S. S. R. for food, raw materials and markets, and (2) to assure that agricultural commodities sold or transferred hereunder do not result in increased availability of those or like commodities to unfriendly nations.

"SEC. 305. All Commodity Credit Corporation stocks disposed of under title II of this Act and section 416 of the Agricultural Act of 1949, as amended, shall be clearly identified by, as far as practical, appropriate marking on each package or container as being furnished by the people of the United States of America."

And the House agree to the same.

That the Senate recede from its disagreement to the amendment of the House to the title of the bill, and agree to the same with an amendment as follows: Amend the title so as to read: "An Act to increase the consumption of United States agricultural commodities in foreign countries, to improve the foreign relations of the United States, and for other purposes."

And the House agree to the same.

CLIFFORD R. HOPE,
AUG. H. ANDRESEN,
WILLIAM S. HILL,
HAROLD D. COOLEY,
W. R. POAGE,
Managers on the Part of the House.

GEORGE AIKEN,
MILTON R. YOUNG,
EDWARD J. THYE,
BOURKE B. HICKENLOOPER,
ANDREW F. SCHOEPPEL,
ALLEN J. ELLENDER,
OLIN D. JOHNSTON,
SPESSARD L. HOLLAND,
CLINTON P. ANDERSON,
Managers on the Part of the Senate.

STATEMENT

The managers on the part of the House at the conference on the disagreeing votes of the two Houses on the amendments of the House to the bill (S. 2475) to authorize the President to use agricultural commodities to improve the foreign relations of the United States, and for other purposes, submit the following statement in explanation of the effect of the action agreed upon and recommended in the accompanying conference report as to each of the amendments.

EXPLANATION OF CHANGES

The House amendment struck out all after the enacting clause of the Senate bill and inserted new language therefor. The Senate disagreed to the House amendment in toto, without specific instructions to its conferees, and the conference report agreed to by the conferees and submitted herewith is basically the amendment as approved by the House with such changes as were agreed upon in conference.

Except for minor and clarifying amendments the following is an explanation of the differences between the House amendment and the amendment agreed to by the conferees.

Section 101 (a): The committee of conference has added to this subsection the words "and to assure that sales under this Act will not unduly disrupt world prices of agricultural commodities". This language is substantially similar to that in the bill as reported by the House Agriculture Committee and is meant to reassure friendly nations that there is no intention on the part of the United States of undertaking a surplus dumping program.

Section 102 (a): The conferees struck out of the first sentence the House language "direction of the President" and substituted "regulations issued by the President pursuant to subsection (b) of this section". The purpose of this change was to make this subsection consistent with the terminology of subsection (b). The committee of conference further amended this section by reinstating, with the exception noted above, the language of the bill substantially as reported by the House Agriculture Committee.

Section 103 (b): The committee of conference struck out "$1,000,000,000" and substituted "$700,000,000". This will have the effect of limiting operations under title I to a total of not to exceed $700,000,000 for the 3 years ending June 30, 1957.

Section 104: The committee of conference amended this section by deleting the reference to section 2, the policy statement of the act. This has the effect of limiting the use of the foreign currencies acquired pursuant to the act to those purposes set out in section 104.

Section 104 (b): Language was added by the conference committee making it clear that in purchasing or contracting to purchase strategic materials pursuant to the provisions of this subsection for a supplemental stockpile the President is not limited to those strategic materials which may have heretofore been purchased, but may acquire new or additional materials.

Subsections 104 (d), (e), and (f): No change is made in the language of these subsections but their intent is modified by language which has been added in the first proviso of section 104 making it clear that foreign currency used for grants under subsections (d) and (e) and to pay United States obligations involved in grants under (f) shall be subject to the provisions of section 1415 of the Supplemental Appropriation Act, 1953, unless waived by the President.

These provisos in section 104 spell out the situation in which Government agencies and departments must, in the absence of a Presidential determination to the contrary, pay dollars to the Treasury as a prerequisite to expending foreign currency proceeds of sales made under this act. Section 105 (in which the conference committee made no change) requires that any dollars thus disbursed to the Treasury by Government agencies and departments out of appropriated funds, as a prerequisite to their use of foreign currency sales proceeds, shall be used as part of the total reimbursement to the Commodity Credit Corporation.

Section 106: A change made in this section will permit the Secretary of Agriculture to determine in advance that an agricultural commodity may be in surplus.

Section 108: Language added by the conferees will require that reports submitted to the Congress shall include the dollar value of the foreign currency for which commodities are sold.

Section 202: A proviso added by the conference committee requires that the President take reasonable precautions that commodities transferred pursuant to this section will not displace or interfere with sales that might otherwise be made.

Section 203: This section was eliminated from the amendment adopted by the House.

Section 301: The committee of conference adopted language changes recommended by the Department of Agriculture to place on the Secretary of Agriculture the responsibility for establishing terms and conditions for surplus disposal under section 407 of the Agricultural Act of 1949, as amended by this section, and to make the authority for supervising distribution of such commodities consistent with the authority contained in section 416 of the 1949 act and other legislation. The language change also makes it possible to include processed foods (such as cheddar cheese or nonfat dry-milk solids) as well as agricultural commodities.

Section 302: The committee of conference has approved language changes which will broaden the authority to barter surplus commodities for strategic or other materials not produced in adequate quantities in the United States, limiting provisions 3 and 4 of the section to food commodities, eliminating State or Federal penal and corrective institutions as eligible recipients of donated commodities, and changing the language of the sentence relating to assurances that donated food will not diminish normal expenditures for food so that it can be more effectively administered. The new language also eliminates publicly owned hospitals as eligible recipients and substituted the words "charitable institutions, including hospitals, to the extent that needy persons are served". The committee understands that this language and other authority in the section will make possible donation of surplus foods to eleemosynary institutions such as State mental hospitals, etc.

Section 303 of the House amendment was eliminated. This would have amended the "section 32" authority to permit distribution of surplus commodities under that authority to State penal and corrective institutions and the change is made in order to keep this law consistent with the basic authority under section 416 of the Agricultural Act of 1949, as amended by section 302 of this bill.

Section 304 is amended by the adoption of language proposed by the Department of Agriculture which will substantially broaden the barter directive given to the Secretary of Agriculture to include not only strategic materials but also materials, goods, or equipment required in connection with foreign assistance programs and materials or equipment required for offshore construction programs.

Section 305: As approved by the committee of conference the new language of this section is intended to carry out the objectives of section 305 of the House amendment without imposing on the President the virtually impossible administrative responsibility of making a detailed investigation and determination before authorizing the transfer or sale of any surplus agricultural commodity to any nation. The requirement of section 305 (2) as approved by the committee of conference, that the President "assure" that sales of agricultural commodities under this act do not result in increased exports of the same or like commodities to unfriendly nations, is consistent with the same type of requirement of section 102 (d) and means that the President shall obtain assurance from foreign governments that they do not intend, as a result of a purchase under this act, to resell an equivalent quantity of the same or similar commodity to the Soviet bloc.

CLIFFORD R. HOPE,
AUG. H. ANDRESEN,
WILLIAM S. HILL,
HAROLD D. COOLEY,
W. R. POAGE,
Managers on the Part of the House.

Mr. BAILEY. Mr. Speaker, will the gentleman from Kansas yield so that I may ask him as to the changes made in section 302 relative to strategic materials?

Mr. HOPE. Yes, I will be happy to yield to the gentleman from West Virginia.

There was a slight change made in the conference in section 302. It broadens the authority somewhat to use surplus commodities to barter for strategic and other materials not produced in adequate quantities in the United States. That is the only difference that is made as far as strategic materials are concerned.

Mr. BAILEY. The strategic materials we can trade for are those not produced in the United States?

Mr. HOPE. Not necessarily those not produced in the United States. I will read the language to the gentleman. In the statement of the conferees we made it clear that the interpretation is that surplus commodities may be bartered for materials which are not produced in adequate quantities in the United States. That is the interpretation which the House conferees put on the language contained in the bill.

Mr. BAILEY. There is no other change made affecting section 302?

Mr. HOPE. There are some other slight changes in section 302, but not affecting strategic materials.

Mr. Speaker, to more directly answer the gentleman's question as to the provision in the conference bill, the language which relates to barter reads as follows:

To barter or exchange such commodities for strategic or other materials as authorized by law.

Then, in our report of the House conferees, we state that that is to apply to strategic materials which are not produced in adequate quantities in the United States. So I think that protects the gentleman in the respect in which he is interested.

Mr. BAILEY. I thank the gentleman from Kansas for the information.

The SPEAKER. The question is on agreeing to the conference report.

The conference report was agreed to, and a motion to reconsider was laid on the table.

CONSTRUCTION OF CERTAIN NAVAL VESSELS

Mr. SHORT. Mr. Speaker, I ask unanimous consent to take from the Speaker's table, the bill (H. R. 8571) to authorize the construction of naval vessels, and for other purposes, with Senate amendments thereto, disagree to the Senate amendments and ask for a conference with the Senate.

The SPEAKER. Is there objection to the request of the gentleman from Missouri? [After a pause.] The Chair hears none and appoints the following conferees: Messrs. ARENDS, VINSON, and DEVEREUX.

MUTUAL SECURITY ACT OF 1954

Mr. VORYS. Mr. Speaker, I move that the House resolve itself into the Committee of the Whole House on the State of the Union for the further consideration of the bill (H. R. 9678) to promote the security and foreign policy of the United States by furnishing assistance to friendly nations, and for other purposes.

The motion was agreed to.

Accordingly the House resolved itself into the Committee of the Whole House on the State of the Union for the further consideration of the bill H. R. 9678, with Mr. BROWN of Ohio in the chair.

The Clerk read the title of the bill.

The CHAIRMAN. When the Committee rose on yesterday, the Clerk had read through line 7 on page 31 of the bill. The remainder of the bill was considered as read and open for amendment at any point. An agreement was made that further debate on the bill, and all amendments thereto, would be limited to 20 minutes.

The Clerk will report the amendment offered by the gentleman from Ohio [Mr. Bow].

The Clerk read as follows:

Amendment offered by Mr. Bow: On page 46, line 9, after the word "stockpiles", change the semicolon to a period and strike out the balance of line 9 and lines 10 through 13.

The CHAIRMAN. The Chair recognizes the gentleman from Ohio [Mr. Bow] for 5 minutes, but will ask the gentleman to yield for a moment in order that the Chair may make a statement.

The Chair is informed that at the time the Committee rose on yesterday, the following gentlemen were on their feet: Mr. VORYS of Ohio, Mr. TOLLEFSON of Washington, Mr. PELLY of Washington, Mr. GROSS of Iowa, Mr. JAVITS of New York, Mr. FULTON of Pennsylvania, Mr. JUDD of Minnesota, Mr. DEVEREUX of Maryland, Mr. COOLEY of North Carolina, Mr. POAGE of Texas, Mr. CELLER of New York, Mr. SHELLEY of California, Mr. ALLEN of California, Mr. DORN of New York, Mr. ADAIR of Indiana, Mr. CRUMPACKER of Indiana, Mr. BAILEY of West Virginia, Mr. ZABLOCKI of Wisconsin, Mr. LAIRD of Wisconsin, Mr. PROUDY of Vermont, Mr. RICHARDS of South Carolina, and, of course, the gentleman from Ohio [Mr. Bow] whose amendment has been reported by the Clerk and who has been recognized to speak on his amendment.

Mr. BONNER. Mr. Chairman, I was on my feet and wanted time to speak.

Mr. ROONEY. Mr. Chairman, I also wanted to be recognized.

The CHAIRMAN. The Chair will add the gentleman from North Carolina [Mr. BONNER] and the gentleman from New York to the list.

Mr. VORYS. Mr. Chairman, a point of order. If I recall the 20-minute limi-

tation on debate, it was not agreed to by unanimous consent but by a vote. Therefore, the matter of those who were on their feet was not incorporated in the motion and is not controlling upon the committee as a whole.

The CHAIRMAN. The gentleman is correct, unless the unanimous-consent request is agreed to that the time be divided.

The Chair will, in his wisdom, select Members for recognition.

The gentleman from Ohio [Mr. Bow] is recognized for 5 minutes in support of his amendment, under the general rules of the House.

Mr. BOW. Mr. Chairman, this amendment is to section 502, on the use of foreign currency.

Mr. VORYS. Mr. Chairman, will the gentleman yield?

Mr. BOW. I yield.

Mr. VORYS. As far as I know, the committee has no objection to this amendment, which is a matter between the Appropriations Committee and the Foreign Affairs Committee.

Mr. BOW. I yield back the remainder of my time, Mr. Chairman.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Ohio [Mr. Bow].

The amendment was agreed to.

Mr. TOLLEFSON. Mr. Chairman, I offer an amendment which is at the desk.

The Clerk read as follows:

Amendment offered by Mr. TOLLEFSON: On page 57 after line 18 add a new section to read as follows:

"SEC. 513. Shipping on United States vessels: Such steps as may be necessary shall be taken to assure, as far as practicable, that at least 50 percent of the gross tonnage of commodities, materials, and equipment procured out of funds made available under sections 103, 105, 123, 131, 132 (a), 201, and 303 of this act and transported to or from the United States on ocean vessels, computed separately for dry bulk carriers, dry cargo liner and tanker services and computed separately for section 103 and 105 (taken together) and for sections 123, 131, 132 (a), 201, and 303 (taken together) is so transported on United States flag commercial vessels to the extent such vessels are available at market rates for United States flag commercial vessels; and, in the administration of this provision, steps shall be taken, insofar as practicable and consistent with the purposes of this act, to secure a fair and reasonable participation by United States flag commercial vessels in cargoes by geographic area."

Mr. TOLLEFSON. Mr. Chairman, this is the so-called 50–50 provision which we have placed in every foreign-aid bill since the program started. This language restores a provision in the bill which the executive department sent to the House for consideration. The administration still wants this language or this provision in this bill.

I read from a section-by-section analysis of the bill, which was printed after the bill was reported to the House, and which carries comments by the executive branch.

I wish to read one sentence which pertains to this particular provision:

The executive branch requests restoration of the 50–50 shipping provision, which the House committee omitted from the bill.

So the executive department wants this provision in the bill. FOA, which will administer it, also wants it in the bill. This provision or a similar provision, as I have indicated, has been in every foreign-aid bill that we have acted upon since I have been a Member of this House. I might say parenthetically that in every case the Foreign Affairs Committee has sought to oppose it. In this particular case I feel the committee has ignored the intent and wishes of this Congress, because, as I have indicated, we have placed this provision in every foreign-aid bill heretofore, with the exception of the agricultural-surplus bill which the House acted upon a few days ago. But that bill was different from the foreign-aid bills generally because the objective was in large part to sell surpluses for foreign currency.

Notwithstanding our previous actions, the Foreign Affairs Committee seems always to ignore the wishes of Congress and again this time has deleted it from the bill.

Mr. BOGGS. Mr. Chairman, will the gentleman yield?

Mr. TOLLEFSON. I yield.

Mr. BOGGS. Is it not a fact that time and time again we have tried to get this on in committee, but failing there did it on the floor of the House?

Mr. TOLLEFSON. That is right.

Mr. ROONEY. Mr. Chairman, will the gentleman yield?

Mr. TOLLEFSON. I yield to the gentleman from New York.

Mr. ROONEY. I wish to commend the gentleman from Washington, the distinguished Chairman of the House Committee on Merchant Marine and Fisheries, upon his offering this very necessary amendment which I trust will prevail. It is most vital if we are to have any merchant marine at all. It means much to the shipyards of our Nation. As far as I am concerned every ton of foreign aid cargo should be carried in American ships so as to keep our merchant marine and shipyards alive.

Mr. ALLEN of California. Mr. Chairman, will the gentleman yield?

Mr. TOLLEFSON. I yield to the gentleman from California.

Mr. ALLEN of California. Mr. Chairman, I rise in support of the amendment offered by the gentleman from Washington [Mr. TOLLEFSON].

Many of us hold the opinion that an American merchant marine owned, operated, and manned by American citizens sufficient to carry a substantial part of the foreign commerce of the United States is necessary and desirable. I would expect all of us to agree that a sufficient merchant marine is absolutely essential for carrying troops and supplies in wartime.

We now find that the need of the Defense Department for the ships of the merchant marine and the industry which operates, directs, and repairs them is greater than the private operation under existing conditions is able to meet. In a recent statement before the Merchant Marine and Fisheries Committee, Vice Adm. Roscoe F. Good, Deputy Chief of Naval Operations, Logistics, reaffirmed a statement made by Rear Adm. R. E. Wilson approximately 1 year ago. Admiral Wilson's statement can be found in the Appendix of the CONGRESSIONAL RECORD, volume 99, part 11, page A3819. He said in part as follows:

The Department of Defense * * * considers that in accordance with the latest approved plans, the active operating United States merchant marine * * * should be comprised of the minimum of the following number of vessels.

Here follows a list of the ships required. The admiral went on to say:

A joint analysis by representatives of the Maritime Administration and the Navy Department of the total civilian and military requirements for merchant type shipping upon the outbreak of war compared with the current capability of the United States active merchant fleet has been made. In terms of the general types of ships recommended herein, this analysis indicates a deficiency in actual ships as follows: (a) 165 cargo ships, (b) 6 passenger ships, (c) 43 tankers.

The situation has not become better during the year that has elapsed since Admiral Wilson made his statement. I gained the following information from a letter dated June 14, 1954, from the president of the Propeller Club of the United States:

In 1946 American ships handled 65.7 percent of our foreign trade in and out. In 1953 we were down to 28 percent.

Today we are operating 1,200 ships—down about 33 percent (795 private cargo and passenger).

Employment of American seamen is down 33 percent.

Foreign nations are building or have on order 6,400,000 deadweight tons cargo and passenger ships. American yards have no ships building for private account and none on order.

Japan is now operating at 60 percent of its prewar total. Germany is operating at 50 percent of its prewar total.

Our intercoastal and coastwise ships which contributed so quickly and importantly to our war effort in 1941 is down from 2.7 million tons in 1939 to 1 million tons.

In a statement before the Merchant Marine and Fisheries Committee a few days ago, the president of the American Tramp Shipowners Association, said in part the following:

At the present time, approximately 57 percent of the total export and import dry cargo tonnage to and from the United States goes in tramp vessels. Prior to World War II, we had no tramp fleet. Today, we have a sizable tramp fleet, but it is almost entirely in layup while a huge volume of our tramp cargoes is being carried in foreign-flag tramp ships. Tramp vessels are also essential for our national defense. * * * Our only hope of survival in times such as today is to have certain cargoes restricted to American-flag vessels in accordance with the terms of the pending legislation. In the absence of subsidy, legislation such as that now before the committee is an absolute essential if any American tramp vessels are to continue operations.

Mr. Stuart was testifying concerning legislation similar to the provisions of the amendment offered by Mr. TOLLEFSON. American tramp ships are carrying about 17 percent of the 57 percent mentioned in the statement. It should be remembered that at the outbreak of the Korean incident the Navy found it necessary almost immediately to charter

14 foreign-flag tramp vessels including vessels flying the Panamanian, Iranian, Greek, and British flags.

There is good reason why those of us whose committee work brings about constant investigation of the American merchant marine and its ability to carry the foreign commerce of the United States and to act as a military auxiliary in time of emergency offer amendments to bills such as the Mutual Security Act with respect to the carriage of the cargoes which result from such legislation. We have no desire to invade the jurisdiction of the Foreign Affairs Committee with reference to problems within its jurisdiction. We know, however, that the operators of American ships must have some Government assistance or protection if they are to continue to operate. In competition with foreign carriers using foreign labor accustomed to a lower standard of living than American labor, and paid accordingly, we must give financial assistance in sufficient amount to put the American operator using American seamen in a position of equality to compete with this foreign competition. It is equally necessary that our ships have cargoes and passengers to carry. Legislation such as that before us involves such cargoes. We know from experience that if some part of those cargoes is not restricted to carriage in American ships, foreign ships are used for their carriage.

The American merchant marine is essential to our needs in time of conflict. Neither its operations at present nor the number of ships it is using is sufficient for the initial stages of such a conflict. It is therefore vital if it is to exist in sufficient size that a proper proportion of the cargoes arising from the passage of this legislation and other legislation like it should be restricted from the outset for carriage in American flagships. A simple appropriation of money for financial assistance made after the cargoes have moved in other ships is not sufficient for this purpose. Our ships need the cargoes.

Mr. MILLER of California. Mr. Chairman, I favor the amendment by Mr. TOLLEFSON, acting chairman of the Committee on Merchant Marine and Fisheries, that would assure the American merchant marine a fair share of the cargo generated by this bill.

American shipping needs this stimulus. It is in the best interest of our defense effort also.

Mr. THOMPSON of Texas. Mr. Chairman, I have listened with great interest to the remarks by the gentleman from Washington [Mr. TOLLEFSON], the distinguished acting chairman of the Committee on Merchant Marine and Fisheries, of which I was once a member. I agree with his position and commend him for his presentation of the problem of securing for American flag vessels 50 percent of the ocean shipping provided in the bill now under consideration.

The opposition to this provision on the part of the Foreign Affairs Committee is not new. I recall in the 80th Congress a similar fight and at that time I was accused by the then chairman of favoring the American merchant vessels because as he put it, I was dominated by organized labor. As a matter of fact, I had never even been approached by any such group, and I had taken my position on the strength of advice given me by the father of the American merchant marine, the late Schuyler Otis Bland, of Virginia.

I recall an earlier occasion when the same question came up before the Merchant Marine Committee. The administrator of the Marshall plan was testifying as to how the money had been spent during the first year of that program. American vessels had not received their fair share and he told us frankly that unless he was otherwise directed by law he considered it his duty to build up foreign enterprises rather than American. Accordingly, we spelled it out in the law. We understood that he then expressed gratification that at last he had a directive which clearly showed that the Congress wished to give its own citizens a 50–50 break.

Those of us who have always fought the fight for the American merchant marine have heard the arguments which are being brought forth today, ever since the 80th Congress. It is pointless to go into the reasons why men are prejudiced against their own institutions. We may as well charge it off to lack of information and be thankful the majority of the Congress has always been unwilling to build up foreign enterprise, especially shipping, at the expense of our own.

I hope that the committee will again adopt the 50–50 amendment by its usual overwhelming majority.

Mr. TOLLEFSON. Mr. Chairman, I wish to make one or two more statements before I yield further because I do want to get this in the RECORD.

This has the approval of the VFW, the American Legion, the United States Chamber of Commerce, the Propeller Club, every shipping company I know of, and all the labor organizations that I know of.

This amendment will not add one dollar to this bill, not one dollar. It may in the view of some increase the shipping costs, but I dispute that, because any increase in shipping cost of these materials being carried in American-flag bottoms is based upon assumptions, and those assumptions go from one extreme to the other.

If the Foreign Affairs Committee had its will in connection with the merchant marine we would be at the mercy of foreign-flag ships and then it would cost us more, as history has proved time and time again.

Mrs. CHURCH. Mr. Chairman, will the gentleman yield?

Mr. TOLLEFSON. I yield to the gentlewoman from Illinois.

Mrs. CHURCH. I am happy to report to the gentleman that a firm minority of the Foreign Affairs Committee did oppose the action of that committee in striking out this long-accepted 50-50 provision. As one of those who fought for such fairness to American shipping, I certainly hope that the gentleman's amendment will pass.

Mr. TOLLEFSON. I thank the gentlewoman.

Mr. FULTON. Mr. Chairman, will will the gentleman yield?

Mr. TOLLEFSON. I yield to the gentleman from Pennsylvania.

Mr. FULTON. If there is the possibility of subsidizing the American merchant marine why is not that done by another committee and in another bill? Why put it in a foreign-aid bill? There are those of us who feel that this is the wrong place, that it should not be attached to a foreign-aid bill and that it should be within the discretion of the Administrator to decide how the material should be shipped.

Mr. TOLLEFSON. But may I say to the gentleman what he already knows, that the Foreign Affairs Committee time and time again tries to ignore the will of the House which is specific on this matter. Why does the Foreign Affairs Committee always seek to ignore it?

Mr. FULTON. Why do you not bring in a separate bill?

Mr. TOLLEFSON. One is being considered by our committee.

Mr. WOLVERTON. Mr. Chairman, will the gentleman yield?

Mr. TOLLEFSON. I yield to the gentleman from New Jersey.

Mr. WOLVERTON. Will the gentleman yield?

Mr. TOLLEFSON. I yield.

Mr. WOLVERTON. I am in full accord with the views expressed by the gentleman from the State of Washington [Mr. TOLLEFSON]. He is chairman of the House Committee on Merchant Marine and Fisheries. He knows from the experience he has gained on that committee, and as a result of the close study he has made of the subject, that there is good reason for the adoption of the principle for which he contends.

His amendment if adopted would be a great help in maintaining and strengthening our merchant marine. It already has great difficulty meeting foreign competition. Without this amendment the difficulties of our merchant marine would be greatly increased.

It is time that we began to give some attention to the needs of our own country, its industries, its activities, and our American workers and seamen. There are times when our give-away program works, in my opinion, disastrously to our own American interests. This amendment would go a long way to give encouragement and help to our hard-pressed shipping interest.

I am in full accord with the amendment. I hope it will be adopted. I wish there were more time for the gentleman [Mr. TOLLEFSON], who offered the amendment, and for others who favor the amendment to be heard. I sincerely hope the amendment will be adopted.

Mr. SHORT. Mr. Chairman, will the gentleman yield?

Mr. TOLLEFSON. Gladly.

Mr. SHORT. Certainly I think we should be as fair to our own people as we are to foreigners. I hope that the gentleman's amendment will carry overwhelmingly.

Mr. TOLLEFSON. I thank the gentleman from Missouri.

Mr. Chairman, we only ask for 50 percent of the cargoes. There are those in Congress who feel that we ought to carry

100 percent, but we are only asking for 50.

Mr. SHELLEY. Mr. Chairman, will the gentleman yield?

Mr. TOLLEFSON. I yield.

Mr. SHELLEY. Mr. Chairman, I rise in support of the amendment offered by the distinguished chairman of the Committee on Merchant Marine and Fisheries [Mr. TOLLEFSON]. As a member of that committee, and familiar as I am with the sad state of the American merchant marine, I frankly cannot understand how any Member of this House can do otherwise than support the amendment.

Objection to the amendment has been raised on the ground that it provides a form of subsidy to American shipping, and that, as such, it has no place in this bill. H. R. 9678 authorizes appropriations of $3,440,608,000 for mutual security for the coming fiscal year. Every penny of that amount represents a subsidy in some form, either direct or indirect. Through this bill we are subsidizing American farmers; we are subsidizing munitions manufacturers, both here and abroad; we are subsidizing schools for training military and technical personnel; we are subsidizing electronics manufacturers here and abroad; and, as was brought out in debate yesterday, we are subsidizing both directly and indirectly, the maritime industry of a number of foreign nations. All of this vast subsidy program has the stated purpose of promoting and organizing the mutual defense effort of the United States and our allies. Now, in that defense effort I know of no single item or program which is as important or as essential as the United States merchant marine. Furthermore, I know of no single phase of the overall mutual defense program to which we have paid less attention and in which we are so dangerously weak as we are in the present state of the American private shipping and shipbuilding industry. Since that is the case I would like to know why in the name of all that is holy it is improper for us to permit using a small fraction of the billions of dollars in this bill to give a boost to an industry so vital to our national security as is the American merchant marine.

In adopting this amendment to require that 50 percent of all cargoes financed through these funds be carried in American vessels we are not giving our shipping lines something for nothing, as could be charged in the case of some of the other items authorized. This is one case where we will be receiving full value for the taxpayers' money. As a matter of fact, the investment will more than pay for itself both financially and in terms of preparedness. We should not kid ourselves into thinking that if we fail to adopt the Tollefson amendment the costs of ocean transportation for mutual security cargoes will come from some other source than the American taxpayers' money. If we don't take action to allow American ships to carry a fair share of the cargoes financed by the mutual security program, we will find that the cargoes will be shipped in foreign vessels, at the same going rates and with payment coming either from counterpart funds built up by our dollars, or directly with dollars obtained from us. The declining American merchant marine needs those cargoes far more than do the merchant fleets of foreign maritime nations which have been building up at a tremendous rate. When we provide those fleets with cargoes we simply increase the competition they give our own shipping industry and increase the amounts of direct subsidy to American lines necessary under present law.

So, to the charge that the 50-percent amendment constitutes a subsidy of the American merchant marine I say "sure it does." But I also say that a subsidy of this type, which puts cargoes into our ships and permits them to sail with a full load, is a far more sensible and far less costly proposition than subsidizing empty vessels and paying unemployment compensation to unemployed seamen. When we can put fully loaded ships out to sea and keep our essential maritime manpower afloat, we are taking a far wiser course than we take in making direct subsidy payments to man empty vessels.

There is no gain saying that we must maintain an active merchant marine, aside from the economic importance of the shipping and shipbuilding industry, if for no other purpose than to keep it ready as the "fourth arm of the national defense," as it is rightly called. Even the strongest opponents of this amendment do not and cannot deny that. Money spent for that purpose is no more wasted than the billions we spend each year to operate our Army, our Navy, and our Air Force. Likewise, there is no question but that the only way to keep an active merchant marine in being is through some form of Government subsidy. No businessman in his right mind would attempt to build and operate a fleet of passenger or cargo vessels, subject to the far higher American costs of construction and operation, and do so in direct competition with low wage, low cost foreign steamship lines unless he was assured of some form of assistance to offset the differences in costs. Without a program of subsidies to permit our lines to pay the scale of wages necessary for our seamen to maintain an American standard of living, none of our American young men would ever go to sea and who among us would blame them?

Certainly we have no more right to expect seamen to work for 1890 wages than we have to expect the American farmer to grow our food at 1890 prices. This afternoon we will begin debate on a bill to give the American farmer guaranties of some form of parity in the prices he receives for his crops. No matter which of the proposals are adopted, this program will subsidize the people who operate and work on our farms to the tune of billions of dollars in coming years as it has in the past. Our merchant marine is no less essential to our national well-being. This mutual-security bill includes provisions for disposition of some of the farm products acquired as a result of the farm-subsidy program, and the expenses incurred under those provisions certainly are a form of indirect subsidy to our farmers. The inclusion of Congressman TOLLEFSON'S amendment, when considered in the light of these farm subsidy provisions or in the strictest definition of the national interest, are not out of line.

Mr. Chairman, in 1946 71 percent of our dry-cargo exports and 65 percent of our imports were carried in American-flag vessels. In 1953 we carried less than 22 percent of our exports and 33 percent of our imports. In 1948, when the principle of carrying at least 50 percent of foreign-aid cargoes in American vessels was established, we were still carrying 46 percent of exports and 55 percent of imports in our own ships. Despite the effect of the continued operation of the 50 percent principle, we have reached a point now where we are carrying an even smaller percentage of our foreign trade than we were prior to World War II. Without the 50 to 50 provision, which Congress has sensibly included in each successive foreign-aid program, our position would be drastically worse than it now is. For us to reject the principle now, when the need is far greater than it was in 1948, would be a sorry example of muddled thinking on our part.

Those who oppose this action for the protection of American shipping often use the argument that our friendly allies need the dollars they acquire through use of their vessels to carry our cargoes. It is interesting to note that a study of the problem covering the years 1949 to 1951 disclose that even if foreign ships had carried all of our oceanborne commerce—not only foreign-aid cargoes but all cargoes—during that period, it would have made a difference of only 8 percent in their unfavorable trade balance during those 3 years. Since that time both their trade balances and the conditions of their merchant fleets have improved immeasurably. The condition of our merchant marine has correspondingly declined. To quote former Secretary of Commerce Charles Sawyer in discussing this problem, "We could ill afford the destruction of an essential American industry to pay for this small increase in foreign purchasing power." We can afford it much less now.

Mr. Chairman, I trust that an overwhelming majority of the Members of the House will show that they grasp the fundamental importance of supporting American-flag shipping by approving the Tollefson amendment.

Mr. BAILEY. Mr. Chairman, will the gentleman yield?

Mr. TOLLEFSON. I yield.

Mr. BAILEY. I want to commend the gentleman from Washington for offering the amendment. I think it is justifiable under the circumstances and will not add any additional cost.

Mr. TOLLEFSON. I thank the gentleman from West Virginia.

Mr. DORN of New York. Mr. Chairman, will the gentleman yield?

Mr. TOLLEFSON. I yield to the gentleman from New York.

Mr. DORN of New York. I want to endorse the gentleman's remarks and wish to ask the gentleman if it is not

true that all of the members of the Merchant Marine and Fisheries Committee also endorse this provision?

Mr. TOLLEFSON. I know of no one on this committee who does not endorse this proposition.

Mr. PELLY. 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 Washington?

There was no objection.

Mr. PELLY. Mr. Chairman, I rise in support of the amendment of the gentleman from Washington [Mr. TOLLEFSON].

This provision that American ships manned by American crews carry half of the foreign-aid cargoes has been in every foreign-aid bill from the Marshall plan down to date. To delete the 50–50 shipping clause at this time would be like kicking a man when he is down.

The members of this committee know full well that the fourth arm of our defense, our merchant marine, is at a very low ebb due to low-wage foreign competition.

When disaster strikes and through drought or flood our farmers in a disaster area face ruin, the Federal Government steps in—and rightly so. But when our ships are laid up for want of cargoes and our seamen become idle, relief in the form of partial use of these vessels for federally financed shipments is decried. In World War II, when victory was only possible because of these American ships, American seamen, for their sacrifices and heroic achievements, were patted on the back; now they are hit below the belt.

The sailors and men who man our ships are human beings—just as human as our farmers. Both have families to support, both have children to clothe and feed. The livelihood of any group of American citizens deserve consideration, but here is a case of where we are asked to either subsidize a rusting fleet of unmanned ships in idleness with an even larger and more desolate graveyard of rotting hulls, with their trained crews of seamen dissipated and in breadlines; or utilizing a part of these ships and maritime manpower to carry federally financed cargoes to sustain the weak and needy peoples of other land in enlightened self-interest. Simple economics dictate the overall and ultimate saving to American taxpayers by using American ships and employing American seamen.

The least we can do, it seems to me, is continue the long established policy of providing that one-half of foreign-aid shipments be transported in American bottoms. To reverse this 50–50 policy now would be a tragic mistake; therefore, most earnestly I urge the members of this committee to adopt the amendment of the gentleman from Washington.

Mr. VORYS. Mr. Chairman, I rise in opposition to the amendment.

May I say, Mr. Chairman, that the arrangements made after the House voted to limit debate to 20 minutes were made so that at least 10 minutes could be devoted to this amendment which at least the committee thought was certainly the most important amendment that we knew of that was still before the committee.

Our committee, the Committee on Foreign Affairs, believes in an American merchant marine as a vital part of our national defense. The Foreign Affairs Committee believes in subsidizing the American merchant marine. Our Foreign Affairs Committee, however, does not believe in indirect subsidies which increase the cost of foreign aid, and that is why we have repeatedly tried to get the 50–50 proposition out of the bill. We want to cut the cost of foreign aid. We want to have any necessary subsidies for the American merchant marine as direct subsidies in separate legislation.

Mr. BURLESON. Mr. Chairman, will the gentleman yield?

Mr. VORYS. I yield to the gentleman from Texas.

Mr. BURLESON. As a matter of fact, the record shows in connection with this foreign-aid matter that about a billion dollars have been paid for shipping products overseas. About $700 million of that billion dollars has gone to our own merchant fleet. The increased cost, so the figures show, was $121 million and it is estimated in the reduced program for this year, 1954, the increased cost will be in the neighborhood of $4 million. It is my understanding that the Senate passed a bill, S. 3233, on June 16, which was referred to the Committee on Merchant Marine and Fisheries of the House on the next day, June 16. This measure has passed the Senate, which settles this question once and for all. I would assume that the Merchant Marine Committee will present legislation to the floor and it seems to me it would be much better to postpone this matter here until the issue comes to the floor in full debate on a question which does arise each time this measure and other measures come here. Only last week, contrary to what someone said that it has always passed and it has been the sentiment of the House that this provision should be included, it was rejected in the bill we passed last week.

Mr. VORYS. That is the point I wanted to make. The very last time this 50–50 proposal was before the House to load up foreign aid with an indirect subsidy for American shipping in the agricultural surplus bill, the House rejected it; therefore, your Committee on Foreign Affairs feels that the wise thing to do, as the gentleman from Texas has said, is to leave it out of this bill as the House left it out of a foreign-aid bill passed last week, and let the Merchant Marine Committee study this policy and bring it to the floor, at which time we can consider it rather than at the tail end of this bill.

The CHAIRMAN. The time of the gentleman from Ohio has expired.

Mr. VORYS. Mr. Chairman, I ask unanimous consent that the remainder of the time be divided among those who wish to speak on this or any other matter, but I think first we should vote on this amendment that is before the House. That is the best way I can think of to handle the matter.

The CHAIRMAN. Is there objection to the request of the gentleman from Ohio?

Mr. GROSS. Mr. Chairman, I object.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Washington.

Mr. BONNER. Mr. Chairman, a parliamentary inquiry.

The CHAIRMAN. The gentleman will state it.

Mr. BONNER. Mr. Chairman, do I understand this amendment will be voted on immediately and that no one else will be permitted to discuss the amendment before it is voted on?

The CHAIRMAN. Anyone who is on the list will be permitted to discuss the amendment.

Mr. BONNER. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, I had not proposed to take up the time of the House on this bill, but I do want to ask the chairman or the acting chairman of the Committee on Foreign Affairs a question in order to correct an insinuation that he made. It is a fact that the House did vote down an amendment that was offered to the foreign aid bill passed here recently. But the reason that amendment lost was that it provided that of the commodities in surplus owned by the Commodity Credit Corporation that were purchased by foreigners, 50 percent should go in American-flag vessels. I admit, I think that was an error, but here in this case where we are giving away and aiding foreign nations and making offshore purchases, it is certainly to be expected that a portion, and a fair portion, of these commodities should go in American-flag vessels.

Mr. BOGGS. Mr. Chairman, will the gentleman yield?

Mr. BONNER. I yield to the gentleman from Louisiana.

Mr. BOGGS. The gentleman from Ohio to my knowledge has never supported this amendment. Maybe he has, and if I am wrong, he can correct me. But, as far as I remember, he has opposed it every time it has been offered, and I think we have to judge a man by his actions. He said he is for a subsidized American merchant marine, but he is opposed to this because it is going to cost too much. Under his program we are depriving the American merchant marine of carrying its own cargoes, and this action saves money.

Mr. BONNER. I thank the gentleman for his contribution.

The point has been raised by the gentleman from Texas as to what has been paid the American merchant marine in these foreign-aid programs. Now I will ask the gentleman what has been paid foreign-flag ships in this program and in all the programs we have had heretofore. Is it not about 3 or 4 times as much?

Mr. BURLESON. Mr. Chairman, if the gentleman will yield, this is a simple matter of arithmetic. Seven hundred thousand dollars has gone to our own merchant marine, and about $300,000 has gone to foreign-flag vessels.

Mr. BONNER. Evidently it must be more than that, because we have not carried 50 percent. Neither have we

carried the preferential cargoes. We have carried in American bottoms cargoes that were the cheapest freight to carry.

Mr. BURLESON. According to the figures I got from the merchant marine, United States flag vessels from the Gulf ports to Hamburg, Germany—I use this as an example—cost $9 or $10 and foreign-flag ships cost $7. Those from the west coast to Japan, our own flag vessels, averaged $11 and foreign vessels $6.

Mr. BONNER. Those are tramp prices.

Mr. BURLESON. That is right.

Mr. BONNER. They are not established running prices. They are the quoted tramp prices. The commercial conference rates apply to both American-flag ships and foreign-flag ships, so certainly the gentleman is not quoting the conference rates.

Mr. BAILEY. Mr. Chairman, will the gentleman yield?

Mr. BONNER. I yield to the gentleman from West Virginia.

Mr. BAILEY. In the case of the giveaway of wheat to Pakistan, we estimated the cost there as a minimum of $21 a ton, and I undertand the American shipping bid was as low as $16 and $17. There is no need to get scared about the cost.

Mr. TOLLEFSON. Mr. Chairman, will the gentleman yield?

Mr. BONNER. I yield to the gentleman from Washington, the distinguished chairman of the Merchant Marine Committee of the House.

Mr. TOLLEFSON. One item has not been mentioned here. We talk about the matter of subsidy and there have been expressions on the part of a number of individuals that they would support a direct subsidy. Of course, when it comes time to vote on direct subsidies in appropriation bills, their actions indicate that they will vote otherwise. But, there is another matter that should be touched upon, and that is the matter of cargoes. You can subsidize these lines all you want, but they are not going to run unless they have cargoes, and that is what we are after. We want cargoes for American ships so that we can keep operating.

Mr. BONNER. I will say to the Committee that the MST, Military Sea Transport, share in this foreign aid program is a major item of the exports from American ports today, so we are only asking that the American-flag vessels—privately owned and operated—carry a portion, a fair portion, 50 percent, of this cargo. How do you expect the American-flag vessels to operate if a major portion of our exports are carried on foreign-flag vessels?

The CHAIRMAN. The time of the gentleman from North Carolina has expired.

Mr. GROSS. Mr. Chairman.

Mr. RICHARDS. Mr. Chairman, a parliamentary inquiry.

Mr. CRUMPACKER. Mr. Chairman, I offer a preferential motion.

Mr. GROSS. Mr. Chairman, I offer a preferential motion.

The CHAIRMAN. Does the gentleman have a preferential motion also?

Mr. GROSS. I do, Mr. Chairman.

Mr. RICHARDS. Mr. Chairman, is it proper to propound a parliamentary inquiry?

The CHAIRMAN. Yes.

Mr. RICHARDS. How much time do we still have left?

The CHAIRMAN. Five minutes, but there are two preferential motions pending.

Mr. RICHARDS. May I make a further parliamentary inquiry, Mr. Chairman?

The CHAIRMAN. Yes.

Mr. RICHARDS. How many names do we have to divide that time?

The CHAIRMAN. Up to this time, 20. There has been no agreement made to divide the time so we must proceed under the general rules of the House.

Mr. VORYS. A point of order, Mr. Chairman.

The CHAIRMAN. The gentleman will state it.

Mr. VORYS. I believe there has been no amendment offered to the bill since the last preferential motion was made, is that correct?

The CHAIRMAN. The Bow amendment was agreed to.

The Chair will follow the rule of seniority and recognize the gentleman from Iowa [Mr. GROSS], as there have been two preferential motions offered that are exactly the same. The Clerk will report the motion.

The Clerk read as follows:

Mr. GROSS moves that the Committee now rise and report the bill to the House with a recommendation that the enacting clause be stricken out.

Mr. GROSS. Mr. Chairman, I hope the enacting clause will be stricken out even though I have five amendments at the desk. I appreciate the action of the leadership yesterday in limiting debate on this bill and at least 10 amendments to 20 minutes. I want to thank the gentleman who sponsored that action, leading to this virtual gag rule.

I have offered a motion to page 42, to strike section 415, which reads:

SEC. 415. Emigration to U. S. S. R.: Funds made available pursuant to this act may be used to pay the expenses of travel of any resident in the United States to the Union of Soviet Socialist Republics for the purpose of establishing permanent residence there: *Provided*, That such resident shall not be readmitted to the United States.

Why in the world should we spend any money under this bill to transport people to Russia, in order that they may live in Russia? Provision has always been made for the transportation of deportees to foreign countries. If there are residents of this country who feel that Russia is a land of milk and honey and want to make their home there, let them pay their own transportation costs. Why saddle this on American taxpayers. I hope my motion will be adopted.

Another motion that I have offered is to page 44, section 418, which provides that the President shall be indirectly the head of a glorified travel agency for which the taxpayers will be gouged for the administrative expenses. That ought to be stricken.

On page 64, I have offered a motion to strike paragraph (b) which provides that not to exceed 60 persons may be compensated without regard to the provisions of the Classification Act of 1949, as amended, and that 35 of these may be compensated at rates higher than those provided for in grade 15.

In other words, here are 35 people who under the terms of this bill are apparently going to be put into the super grades, 16, 17 and 18, and paid fancy salaries. That ought to be stricken.

On page 66, I have offered a motion to strike section 529, which provides that the President may take personnel from any agency of the executive branch of the Government and transfer them to jobs in this foreign giveaway program.

That provision ought to be stricken.

On page 72, I have offered a motion to section 533. Please listen to what section 533 provides:

SEC. 533. Waivers of certain Federal laws: Whenever the President determines it to be in furtherance of purposes declared in this act, the functions authorized under this act may be performed without regard to such provisions of law regulating the making, performance, amendment, or modification of contracts and the expenditure of Government funds as the President may specify.

If you enact that provision of the law you have given the President of the United States dictatorial power over the spending of billions of dollars and nullified laws that have been wisely enacted governing contracts.

You can vote for this bill with that provision in it, if you wish. I do not intend to do so.

Mr. WILLIAMS of Mississippi. Mr. Chairman, will the gentleman yield?

Mr. GROSS. I yield.

Mr. WILLIAMS of Mississippi. I agree with the gentleman that all his amendments are certainly entitled to consideration. May I point out that it took us 8 hours yesterday to complete action on 28 pages of an 82-page bill. Thanks to the Republican leadership on the other side of the aisle, we have exactly 20 minutes to consider the remaining 54 pages of the bill. For that reason if for no other I think the House would do well to recommit the bill.

Mr. GROSS. The gentleman is exactly correct.

Mr. SMITH of Wisconsin. Mr. Chairman, will the gentleman yield?

Mr. GROSS. I yield.

Mr. SMITH of Wisconsin. In view of the fact that there is almost $10 billion of unexpended funds at this time, does the gentleman conclude that recommitting the bill will be to the interest of the country?

Mr. GROSS. It certainly would be.

Mr. DEVEREUX. Mr. Chairman, will the gentleman yield?

Mr. GROSS. I yield to the gentleman from Maryland.

Mr. DEVEREUX. As I understand it, this bill is called a mutual defense assistance bill. Does the gentleman see anything inconsistent in providing for our own defense in whatever subsidies may come to our merchant marine, just as well as we provide for assistance and subsidies to foreign countries?

Mr. GROSS. Certainly. I believe in taking care of our own people. I say

again that "mutual security" is just another sweet-scented title. There is neither mutuality nor security in this bill and time and events will continue to prove that statement.

Mr. NEAL. 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 West Virginia?

There was no objection.

Mr. NEAL. Mr. Chairman, the report of the Foreign Affairs Committee on H. R. 9678 deserves careful study by every Member of Congress. Only the members of that committee are in a position to possess even a minimum of information revealing the extent to which this Nation has become involved in the international affairs of countries all around the globe.

From the standpoint of present cooperative effort to resist the spread of communism, the report justifies these enormous expenditures on a thread of hope that continued foreign aid will create a chain of military bastions supported by public opinion favorable to united support of the free nations against aggression.

Congress has been authorizing foreign expenditures on the recommendation of policymakers in Government who see the world through the eyes of international industrialists and financiers. Neither they nor Members of Congress would for 1 minute sponsor these elaborate overseas expenditures if their own capital were known to be the source of such funds. It is easy enough to tax the citizens and spend their money, and then exercise their legal powers to tax more to make up the deficits. It has seemingly become a fixed policy to feel that the citizen is no longer to be considered. He is simply told that it is no longer his business. He must accept war and fear psychology and pay the cost without question.

America has fought foreign wars for 40 years; the Congress has imposed the taxload to the limit of endurance; it has squeezed capital and industry until their reserves, once considered the backlog of our economic structure, are now depleted. It has issued paper I O U's to the tune of two and three-fourths billions and exchanged them for the savings of sacrificing citizens. It has created agencies guaranteeing contingent liabilities which make the Government the possible final arbiter for another $200 billion. All this to promote wars and to keep a step ahead of other nations likewise dedicated to lead the world militarily.

I wonder if spending in foreign lands at the expense of our own people has really accomplished what we had hoped for. It is an historic fact that individual nations will conform to an international policy only as long as it greatly serves their own local interests. The fact that many among the free nations group are necessarily influenced by economic and political developments in their near neighbor nations, means that it follows that any ties with the United States must be subject to these unpredictable influences. Judging from vacillations on the part of a number of key nations considered essential in the alinement of anti-Communist powers, we seriously doubt the stability of our association of allies if and when the real test of their determination to resist aggression becomes imminent. Without a determined will to resist aggression, without a patriotic devotion to the ideals of freedom, no amount of money or military hardware can insure the United States the total assistance needed for a united, firm stand among the free nations against aggression.

It would seem that the measure of the success of foreign spending should be determined by a comparison of conditions prior to and since the series of 40 years of war, which has involved the United States in the affairs of so many foreign countries.

At the conclusion of each of these three foreign wars the United States emerged with reduced resources, increased national debt, less security against international threats, and more confusion in the minds of our people. It now requires more of the resources of the United States to prepare for a war we fear than it did to prosecute the First World War. And still we are asked to believe that we, 160 million people, differing in culture and philosophy from the other 2 billion citizens of the world, can make them all over to our way of life—as if 1 or 2 generations in the history of mankind has ever succeeded in changing the lives and habits of nations much older and more firmly convinced that their own cultures are superior.

I wonder what has come over Americans to plant such grandiose ideas of leadership over nations whose history and traditions for centuries evolved national philosophies and traits of character inherent and subject to little, if any, reactionary changes from outside influences.

I am a firm believer that people usually get along better if they are left alone and allowed to work out their own salvation. If they are free to adopt from foreign ideologies those things which they voluntarily choose, they are much more apt to accept them with pleasure and make them succeed.

If, as it appears in many nations, today's threat of communistic infiltration is so lightly taken, no amount of money, economic aid, or American persuasion will prevent Russian influence from strengthening its hold on these people. If, on the other hand, they are aroused to the dangers and faced with the necessity of self-help, they may then awaken to the fact that "God helps those who help themselves." Once they reevaluate national policies, based on patriotism and united devotion to the cause of freedom, no other philosophy can long survive their determined resistance.

Just as long as America continues to promise unlimited help, just so long will these nations be content to remain supine under the possible hope that America will bail them out of their difficulties. Except as foreign aid promises specific and direct defense benefits to America, any foreign funds not so allocated should be withheld.

The American economy simply cannot stand a continuation of this program as it has been conducted in the past.

Mr. RICHARDS. Mr. Chairman I rise in opposition to the preferential motion.

Mr. Chairman, we are coming to a vote on this momentous question in just a few minutes. I do not reckon that anybody here is satisfied about everything in this bill. It is an unpalatable bill. There have been many disappointments coming to us out of the foreign-aid program, and more disappointments will doubtless come. But do not forget this: We have from the beginning spent over $40 billion on this program because we believed in it, a majority of the Congress of the United States and 3 Presidents from both political parties believed in it, 1 from 1 party and 2 from the other party. In a question like this there should be no room for party partisanship.

What are we going to do? We have put our hand to the plow. Are we going to turn back? Our aim should be the same as it was yesterday.

I do not like some of the things that have happened in France. I am unable to comprehend the disunity there. That has been a disappointment to the people of the United States. I do not like what the British Foreign Secretary, Mr. Eden, said to the cheers of the members of Parliament in Great Britain a few days ago. He must have paid a big price in self-respect to appease Mr. Bevan and Mr. Attlee. The spirit of Munich was there. I do not like what the Vice President of the United States said a day or two ago right at a time when other leaders of both political parties were calling for bipartisanship in this fight. I say I did not like it when he claimed in a public address that mistakes made by a Democratic administration were responsible for what is happening in Indochina today.

Who can say that mistakes made in the past, and many were made and many will still be made in this battle against communism, who will sustain the charge that a Democratic administration was responsible for the plight of Indochina today? It is untrue. It is a foolish charge made with an eye to coming elections. It is unjust.

You have to fight this Communist flow of lava coming from the craters of the world wherever it breaks out, and you do not know where that is going to be tomorrow. Yesterday you did not know where it was going to flow today. But fight it we must, the best way we know how, on other fronts of the world, else we may face it here.

I have sat in this Congress and heard Members and seen Members vote for $50 billion without batting an eye to arm American boys to go out and die for freedom, and yet the same Members will not vote for one-tenth of that amount to get other people to stand by the side of our boys on the battlefronts of the world because they say it is not for our own people. American boys from the Arctic Circle almost to the Antarctic Circle are carrying the flag of the United States on foreign soil, and if war comes

tomorrow they may have to carry the brunt of the battle. We sustain them there with the full faith, credit, and power of these United States. Now, are you going to turn back when we ask you to vote one-tenth of the funds that you are willing to provide for them and the defense of America itself this year in order that others may be able to help them and us? Some of our so-called allies may fall by the wayside—some may become weak, and weary, and afraid—yes, there are some like that in the United States, men and women of little faith. The Good Book says that "faith is the substance of things hoped for, the evidence of things not seen." If there is anything, I reckon, that we lack, the first is faith. If there is any other great human element that we lack, I would say it is patience. The American people want to see this thing settled today. How nice that would be, but this conflict will not be settled today or tomorrow, maybe not in our lifetime. Communism is more determined than that. The question here today is, how determined are we? There are people who are even saying, let us cut loose with the atomic bomb and get this thing over, and quit spending money to help people who do not appreciate what we are trying to do for them. If you are looking for full appreciation, you are looking for the end of the rainbow—you will never get it. We are in this foreign-aid program because a majority here have felt it is best for the United States of America to do so. We should not turn back now. This $3,419,000,000 in this bill, I think, is necessary for this program. Some of it will be wasted, yes—but it is an investment in peace—it is a chance we must take. It is, at the very best, a token of our faith in what we started out to do.

The CHAIRMAN. The question is on the preferential motion offered by the gentleman from Iowa [Mr. GROSS].

The motion was rejected.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Washington [Mr. TOLLEFSON].

The amendment was agreed to.

Mr. CRUMPACKER. Mr. Chairman, I offer a preferential motion.

The Clerk read as follows:

Mr. CRUMPACKER moves that the Committee do now rise and report the bill, H. R. 9678, back to the House with the recommendation that the enacting clause be stricken.

Mr. DONOHUE. 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 Massachusetts?

There was no objection.

Mr. DONOHUE. Mr. Chairman, as I have repeatedly urged in past considerations of this Mutual Security Assistance Act, I am impelled to emphasize again today what I believe to be our positive duty to carefully examine the provisions of this measure on the basis of its fundamental objectives.

I think we can all agree that the primary objective of this legislation is to promote the peace and security of the United States. Inherent in that objective must be recognition of the gravest problem of United States foreign policy, which is the protection of the United States from the Soviet threat.

It is obviously sensible to reasonably assist our friendly allies both militarily and economically, thereby encouraging them to reject communistic overtures and appeals. By such assistance, we are certainly promoting our own security and protecting ourselves from the Kremlin menace.

However, before we go headlong ahead, motivated by the accepted objective, with enthusiastic and unbridled appropriation, I feel that patriotic wisdom compels us to stop for a few moments to reexamine, restudy, reappraise, in summary, this whole foreign-aid program.

Let us vividly realize this bill today is a part of the general foreign aid program which has been running continuously ever since July of 1940. Let us candidly appreciate that through the fiscal years of 1941 to 1945, we gave to foreign countries the amazing total of over $59 billion in American funds, every penny of which was actually borrowed and charged to the account of our American taxpayers.

In the postwar period, for the fiscal years through 1946 to 1953, we granted, in one manner or another, to foreign nations over $55 billion.

In this fiscal year up to May 15, we have made further grants in foreign aid of over $4 billion, which adds up to the impressive figure of over $119 billion. These figures have been testified to by Government sources and remain unquestioned.

In addition to this huge amount, we have furnished aid to other countries through the World Bank and the Monetary Fund to the extent of almost $3½ billion.

Let us not forget that, during the time we have been furnishing this aid, from 1940, the ordinary interest which has had to be paid on the money borrowed to finance our foreign assistance program amounts alone to over $18½ billion.

Now when we put these figures all together, we discover that in principal and interest on these foreign aid programs, continuing since 1940, they have cost the people of the United States the fabulous sum of over $131 billion.

Sad it seems that in spite of the fact of such huge expenditures by the most charitable and generous people in world history, we find that since the start of our foreign aid program, world communism has continually increased and more people are, at this hour, under Soviet control and domination than when we first started. Indeed it is quite startling to observe that unfortunately, we appear also to have more enemies and fewer friends in the world than before the program began. Certainly, we have not received the cooperation and the assistance from others we expected or thought we were justly entitled to, in all reasonableness and commonsense.

I have recited this brief summary not for the purpose of suggesting the sudden end of our foreign aid program, but only to discharge the moral obligation I feel I have as a Representative in this House. I have listed these facts and circumstances to reemphasize what I regard to be our absolute obligation to the American people to take the greatest care of their money and exercise the highest vigilance over the manner in which it is spent. We can promote the fullest rehabilitation of friendly foreign nations, and it will avail us nothing if we thereby foolishly destroy the morale of our own people here at home.

To guard against the chance of such foolishness, let us scrutinize the needs of the individual countries. Let us deliberately measure, by past performance, just how friendly to us some of these nations actually are, so that we shall not be carelessly subsidizing those who give us no pledge or assurance of mutual assistance against the common enemy of communism. Let us be determinedly prudent in exacting guaranties and providing loans, instead of outright grants-in-aid, wherever and to whomever that can reasonably be done.

In that connection, let us remind some of the impractical geniuses in our State Department, as well as our Defense Department experts, that we are not appropriating money here for the purpose of destroying American industries and eliminating employment opportunities for our own people. The placing of American Government contracts abroad at a time when unemployment in this country presents a currently serious economic problem is, to say the least, of very questionable wisdom. It is indeed the more foolhardy when we realize that some defense items and essential parts of industrial machinery are being manufactured abroad in places where the danger of Communist infiltration and sabotage is a high and recognized threat. Such promiscuous spending, in the guise of promoting friendly foreign relations, will not be tolerated by the American taxpayers, and this Congress should be and must be extremely restrictive of their authorization and approval. We can, perhaps, give some of the American people's money away discriminately with their sanction, but we can never expect them to stand loyally by while we give their jobs away.

As I indicated at the start, I am not opposed to the fundamental objectives of this measure. I believe it is practically wise to continue to reasonably furnish aid to those allied countries demonstrating their willingness to fight in the common cause against Communist oppression. I believe that we can enact a prudent foreign-aid program of substantial continuing value to ourselves and the free world.

One phase of this program has always had and will have my full sympathy and encouragement. That is the authorization provision of furnishing technical assistance to friendly underdeveloped nations; giving them supplies, equipment, and personnel instruction for imitation of modern American methods of preserving health, increasing productivity and setting up advanced agriculture and manufacturing techniques. This assistance, to my mind, will have a longer and more lasting effect, beneficial to

us, especially in the Near East. The expenditure provided for, in the amount of $132 million, to include Israel and the Arab States, is an investment that promises to bring us returns a hundredfold.

In conclusion, let me exhort you not to rush this legislation. It is deserving of our prolonged study and debate. It is a program in keeping with our Christian democratic philosophy and is basically good for ourselves and the free world. However, in considering each and every authorization provision, let us ask ourselves, in the spirit of the President's admonition, "Is it good for all Americans?" Let us also be mindful that our watchword on all appropriation measures should be "the American taxpayer and our own economic stability come first."

Mr. CRUMPACKER. Mr. Chairman, section 506, which appears on page 50 of the bill, gives the administrators of this program what amounts to the power of eminent domain over the patent rights of American citizens. I could dwell at length on the hazards involved when one of the standing committees of the House gets into a highly technical field which rightly belongs within the jurisdiction of another committee, but I will only take time to say and to point out that the language used here by the Committee on Foreign Affairs is extremely loose in terms of patent law and will only partially accomplish the thing which they seek to accomplish by putting this section into the bill. Some patentable inventions would come within their definition and some would not. But, beyond that I would like to point out that for many years there was included in the emergency war powers granted to the Federal Government a similar provision which enabled the Department of Defense to use patents without following usual procedures.

We held extensive hearings both during the 82d Congress and during the first session of this Congress, in the Subcommittee on Patents of the Committee on the Judiciary, and that committee decided last year that the Defense Department did not need this power. So it was terminated. What the Foreign Affairs Committee seeks to do in this bill is to give to the State Department and the Foreign Operations Administration authority which this Congress has denied to the Defense Department in the carrying out of our own defense program. In other words, we are saying that it is proper for the State Department to exercise the right of eminent domain for the benefit of foreign powers, when we have denied it to our own Defense Department.

Mr. KEATING. Mr. Chairman, will the gentleman yield?

Mr. CRUMPACKER. I yield to the gentleman from New York.

Mr. KEATING. I appreciate the action of the gentleman in calling the attention of the House to this provision of the bill. I join in the sentiments about it which the gentleman has expressed. It is extremely unfortunate that the Foreign Affairs Committee has included this provision in the bill. It is a matter properly within the province of the Committee on the Judiciary. It should not be dealt with in this bill in any way.

Mr. CRUMPACKER. What we are doing here is simply enabling the State Department or FOA to grab any patent rights presently existing, or grab any unpatented inventions that may still be going through the mill, and use them in any way they see fit for the benefit of foreign powers, when we have denied that very right to our own Defense Department for the promotion of our own defense program.

The only excuse which the Foreign Affairs Committee offers for the inclusion of this provision is that it has been in the law for some time. As I have pointed out, there were once other similar provisions in the law but they have been terminated. The reasons for terminating these other similar provisions apply with equal force to this provision and I think it should be stricken from the bill.

Mr. VORYS. Mr. Chairman, I rise in opposition to the preferential motion.

The matter which the gentleman from Indiana [Mr. CRUMPACKER] brings up is one of some perplexity. The gentleman did not state that this provision has been in the law since 1951. At that time the Foreign Affairs Committee had extended hearings on it because this is a matter which is clearly within the jurisdiction of the Foreign Affairs Committee. This is a matter which, since it deals with the use of patents in foreign affairs and international association, is clearly within the jurisdiction of the Foreign Affairs Committee, just as being a patent matter it is also within the jurisdiction of the Committee on the Judiciary. We have seen the Committee on the Judiciary this year take over jurisdiction of the international program for refugees and escapees, which the Foreign Affairs Committee has handled for years. The Foreign Affairs Committee surrendered that jurisdiction gladly to the Committee on the Judiciary, and a bill has passed the House that has to do with that subject. In this instance the executive branch wishes this provision continued as it has been since 1951, because these provisions are important in helping to supply our allies with material so vital to the mutual security program. On the other hand, if there is some aspect of the matter that we should have considered that is available to be studied in the other body and in our conference, it would seem to me most unfortunate for us to attempt, with a few minutes' discussion, to dispose of this one way or the other today. I can only assure the House, on behalf of our committee that we will study this matter promptly. We will seek the aid of the vast intelligence of the Committees on the Judiciary of the House and Senate in perfecting this part of the bill, but we ought not try to do it now.

Mr. JUDD. Mr. Chairman, will the gentleman yield?

Mr. VORYS. I yield.

Mr. JUDD. Does the gentleman know of any complaint raised against the operation of this section in the last 3 years, when it has been the law of the land?

Mr. VORYS. No.

Mr. JUDD. Not a word of complaint has been brought to our committee.

Mr. VORYS. No. And because there was no objection, because even though the draft bill has been available since April 15 and we did not hear from our friends on the Judiciary Committee we thought this was one thing in our bill which was noncontroversial.

Now, Mr. Chairman, if I have any time left, I ask unanimous consent to yield the rest of my 5 minutes along with the 5 minutes that I think is still available for debate to the Chair for disposition by the Chair, in its wisdom, among the Members who wish to speak on this or other matters connected with the bill.

The CHAIRMAN. The gentleman has 2 minutes remaining which he may yield back.

Mr. VORYS. I would like to yield that back to the Chair for disposal in addition to the other five.

The CHAIRMAN. The question is on the preferential motion.

The motion was rejected.

Mr. VORYS. I have yielded 2 minutes to the Chair and I now ask that the 7 minutes available be divided amongst those who wish to speak.

Mr. McCORMACK. Mr. Chairman, a point of order.

The CHAIRMAN. The gentleman will state it.

Mr. McCORMACK. The gentleman yields back 2 minutes, which was available to him in opposition to the preferential motion.

The CHAIRMAN. He has yielded that back to the House, or to the Chair.

Mr. McCORMACK. I ask unanimous consent that the Chair may use that extra time.

Mr. VORYS. That is what I am trying to do.

The CHAIRMAN. That is what the Chair understands to be the unanimous consent request of the gentleman from Ohio.

Mr. VORYS. Mr. Chairman, I have two requests: One, that the 7 minutes remaining be disposed of by the Chair to those who wish to speak on the bill; and, second, that all Members may have the right to extend their remarks at this point or at appropriate points in the RECORD.

The CHAIRMAN. Is there objection to the various unanimous consent requests of the gentleman from Ohio?

There was no objection.

Mr. STRINGFELLOW. Mr. Chairman, I have felt impelled today to vote against the Mutual Security Act of 1954 which would authorize our country to give away $3,500,000,000 during the next fiscal year.

I campaigned and was elected on a platform which called for balancing the United States budget and in good conscience I cannot vote for a measure which will perpetuate deficit spending. The amount of foreign aid which is proposed for next year is approximately equal to the amount which it is estimated the United States budget will be out of balance or in the red this year. I have pondered this matter for many days, and I have wrestled with my conscience be-

fore voting against this bill. I have discussed this matter at some length with Congressman DEWEY SHORT, chairman of the House Armed Services Committee, and also with my good and able friend, Congressman ALVIN BENTLEY, who is a member of the Foreign Affairs Committee.

I am firmly convinced that the authorization of these additional billions for foreign aid would be just as wasted as all other moneys have been which we have sent abroad since World War II. I am greatly concerned over our foreign policy, and I sincerely support the President and the other administration leaders in their efforts to combat communism. However, I am certainly not convinced that spending billions of dollars will win us either friends or allies, and I am certain that continued deficit spending will bring the United States only misery, poverty, and further taxes as we head blindly down the road to national bankruptcy, economic ruin and political oblivion.

As has been pointed out in the debate on the floor today, there are billions of dollars of carryover funds from previous years' authorizations and appropriations to permit our Government to help nations and areas, such as Indochina, which are threatened by Communist invasion. This program of supporting other nations on United States taxpayers' dollars must come to an end sometime, and there is no better time than the present. I am in complete sympathy and accord with the minority report issued by the House Foreign Affairs Committee.

I too have grave doubts concerning the patchwork mutual security program, and its philosophy of materialism. I also have serious doubts as to the wisdom of relying on huge grants of money and weapons as the core of our foreign policy, and I abhor having to rely on vacillating allies whose turncoat policies have constantly kept them and us in one international fracas after another.

I sincerely believe we would have accomplished far more good if we had used the hundred billion dollars we have given freely to foreign nations in economic and military aid since World War II for reducing the national debt and bolstering our own economy and defenses in the American hemisphere. Only by exercising spiritual, moral, and political leadership can we hope to achieve real peace because dollars alone will bring no more security or peace of mind for the United States than it did for Judas nearly 2,000 years ago when he betrayed Christ for thirty pieces of silver.

Mr. CHIPERFIELD. Mr. Chairman, section 415, emigration to U. S. S. R., authorizes the use of funds available under any provisions of the bill to pay the expenses of travel of any resident in the United States to the Soviet Union for the purpose of establishing permanent residence there on condition that such person shall not be readmitted to the United States. The authority is discretionary. It is not anticipated that many people in the United States will want to take advantage of this opportunity. To the extent that there are such people, the committee believes that money used for this purpose would be well spent.

This amendment was unanimously adopted by the Committee on Foreign Affairs, and as I have pointed out is entirely discretionary. So even if it was determined to use Mutual Security funds to pay the expenses of citizens of the United States to U. S. S. R. it would be only for those that we feel it is for our best interest to get rid of. It is doubtful, even if we should make such a decision, that the U. S. S. R. would issue these people visas and permit their entry into Russia. This provision would require only an infinitesimal sum.

Even a 13-year-old boy recognized that fact when he wrote me as follows:

> I read in the town paper today that you and the House of Foreign Affairs Committee voted Wednesday to authorize paying a one-way passage to Russia for any resident of the United States desiring to stay there. I am only 13 years old and I may not know much about this, but I think you and the committee are pretty safe from having to pay the price of such a ticket.

Also, an editorial on this provision summed it up as follows:

> If Congress by chance should adopt it, the United States taxpayer needn't worry about having to buy any large numbers of one-way tickets. Soviet Russia's lovers in this country always have been noteworthy for preferring to love the Kremlin at a safe distance.

Those people who believe Russia is such a utopia that they would be willing to give up their United States citizenship to go there are not good Americans, and I again say we are better rid of them.

I believe this amendment has great possibilities as a psychological and propaganda weapon in letting the people of U. S. S. R. realize there would be a great movement to get out of Russia if permitted to do so, while there would be just the smallest trickle back to Russia even with expenses paid. When people realize the opportunities in a free world they want no part of a country where slave conditions predominate.

Mr. FRELINGHUYSEN. Mr. Chairman, this bill has so many admirable features and the continuation of a vitally needed program is so obviously desirable, that I hesitate to comment on one minor provision, section 415. This provision, however, seems vulnerable at least to comment, if not criticism.

Section 415 provides that any resident traveling to the U. S. S. R. "for the purpose of permanent residence there" may be reimbursed for any travel expenses so incurred. Any such resident, however, the section specifies, "shall not be readmitted to the United States." This language is clear enough. At first blush it has a certain appeal. In effect, we are saying, "If someone likes Russia so much, we will help him go there." If enacted, section 415 will provide free one-way tickets, paid for from mutual-security funds. We are seeking thereby to speed on their way those who desire to reside in Russia.

On sober second thought, several questions arise. Who will administer the program? What kind of affidavit of intention will be required? Who, and how many, will take advantage of this offer? Can we legally bar from readmission to the United States citizens whose travel expenses have been paid? What, finally, is the real purpose of section 415?

The report of the Foreign Affairs Committee states—somewhat dryly and with justifiable confidence—that "it is not anticipated that many people in the United States will want to take advantage of this opportunity." Certainly, it is inconceivable that many individuals would consider accepting this offer, generous as this use of the taxpayers' money may sound.

Section 415 will have meaning only if we can give publicity to the fact that nobody wants a free trip to Russia. In other words, it must be hoped that this particular provision will have psychological value, that it will furnish the Voice of America with effective propaganda.

Because this, indeed, may be true, I have decided against offering an amendment to strike out all of section 415. Nonetheless, this move seems ill advised, puerile, and futile. If points of order had not been waived, I am confident that a point of order against section 415 would be sustained. This provision is not relevant to the purpose of the bill. This bill aims to promote our national security and our foreign policy "by furnishing assistance to friendly nations." Furthermore, this provision attempts to affect our national immigration policy, which is surely out of order in an authorization bill of this kind.

It seems inadvisable for us to attempt to wage psychological warfare in this way. Certainly, it cannot be hoped that its effect will be earth shaking. In contrast, if we were authorizing free passage for refugees from the Soviet Union, it might be helpful in the cold war. If we were encouraging real disaffection within the Soviet Union, or reaffirming our unrelenting interest in the freedom of all peoples, this, too, might be helpful. This proposal, however, is basically meaningless and ineffectual. It is, indeed, a reflection on the commonsense of Congress that we should authorize such an inane and picayune project.

Mr. PHILBIN. Mr. Chairman, the Mutual Security Act of 1954 has broad objectives designed to strengthen and fortify the free world against communism.

It is difficult indeed to be optimistic about the current international situation. It is equally difficult to understand some activities and policies of certain so-called allies who accept our very substantial economic, military, and political aid and then devote themselves to what many interpret as a definitely pro-Soviet, pro-Red China attitude. Thus the unity of the free nations is sorely tested and strained at many points. Yet if unity could be established on a firm basis of real mutual agreement, if all the manpower, military strength, and economic resources of the free world could be marshalled and made available in a common effort to check communism, there would be overwhelming force on the side of the cause of freedom and the forces of enslavement could never successfuly infiltrate free nations, nor could they carry on successful aggression anywhere. It is this distressing

division of opinion and failure to contribute according to capacity—the failure it would seem of a real activated will to join in the defense of democracy which is making it easier for the Soviet to conduct both political penetration and willful aggression against free nations. Korea, Indochina and some European nations are cases in point.

As I have said so many times on this floor, all these things dictate not only a reappraisal of our entire foreign policy, but the shaping of a new policy that will realistically evaluate the present attitude and policies of some of our major allies so-called. Such a policy cannot be predicated upon the weakness of appeasement, but rather must rest upon the strength of spirit, of arms, and of economic readiness, and upon an honest, determined, fair-minded campaign for peace based upon reciprocal disarmament, atomic and hydrogen substances controls through international inspections, and support of independence and self-determination in the face of colonialism, imperialism, and totalitarianism whether it be red, black, white or any other color, and regardless of its pious professions of social reform and betterment.

There are fortunately also some bright spots in the international situation. One of these is Israel, in fact that brave new nation is outstanding in a troubled, harrassed world in shaping a bold destiny of freedom and independence, in courageously and intelligently facing up to stupendous problems and solving them in the true interests of its people. Against great odds, Israel set up its free institutions. It opened wide its doors to the persecuted, war-stricken refugees of many lands. It moved almost miraculously to develop the national resources and convert barren wastes into fertile, productive fields. On a wide front, this young nation, infused with high idealism and love of liberty, has conquered most challenging social, economic, financial, and political problems. Israel stands proudly as an outpost of democracy and liberty in the Near East, a sanctuary for the persecuted, a haven for the oppressed and a gleaming beacon light of hope and inspiration for those who seek to be free and to enjoy the opportunities, fruits and blessings of stable democratic government.

It is therefore with a sense of privilege that I declare my support of Israel and of the well-merited assistance provided for her by this bill. Israel is entitled to our confidence and help.

Regarding the bill in general, while there are several provisions which do not particularly stir my enthusiasm or approval, I am supporting it because I believe that our Nation is confronted with great peril from the world Communist conspiracy and that we must leave nothing undone that is at all reasonable or practicable to establish appropriate defenses against infiltration and aggression and to encourage the nations of the free world to participate in the overall program to combat communism and preserve freedom.

During and since the war, our contributions to the cause of freedom throughout the world have been great and many. We have placed great exactions upon our own taxpayers to provide the billions of dollars in money, materiel, and food, which we have furnished to our allies and associates. In not all cases have these grants brought us the results expected. There has been altogether too frequently a palpable unwillingness on the part of other nations whom we have helped so materially to make the effort and sacrifice necessary in order to contribute an equitable part to the sizable and tragic undertakings which have been necessary to check those forces which are dedicated to the destruction of democracy and liberty.

I hope that the results of this measure, as well as the many other evidences we have so generously given of our own willingness to stand in forthright manner with all nations willing to defend our way of life, will soon bring more favorable reaction, particularly by the development and formulation of that essential and zealous unity of purpose and action which will insure, I believe, the protection of our freedom.

That we have colossal tasks ahead of us is manifest. But they are by no means insuperable, and with faith, determination, and courage, and sound statesmanship, they can be successfully accomplished. It is for all peoples interested in freedom and loving freedom to realize how gravely it is imperiled, and to rally behind a solid, loyal, dedicated leadership to defend and preserve the security and the future destiny of America and human liberty. By these means our cause will triumph.

Mrs. KELLY of New York. Mr. Chairman, as a member of the Foreign Affairs Committee, I feel it is my duty to speak on this bill.

I believe in the basic principles of our foreign policy—collective security through international cooperation—to which this act is dedicated.

I believe this bill expresses confidence in collective security and faith in the people of the free world to want to remain free.

I believe in the objectives of this bill to obtain a just peace through international cooperation.

For these reasons the United States joined the United Nations, established the ECA program, enacted Mutual Defense Pact, initiated the mutual security program, ratified the North Atlantic Treaty, and other pacts.

The U. S. S. R. has thwarted and strangled the objective of freedom-loving people for peace to the degree where free nations have been forced to organize in order to curb an attempt to destroy the enslavement of people by the U. S. S. R.

The free world and the U. S. S. R. are now locked in an untenable situation, and the fate of the world awaits its solution. The stakes are high and the hour is late.

The unity of the free world must be preserved. History can and should be made in Washington this week provided that—

First. The favorable passage of this Mutual Security Agency bill of 1954.

Second. Restoration of an effective United States-British alliance.

On the first fact: Passage of this mutual security bill is necessary to implement the foreign policy of the United States. The objectives of this bill are the following—and to me the key answer for its passage is expressed in (d):

2. OBJECTIVES OF THIS BILL

In meeting the situation with which the United States is confronted, the committee has endeavored to prepare a bill which would attain the following objectives:

(a) Strengthen the ability of the United States to meet the threat of Soviet aggression: The most important problem confronting every man, woman, and child in the United States today is the Soviet threat. There is no reason to believe that this danger has diminished in any way. It is essential that we not allow disappointments, annoyances, or wishful thinking to divert us from the urgency of the problem or from utilizing every available means of meeting it.

(b) Maintain the stability and security of nations in which the United States has airbases and other defense facilities: Atomic weapons and the Strategic Air Force are the most important weapons available to the United States to deter Soviet aggression. The effectiveness of this deterrence is substantially increased if it is possible to strike from bases as near to Soviet targets as possible.

Every nation is reluctant to have foreign troops stationed on its soil. Many countries where the United States has bases regard these bases as inviting atomic attack by the Soviet if war comes. The only way America can maintain such bases is to cooperate as partners with the host countries on a comprehensive defense program. The United States cannot have foreign bases and follow a policy of isolation in other respects.

(c) Keep the resources of Western Europe and of the free world generally from falling under Soviet domination: If the factories, minerals, and skills of Western Europe were controlled by the Soviet Union, the industrial potential of the Communist bloc would be brought into near-parity with that of the United States. Furthermore, in this electronic age small supplies of rare minerals and other commodities have become vital to United States industry and to United States defense. Some of these are not available within the United States or even in the Western Hemisphere. It is essential that we retain access to such supplies and prevent them, whenever possible, from falling into Soviet hands.

(d) Avoid action which would destroy efforts on the part of other nations which are in our interest and which we want to succeed: Although we do not know whether the European Defense Community will materialize or whether Indochina will be saved from Soviet domination, it is essential that nothing we do should prevent ratification of the EDC or contribute to a collapse in Indochina. It is essential that the United States give tangible evidence of our continued determination to counteract Soviet aggression, our desire to continue what has begun, and our confidence that the course we are following will be successful.

(e) Strengthen our ties of cooperation and friendship with the economically underdeveloped nations of the world: The cooperation and support of the economically less developed areas of the world are a critical factor in the efforts of the United States to meet the Soviet threat and to establish sound and expanding economic relationships among the free nations. The technical cooperation program and other economic development programs are doing much to gain and strengthen such cooperation and support.

Many nations of southeast Asia, the Near East, and Africa have recently emerged from

colonial status under European powers. Within the boundaries of such countries lie important strategic materials, and their location gives them command of major sea and air routes. It is in our interest that they do not fall under Soviet control. The people of these countries tend to regard the United States as pro-European and are particularly vulnerable to Soviet propaganda. To many of them, joining the United States and the Western European powers in a defense program is paving the way for new foreign domination.

It is necessary to recognize that many of these countries, if left to themselves, would be the victims of Soviet subversion, although they are not pro-Communist, and although foreign domination is feared by them more than anything else. The United States must do what it can to work with these people, recognizing that the task is difficult and progress will be slow. The alternative is losing them to communism.

(f) Curtail expenditures in order that the budget may be brought into balance and that the strength of the United States be maintained: In order for the United States to continue its role as the leader in the resistance to Soviet aggression and to be able to give effective backing to other free nations when the need arises, it is essential that United States expenditures be reduced as rapidly as possible.

(g) Eliminate all aspects of the foreign operations program not esential to meeting the situation which confronts the United States today: The original foreign-aid programs were designed to meet a postwar emergency. The conditions which the original legislation was designed to deal with have changed substantially. There is a danger that the bureaucratic process perpetuates programs and operations previously begun which would not be started if the operation was just being initiated. This bill repeals all of the previous foreign-aid legislation and makes provision only for operations which are essential to present-day United States foreign policy.

On the second fact:

First. An effective United States-British alliance will do more to combat communism than anything else at this time.

Second. Whenever the free world takes a united definite stand the Communists react with concessions. But when the West shows signs of weakening or begs for peace, then we get demands and threats from them. To bring the Communists to reason, "The West must build its strength, not plead its weakness."

It seems from statements coming out of this weekend conference that—

United States and Britain agree on Europe.

EDC must and will come into being.

In Asia the collective pact is vague; I simply do not, and will not, support a Locarno-type pact. The committee unanimously adopted an amendment to this bill expressing this feeling.

What is wrong?

Many fear voting vast authority to our Executive without a definite policy in the Far East.

Many call for an appraisal of the administration's foreign policy.

I agree it would be well to have an appraisal of the foreign policy of the United States, as well as to ask our British friends to reappraise their recent statements which, to our minds, seem conflicting.

I object to the trial balloon statements of spokesmen of the Republican Party, such as the well known, first, retaliation speech; and, second, boys may have to go to Indochina, then a retraction.

I believe these actions are directly aiding the Communist stronghold by a fluctuating policy of anticommunism. I am incensed by the last speech of the Vice President in Milwaukee on June 26, particularly that part of his speech in which he accused the previous administration of being directly responsible for the loss of China, and, hence, for the Korean war and the current crisis in Indochina. It seems to me that this is a new low in accusations. It is also detrimental to a bipartisan foreign policy.

This might be a good time to be eloquent about standing at a crossroad of history. Such eloquence reads well after the period has passed. But right now I, as an American, am thinking of our debt to those enslaved people all over the world whose voices are silent because of the omnipotence of a godless power so foreign to us that we do not understand its language. All we see is its diabolical effect. For this reason alone we should all vote in favor of the mutual-security bill.

The CHAIRMAN. The Chair is informed that there are six amendments in the offing, one pending at the desk and five to be offered from the floor. The Chair will yield 1 minute on each amendment. The Clerk will report the first amendment, the one offered by the gentleman from New Jersey [Mr. WILLIAMS].

The Clerk read as follows:

Amendment offered by Mr. WILLIAMS of New Jersey: Page 65, line 5, after "reserve" insert "and the provisions of section 1105 of the Foreign Service Act shall apply in the case of such persons;" and on page 65, line 14, strike out "and 528" and insert in lieu thereof "523 and 1105."

The gentleman from New Jersey is recognized for 1 minute.

Mr. RICHARDS. Mr. Chairman, will the gentleman yield?

Mr. WILLIAMS of New Jersey. I yield.

Mr. RICHARDS. I may say to the gentleman from New Jersey that so far as I am concerned I think it is a good amendment. It tends to take politics out of foreign aid.

Mr. VORYS. Mr. Chairman, will the gentleman yield?

Mr. WILLIAMS of New Jersey. I yield.

Mr. VORYS. I would like to say that it attempts to put FOA into the Foreign Service, and I am against this amendment.

The CHAIRMAN. The gentleman from New Jersey may proceed.

Mr. WILLIAMS of New Jersey. Mr. Chairman, the amendment I propose is designed to improve the efficiency of the administration of FOA. I feel very strongly that the personnel practices in FOA should be devoid of any partisan politics or patronage considerations just as the State Department is operated on a bipartisan personnel basis, and this amendment would take the provision that applies in the Foreign Service and incorporate it in this bill. I feel that it would insure the bipartisan personnel practice that I feel is so important to the efficient administration of this act.

The CHAIRMAN. The question is on the amendment offered by the gentleman from New Jersey [Mr. WILLIAMS].

The question was taken; and on a division (demanded by Mr. WILLIAMS of New Jersey) there were—ayes 120, noes 128.

Mr. SHELLEY. Mr. Chairman, I demand tellers.

Tellers were ordered, and the Chairman appointed as tellers Mr. VORYS and Mr. WILLIAMS of New Jersey.

The Committee again divided; and the tellers reported that there were—ayes 154, noes 165.

So the amendment was rejected.

Mr. VORYS. Mr. Chairman, I am inserting in the RECORD at this point the further comments I would have made on the Williams amendment had time permitted. He very kindly permitted me to register my objection in a sentence during the 1 minute that was allotted to him, but time did not permit my further comment.

His amendment was directed to section 527, dealing with employment of personnel in FOA.

Subsection (b) permits the employment in the United States of 60 persons without regard to civil service laws. These are the supergrade people, including the policymaking group. The Williams amendment did not affect this group. Apparently he recognized the validity of having such a group represent the administration viewpoint, the policy of the party in power.

The Williams amendment was directed solely to the overseas officers and employees. His amendment made no allowance for a similar supergrade policymaking group in our missions abroad. Although 16 mission chiefs are taken care of in another section, the amendment would apply to the chiefs of missions in many countries and to all other policymaking officials serving outside the United States.

There are approximately three times as many FOA people overseas as there are in Washington. This may not require 3 times 60, or 180, exemptions from civil service laws overseas, but it gives some measure of the sweeping effect of the Williams amendment, which would have left only 16 exemptions.

There is another reason I opposed his amendment. We have simply not solved the problem of what to do about FOA staffs. What started out as a temporary emergency group is becoming for many a career service. I am opposed to a separate permanent Foreign Operations Administration or United States Information Agency, as I stated Monday on the floor and have stated publicly many times. The Wriston report on the Foreign Service does not attempt to solve this problem. I do not want to see our Foreign Service amalgamated with FOA and USIA unless they are all to be in the State Department. I do not want FOA people to have all the benefits of the Foreign Service unless they assume all the obligations. The tendency is in this direction. I want to stop that tendency. Therefore I opposed the Williams amendment as another step toward getting FOA people into the Foreign Service by the back door.

Mr. GROSS. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. GROSS, of Iowa: On page 42, line 14, strike out all of section 415.

Mr. GROSS. Mr. Chairman, this amendment seeks to strike out section 415, which provides that funds made available pursuant to this act may be used to pay the expenses of travel of any resident of the United States to the Union of Soviet Socialist Republics for the purpose of establishing permanent residence there, provided, that such resident shall not be readmitted to the United States.

If this bill were subject to a point of order, this section would go out. It has no place in the bill. If funds are to be voted for this purpose, they should not be used to ship people to Russia, whether to establish permanent residence there or not.

Mr. WILLIAMS of Mississippi. Mr. Chairman, will the gentleman yield?

Mr. GROSS. I yield.

Mr. WILLIAMS of Mississippi. Has the purpose of this section in the bill been explained by the committee?

Mr. GROSS. No explanation of it has been given by anyone. I doubt if the committee can give a reasonable explanation.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Iowa [Mr. GROSS].

The question was taken; and on a division (demanded by Mr. VORYS) there were ayes 70, noes 74.

Mr. GROSS. Mr. Chairman, I demand tellers.

Tellers were ordered.

The Committee again divided; and the tellers reported that there were—ayes 75, noes 113.

So the amendment was rejected.

Mr. GROSS. Mr. Chairman, I offer a further amendment.

The Clerk read as follows:

Amendment offered by Mr. GROSS: On page 44, line 1, strike out all of section 418.

Mr. GROSS. Mr. Chairman, this motion would strike out section 418, which provides that the President be made the indirect head of a travel agency to encourage the travel of United States citizens to foreign countries and citizens of foreign countries to the United States. It also provides that the administrative expenses of this glorified travel bureau be paid out of the funds provided in this bill, which, of course, come from the taxpayers. I suggest that there are enough private travel agencies to handle this traffic.

I ask that the motion be adopted.

Mr. JAVITS. Mr. Chairman, extensive hearings were held before the Subcommittee on Foreign Economic Policy of the Committee on Foreign Affairs on a bill in principle similar to this section. These hearings were entitled "To promote the foreign policy of the United States by fostering international travel and exchange of persons." These hearings extending over a period of about 2 months produced enormous support for the need of our Government to aid in facilitating and increasing international travel both from and into the United States. It was made clear that this can be the greatest single source of trade not aid.

In 1953 United States tourists spent over a billion dollars for international travel in dollar expenditure in foreign countries and, based upon United States national income, there is a foreign travel expenditure potential of $2 billion or more. It is vital to know that foreign travelers spent an estimated $600 million in the United States, too, in the same period. This proposal has wellnigh universal support from all forms of transportation, train, bus, airplane and ship; from chambers of commerce, trade unions and many other organizations, as well as from the Government departments. It was made very clear that there would be no competition of any kind with private business; on the contrary the opportunities for the travel industry and private business could be greatly increased. Also it was emphasized that the important thing was that Government prestige and the Government's existing facilities could help so much and that no promotional or other expenditures were contemplated.

It is symptomatic of the great support this proposal has received that as recently as June 16, the Board of Directors of the National Association of Manufacturers adopted a resolution urging that to realize the potential inherent in foreign travel as an element of trade not aid there must be a coordination of effort on the part of shipping and airlines, those that provide accommodations abroad, and all governments, including the United States, in eliminating burdensome frontier formalities, and in travel promotion—including better publicizing of tariff exemptions applicable to travelers at wholesale prices—particularly during the off-season months. The vital influence of foreign travel in terms of education and better relations between the peoples of the free world is, of course, so very well known as to require only statement rather than emphasis.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Iowa [Mr. GROSS].

The amendment was rejected.

Mr. GROSS. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. GROSS: On page 64, line 1, strike out all of subsection (b).

Mr. GROSS. Mr. Chairman, this motion provides for the striking out of subsection (b), which provides that 60 persons may be compensated without regard to the provisions of the classification act of 1949 and that 35 of the 60 may be put in the supergrades, 16, 17 and 18. This is legislation that properly belongs to the House Post Office and Civil Service Committee.

Mr. JUDD. Mr. Chairman, will the gentleman yield?

Mr. GROSS. I yield.

Mr. JUDD. This language is all in existing law, except that existing law provides for 100 in the first category mentioned by the gentleman and the bill cuts it down to 60. Existing law provides 50 at grades above 15, which we cut to 35. The committee reduced by 30 percent and 40 percent respectively the number who are already serving in those grades.

Mr. GROSS. Yes, you have a total of 60 in this bill.

Mr. JUDD. There are 100 of these top jobs now on the list, and we cut it to 60.

Mr. GROSS. Yes, you did cut it. You still have 60 and that is 60 too many.

Mr. JUDD. That is right, we still have 60.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Iowa [Mr. GROSS].

The amendment was rejected.

Mr. GROSS. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. GROSS: On page 66, beginning at line 17, strike out all of section 529.

Mr. GROSS. Mr. Chairman, this motion would strike out section 529, which gives the President power to pick out people anywhere in the executive branch of the Government and put them in the business of administering this give-away program. I am opposed to it. I do not think the President or any of his subordinates ought to have that kind of power. Mr. Chairman, I ask that the motion be adopted.

Mr. JUDD. Mr. Chairman, will the gentleman yield?

Mr. GROSS. No, you can go ahead and vote against the motion.

Mr. JUDD. This is all in existing law.

Mr. GROSS. Oh, sure, I know it—I was trying to get it out.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Iowa [Mr. GROSS].

The amendment was rejected.

Mr. GROSS. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. GROSS: On page 72, beginning on line 22, strike out all of section 533.

Mr. CURTIS of Missouri. Mr. Chairman, will the gentleman yield?

Mr. GROSS. I yield.

Mr. CURTIS of Missouri. I want to call the attention of the committee to the fact that this is changed language. It is exactly what the Committee on Ways and Means refused to give the administration when they tried to amend the Renegotiation Act. I hope this amendment is adopted.

Mr. VORYS. This is in existing law.

Mr. GROSS. Mr. Chairman, I did not yield to the gentleman from Ohio. I have yielded to the gentleman from Missouri.

Mr. CURTIS of Missouri. It is not in existing law.

Mr. GROSS. Mr. Chairman, I decline to yield to the gentleman from Ohio. He refused to yield to me.

Mr. CURTIS of Missouri. Existing law has been amended and the language has been changed materially. If you would give us more time to discuss these things, maybe we could get to the bottom of it.

Mr. GROSS. Mr. Chairman, this is authority for the making and modifica-

tion of contracts and the unbridled power to spend billions of dollars, which no President of the United States ought to ask for, and it is the kind of power that any President of this Republic ought to refuse.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Iowa [Mr. GROSS].

The question was taken; and on a division (demanded by Mr. GROSS) there were—ayes 122, noes 71.

So the amendment was agreed to.

The CHAIRMAN. The gentleman from Ohio is recognized for the last remaining minute.

Mr. JAVITS. Mr. Chairman, I ask unanimous consent to extend my remarks after the amendment was disposed of with reference to section 418, and I make the same request for the gentleman from Virginia [Mr. HARRISON].

The CHAIRMAN. Is there objection?

There was no objection.

Mr. VORYS. Mr. Chairman, I yield back my time.

Mr. FULTON. Mr. Chairman, I ask unanimous consent to extend my remarks.

The CHAIRMAN. Is there objection?

There was no objection.

Mr. JUDD. Mr. Chairman, I desire recognition as a member of the committee. Just to state the facts on this matter about which there was disagreement a moment ago, with reference to the language on waiving contract laws, that was voted out of the bill. That language is in existing law.

Mr. CURTIS of Missouri. A point of order, Mr. Chairman.

The CHAIRMAN. The gentleman will state it.

Mr. CURTIS of Missouri. The gentleman was speaking without being recognized.

The CHAIRMAN. He had been recognized for 10 seconds as a member of the committee.

Mr. FULTON. Mr. Chairman, I oppose aid to Yugoslavia under this bill which is to support the Tito dictatorship imposed and maintained by force over the Yugoslav people. This is a Communist government and not one of the free nations, and we will later regret this action.

I strongly oppose jet planes being supplied to the Yugoslav government under this program as I do not trust this government staying with the West. This jet airforce is a threat to nearby nations and peoples, particularly our good friends, the Italian people.

How can we support a policy that supports repression of freedom, repression of religious and civil liberty, and repression by force of any opportunity—of any chance of a free Yugoslav to arise.

How can I tell my people who are unemployed or on part-time that this Yugoslav economic aid program, instituted by the Truman administration, is being continued year after year? I urge the Congress to reconsider this program of economic and military aid to Tito, as we have no control over the equipment once granted and cannot prevent its arbitrary use or unjustified use against any nearby country. This is not in accord with our tradition as a peace-loving and free Nation.

Mr. WILLIAMS of Mississippi. Mr. Chairman, I offer a preferential motion.

The Clerk read as follows:

Mr. WILLIAMS of Mississippi moves that the Committee do now rise and report the bill back to the House, with the recommendation that the enacting clause be stricken out.

The CHAIRMAN. The gentleman is recognized for 5 minutes in support of his motion.

Mr. WILLIAMS of Mississippi. Mr. Chairman, I did not intend to take any time on this bill, and I would like to apologize to the Committee for using this method of getting time. When I finish what I have to say, I will ask unanimous consent that the motion be withdrawn.

Until I heard the speech of the gentleman from South Carolina [Mr. RICHARDS], I had not intended to speak on this bill.

But, for the benefit of those who have just come to Congress in the last session or so, and in order to remind those who have been here for some time, the gentleman from South Carolina [Mr. RICHARDS] made exactly the same speech that he and other supporters of foreign aid have been making down through the years. I have heard it now for 8 years. They go all the way around the world and never roll their wheels on the ground. I succumbed to that kind of argument in my first year in Congress and voted for this international handout; but if the Lord will just let me live long enough, and if my good people back home will just continue to return me to Congress, that is one sin I hope to atone for.

We have wasted forty-odd billion dollars on fair-weather friends all over the world, and in some cases we have subsidized our enemies.

There are a few questions that have not been answered in the 8 years that I have been in Congress. I dare say they will not be answered even if we continue these programs for another hundred years.

I hope that the gentleman from North Carolina——

Mr. VORYS. South Carolina.

Mr. WILLIAMS of Mississippi. I stand corrected; it is South Carolina—and he is my good friend, except, of course, when foreign-aid bills come up; but I think we are entitled to an answer to some of these questions before we reach a vote on this legislation.

How many friends, Mr. RICHARDS and members of the committee, have we bought with this $40 billion that we have spent? Where are those friends now? Where were they back when we were in combat in Korea?

Where were those friends when we had to send American boys to fight their battles and suffered 130,000 American casualties in Korea?

How many wars have we prevented with foreign aid? Did we prevent the Korean war with foreign aid? Are we preventing bloodshed in Indochina today with foreign aid? Are we any further away from war now than we were when we started this foreign-aid program?

Here is another question to which we are entitled to an answer: You told us in 1948 that this was a 4-year program and that it was going to stop in 1952. When, oh when, are we going to stop it? Here it is 1954 and we are going right into 1956 and 1957. We have a $10 billion carryover, and no end is yet in sight.

Mr. SMITH of Mississippi. Mr. Chairman, if the gentleman will yield, I would like to answer one of the gentleman's questions.

Mr. WILLIAMS of Mississippi. I do not have time. Let us let the gentleman from South Carolina [Mr. RICHARDS] answer if he wants to.

Mr. SMITH of Mississippi. Then do not ask questions if you do not want them answered.

Mr. GROSS. Mr. Chairman, will the gentleman yield?

Mr. WILLIAMS of Mississippi. Mr. Chairman, I refuse to yield further. I do not have enough time as it is. These fellows can get time to answer me, if they have the answers.

Mr. RICHARDS. Mr. Chairman, will the gentleman yield?

Mr. WILLIAMS of Mississippi. I just said I refused to yield. You can reply on your own time, if you have the answers to my questions.

Mr. RICHARDS. Mr. Chairman, a parliamentary inquiry.

The CHAIRMAN. The gentleman will state it.

Mr. RICHARDS. Is it not a rule of the House when another Member's name is mentioned and a question is propounded to him that the Member controlling the time should yield?

The CHAIRMAN. It is not. The gentleman from Mississippi refuses to yield.

Mr. GROSS. Mr. Chairman, will the gentleman yield?

Mr. WILLIAMS of Mississippi. Just a minute. We have a cotton surplus in this country, and I think we are entitled to know how much of the cotton surplus is due to American-subsidized foreign production that is glutting the market. The same holds true throughout the agricultural field. I think we are entitled to that information, but, alas, the committee has not furnished it to us. How much economic aid is there hidden in the so-called defense support in this bill? How much is the total amount of economic aid contained in this bill? Can anybody tell us in round and understandable figures?

The speech of the gentleman from South Carolina left the implication with the House that anybody who did not vote for this legislation was against adequate defenses for the United States. I would like to ask him, or anyone else, how long our six divisions could hold the continent of Europe if Russia decided to move in? I know you say we must have help from our allies, and that is true, but the only answer to American security is in being strong ourselves, militarily, economically, and spiritually. Friends cannot be bought with bribes, but they will side with strength.

Much new authority in this bill is given to the President. It practically writes him a blank check. It grants more power to him than should be given any individual, no matter who he might be.

I intend in a few minutes to offer a motion to recommit the bill.

I hope that the Members of the House will recognize the fact that this bill has been ill-considered. Even though many Members favor a reasonable and adequate foreign-aid program they should recognize the fact that Congress should defend its own prerogatives, and not continue to surrender the powers of Congress to the Executive. The bill should be recommitted.

Mr. VORYS. Mr. Chairman, I rise in opposition to the motion.

Mr. RICHARDS. Mr. Chairman, will the gentleman yield me a minute?

Mr. VORYS. I have but 5 minutes, but I yield to my friend from South Carolina.

Mr. RICHARDS. I will be as brief as possible.

The gentleman from Mississippi talks about my position over the years here. I hope that position has been consistent. I have been trying to travel a different road from the road traveled by the gentleman from Mississippi. I have traveled by my own lights. Certainly he has been the one who each year, as regular as clockwork, has offered this amendment to recommit. It has gotten to be stereotyped and commonplace.

I would like to say for the benefit of the gentleman from Mississippi that he reminds me very much of the old swamp owl down in one of those Mississippi swamps: The more light you shine in his eyes the blinder he gets.

Mr. VORYS. Mr. Chairman, I want to say a word about the gentleman from South Carolina.

Mr. Chairman, 16 years ago, the gentleman from South Carolina [Mr. RICHARDS] and I stood shoulder to shoulder in an effort to prevent our going into World War II in the name of keeping out of it. In later years we stood together to cut this program and to endeavor to get the Europeans together. We have had some fights from time to time. But he is a wonderful man to have at your side, and I would like to pay my tribute to him at this time.

Mr. Chairman, I do not want to take any time to argue or to reargue any of the provisions of this 82-page bill. It represents for me personally the end of a year of effort when I got the committee to write in a promise that we would try to have a review of all of our foreign operations laws. It has been a long, arduous task. We have been in committee meetings for nearly 3 months.

I want to say that this program, or the parts of it that are the same as they have been for 8 years, is due to the fact that the problems and the peril continue; the dire, grim Communist threat continues year after year, and is going to continue for some time. We intend to face the situation firmly and steadily.

We are here in a time of crisis. We are discussing this bill under tense and deep emotions on the part of our brethren on the floor. But I want to thank the Members of the House for their gentlemanly, courteous, fair consideration of the committee and its spokesman during the past 2 or 3 days. I close with that tribute to the levelheaded, courteous, kindness of my brethren here in this great legislative body.

The CHAIRMAN. The question is on the motion offered by the gentleman from Mississippi [Mr. WILLIAMS].

The motion was rejected.

The CHAIRMAN. Under the rule, the Committee rises.

Accordingly the Committee rose; and the Speaker having resumed the chair, Mr. BROWN of Ohio, 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. 9678) to promote the security and foreign policy of the United States by furnishing assistance to friendly nations, and for other purposes, pursuant to House Resolution 600, he reported the bill back to the House with sundry amendments adopted by the Committee of the Whole.

The SPEAKER. Under the rule, the previous question is ordered.

Is a separate vote demanded on any amendment?

Mr. McCORMACK. Mr. Speaker, I demand a separate vote on the Vorys amendment on page 14. I intend to ask for a rollcall. I think that amendment is so important that we ought to have a rollcall.

The SPEAKER. Is a separate vote demanded on any other amendment? If not, the Chair will put them en bloc.

The amendments were agreed to.

The SPEAKER. The Clerk will report the amendment on which a separate vote has been demanded.

The Clerk read as follows:

Amendment offered by Mr. VORYS: On page 14 after line 8, insert the following: "It is the sense of the Congress that no part of the funds appropriated under this section shall be used on behalf of governments which are committed by treaty to maintain Communist rule over any defined territory of Asia."

The SPEAKER. Without objection, the previous question is ordered.

There was no objection.

The SPEAKER. The question is on the amendment.

Mr. McCORMACK. Mr. Speaker, on that I demand the yeas and nays.

The yeas and nays were ordered.

The question was taken; and there were—yeas 389, nays 0, not voting 45, as follows:

[Roll No. 91]

YEAS—389

Abbitt
Abernethy
Adair
Addonizio
Alexander
Allen, Calif.
Allen, Ill.
Andersen, H. Carl
Andresen, August H.
Andrews
Arends
Ashmore
Aspinall
Auchincloss
Ayres
Bailey
Baker
Barrett
Bates
Battle
Becker
Belcher
Bender
Bennett, Fla.
Bennett, Mich.
Bentley
Bentsen
Berry
Betts
Bishop
Blatnik
Boggs
Boland
Bolling
Bolton, Frances P.
Bolton, Oliver P.
Bonner
Bosch
Bow
Bowler
Boykin
Bramblett
Bray
Brooks, La.
Brooks, Tex.
Brown, Ga.
Brown, Ohio
Brownson
Broyhill
Buchanan
Budge
Burleson
Bush
Byrd
Byrne, Pa.
Byrnes, Wis.
Campbell
Canfield
Cannon
Carlyle
Carnahan
Carrigg
Cederberg
Celler
Chelf
Chenoweth
Chiperfield
Chudoff
Church
Clardy
Clevenger
Cole, Mo.
Cole, N. Y.
Colmer
Cooley
Coon
Cooper
Corbett
Cotton
Coudert
Cretella
Crosser
Crumpacker
Cunningham
Curtis, Mass.
Curtis, Mo.
Dague
Davis, Ga.
Davis, Tenn.
Davis, Wis.
Dawson, Ill.
Dawson, Utah
Deane
Delaney
Dempsey
Derounian
Devereux
D'Ewart
Dies
Dollinger
Dolliver
Dondero
Donohue
Donovan
Dorn, N. Y.
Dorn, S. C.
Dowdy
Doyle
Durham
Eberharter
Edmondson
Elliott
Ellsworth
Engle
Evins
Fallon
Fenton
Fernandez
Fine
Fino
Fisher
Fogarty
Forand
Ford
Forrester
Fountain
Frazier
Frelinghuysen
Friedel
Fulton
Gamble
Garmatz
Gary
Gathings
Gavin
Gentry
George
Golden
Goodwin
Gordon
Graham
Granahan
Green
Gregory
Gross
Gubser
Gwinn
Hagen, Calif.
Hagen, Minn.
Haley
Halleck
Hand
Harden
Hardy
Harris
Harrison, Nebr.
Harrison, Va.
Harrison, Wyo.
Hart
Harvey
Hays, Ark.
Hébert
Herlong
Heselton
Hess
Hiestand
Hill
Hillelson
Hinshaw
Hoeven
Hoffman, Ill.
Hoffman, Mich.
Holifield
Holmes
Holt
Holtzmann
Hope
Hosmer
Howell
Hruska
Hunter
Hyde
Ikard
Jackson
James
Jarman
Javits
Jenkins
Jensen
Johnson, Calif.
Johnson, Wis.
Jonas, Ill.
Jonas, N. C.
Jones, Ala.
Jones, Mo.
Jones, N. C.
Judd
Karsten, Mo.
Kean
Kearney
Keating
Kee
Kelley, Pa.
Kelly, N. Y.
Keogh
Kilburn
Kilday
King, Calif.
King, Pa.
Kirwan
Klein
Kluczynski
Knox
Krueger
Laird
Landrum
Lane
Lanham
Lantaff
Latham
Lipscomb
Lovre
McCarthy
McConnell
McCormack
McCulloch
McDonough
McGregor
McIntire
McMillan
McVey
Mack, Ill.
Mack, Wash.
Madden
Magnuson
Mahon
Marshall
Martin, Iowa
Matthews
Merrill
Merrow
Metcalf
Miller, Calif.
Miller, Kans.
Miller, Md.
Miller, N. Y.
Mills
Mollohan
Morano
Morgan
Moss
Moulder
Multer
Mumma
Natcher
Neal
Nelson
Nicholson
Norrell
Oakman
O'Brien, Ill.
O'Brien, Mich.
O'Brien, N. Y.
O'Hara, Ill.
O'Hara, Minn.
O'Konski
O'Neill
Osmers
Ostertag
Passman
Patman
Patten
Patterson
Pelly
Perkins
Philbin
Phillips
Pilcher
Poage
Poff
Polk
Preston
Price
Priest
Prouty
Rabaut
Radwan
Rains
Ray
Rayburn
Reams
Reece, Tenn.
Reed, Ill.
Reed, N. Y.
Rees, Kans.
Rhodes, Ariz.
Rhodes, Pa.
Richards
Riehlman
Rivers
Roberts
Robeson, Va.
Robsion, Ky.
Rodino
Rogers, Colo.
Rogers, Fla.
Rogers, Mass.
Rogers, Tex.
Rooney
Roosevelt
Sadlak
St. George
Saylor
Schenck
Scherer
Scott
Scrivner
Scudder
Secrest
Seely-Brown
Selden
Shafer
Sheehan
Shelley
Sheppard
Short
Shuford
Sieminski
Sikes
Simpson, Ill.
Simpson, Pa.
Small
Smith, Kans.
Smith, Miss.
Smith, Va.
Smith, Wis.
Spence
Springer
Staggers
Stauffer
Steed
Stringfellow
Sullivan
Taber
Talle
Taylor
Teague
Thomas
Thompson, La.
Thompson, Mich.
Thompson, Tex.
Thornberry
Tollefson
Trimble
Tuck
Utt
Van Pelt
Van Zandt
Velde
Vinson
Vorys
Vursell
Wainwright
Walter
Wampler
Warburton
Watts
Westland
Wharton
Whitten
Wickersham
Widnall
Wier
Wigglesworth
Williams, Miss.
Williams, N. J.
Williams, N. Y.
Willis
Wilson, Calif.
Wilson, Ind.
Winstead
Withrow
Wolcott
Wolverton
Yates
Yorty
Young
Younger
Zablocki

NOT VOTING—45

Albert	Grant	Mason
Angell	Hale	Meader
Barden	Hays, Ohio	Miller, Nebr.
Beamer	Heller	Morrison
Bonin	Hillings	Murray
Buckley	Horan	Norblad
Burdick	Kearns	Pfost
Busbey	Kersten, Wis.	Pillion
Camp	LeCompte	Powell
Chatham	Lesinski	Regan
Condon	Long	Riley
Curtis, Nebr.	Lucas	Sutton
Dingell	Lyle	Weichel
Dodd	Machrowicz	Wheeler
Feighan	Malliard	Wilson, Tex.

So the amendment was agreed to.

The Clerk announced the following pairs:

Mr. LeCompte with Mr. Chatham.
Mr. Mason with Mr. Morrison.
Mr. Miller of Nebraska with Mrs. Pfost.
Mr. Curtis of Nebraska with Mr. Wilson of Texas.
Mr. Bonin with Mr. Lyle.
Mr. Horan with Mr. Regan.
Mr. Hillings with Mr. Hays of Ohio.
Mr. Beamer with Mr. Camp.
Mr. Meader with Mr. Wheeler.
Mr. Mailliard with Mr. Barden.
Mr. Kearns with Mr. Buckley.
Mr. Angell with Mr. Heller.
Mr. Busbey with Mr. Machrowicz.
Mr. Pillion with Mr. Powell.
Mr. Weichel with Mr. Dingell.
Mr. Kersten of Wisconsin with Mr. Dodd.
Mr. Burdick with Mr. Riley.
Mr. Norblad with Mr. Lesinski.

Mr. BLATNIK changed his vote from "nay" to "yea."

The result of the vote was announced as above recorded.

A motion to reconsider was laid on the table.

The SPEAKER. The question is on the engrossment and third reading of the bill.

The bill was ordered to be engrossed and read a third time, and was read the third time.

The SPEAKER. The question is on the passage of the bill.

Mr. WILLIAMS of Mississippi. Mr. Speaker, I offer a motion to recommit.

The SPEAKER. Is the gentleman opposed to the bill?

Mr. WILLIAMS of Mississippi. Unqualifiedly.

The SPEAKER. The gentleman qualifies. The Clerk will report the motion.

The Clerk read as follows:

Mr. WILLIAMS of Mississippi moves to recommit the bill to the Committee on Foreign Affairs.

The SPEAKER. The question is on the motion to recommit.

Mr. WILLIAMS of Mississippi. Mr. Speaker, on that I ask for the yeas and nays.

The SPEAKER (after counting). Fifty-five Members have risen; not a sufficient number.

So the yeas and nays were refused.

The question was taken; and on a division (demanded by Mr. GROSS and Mr. WILLIAMS of Mississippi) there were—ayes 75, noes 172.

So the motion to recommit was rejected.

The SPEAKER. The question is on the passage of the bill.

Mr. RICHARDS. Mr. Speaker, on that I demand the yeas and nays.

The yeas and nays were ordered.

The question was taken; and there were—yeas 260, nays 126, answering "present" 2, not voting 46, as follows:

[Roll No. 92]

YEAS—260

Addonizio	Gary	O'Brien, Mich.
Allen, Calif.	Gathings	O'Brien, N. Y.
Allen, Ill.	Golden	O'Hara, Ill.
Arends	Goodwin	O'Neill
Aspinall	Gordon	Osmers
Auchincloss	Graham	Ostertag
Ayres	Granahan	Patman
Baker	Green	Patterson
Barrett	Gregory	Pelly
Bates	Gubser	Perkins
Becker	Hagen, Calif.	Philbin
Bender	Halleck	Pilcher
Blatnik	Harden	Poage
Boggs	Hardy	Poff
Boland	Harris	Polk
Bolling	Hart	Preston
Bolton, Francis P.	Hays, Ark.	Price
	Hébert	Priest
Bolton, Oliver P.	Heselton	Prouty
	Hess	Rabaut
Bosch	Hiestand	Radwan
Bowler	Hill	Rains
Boykin	Hinshaw	Ray
Brooks, Tex.	Holifield	Rayburn
Brown, Ga.	Holmes	Reams
Brownson	Holt	Rhodes, Ariz.
Broyhill	Holtzman	Rhodes, Pa.
Buchanan	Hope	Richards
Burleson	Hosmer	Riehlman
Bush	Howell	Rivers
Byrd	Hunter	Roberts
Byrne, Pa.	Hyde	Robsion, Ky.
Byrnes, Wis.	Ikard	Rodino
Campbell	Jackson	Rogers, Colo.
Canfield	James	Rogers, Mass.
Cannon	Jarman	Rooney
Carnahan	Javits	Roosevelt
Carrigg	Jenkins	Sadlak
Celler	Johnson, Calif.	St. George
Chelf	Johnson, Wis.	Scott
Chenoweth	Jones, Ala.	Scudder
Chiperfield	Jones, Mo.	Seely-Brown
Chudoff	Judd	Shelley
Cole, N. Y.	Karsten, Mo.	Sheppard
Condon	Kean	Sieminski
Cooper	Kearney	Simpson, Pa.
Corbett	Keating	Small
Cotton	Kee	Smith, Miss.
Coudert	Kelley, Pa.	Spence
Cretella	Kelly, N. Y.	Springer
Crosser	Keogh	Staggers
Cunningham	Kilburn	Stauffer
Curtis, Mass.	Kilday	Steed
Curtis, Mo.	King, Calif.	Sullivan
Dague	Kirwan	Taber
Davis, Ga.	Klein	Taylor
Davis, Tenn.	Kluczynski	Teague
Dawson, Ill.	Lane	Thompson, Tex.
Dawson, Utah	Lanham	Thornberry
Delaney	Lantaff	Tollefson
Derounian	Latham	Trimble
Devereux	Lipscomb	Vinson
Dollinger	McCarthy	Vorys
Donohue	McConnell	Vursell
Donovan	McCormack	Wainwright
Dorn, N. Y.	McDonough	Walter
Doyle	Mack, Ill.	Wampler
Eberharter	Madden	Warburton
Edmondson	Magnuson	Watts
Elliott	Mahon	Westland
Ellsworth	Marshall	Wharton
Engle	Matthews	Wickersham
Evins	Merrill	Widnall
Fallon	Merrow	Wier
Fenton	Metcalf	Wigglesworth
Fernandez	Miller, Calif.	Williams, N. J.
Fine	Miller, Kans.	Williams, N. Y.
Fino	Miller, Md.	Wilson, Calif.
Fogarty	Miller, N. Y.	Wilson, Ind.
Forand	Mollohan	Wolcott
Ford	Morano	Wolverton
Forrester	Morgan	Yates
Frazier	Moss	Yorty
Frelinghuysen	Multer	Young
Friedel	Mumma	Younger
Fulton	Natcher	Zablocki
Gamble	Oakman	
Garmatz	O'Brien, Ill.	

NAYS—126

Abbitt	Andrews	Bentsen
Abernethy	Ashmore	Berry
Adair	Bailey	Betts
Alexander	Battle	Bishop
Andersen, H. Carl	Belcher	Bonner
	Bennett, Fla.	Bow
Andresen, August H.	Bennett, Mich.	Bramblett
	Bentley	Bray
Brooks, La.	Herlong	Reed, Ill.
Brown, Ohio	Hillelson	Reed, N. Y.
Budge	Hoeven	Rees, Kans.
Carlyle	Hoffman, Ill.	Robeson, Va.
Cederberg	Hoffman, Mich.	Rogers, Fla.
Church	Hruska	Rogers, Tex.
Clardy	Jensen	Saylor
Clevenger	Jonas, Ill.	Schenck
Cole, Mo.	Jonas, N. C.	Scherer
Colmer	Jones, N. C.	Scrivner
Cooley	King, Pa.	Selden
Coon	Knox	Shafer
Crumpacker	Krueger	Sheehan
Davis, Wis.	Laird	Short
Deane	Landrum	Shuford
Dempsey	Lovre	Sikes
D'Ewart	McCulloch	Simpson, Ill.
Dies	McGregor	Smith, Kans.
Dondero	McIntire	Smith, Va.
Dorn, S. C.	McMillan	Smith, Wis.
Dowdy	McVey	Stringfellow
Durham	Mack, Wash.	Talle
Fisher	Martin, Iowa	Thomas
Fountain	Mills	Thompson, La.
Gavin	Moulder	Thompson, Mich.
Gentry	Neal	
George	Nelson	Tuck
Gross	Nicholson	Utt
Hagen, Minn.	Norrell	Van Pelt
Haley	O'Hara, Minn.	Van Zandt
Hand	O'Konski	Velde
Harrison, Nebr.	Passman	Williams, Miss.
Harrison, Va.	Patten	Willis
Harrison, Wyo.	Phillips	Winstead
Harvey	Reece, Tenn.	Withrow

ANSWERING "PRESENT"—2

Dolliver Whitten

NOT VOTING—46

Albert	Hale	Miller, Nebr.
Angell	Hays, Ohio	Morrison
Barden	Heller	Murray
Beamer	Hillings	Norblad
Bonin	Horan	Pfost
Buckley	Kearns	Pillion
Burdick	Kersten, Wis.	Powell
Busbey	LeCompte	Regan
Camp	Lesinski	Riley
Chatham	Long	Secrest
Curtis, Nebr.	Lucas	Sutton
Dingell	Lyle	Weichel
Dodd	Machrowicz	Wheeler
Feighan	Malliard	Wilson, Tex.
Grant	Mason	
Gwinn	Meader	

So the bill was passed.

The Clerk announced the following pairs:

On this vote:

Mr. LeCompte for, with Mr. Dolliver against.
Mr. Chatham for, with Mr. Lyle against.
Mr. Hays of Ohio for, with Mr. Barden against.
Mr. Machrowicz for, with Mr. Busbey against.
Mr. Buckley for, with Mr. Regan against.
Mr. Camp for, with Mr. Wilson of Texas against.
Mr. Morrison for, with Mr. Wheeler against.
Mr. Hillings for, with Mr. Mason against.
Mr. Mailliard for, with Mr. Curtis of Nebraska against.
Mr. Heller for, with Mr. Beamer against.
Mrs. Pfost for, with Mr. Miller of Nebraska against.
Mr. Dingell for, with Mr. Whitten against.
Mr. Feighan for, with Mr. Weichel against.
Mr. Dodd for, with Mr. Secrest against.
Mr. Lesinski for, with Mr. Long against.

Until further notice:

Mr. Horan with Mr. Lucas.
Mr. Angell with Mr. Sutton.
Mr. Kearns with Mr. Grant.
Mr. Bonin with Mr. Albert.
Mr. Norblad with Mr. Murray.
Mr. Hale with Mr. Riley.

Mr. WHITTEN. Mr. Speaker, I have a live pair with the gentleman from Michigan, Mr. DINGELL. If he were present, he would vote "yea." I voted "nay." I withdraw my vote and vote "present."

Mr. DOLLIVER. Mr. Speaker, I have a live pair with the gentleman from Iowa, Mr. LECOMPTE, who is absent from the city to attend the funeral of our late colleague, the delegate from Hawaii, Joseph R. Farrington. If Mr. LECOMPTE were present, he would vote "yea." I voted "nay." I withdraw my vote and vote "present."

The result of the vote was announced as above recorded.

A motion to reconsider was laid on the table.

GENERAL LEAVE TO EXTEND

Mr. VORYS. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to extend their remarks on the bill just passed.

The SPEAKER. Is there objection to the request of the gentleman from Ohio?

There was no objection.

Mr. WILLIAMS of New Jersey. Mr. Speaker, I offered an amendment on the floor to the Mutual Security Act of 1954. Since we were so rushed for time, I had less than a minute to explain the purpose of my amendment and, of course, in that time I could not adequately cover the subject. I feel that if I had had time, the additional six votes necessary to carry this amendment would certainly have been obtained. I feel this because I can see no legitimate objection to inclusion of my amendment in the bill.

The amendment would do one simple thing. Under existing personnel policies in Government, the Civil Service Commission overviews the applications of merit and career principles to all Government employees in the United States. Abroad we have the Foreign Service Act of 1946, which governs personnel policies of the State Department overseas. There is one large loophole—overseas appointments of the Foreign Operations Administration. Here, it is charged, we have a large grab-bag for spoils system appointments. My amendment would simply have taken the provision of the Foreign Service Act of 1946, which prohibits political tests in appointments, and would have applied it to nonpolicy appointments in the Foreign Operations Administration abroad.

My distinguished colleague, the gentleman from Ohio [Mr. VORYS], has extended his remarks in the RECORD to indicate that one objection to my amendment would be that it would put the Foreign Operations Administration in the Foreign Service. I disagree on this point, as my objective was simply that one particular provision of the Foreign Service Act should apply to the FOA, not that FOA should be brought under the Foreign Service. As Mr. VORYS stated, this would, of course, not touch the vast bulk of top policy jobs in FOA, which should be available to the group representing the administration's point of view. Sixty policy positions would not be touched by my amendment. In addition, 16 mission chiefs would also not be touched by my amendment. It is my view, however, that by and large the rest of the overseas personnel of FOA should certainly be governed by merit and career principles for appointment, rather than coming under the spoils system.

I am particularly concerned about the technical assistance program. Under the act which has now passed the House, the Administrator of FOA can use the technical assistance program as a political grab bag. The fact that he has been doing this has been charged by many people who should know. To mention but one source, I quote Jerry Kluttz, a recognized authority on what is going on in government, who said:

> The Foreign Operations Administration has required political clearance for even stenographers and clerks. * * * Reportedly, most appointments and promotions in that agency must have the prior O. K. of the patronage dispenser there.

May I recall to the Members that the operation of the great American assistance program abroad has always been conducted in a bipartisan fashion. When the ECA was first set up, President Truman appointed as its head a Republican, Mr. Paul Hoffman. Under Mr. Hoffman and successive administrators, through Mr. Harriman, the operation of the agency was conducted on a very bipartisan basis. The appointment of people abroad was done with almost no consideration for partisan politics. As a matter of fact, a great many of the top mission chiefs abroad were Republicans and a great many top staff people elsewhere were Republicans. I am sure we will all agree that this procedure of appointing outstanding Americans, regardless of their political affiliation, is the correct approach to the administration of this American-aid program, providing economic, military, and technical assistance to aid our friends and allies to move forward in their economies and in their defense structures.

As a member of the International Operations Subcommittee of the Government Operations Committee, I have been concerned about the application of proper career principles to FOA. I do not believe FOA should be the loophole for spoils system entry into the Foreign Service. Under the bill we have now passed, the Director of FOA may appoint anyone he chooses to go abroad on staff positions or technical assistance projects. It is possible for these appointees to apply for lateral entry into the Foreign Service of the State Department. This loophole is so large you can drive a truck through it. The inclusion of my amendment in the law would have had the effect of removing the spoils system stigma which now plagues FOA. The career principle contained in my amendment is identical to that which applies to the Foreign Service of the State Department. I see no reason why it should not be applicable to the same kinds of appointments in FOA.

Mr. HARRISON of Wyoming. Mr. Speaker, among 125 other Members of this House, I cast my vote against the Mutual Security Act of 1954, or, as I prefer to call it, the foreign-aid bill.

My vote was cast thus, not as a demonstration of willful desertion of the Eisenhower program, but rather for some very fundamental reasons that bear upon principles in which I firmly believe.

I believe that my support of the Eisenhower program this year has been reasonably solid. Congressional Quarterly placed me in a tie for first place, with 91-percent active support of the Eisenhower program. Only 2 other States—both of them, like Wyoming, with only 1 Member in the House—have attained so high a percentage.

However, I do not want to be tagged a rubber-stamp Congressman, and when my beliefs do not coincide with an administration program—be that administration Republican or Democrat—I intend to follow the dictates of my conscience. This was the case with the foreign-aid bill.

I do not regard an ill-fitting suit any better simply because a different tailor tries to sell me the same old thing.

I have looked upon foreign aid with a very critical eye ever since I came to Washington to represent the people of Wyoming. My critical view was not assumed because I do not believe in helping others less fortunate than ourselves. To the contrary, I do believe that the United States should extend assistance to other nations; but I believe also that decisions to offer aid should be predicated upon certain basic factors.

One of the factors is our own Nation's ability to send dollars abroad in ever-increasing numbers. We should consider that our own national debt is a staggering $270 billion—dangerously near the legal limit, beyond which the administration already has asked that a new and higher limit be placed. This request has been approved by the House but no action has been taken by the Senate.

I mention the magnitude of our present national debt simply to call attention to the United States inability to continue indefinitely sending dollars abroad with little or no hope of having them returned, if we are to keep our own financial house in order or in any semblance thereof.

If this country's financial structure should collapse—and make no mistake that this conceivably could happen—then we would be in no position to help anyone, even ourselves. And I question very seriously whether any other nation on the face of the earth could—or would—lend a helping hand to the extent that would be necessary to rescue us.

This, then, is my first fundamental reason for voting against the huge foreign-aid expenditure proposed by this year's authorization bill: The belief that we should not spend the United States into bankruptcy, toward which continuation of foreign aid on an almost unlimited scale is a major step.

In determining which nations should share, and to what extent, in distribution of dollars from Uncle Sam, I believe close attention should be given to the very attitudes of these other nations. I do not mean by this merely the individual nation's attitude toward the United States, although I view this as an important factor. I mean the individual nation's attitude toward self-help, toward real determination to make the best possible use of aid funds, toward the basic elements which supposedly

bind together the few countries remaining in what we loosely term the free world. I mean also the individual nation's degree of willingness to actively participate in the global search for peace and freedom among all the world's peoples. I mean the individual nation's willingness to cooperate with the rest of the free world in this search.

It has become more and more apparent, in very recent years, that sufficient attention has not been given these things. I am at a loss to know definitely just what sort of standard has been the guide for those who have planned the multitude of programs which have ridden along under the general category of foreign aid. Certainly, in many cases, little or no attention has been given to the things I have detailed here. Example after example could be cited in this respect.

Lack of coordination among the administrators of the various programs and lack of positive direction from year to year have resulted in a sort of crazy-quilt pattern of foreign-aid projects and programs.

It is not to say that there have been no small bright spots in the pattern, places where aid extended by the United States has shown healthy results. These bright spots are even brighter because of their comparative isolation among a maze of dismal failures.

Much of this failure can be blamed upon neglect of the things I have just mentioned. More careful attention to the proper direction of available aid funds, I believe, could have made successes out of a great many of the failures.

This is my second fundamental reason for voting against this year's bill: I dislike piling failure upon failure when discretion and care in planning could reverse the trend. I believe in gaining knowledge from history for guidance in the future; in the past we have failed miserably to learn anything from our earlier mistakes.

Much as I would like for this country to be in a position to extend all-out aid in unlimited quantities to all the free world, this, of course, is not possible nor will it ever be. But even should such a situation prevail, I still believe that the American taxpayers should have first claim upon benefits derived from their own money.

Right at this very moment, Mr. Speaker, my own State of Wyoming is suffering from severe drought conditions. The drought itself is not present all over the State, but there are numerous areas where drought is a very real and a very serious problem which demands immediate attention. This situation existing in parts of the State, naturally its effects are reflected in the economy of the entire State. The effects are felt beyond the borders of Wyoming, in nearby States, and even in Washington, D. C. Reductions in collectible taxes because of drought destruction of taxable property, wherever such destruction should occur, is of personal concern to every taxpayer because it means he will have to pay more taxes to make up for the loss.

Despite the urgent need of Federal assistance by drought-stricken Wyoming ranchers and farmers, the Federal Government has not yet been convinced of the necessity for immediate action from the Federal level. Yet the Federal Government is willing to authorize expenditure of another $3.5 billion for assistance in foreign lands, some of it to alleviate the very conditions which now exist in Wyoming.

The Wyoming situation could be multiplied many, many times on a nationwide basis. Some of our people customarily are in dire need of assistance in providing the very sustenance of life. They could use more help than already is available. Our schools are overcrowded and much more could be done in this regard with some of the more than $62 billions which have been expended for foreign aid in the past 7 years.

This is a third in my list of reasons for voting against this year's bill: Place first things first, and in my way of thinking our own people should receive priority consideration when funds are available for assistance, rather than trailing along at the end of things.

From a military standpoint, there is grave doubt that our foreign-aid expenditures have strengthened the free world on anywhere near a dollar-value-for-dollar-spent ratio. Despite our more than generous outlays in strictly military assistance, we have failed to halt or even contain communism.

Some of the very nations receiving great amounts of military aid from the United States in dollars and materials have fallen to the Reds, and our taxpayers' resources have gone with them. A great deal of the cause can be credited to apathy and a mismanagement on the part of those individual nations; some of it to the lack of discretion on our part, which I mentioned earlier. We seem to have done a much better job of displaying materialism than we have of demonstrating an inspiring leadership for right and justice, guided by inner spiritual zeal for our basic principles. This, I believe, has taken its toll in foiling United States efforts to attract nations to our side.

From a strictly military or defense viewpoint, it seems to me, we should assume a somewhat selfish—self-enlightened seems to be the polite term—position. This is the only direction from which it is possible or sensible to regard the defense aspect of our overall foreign policy, which includes foreign aid. And even in assuming a seemingly selfish position, it is not entirely so. For the same reason that the United States should not spend itself into bankruptcy, the United States must remain militarily strong—for the potential defense not only of our own country but for other nations as well.

It is quite unrealistic to try and separate absolutely economic and military strength. One contributes to the other in many ways. Thus, economic strength makes possible military strength. One is not enough; we must have both here in the United States, for self-preservation and for defense of what remains of the free world.

Recognizing the necessity of military strength, and remembering that the National Guard has served as our first in line among defense units in many emergencies at home and abroad, it makes little sense to me that some of the so-called foreign-aid funds could not properly be channeled to this activity. Most certainly, without National Guard units—some of them from my own State of Wyoming—we would have been cut to even smaller ribbons than we were in Korea. If our National Guard units did not contribute gallantly to foreign aid in Korea, I am sadly mistaken.

Along with other domestic needs for additional funds, the National Guard should occupy a top-priority spot, in my opinion.

This is still another of my reasons for voting against this year's mutual security authorization: We cannot afford to neglect in any degree our own defense forces, particularly on the local level. It is from this local level that the National Guard springs to our Nation's defense whenever the need arises. For the strengthening and expansion of the National Guard system some of the foreign-aid funds could be used to very good advantage for new armories, more and better equipment, more effective and expanded recruitment.

These few reasons I have given, Mr. Speaker, seem to me good and sufficient for voting the way I did on the Mutual Security Act of 1954. These few reasons, Mr. Speaker, are by no means the only ones I could mention. I could, for example, point out specific instances of past and present foreign-aid programs which have formed the basis for my opinions and which would pose still more questions and give opportunity for further reasons for being critical of the entire foreign-aid theory as it now operates.

I want to mention briefly just one more, all-inclusive reason for my negative vote. This has a very direct relationship to all the others I have given in the foregoing paragraphs, and all the foregoing contribute to it. It is simply my belief that we should stand back and take a long, close look at what we have been doing, what it has accomplished, and where we want to go in the future, insofar as foreign aid is concerned.

Proponents of no-holds-barred foreign aid will argue that to take the time for a reexamination of this nature would hamstring the programs. This is completely inaccurate. Debate in the House on the bill brought out that there is somewhere between nine and ten billion dollars of unexpended, unobligated funds available to these programs from previous years' appropriations—enough for current operations during some 23 months. Certainly within nearly 2 years' time this Nation could examine its foreign-aid activities to some extent; enough, at least, to have the answers to some of the vital questions.

I believe, therefore, that we should reexamine these programs. We should reexamine our own financial position and our financial ability to continue these programs in their present all-embracing scope. We should reevaluate the attitudes of recipient nations. We should reexamine our own defenses, particularly in the cities and towns and villages across the Nation where local boys meet

a few times each week, giving of their time and talents in the event they may be needed quickly to defend their own homes. We should reexamine our own domestic conditions and our own peoples' needs.

In short, Mr. Speaker, what is the hurry? Let us take another look at this thing and see if these foreign-aid programs are really the kinds we need and can afford.

Mr. RABAUT. Mr. Speaker, we have lately deliberated and voted upon one of the most important and far-reaching pieces of legislation ever to be brought before this body, the bill, H. R. 9678, to promote the security and foreign policy of the United States by furnishing assistance to friendly nations and for other purposes.

In supporting passage of this bill, I felt that the temper of the times in the world today demanded that positive measures be adopted to meet positive dangers. That the earth is today in a state of great upheaval, no one will deny, I am sure.

It is easy to stand by, to carp and criticize efforts that are made by others to improve and to assist in improving the international situation. All that is required for that type of stand is a loose tongue and an idle mind.

It takes a little more wit, and often a great deal more courage, to offer affirmative recommendations in dealing with a program which long ago has proved its worthwhileness and its merit.

For many reasons we have found it to be proper and necessary to make available to many countries of the world the funds and material with which they might resurrect themselves from the dismal aftermath of wartime destruction and lift themselves from the limitations of their own national and regional underdevelopment.

Some say that we are motivated by reasons of self-preservation. Some say we have a moral duty to do so. Some feel that economic considerations of an overriding importance have made such activity a prime necessity.

The reasons are many, and they are not uncomplicated.

The fight against communism continues unabated. In many of the fringe areas of the world there are agencies operating to subvert authority, by whatever means are at hand, to the end that the dictates of the Kremlin be foisted and thrust upon an unwilling people. It is difficult to preach freedom, liberty, or religion to a man with an empty stomach. It is folly to attempt to educate him when his family lacks sufficient to wear or on which to live. And it is negligence to overlook these things.

Much of the money authorized in this bill will be directed to military expenditures. A smaller, but equally as significant, part is to be turned to economic assistance. Both are vital to the continuance of a free way of life and to the arrestment of any shift in the delicate scale of power balance.

Many nations in many sections of the world will receive moneys under this bill. As an investment, we could not do better. As a deterrent to world conflict, it is the wisest thing we could do. And as the leaders of the free nations it is an obligation which we must meet, no matter how difficult it might seem.

Countries who will be the better for this happening will be the peoples of India, West Germany, the Chinese Nationalists on Formosa, Turkey, Greece, Spain, Israel, Yugoslavia, Pakistan, Thailand, Japan, and South Korea, among others. And we shall benefit also, tangibly and intangibly.

Because of the uncertain situation in the Far East, and the attendant difficulties experienced there, there is a certain amount of flexibility in the bill, so as to allow us to meet any changing circumstance in the military-political pattern as it unfolds there. We cannot allow ourselves to be strapped under conditions which might be harmful to the best interests of our allies and to our own security.

In this time and in this year of 1954, we must meet, as we have always met, the challenge of forces which seek to enslave the world. In times of stress, our friends are our most important asset. As important as they are to us, so too are we to them. We should ever strive to cement and strengthen the bonds of amity which exist between the nations of the world and us. It is my belief that this bill takes 10-league strides in that direction.

As never before, the distressed countries of the earth need our help, if not, as in the case of some, by material assistance, then by the moral support which may be extended by the vote of confidence as expressed in passage of this bill. Others desperately need the assurances, military and/or economic, which this measure will make available.

It is my sincerest hope that the Congress will see fit to buttress the cause of international friendship and self-help, which passage of this bill will so effectively accomplish.

FURTHER MESSAGE FROM THE SENATE

A further message from the Senate by Mr. Carrell, one of its clerks, announced that the Senate agrees to the 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. 8067) entitled "An act making appropriations for the Departments of State, Justice, and Commerce, and the United States Information Agency, for the fiscal year ending June 30, 1955, and for other purposes."

The message also announced that the Senate agrees to the amendments of the House to Senate amendments Nos. 1, 17, 40, and 49 to the above-entitled bill.

The message also announced that the Senate agrees to the 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. 9203) entitled "An act making appropriations for the legislative branch and the judiciary branch for the fiscal year ending June 30, 1955, and for other purposes."

The message also announced that the Senate agrees to the amendment of the House to Senate amendment No. 22 to the above-entitled bill.

The message also announced that the Senate agrees to the 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. 9447) entitled "An act making appropriations for the Department of Labor and Health, Education, and Welfare, and related independent agencies, for the fiscal year ending June 30, 1955, and for other purposes."

The message also announced that the Senate agrees to the amendments of the House to Senate amendments Nos. 18 and 30 to the above-entitled bill.

The message also announced that the Senate agrees to the report of the committee of conference on the disagreeing votes of the two Houses on the amendments of the House to the bill (S. 2475) entitled "An act to authorize the President to use agricultural commodities to improve the foreign relations of the United States, and for other purposes."

DISCHARGE PETITION FILED ON POSTAL PAY RAISE BILL

Mr. ROONEY. 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. ROONEY. Mr. Speaker, I should like at this time to announce to the House that this morning the distinguished gentleman from Minnesota [Mr. HAGEN] placed on the Clerk's desk for signature discharge petition No. 9, which would discharge the Rules Committee from further consideration of House Resolution 590, a resolution providing for consideration of the postal salaries bill H. R. 9245, which was referred to that committee on last June 17.

I call this to the attention of all the Members, hoping that they will immediately sign in sufficient numbers so as to bring up this bill, H. R. 9245, introduced by the gentleman from Pennsylvania [Mr. CORBETT], which would provide a much needed pay raise for our postal employees. I am sure the majority of the membership of the House will support it.

TO AMEND MERCHANT MARINE ACT OF 1936

Mr. ALLEN of Illinois, from the Committee on Rules, reported the following privileged resolution (H. Res. 605, Rept. No. 2004), which was referred to the House Calendar and ordered to be printed:

Resolved, That upon the adoption of this resolution it shall be in order to move that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (H. R. 9252) to amend the Merchant Marine Act, 1936, to provide a national defense reserve of tankers and to promote the construction of new tankers, and for other purposes. After general debate, which shall be confined to the bill, and shall continue not to exceed 1 hour, to be equally divided and controlled by the chairman and ranking mi-

nority member of the Committee on Merchant Marine and Fisheries, the bill shall be read for amendment under the 5-minute rule. At the conclusion of the consideration of the bill for amendment, the Committee shall rise and report the bill to the House with such amendments as may have been adopted, and the previous question shall be considered as ordered on the bill and amendments thereto to final passage without intervening motion except one motion to recommit.

TO AMEND THE VOCATIONAL REHABILITATION ACT

Mr. ALLEN of Illinois, from the Committee on Rules, reported the following privileged resolution (H. Res. 606, Rept. No. 2005), which was referred to the House Calendar and ordered to be printed:

Resolved, That upon the adoption of this resolution it shall be in order to move that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (H. R. 9640) to amend the Vocational Rehabilitation Act so as to promote and assist in the extension and improvement of vocational rehabilitation services, provide for a more effective use of available Federal funds, and otherwise improve the provisions of that act, and for other purposes, and all points of order against said bill are hereby waived. After general debate, which shall be confined to the bill and continue not to exceed 2 hours, to be equally divided and controlled by the chairman and ranking minority member of the Committee on Education and Labor, the bill shall be read for amendment under the 5-minute rule. At the conclusion of the consideration of the bill for amendment, the Committee shall rise and report the bill to the House with such amendments as may have been adopted and the previous question shall be considered as ordered on the bill and amendments thereto to final passage without intervening motion except one motion to recommit.

CARE OF MENTALLY ILL OF ALASKA

Mr. ALLEN of Illinois, from the Committee on Rules, reported the following privileged resolution (H. Res. 608, Rept. No. 2007) which was referred to the House Calendar and ordered to be printed:

Resolved, That upon the adoption of this resolution it shall be in order to move that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (H. R. 8009) to provide for the commitment and care of the mentally ill of Alaska, and for other purposes, and all points of order against said bill are hereby waived. After general debate, which shall be confined to the bill, and shall continue not to exceed 1 hour, to be equally divided and controlled by the chairman and ranking minority member of the Committee on Interior and Insular Affairs, the bill shall be read for amendment under the 5-minute rule. It shall be in order to consider without the intervention of any point of order the substitute amendment recommended by the Committee on Interior and Insular Affairs now in the bill, and such substitute for the purpose of amendment shall be considered under the 5-minute rule as an original bill. At the conclusion of such consideration the Committee shall rise and report the bill to the House with such amendments as may have been adopted, and any Member may demand a separate vote in the House on any of the amendments adopted in the Committee of the Whole to the bill or committee substitute. The previous question shall be considered as ordered on the bill and amendments thereto to final passage without intervening motion except one motion to recommit with or without instructions.

CONCEALING OF PERSONS FROM ARREST SO AS TO INCREASE PENALTIES

Mr. ALLEN of Illinois, from the Committee on Rules, reported the following privileged resolution (H. Res. 607, Rept. No. 2006) which was referred to the House Calendar and ordered to be printed:

Resolved, That upon the adoption of this resolution it shall be in order to move that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (H. R. 7486) to amend section 1071 of title 18, United States Code, relating to the concealing of persons from arrest, so as to increase the penalties therein provided. After general debate, which shall be confined to the bill, and shall continue not to exceed 1 hour, to be equally divided and controlled by the chairman and ranking minority member of the Committee on the Judiciary, the bill shall be read for amendment under the 5-minute rule. At the conclusion of the consideration of the bill for amendment, the Committee shall rise and report the bill to the House with such amendments as may have been adopted, and the previous question shall be considered as ordered on the bill and amendments thereto to final passage without intervening motion except one motion to recommit.

SPECIAL ORDER GRANTED

Mr. MILLER of California asked and was given permission to address the House on Friday next for 30 minutes, following the legislative business of the day and any special orders heretofore entered.

TO AMEND PUBLIC HEALTH SERVICE ACT

Mr. WOLVERTON. Mr. Speaker, by direction of the Committee on Interstate and Foreign Commerce, I ask unanimous consent to take from the Speaker's table the bill (H. R. 8149) to amend the hospital survey and construction provisions of the Public Health Service Act to provide assistance to the States for surveying the need for diagnostic or treatment centers, for hospitals for the chronically ill and impaired, for rehabilitation facilities, and for nursing homes, and to provide assistance in the construction of such facilities through grants to public and nonprofit agencies, and for other purposes, with Senate amendments thereto, and concur in the Senate amendments.

The Clerk read the title of the bill.

The Clerk read the Senate amendments as follows:

Page 6, line 18, after "allotment" insert "to any State."

Page 6, line 19, after "$50,000" insert ", but for the purpose of this proviso the term 'State' shall not include the Virgin Islands."

Page 9, after line 22, insert:

"'(b) Upon the request of any State that a specified portion of any allotment to such State for the purposes of paragraph (1), (2), or (4) of section 651 be added to another allotment of such State for the purposes of one of such paragraphs, and upon the simultaneous certification to the Surgeon General by the State agency in such State to the effect that it has afforded a reasonable opportunity to make applications for the portion so specified and there have been no approvable applications for such portion, the Surgeon General shall promptly adjust the allotments in accordance with such request and shall notify the State agency, and thereafter the allotments as so adjusted shall be deemed the State's allotments for the purposes of such paragraphs.'"

Page 9, line 23, strike out "(b)" and insert "(c)."

Page 10, line 15, strike out "(c)" and insert "(d)".

Page 10, line 18, strike out "(d)" and insert "(e)."

Page 11, line 11, after "time," insert "within 20 years."

Page 14, line 18, strike out "treatment, or both," and insert "diagnosis and treatment."

Page 14, line 24, strike out "State" and insert "State, or, in the case of dental diagnosis or treatment, under the professional supervision of persons licensed to practice dentistry in the State."

Mr. HESELTON. Mr. Speaker, reserving the right to object, and I shall not, I agree with the action of the committee in completing action on this bill so that an appropriation can be provided for these new facilities. There was, however, one amendment which was recommended by the House committee and accepted by the House itself, which had to do with the time within which any one of these facilities could be turned over to private hands and operated at a profit without the Government having an adequate opportunity to recapture its fair share of investment, to recapture its depreciated share of its contribution. The other body in its wisdom saw fit to take different action than the House took. I still feel that since this program was initiated to increase and expand hospital facilities, nursing homes, diagnostic centers, rehabilitation centers, very careful attention should be given to the problem of when such facility can be abandoned as a public facility and taken over by private interests and operated by them at a profit without any satisfactory provision whatever for the Federal Government to recapture its depreciated share of its contribution. I hope attention can be given to this early in the next session.

Mr. Speaker, I withdraw my reservation of objection.

Mr. PRIEST. Mr. Speaker, reserving the right to object, and I shall not, I have gone over these Senate amendments rather carefully. It is my opinion that generally they improve the bill and make its provisions more flexible at the State level.

Mr. Speaker, I withdraw my reservation of objection.

Mr. WOLVERTON. Mr. Speaker, amendments Nos. 1, 4, 5, 6, and 8 are merely technical amendments, either to make minor clarifying changes in language or to change subsection letters to conform with other amendments.

Amendment No. 2 merely provides, in effect, that the Virgin Islands shall not be considered to be a "State" within the

meaning of a proviso fixing certain minimum allotments. The proviso in question provides that the minimum allotment to a State shall be not less than $100,000 in the case of paragraph (1) or (2) of section 651—that is, as to diagnostic or treatment centers or hospitals for chronically ill or impaired—and shall not be less than $50,000 in the case of paragraph (3) or (4) of section 651—that is, in the case of grants for rehabilitation facilities or nursing homes.

Amendment No. 3 is the Senate amendment which makes the most substantial modification in the bill. Section 651 authorizes appropriations for the fiscal year ending June 30, 1955, and for each of the two succeeding fiscal years, of, first, $20 million for grants for public and other nonprofit diagnostic or treatment centers; second, $20 million for grants for public and other nonprofit hospitals for the chronically ill or impaired; third, $10 million for grants for public and other nonprofit rehabilitation facilities; and fourth, $10 million for grants for public and other nonprofit nursing homes.

Amendment No. 3 provides that upon request of any State that a specified portion of any allotment to such State for the purposes of paragraph (1), (2), or (4), which I have just mentioned, be added to another allotment of such State for the purposes of any one of such paragraphs, and upon simultaneous certification by the State agency that it has afforded a reasonable opportunity to make applications for the portion so specified, and there have been no approvable applications for such portion, then the requested transfer of allotments may be made.

I will now address myself to the amendment referred to by the gentleman from Massachusetts [Mr. HESELTON] a moment ago. If a hospital or other facility for which funds are made available under the Hill-Burton Act is so used or disposed of, within 20 years after completion of construction, that it ceases to be the type of hospital or other facility for which such assistance could have been granted, it is provided under present law that the United States shall be entitled to recover an amount bearing the same ratio to the then value of so much of the hospital or other facility as constituted an approved project as the amount of Federal participation bore to the cost of construction of the project. Under the bill as passed by the House, the 20-year limitation was removed so that the United States could recover irrespective of when the hospital or other facility was disposed of or used for a purpose other than its original purpose. Senate amendment No. 7 restores the 20-year limitation so as to leave this provision the same as it is under existing law.

Senate amendment numbered 9 made a modification in the definition of "diagnostic or treatment center." This is a noncontroversial amendment and merely gives recognition to the fact that in the case of some diagnostic or treatment centers the care of patients would be under the supervision of persons licensed to practice dentistry rather than persons licensed to practice medicine or surgery.

The Committee on Interstate and Foreign Commerce has considered the Senate amendments to this bill. As a committee we decided that the amendments made by the Senate are not unreasonable, and, furthermore, considered the importance of getting the provisions of this bill into law as soon as possible in order that funds might be obtained through the supplemental appropriation bill soon to be brought to the House. Any delay in this bill becoming law might prevent the appropriations to make it effective from becoming available before this Congress adjourns. Such a result would be most unfortunate. These are the considerations that influenced the members in approving the Senate amendments.

The SPEAKER. Is there objection to the request of the gentleman from New Jersey?

There was no objection.

The Senate amendments were concurred in.

A motion to reconsider was laid on the table.

AGRICULTURAL ACT OF 1954

Mr. ALLEN of Illinois. Mr. Speaker, by direction of the Committee on Rules I call up House Resolution 604.

The Clerk read as follows:

Resolved, That upon the adoption of this resolution it shall be in order to move that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (H. R. 9680) to provide for continued price support for agricultural products; to augment the marketing and disposal of such products; to provide for greater stability in the products of agriculture; and for other purposes, and all points of order against said bill are hereby waived. After general debate, which shall be confined to the bill and continue not to exceed 4 hours, to be equally divided and controlled by the chairman and ranking minority member of the Committee on Agriculture, the bill shall be read for amendment under the 5-minute rule. At the conclusion of the consideration of the bill for amendment, the Committee shall rise and report the bill to the House with such amendments as may have been adopted and the previous question shall be considered as ordered on the bill and amendments thereto to final passage without intervening motion except one motion to recommit.

Mr. ALLEN of Illinois. Mr. Speaker, I yield 30 minutes to the gentleman from Mississippi [Mr. COLMER], and at this time such time as he may desire to the gentleman from New York [Mr. KILBURN].

Mr. KILBURN. Mr. Speaker, I have always been for flexible price supports on farm products and have so voted in the past. This bill before us sets fixed price supports on most farm products at 90 percent but then picks out dairy products, which have already been dropped to 75 percent, and fixes them at 80 percent.

I do not think this is fair. I think they should all be flexible and the feed that the dairy farmer buys should be set at the same parity as dairy products. That, it seems to me, is the fair way to run it.

I, therefore, expect to vote for any amendment or substitute that attains that objective. If, however, no such amendment or substitute is accepted I shall vote against the bill. It is my understanding that if the bill is defeated the flexible support program approved by Congress in 1949 goes into effect at the end of this year.

Mr. ALLEN of Illinois. Mr. Speaker, I yield 10 minutes to the gentleman from Illinois [Mr. SIMPSON].

Mr. SIMPSON of Illinois. Mr. Speaker, in discussing the national agricultural program for 1955, it seems to me two things are in order.

The first one is that, regardless of any difference in views, I believe everyone interested in agriculture and the national interest is honestly trying in their own way to help solve the agricultural problem, especially surpluses. We are all hopeful of reaching the same Zion—whether we take the same roads or not.

The second matter that especially those interested in agricultural legislation should know is the chronologically historical facts of agricultural legislation that has been passed in Washington for the past 20 years:

First. The first agriculture legislation, starting in 1933, was the Agriculture Adjustment Act, known as the AAA. This called for contracted acres on basic commodities which in the case of Hoosac Mills was declared unconstitutional by the Supreme Court. It also called for marketing agreements and orders on perishables.

Second. In 1935 section 32 was added as an amendment to the 1933 law. It was called the penny-milk fund. Thirty percent of customs receipts were made available each year. This fund was to be used for the removal of surplus agriculture commodities and to encourage exports. It was to be used principally for removal of perishables. Not over 25 percent of the fund could be used for any one commodity.

Third. In 1938 legislation was passed affecting the basic commodities—corn, wheat, cotton, tobacco, rice, and peanuts. This act called for flexible supports from 52 to 75 percent of parity. In the case of peanuts, they were to be supported at 50 to 75 percent. The same act—1938—permitted supports on nonbasics up to 75 percent.

Fourth. In 1941 the 1938 act was amended to increase price supports on basics, the increase being up to 85 percent.

Fifth. In 1942 the Steagall amendment was added to the 1938 act in order to increase production for war. The Secretary of Agriculture could ask for increased production up to 90 percent of parity for the duration or war emergency and for 2 years thereafter.

Sixth. In 1948 the 80th Congress passed the flexible supports basically reinstating the 1938 act but with 60 to 90 percent of parity. If this act had not been passed, price supports would have automatically reverted to the 1938 act, or 75 percent of parity.

Wherever acreage controls and marketing quotas were put in effect a 20-percent acreage bonus was allowed actually making price supports 72 to 90 percent. It also permitted compensatory

payments on any commodity. The yearly cost was limited to $300 million. This was never put in effect by the then Secretary of Agriculture.

The 1948 program was to be in effect for 2 years 1949 and 1950. It had 5 percent transitional parity formula. No basic could be reduced from a parity standpoint more than 5 percent a year.

Seventh. On April 7, 1949, the so-called Brannan plan was proposed. It was never introduced as such in the House of Representatives. The actual farm legislation that year had the name of a former member as the author. This was rejected by the House of Representatives and there was substituted the Gore amendment which amended the 1948 flexible legislation to this extent. It continued the rigid formula until the end of 1952. It did not repeal the flexible.

Eighth. In 1952, without a dissenting vote the House Agriculture Committee extended the rigid program for 2 years, until the end of 1954. The House passed and accepted the committee's views. Unless changed this year, the dual parity formula will be the law and in effect January 1955. The 1948–49 acts, as amended, call for the 1909 to 1914 formula or the 10-year average, whichever is the greater.

This is exactly the position of farm legislation today. If H. R. 9680 is passed, should it be vetoed, the flexible formula, last mentioned, 1948–49, is in effect.

The Agriculture Committees have worked a long time and all over the country hoping to find an answer to this problem. We find three types of farmers, those who want rigid supports, those who want flexible. We have many who want to be left alone.

Furthermore, we have consumers who say, "Why tax me to subsidize a farmer?" They say this when in the so-called national interest if agriculture does not prosper they cannot buy the goods produced in the consuming district. Then the consumers or many of them would not pay any taxes to subsidize the farmer, because they would not have a job.

Agriculture has changed to mechanized farming in the past decade. The horses and mules formerly used help eat the surpluses. The tractor eats the fuel oil. It works at night and between rains. A crop can be put in today in one-half the time that it took with horses and mules. It can be gathered equally as fast. In fact, faster than the elevators and railroads can handle it. Our agriculture exports have fallen off in the last 3 years some 30 percent.

No one objects to a farmer obtaining good prices and a proper investment return. Everyone, including the farmer, is wondering about surpluses. The highest prices today for the farmer are hogs and soybeans, neither of which are controlled. Rather singular but true. Hogs now are $25 per hundred. A little over 2 years ago they were $16 to $17. The highest price hogs ever brought was around $31.

Soybeans are $3 per bushel. Twenty-five bushels per acre at even $2.50 would gross $62.50 per acre. Farmers are not complaining about $25 hogs and $3 soybeans.

Incidentally, Mr. Speaker, H. R. 9680 made no provision as regards weather. We are experiencing a severe drought in Illinois today. We need rain. Our corn crop is drying up.

There is also no provision in the bill for diverted acres.

Mr. Speaker, at the proper time, I propose to offer an amendment, on page 43 between lines 3 and 4, to insert the following:

> In order to stockpile fertility in the soil and build a soil fertility bank, the Secretary of Agriculture is hereby authorized to require producers to devote a percentage of their cropland to soil building crops or practices as a condition of eligibility for (1) conservation payments, and (2) price supports on crops which are not under marketing quotas and acreage controls (either one or both).
>
> In addition the Secretary is hereby directed to establish on an appropriate geographical basis lists of crops which may not be produced for direct or indirect sale (except pasture).

Mr. Speaker, this amendment seeks to control diverted acres where acreage allotments and marketing quotas have been established. In other words, there is no reason to control prices and still have one crop compete against another and create a surplus in that particular commodity.

Mr. O'HARA of Minnesota. Mr. Speaker, will the gentleman yield?

Mr. SIMPSON of Illinois. I yield to the gentleman from Minnesota.

Mr. O'HARA of Minnesota. I would like to compliment the gentleman on the fine statement he has made pertaining to this farm legislation and the bill which is before us. Let me say one other thing to the gentleman. It is true he has spoken generally about the problem. It is also true that the agricultural and the dairy interests are two of the greatest industries of this country, and if those people are affected and their economy is lessened, then it affects the whole country. Is that not a fair statement?

Mr. SIMPSON of Illinois. I think the gentleman is correct, and the committee recognized it.

Mr. ARENDS. Mr. Speaker, will the gentleman yield?

Mr. SIMPSON of Illinois. I yield to the gentleman from Illinois.

Mr. ARENDS. I, too, want to compliment the gentleman from Illinois [Mr. SIMPSON] on his statement. He is one of the truly diligent members of the committee who has given this problem his sincere attention and study. I was very much interested in his proposal to offer an amendment to do something about diverted acres. Certainly this needs attention, and I hope he brings to the attention of the membership what he proposes to do on tomorrow.

Mr. SIMPSON of Illinois. If you are going to have rigid supports, then you will have acreage allotments and marketing quotas, but there is no reason to have one part of the country compete with another and thereby create surpluses.

Mr. COLMER. Mr. Speaker, I yield myself such time as I may desire.

Mr. Speaker, this is the long awaited 1954 farm bill. Frankly, my knowledge of it has largely resulted from the hearings before the Committee on Rules, which were rather extensive together with my study of the report and the hearings.

This is an open rule providing for 4 hours of general debate and the usual debate and amendments under the 5 minute rule. Mr. Speaker, I am pleased that as one who is interested in the agricultural economy of our country that I have the privilege of presenting this rule, making in order the consideration of this legislation, here today on the minority side.

I was very much pleased, Mr. Speaker, when the Committee on Agriculture was before the Committee on Rules, with the general overall apparent unanimity of opinion. There appeared only one who voiced opposition to the bill. While I am satisfied there are others who are not in accord with the provisions of the bill, as I say, the bill appeared to be a very good one from the information received by the Committee on Rules. It was particularly gratifying to observe the apparent complete lack of any partisanship. For instance, we had there that stalward friend of the farmer and of agriculture, the gentleman from Kansas [Mr. HOPE], who is chairman of the Committee on Agriculture, who made a very strong presentation, for over an hour, in behalf of the bill. He was followed by that equally strong advocate of the agricultural interests, the gentleman from North Carolina [Mr. COOLEY], who also spoke at length.

It seems, Mr. Speaker, though we have 4 hours of general debate provided on this bill, and no doubt much time will be taken under the 5-minute rule, the only controversy will appear on section 1, the question of rigid price supports. The bill generally seems to be agreed upon otherwise as a good bill on all sides.

On the question of rigid price supports, it might be interesting to comment at an early stage of the debate upon what appears to be the situation there. The Secretary of Agriculture and the President of the United States advocated flexible support prices, rather than mandatory support prices on the basic commodities. The testimony before the Committee on Rules was to the effect that the Committee on Agriculture gave the President and the Secretary three-fourths of what they asked for, if not all.

The testimony was that the Secretary, speaking for the administration, asked for a 5-point program. With the permission of the House I should like to scan those very briefly. One, that part of our burdensome stocks be set aside and eliminated from price support computations in order to ease the transition to the new program.

The Committee on Agriculture gave that right to the Secretary. It is interesting to note in that connection, Mr. Speaker, that the testimony further was—I do not have the exact testimony convenient at hand, but the Secretary testified, and if I am misquoting I am sure everyone will understand it is not

intentional and I will be corrected—that by the set-aside which the committee provided in this bill of some $2.5 billion worth of surplus commodities, the support prices would remain for another year and possibly 2 or 3 years at 90 percent of parity.

Therefore, if that be true, and since the mandatory support prices for the basic commodities are continued for only 1 year, the provision for mandatory support of 90 percent of parity on the basic commodities would seem to be an academic question, even though we understand that that is going to be the controversial question here. In other words, the committee gave the administration what they asked for in this set aside and, therefore, if that gains the same purpose the committee has only insured that it would do what the Secretary said it would do.

The second point was that the Federal assistance be given to increase the exports of American farm products both within and outside the normal channels of trade. The committee had provided for that point in the program.

Third, the Secretary said for the basic commodities a change should be made from price support at the rigid 90 percent of parity to the price support at 75 to 90 percent of parity depending on the supply; in other words, the flexible provision. I have already discussed that and I shall not devote further time to it.

Fourth, that beginning January 1, 1956, parity for all farm products be figured on a modernized basis of parity. The committee provided for that in the bill.

His fifth recommendation was that when land must be diverted from production, agricultural conservation program funds be used to help farmers make these adjustments in a manner that will advance soil conservation and long-term efficiency.

The testimony before the Committee on Rules from the members of the Committee on Agriculture was that this was not provided for in the bill because the Secretary subsequently said that they had ample authority for that and did not need it.

So we get down then to the question of whether, if my information is correct, this is the administration's program, whether this is the administration's bill, or whether it is not. The testimony before the committee would certainly indicate most strongly that this bill is the administration's program.

On the question of the mandatory 90 percent support for the basic commodities as well as on the overall question of support prices for agriculture, let me just make this observation, if I may, in passing. Just a few moments ago this House by a very substantial majority—I comment that it was by a smaller majority than on previous occasions but nevertheless by a substantial majority—provided for additional foreign aid, the so-called give-away program, to the extent of some $4 billion. I shall not go into the merits of that question. I expressed my views and further protest by voting against it. But if we can vote $4 billion here today for foreign aid, why should we get so excited about insuring to our own domestic farm industry some kind of a support program? I do not want to go into the field of politics on this matter. I shall certainly, I hope, not get into partisan politics here because I do not understand that there are any, as is evidenced by the fact that the gentleman from North Carolina, the former chairman of the committee, and the gentleman from Kansas, the present chairman, are in accord on this bill. But, on this foreign aid, we have given in a period of the last 6 or 7 years an astronomical amount of money. Some say it amounts to $60 billion, others figure that it is up over $100 billion. In that time under the price support program for our domestic agricultural industry, for our own domestic economy, our losses have been negligible. In fact in the case of cotton the Government has made a profit of $260 million. So, it seems that if we are going to try to be at least halfway consistent, we ought to give some support to our own domestic economy. In that connection, I should like to reaffirm what I have stated on many occasions that the real objective of the Communists is not an all-out war, but a victory by destruction of the economy of this country. When they destroy our economy, and when the resulting hungry bellies ensue, then we become ripe for Communist infiltration.

Permit me to say to my colleagues here today that the greatest boon to communism would be to destroy the agricultural economy of this country. Or to put it another way, the philosophy of communism today has no followers in our rural communities and among the tillers of the soil. The farmers of America constitute the greatest bulwark against communism in free America. Communist infiltration has found its most fertile field in the great urban centers of this country. I don't want to do anything that will weaken the resistance of those engaged in agricultural pursuits to this pagan philosophy.

Mr. Speaker, returning for a moment to the question of surpluses, of course we are all concerned, in varying degrees, over what has happened in the accumulation of these large surpluses in some of the commodities, particularly with reference to dairy and poultry products. But again it must be remembered that these were largely the result of overproduction stimulated by the Government due to the war effort. There is really no necessity for any great alarm over the surpluses in wheat, corn, and cotton. These are all basic commodities. We never know when we will need these surpluses. It is certainly better to have a surplus in these commodities than to have a shortage. In fact, other countries envy us because of these surpluses. Except for the perishable commodities, there is really no reason for undue concern. In the case of cotton, for instance, there was testimony before the committee to the effect that there is only enough cotton on inventory to run the cotton mills of this country 1 week. While it is true that there is a carryover of some 8 million bales of cotton, in case of severe drought or crop failure this would be used within 6 months.

In this connection I quote from the committee's report as follows:

> Our Government now has many billions of dollars invested in materials for defense—guns, planes, ships. These materials are not charged as surplus against industry. Food is equally as important in war and its abundance must be recognized as an essential element of the Nation's safety. The Government now has around $6 billion invested in food and feed stocks, only a small fraction of the annual military budget.
>
> It should be pointed out that after World War II industry was protected against the competition of surplus war material. Trucks and cars, and other Government surplus items were kept off the normal competitive market. Industrial war plants were recognized as surplusage, and charged off to war.

Mr. Speaker, it is unfortunate that certain people in the administration have seen fit to attempt to array the city people against the farmers in their opposition to this legislation by trying to sell them on the proposition that if 90 percent rigid parity were continued that the consuming public would reap the benefit in lower cost of food. This argument will not stand up. First, for the simple reason that it is the middleman and not the farmer who is responsible for the high cost of farm products. And, secondly, because the history of the program reflects the fact that it was upon those articles with flexible price supports that the surpluses accrued and not upon those with the rigid or 90 percent parity support. Moreover, I call your attention further to the fact that while other sectors of our economy have achieved new high records of income, the net farm income has declined 13 percent in the past 2 years. Further, this loss to the farmer while prices on other commodities which he and the public generally must buy have been going up has been reflected in business and industry generally which supplies the needs of our farm population.

Thus since the welfare of the farmer is directly connected with our whole economy, a continued decline in the farm income would adversely affect not only the farmer, but the whole economy of the Nation.

Mr. Speaker, it is indeed gratifying to note that the committee saw fit to include a continuation of the mandatory support price of from 60 to 90 percent of parity on tung oil and honey. As my colleagues are aware, for the past 10 years we have been waging a fight to protect the infant tung-oil industry in this country. Tung oil is not only the finest drying oil used in our paints, varnishes, and electrical equipment, but it has a distinct military value. And in view of the fact that we have been dependent upon foreign tung oil, mostly Chinese, for many decades both in peace and war until this industry was developed in certain of our Southern States so as to assure a supply of this valuable commodity in this country, it is difficult to understand why the administration recommended to the Congress that it be dropped from the mandatory support program. This struggling young industry needs protection and governmental encouragement. I am happy that the President has seen fit to recommend to the Tariff Commission that a quota pro-

vision be provided by the Commission which will insure the tung industry against the dumping of these cheap foreign oils, which are largely coming from the Argentine now, on the market to drive the price of the domestic production down. The ultimate objective being of course to destroy this young domestic industry. When and if the Tariff Commission places adequate quotas upon these importations, it is my firm conviction that the Commodity Credit Corporation will never be called upon to purchase a single pound of this oil.

Mr. Speaker, so far as I am concerned it would appear that the administration is making a grave mistake in opposing this legislation. I think that on the whole it is a good bill, and I am going along with it. I think the Committee on Agriculture is to be commended for its efforts.

Mr. ALLEN of Illinois. Mr. Speaker, I yield such time as he may require to the gentleman from New York [Mr. JAVITS].

Mr. JAVITS. Mr. Speaker, I am opposed to the rule, as I regard high price supports as inimical to city consumers. I shall offer amendments to try to make the bill to conform to the administration program, if no one else does.

These amendments will be to strike out the provision of the bill calling for continuance of Government supports in the six basic agricultural commodities at 90 percent of old or modernized parity, whichever is higher and will also seek to strike out the proposed increase of price supports for butter from the present 75 percent of parity as established by the Secretary of Agriculture on April 1 of this year to 80 percent. From the example shown by butter, I believe that consumers can get 10 percent more for their food dollar and thereby "save" enormous sums if price supports are established on a flexible percentage of parity depending upon the relationship between demand and supply. I shall expect to fully debate this subject in the amendment stage of the bill but believe it appropriate that Members be advised with regard to the amendments which will be offered.

Mr. ALLEN of Illinois. Mr. Speaker, I yield such time as he may require to the gentleman from Utah [Mr. STRINGFELLOW].

Mr. STRINGFELLOW. Mr. Speaker, I should like to call to your attention two provisions of the agricultural bill, H. R. 9680, reported to this Chamber last week by the chairman of the House Committee on Agriculture.

Section 308 (j) of this bill provides that the Secretary of Agriculture shall, in the referendum on the national marketing quota proclaimed for the 1956 crop of wheat, also submit the question whether farmers favor a two-price system in lieu of marketing quotas. It further provides that if more than one-half of the farmers voting in the referendum favor a two-price system, the Secretary shall suspend the national wheat marketing quota and a marketing certificate program shall be in effect for the 1956 and subsequent wheat crops and acreage allotments and marketing quotas shall not be in effect for wheat.

Section 325 (a) of this bill states the Secretary is authorized and directed to make available through loans, purchases, or other operations price support for that 1956 crop of corn in the commercial corn-producing area at, first, 90 percent of parity, if the majority of producers voting in a referendum favor an acreage allotment; or, second, at a level between 75 and 90 percent, if the majority favors no acreage allotment.

At this time, Mr. Speaker, my concern is not directed at a discussion of the relative merits of the alternatives contained in the two sections which farmers would be asked to decide upon. Rather my concern is directed toward the desirability of letting any groups decide the specific content of any law which benefits them. That is the function of the Congress, whose Members are elected by the people for the purpose of legislating, a function which should not be delegated. This, I might add, is the fundamental characteristic of a republican or representative form of government.

Mr. Speaker, these two sections, if permitted to become law, will, in my opinion, establish a dangerous precedent. In sum and substance, its continued use by the Congress, pressure for which could be expected from other groups, constitutes a serious threat to the sovereign legislative authority of the Congress as provided for in article I of the Constitution. Let me explain this in some detail.

Use of the referendum provision in these two sections constitutes a substantive delegation of legislative authority, in spirit and perhaps in law, since the choice farmers are asked to make is not between, first, compliance with a regulatory program in return for price support; or, second, not complying with a regulatory program and thus no price support. Rather, each alternative offered in the two sections comprise a single substantive act which the Congress alone should enact into law. They do not constitute a legislative act, as in the case of referenda dealing with marketing quotas, which the Congress has merely placed a restriction upon its own regulations by withholding its operation in a given case until it is approved by referendum. Here the choice is between two substantive legislative programs in each section, either one of which becomes law if favored by a majority of farmers.

Such a practice by the Congress of delegating its legislative responsibility would soon result in direct legislation by all economic groups strong enough to force their demands upon the Congress. If you let farmers decide the kind of price-support program they want, it is just as logical to let: First, bankers determine the rate of interest they can charge customers and the rediscount rate they must pay at Federal Reserve banks; second, railroads determine the rates they charge to handle passenger and freight service; and third, labor unions determine unemployment and workman's compensation rates. I believe, and I think you will agree with me, Mr. Speaker, that such a practice would be utterly intolerable. Yet, that is the direction this bill moves in if we enact it into law.

It may be purely coincidental that the Agriculture Committee has settled upon this device which, in effect, would permit grain farmers in the Midwest to decide the level at which and method by which the Government will support wheat and corn prices in the 1956 presidential election year. It seems to me inescapable, however, that personal concern for personal political futures are involved, since 1956 is also an election year which also will see the membership of this body up for reelection.

Mr. Speaker, where the entire welfare of this country is involved, not just farmers, as it is in farm-price support legislation, it behooves the Congress to stand on its own two feet and squarely face its responsibilities. I earnestly beseech this body to reject this method of enacting legislation. Let the debate be upon each of these alternatives as they apply to wheat and corn. Let us decide which shall become law. Legislating is our responsibility, a responsibility which we cannot in the best interest of the American people delegate to any specific interest group, be it a farm group, labor group, or business group.

Mr. ALLEN of Illinois. Mr. Speaker, I yield such time as he may desire to the gentleman from Utah [Mr. DAWSON].

Mr. DAWSON of Utah. Mr. Speaker, during the course of this gloomy debate while watching leaders of the House Agricultural Committee oppose their own administration, I have earnestly tried to find a silver lining. It has been a difficult job. To tell the truth, I didn't find a silver lining, I had to make one. I made one by imagining how much gloomier in contrast this whole situation would be if it had not been for the courage of Members of Congress in this and in preceding sessions who resisted all attempts to broaden the rigid price-support program to include other agricultural commodities.

I am also thankful that in Secretary of Agriculture Ezra Taft Benson we have a man who backs up those of us who resist pressures from highly vocal self-interest groups who try to parlay temporary emergencies into a new expedition into socialized agriculture.

We can all remember a year ago when cattlemen from throughout the Nation descended on Washington. More than 30 came from my State in a bus chartered by the Farmers Union. The price of beef had slumped and they wanted livestock placed under the rigid price support program. Does anyone here think that if we had taken that action—if the Secretary had wavered under the propaganda onslaught—that we would not have livestock growers back here now? If we had adopted the program they wanted, the livestock growers would probably already be in serious trouble. This fall they would face the unpleasant prospect of having to vote to limit their production and income. Our consumers would be boiling as the Government took their taxes to buy and store beef that they cannot afford to buy for their own dinner tables. Can such a program be called a program to help the farmers?

What is true for cattle is true for pork, potatoes, poultry, eggs, anything. How much more complex our problem would

be today if these additional products were included in the rigid price support program—and they could have been. Certainly they are more basic in a food and economic sense than is tobacco.

How fortunate we are today that we have limited our mistakes to a comparatively few commodities and that we have in the administration leadership that is determined that these mistakes shall be corrected as soon as possible.

It is amazing to me that the commodities and the producers of them that are in the greatest trouble today are those for which price supports have been pegged at 90 percent of parity.

Another misconception is that the rigid price support program is designed to aid the small farmer. This is not the fact. Corporate farms producing for profit and storage are getting the lion's share of price support payments—some payments running into hundreds of thousands of dollars.

If any monuments are needed to the folly of continued rigid high supports we have it in our new dust bowls. Here we have a new area of waste caused by the diversion of grassland to wheat production. The production of wheat on this submarginal land would never have taken place except for the fact that a guaranteed Government market made the risk worth taking and the underaverage yield per acre still profitable for large operators. Can there be any sense in continuing this type of program?

The other day I bought a candy bar. Instead of chocolate being sprinkled with peanuts, I found some cereal type substitute almost as good. Those who drink coffee need no longer worry about the high price of cream. A non-deteriorating substitute made from skimmilk has been found. It is not as nourishing, but the people can afford it. Another market is lost to our farmer. Oleo for butter. The near disappearance of honey. The drop in peanut consumption. High support prices will put the farmer out of business and hasten the day when we have a completely synthetic society.

As I said in the beginning, I am thankful that the picture is not as dark as it could be if we had extended this rigid program to include all commodities. But if ever Congress needed an example of the difficulties one runs into when trying to amend the law of supply and demand, it is here on this floor today.

The consumer is hurt, the farmer is hurt, the country is divided and nobody gains. Congress should pass the necessary legislation and permit the Secretary to free the farmers from economic shackles which Congress voted in the past for a special purpose and which now prevent the agricultural segment of our Nation from keeping step with the rest of the economy on the march to a better standard of living.

Mr. COLMER. Mr. Speaker, I yield such time as he may require to the gentleman from Minnesota [Mr. WIER].

Mr. WIER. Mr. Speaker, I just want to take this opportunity, coming from an urban center, and representing city consumers, to say that I am 100 percent in favor of this bill.

Mr. ALLEN of Illinois. Mr. Speaker, I move the previous question.

The previous question was ordered.

The SPEAKER. The question is on the resolution.

The resolution was agreed to.

A motion to reconsider was laid on the table.

CALL OF THE HOUSE

Mr. H. CARL ANDERSEN. Mr. Speaker, I make the point of order that a quorum is not present.

The SPEAKER. Evidently, a quorum is not present.

Mr. HALLECK. Mr. Speaker, I move a call of the House.

A call of the House was ordered.

The Clerk called the roll, and the following Members failed to answer to their names:

[Roll No. 93]

Albert	Grant	Morrison
Angell	Hale	Murray
Barden	Hart	Norblad
Beamer	Hays, Ohio	Osmers
Bentsen	Heller	Pfost
Bonin	Hillings	Pillion
Buckley	Horan	Powell
Burdick	Hyde	Reed, Ill.
Busbey	Kearns	Reed, N. Y.
Camp	Kersten, Wis.	Regan
Celler	Kirwan	Riley
Chatham	Lantaff	Sieminski
Clevenger	LeCompte	Sutton
Condon	Lesinski	Taylor
Coudert	Long	Thompson, Mich.
Curtis, Nebr.	Lucas	Wainwright
Davis, Tenn.	Lyle	Weichel
Dawson, Ill.	Machrowicz	Wheeler
Dingell	Mailliard	Willis
Dodd	Mason	Wilson, Tex.
Feighan	Meader	
Fulton	Miller, Nebr.	

The SPEAKER. On this rollcall, 358 Members have answered to their names, a quorum.

By unanimous consent, further proceedings under the call were dispensed with.

AGRICULTURAL ACT OF 1954

Mr. AUGUST H. ANDRESEN. 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. 9680) to provide for continued price support for agricutlural products; to augment the marketing and disposal of such products; to provide for greater stability in the products of agriculture; and for other purposes.

The SPEAKER. The question is on the motion of the gentleman from Minnesota.

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. 9680), with Mr. COTTON in the chair.

The Clerk read the title of the bill.

By unanimous consent, the first reading of the bill was dispensed with.

The CHAIRMAN. The Chair recognizes the gentleman from Kansas [Mr. HOPE].

Mr. COOLEY. Mr. Chairman, will the gentleman from Kansas yield to me?

Mr. HOPE. I yield to the gentleman from North Carolina.

Mr. COOLEY. Mr. Chairman, I think all of us know that we are now about to consider a very important bill, a bill which vitally affects the welfare of all the farmers of America and all the consumers of our great country.

I have served in this House for 20 years, and during that entire time I have had the pleasure and privilege of serving on the Committee on Agriculture with our colleague from Kansas, CLIFFORD HOPE. CLIFFORD HOPE is held in high esteem by all Members of both Houses of Congress. He is known throughout the length and breadth of our great Nation. He is admired by all the farm leaders.

I know of no man in this body who has worked more faithfully, and more diligently in the interest of agriculture than has CLIFFORD HOPE. I know of no man in either House of Congress who has had more valuable experience in agricultural legislative matters than has CLIFFORD HOPE. He has served on our committee for 28 long years. He is recognized as one of the great farm leaders of our Nation. I think all of us would now be willing to nominate and elect CLIFFORD HOPE as Mr. Agriculture of 1954.

I take this time to urge you, in fairness to yourselves, to your constituents, and out of respect to our great chairman, to stay here with us and hear his explanation of this bill. All of you will profit from it, and I think you will have a better understanding of the purposes of the bill here on the floor during this discussion.

I want to make one other suggestion for the leadership, and that is this: We know, generally speaking, a lot about the issues involved, but I honestly and frankly believe there has been a tremendous amount of misunderstanding concerning the bill we have reported. Actually, there is only about one controversy involved, and when that is out of the way this bill can move to passage. If we will cooperate with the leadership, I honestly believe we can conclude the consideration of this bill today and take the final vote today, rather than to drag it out all through Thursday and on into Friday. I believe the Members should be willing to stay here for 4 hours. That would take us to 6:20. Then the first vote is the only vote of very great importance. That centers around the price-support program. I suggest that the leadership on both sides of the aisle consider the advisability of concluding this bill by taking the final vote this evening, even if it means shortening the general debate. I am perfectly willing to shorten the general debate because I think when the gentleman from Kansas [Mr. HOPE] gives us the explanation all of us will have a better understanding of the issues involved.

I thank the gentleman from Kansas for yielding to me to make this statement.

Mr. HOPE. Mr. Chairman, I yield myself 10 minutes.

Mr. Chairman, I of course want to sincerely thank my distinguished colleague, the former chairman of the Committee on Agriculture, for the very, very generous references he just made to me as chairman of the House Committee on Agriculture. I am sure I do not have to tell this committee what a great pleas-

ure it has been to me to have been able to work with the distinguished gentleman from North Carolina for so many years on the Committee on Agriculture. For 4 years he served as the distinguished chairman of that committee. There is no piece of important agricultural legislation that has come before the Congress during the many years he has served on the committee which does not bear the imprint of his work, his thinking, and his viewpoint.

We have before us today a bill which is the result of 10 months of work by the House Committee on Agriculture. The committee began early last September its series of hearings throughout the country for the purpose of studying the problems of the farmer right on the land and getting his viewpoint with respect to agricultural legislation.

During these hearings, we traveled more than 20,000 miles. We heard more than 2,000 witnesses and we visited many, many farmers on their own farms and discussed their problems with them there. We met with farmers in small groups in courthouse squares and similar places. I feel we got very close to rural America. I am sure that the experience and the information that the committee obtained during that trip has enabled it to do a better job in preparing a farm bill than would have been the case otherwise. Beginning in March, the committee held here in Washington a comprehensive series of hearings in which we heard dozens of witnesses representing all the great farm organizations and many other interested groups. We opened our hearings with the Secretary of Agriculture and his associates. Several weeks later, as our hearings neared a conclusion, we asked the Secretary to come back and give us the benefit of his suggestions at that time. We have put a great deal of work and study on this bill. We are not bragging about it particularly—we wish we could have written a better one. But we believe we have written a bill which goes a long way toward meeting the suggestions of the President of the United States and of the Secretary of Agriculture with respect to agricultural legislation, and one which brings our agricultural legislation pretty well up to date.

When Secretary Benson appeared before our committee on March 10, he gave us in some detail the President's program. He summed up that program in this language:

> The President's major proposals are these:
> 1. That a part of our burdensome stocks be set aside and eliminated from price-support computations in order to ease the transition to the new program.
> 2. That Federal assistance be given to increase exports of American farm products both within and outside the normal channels of trade.

As to the recommendation No. 1, which I read first, to set aside burdensome stocks, that is included in the bill which is now before you.

The program for Federal assistance to increase the exports of American farm products has passed both the House and the Senate. We adopted the conference report on that bill this afternoon.

I am going to pass over No. 3 for the present.

No. 4 was:

> That beginning on January 1, 1956, parity for all farm products be figured on a modernized basis which takes account of the present production methods and changes in supply and demand that have occurred during the more than 40 years since 1910–14.

We have included that recommendation in our bill in exactly the form in which it was presented to us by Secretary Benson.

The fifth proposal is:

> That when land must be diverted from production, agricultural conservation program be used to help farmers making these adjustments in a manner that will advance soil conservation and long-term efficiency.

The Committee on Appropriations, in the bill making appropriations for the Department of Agriculture, has included a provision for putting that recommendation into effect.

The third recommendation, which I passed over, was as follows:

> That for the basic commodities a change be made from price supports at rigid 90 percent of parity to price supports at from 75 percent to 90 percent of parity, depending upon supply.

We have not adopted that recommendation in this bill.

We have deferred, for an additional year, putting into effect flexible price supports.

I want to briefly tell you of the thinking of the committee which led us to take that position. We know, as a result of our hearings, and you all have that information, that during the past 2 years the net income of American farmers has declined by 13 percent. We know that because of the burdensome surpluses that exist now it has been necessary for the farmers to take steps to reduce their production. In the case of wheat, cotton, peanuts, tobacco, and corn, acreage allotments or marketing quotas are now in effect. So that in addition to having their income reduced by lower prices during the past 2 years, farmers are now being forced to take an additional cut, due to the fact that they are working together under Government programs to reduce production and to reduce these surpluses. There are two ways to handle this surplus problem, one is to reduce our production. The other is to expand consumption at home and abroad as much as we can. The bill, S. 2475, the Agricultural Trade Development and Assistance Act of 1954 which we passed in the House a short time ago, and on which the conference report was adopted today, will help in that regard.

Because of this reduction in wheat acreage, which will amount for 1955 to 33 percent below the acreage for 1953, and similar reductions in other basic commodities, with further reductions next year, the income of the farmers will be further reduced. Our committee feels that from the standpoint of the general economy it would be a mistake to go any further at this time in reducing farm incomes. So we have decided that for the next year we should defer the coming into effect of flexible supports. I do not know of anything which could occur that would have a more disturbing effect as far as the general level of farm prices is concerned than for us to pass a flexible price support program. We face some trouble already. We know that this fall the price of hogs is bound to go down. They are talking about 16-cent hogs. We know that with the increased acreage of soyabeans the price of soyabeans is going down. Both of these are products upon which farmers have been getting particularly high prices.

We do not think this is the time to further reduce the income of farmers in this country. For that reason we have felt that we could not go along with the President's recommendations to shift the flexible price supports at this time.

The CHAIRMAN. The gentleman from Kansas has consumed 10 minutes.

Mr. HOPE. Mr. Chairman, I will yield myself 2 additional minutes in which to conclude.

Mr. SIMPSON of Illinois. Mr. Chairman, will the gentleman yield?

Mr. HOPE. I yield.

Mr. SIMPSON of Illinois. I believe the gentleman stated he expected hogs to go down $10 in the next 2 months. They were $25.60 in Chicago yesterday. Does the gentleman think they will go down to $15?

Mr. HOPE. I am not making any predictions, but they are talking about 16-cent hogs. Of course that will not happen.

Mr. SIMPSON of Illinois. I understood the gentleman to say that he expected them to go down $10 in the next 2 months.

Mr. HOPE. No; I did not say that. I said they were talking about 16-cent hogs this fall. With the increase in the number of hogs, of course that is a strong possibility. I hope it does not occur, and I am sure the gentleman does also.

Mr. Chairman, we bring this bill to you for your earnest consideration. I shall not take time to go into detail as to the various provisions that are included. If you will get a copy of the report you will find that on page 2 the major provisions are outlined in a brief compass. If you care to study the matter more fully the various sections of the bill are fully discussed and explained further over in the report.

Mr. Chairman, as a part of my remarks, I desire to include a number of wires and letters from State and National farm organizations. Some of these relate particularly to the two-price program for wheat which is included in the bill to be voted upon by farmers as an alternative program for that commodity. Others deal with the general provisions of the bill.

I call particular attention to the very able discussion contained in the letter from Mr. Herschel Newsom, master of the National Grange:

> NATIONAL GRANGE,
> *Washington, D. C., June 30, 1954.*
> Hon. CLIFFORD R. HOPE,
> *New House Office Building,*
> *Washington, D. C.*
> DEAR CONGRESSMAN HOPE: H. R. 9680 contains many provisions that point the way toward a permanent solution to the farm

problem through a commodity-by-commodity approach which we could not hope to achieve if all commodities were put under a single flexible price-support plan through a return to the provisions of the Agricultural Act of 1949. We believe the Agricultural Act of 1954 embodies real progress in the right direction, and sincerely hope that it will be passed by the Congress and approved by the President.

The Grange realizes that changes must be made in the present farm program, since segments of it do not serve agriculture and the Nation well. The current surplus situation is untenable and new approaches are necessary. It is our feeling, however, that basic price moves should be made rather gradually, and that this bill embodies essential elements of such gradualism.

It is the feeling of the Grange, furthermore, that the present controversy over the level of price supports for the basic six farm commodities is being magnified all out of true proportion. This is for the reason that high fixed versus flexible price supports is not the heart of the farm problem. The heart of the farm problem at the present time is bringing supply into balance with demand. This process is currently going forward, and H. R. 9680 adds impetus to this movement.

Those who would admittedly like to see the Agricultural Act of 1949 become effective by default of any new legislation being approved, or those who have persistently insisted on moving rapidly and almost exclusively to flexible price supports for the basic six farm commodities as the only solution to the farm problem, have refused to take into full account the drastic changes in our farm income and supply situation that have taken place since 1949. Over the long pull, it is the feeling of the Grange that flexible price supports are basically valuable and desirable. On the other hand, flexible price supports right now would do little to increase consumption of most commodities here at home. They would not lower prices enough in most cases to enable the American farmer to compete for his fair share of the world's market at the world market price level. Flexible price supports at this time would do little to discourage production of those commodities in burdensome supply, since flexibility of production can be attained only when some other crop is more profitable or less unprofitable. There are few crops currently in this category.

The differences in points of view by the various groups involved in this price support struggle seem to us to be predicated largely on a difference of appraisal of the effect that a further decline in farm income might have upon our total national economy. The Grange is dedicated to the proposition of bringing about a situation whereby agriculture may shift from a wartime level of production to peacetime requirements without its having to suffer a period of severe deflation, which it has always had to do in the past following periods of war-born inflation.

H. R. 9680 also gives expanding recognition to competitive price mechanisms, while at the same time cushioning farm price problems until new measures can become operative.

Very sincerely yours,

HERSCHEL D. NEWSOM,
Master.

PORTLAND, OREG., *June 29, 1954.*

Hon. CLIFFORD HOPE,
House Office Building,
Washington, D. C.:

The Oregon State Grange at its annual session earlier this month reaffirmed its support for the two-price system and I am instructed to acquaint the Congress with our views on this issue. We feel that adoption of the two-price system is a necessary step in marketing surplus grain supplies at a price that will permit the grain grower to operate with a margin of profit.

ELMER MCCLURE,
Master, Oregon State Grange.

NEBRASKA STATE GRANGE,
Lincoln, Nebr., June 26, 1954.

Hon. CLIFFORD HOPE,
Chairman, House Agriculture Committee,
House Office Building, Washington, D. C.

DEAR MR. HOPE: I was greatly pleased to read that the House Agriculture Committee has approved a two-price proposal.

Although the two-price system is not the answer to all of our financial farm problems, I am convinced that it will be a big aid in marketing a few hundred million bushels of surplus wheat without compelling either wheat producers or the taxpayers to accept an unduly heavy loss.

I hope that the two-price proposal passes the House. The plan undoubtedly has the support of the majority of Nebraska wheat producers who have had an opportunity to study the current two-price proposal.

Yours very truly,

H. CLYDE FILLEY,
Master, Nebraska State Grange.

MUSCATINE, IOWA, *June 28, 1954.*

CLIFFORD HOPE,
Chairman, House Agricultural
Committee, House Office Building:

We of Iowa State Grange urge the passage of the two-price plan proposal, by the House, as approved by your Committee on Agriculture.

HAROLD E. PACE,
Master, Iowa State Grange.

HURON, S. DAK., *June 28, 1954.*

CONGRESSMAN CLIFFORD HOPE,
House Office Building:

South Dakota State Grange urges the passage of the two-price plan as approved by your committee.

ROSS CUMMING,
Master, South Dakota State Grange.

OSHKOSH, WIS., *June 28, 1954.*

CONGRESSMAN CLIFFORD HOPE,
House of Representatives,
Washington, D. C.:

We favor passage of your bill, especially two-price plan approved by your committee.

WM. SEFFERN,
Master of the Wisconsin State
Grange, Van Dyne, Wis.

OGILVIE, MINN., *June 28, 1954.*

CLIFFORD HOPE,
House of Representatives,
Washington, D. C.:

Please be advised that the State grange of Minnesota emphatically backs the two-price plan proposal approved by the House Committee on Agriculture.

WILLIAM B. PEARSON,
Master.

NAMPA, IDAHO, *June 29, 1954.*

Congressman CLIFFORD HOPE,
Washington, D. C.:

Granges throughout Idaho are firmly behind the two-price proposal as approved by the House Agricultural Committee. We sincerely urge its passage by the House.

IDAHO STATE GRANGE,
W. E. ADAMS,
Master.

PENDLETON, OREG., *June 29, 1954.*

Congressman CLIFF HOPE,
House of Representatives,
Washington, D. C.:

Our growers in this area strongly favor two-price plan. Hope your H. R. 9680 will be adopted. This would give us opportunity to develop the two-price plan.

JAMES HILL, Jr.,
Secretary, Pendleton Grain Growers, Inc.

NEBRASKA STATE GRANGE,
Lincoln, Nebr.

Hon. CLIFFORD R. HOPE,
Chairman, Agricultural Committee,
House of Representatives,
Washington, D. C.

DEAR SIR: I am informed that your committee has under consideration a bill providing for the so-called 2-price system of disposing of the wheat surplus. It is becoming apparent that the devices now in use for managing our large wheat production are not adequate and that something more effective will have to be brought into use. It is the considered opinion of the members and officers of the Grange that the 2-price system is the most promising plan now in sight and we urge your committee to report this bill out and work for its passage.

Sincerely yours,

G. A. SPIDEL,
Executive Committee,
Nebraska State Grange.

PENDLETON, OREG., *June 29, 1954.*

Representative CLIFFORD HOPE,
House of Representatives, Office Building, United States Congress, Washington, D. C.:

Oregon Wheat Commission lends its complete support and endorsement of agricultural H. R. 9680. In complete agreement with provision providing for referendum vote on 2-price legislation. Commission strongly favors continuation of 90-percent supports for 1 year.

MARION T. WEATHERFORD,
Chairman, Oregon Wheat Commission.

PENDLETON, OREG., *June 29, 1954.*

Congressman CLIFFORD HOPE,
House of Representatives,
Washington, D. C.:

Oregon Wheat Growers League strongly supports passage of H. R. 9680. This bill includes most of the recommendations submitted to the House and Senate Agricultural Committee by representatives from National Association of Wheat Growers and Oregon, Kansas, and Texas State groups on April 7–8, 1954. It will give agriculture needed stability during coming year at time when farmers faced with a continued decrease in income. Let us know if we can give this bill further support.

RICHARD K. BAUM,
Executive Secretary,
Oregon Wheat Growers League.

SEATTLE, WASH., *June 28, 1954.*

Congressman CLIFFORD R. HOPE,
House Office Building,
Washington, D. C.:

Commend you on the report of your committee on extension of agricultural program with high supports for 1 year. Reaffirm our position as indicated at the Pendleton hearing.

A. LARS NELSON,
Master, Washington State Grange.

WASHINGTON, D. C., *June 29, 1954.*

Hon. CLIFFORD R. HOPE,
House Office Building,
Washington, D. C.:

Since high level versus flexible supports not heart farm problem, National Grange solicits your support Agricultural Act of 1954 as constructive measure pointing direction toward sound commodity-by-commodity solution with expanding recognition competitive price mechanism while cushioning farm-price problem until new measures become operative.

HERSCHEL D. NEWSOM,
Master, the National Grange.

Mr. GAVIN. Mr. Chairman, will the gentleman yield for a consent request?

Mr. HOPE. I yield.

Mr. GAVIN. Mr. Chairman, I ask unanimous consent to extend my remarks at this point.

The CHAIRMAN. Is there objection to the request of the gentleman from Pennsylvania?

There was no objection.

Mr. GAVIN. Mr. Chairman, price support at 90 percent of parity is seriously injuring both the consumers and the farmers of Pennsylvania. To use the power of the Federal Government to destroy the markets of free farmers may be justifiable in time of war, although I doubt it, but in time of peace it is the rankest kind of injustice.

Potatoes piled up to rot and spoil and to be dumped or fed to hogs; eggs stored in caves and going to waste; butter stored and turned rancid; mountains of wheat piling up; foreign markets shrinking; billions of tax dollars being spent; and in the face of all this we have a bill brought before this Congress asking that we close our eyes to all that we see and continue 90-percent supports. While the Congress has not forced the Government to continue supporting the price of potatoes and eggs, we are being asked to compel the Secretary of Agriculture to raise the price support on butter—continue it on wheat, corn, cotton, rice, and peanuts. At least one expert here in this House has had the courage to speak out against this program that is wrecking the American economy and will wreck the American farmer as such.

Let me commend my good friend the gentleman from Pennylsvania, KARL KING, a real farmer who not only knows the agriculture of my State, but who also farmed in Kansas and is well acquainted with the fallacies of the price-support program. His statement, beginning on page 41 of the committee report, should be carefully read by every Member of this House. He has set forth the case which clearly supports the statement that raiding the Treasury in the name of the farmers is an injustice to farmers and nonfarmers alike.

Promises of pie in the sky is the kind of method used by advocates of a socialistic bureaucracy. They should be recognized by loyal Americans for what they are—traps to enslave the unwary into believing they are getting something for nothing. This is a fallacy. The only way the Government gets the money is by taxing the people; so we are only fooling ourselves. We all pay the bill, including the farmer.

After the free markets have been destroyed by government subsidized production, where must the farmers go? Obviously to more government dependence that winds up with restrictions, regulations, and bureaucratic regimentation that the American farmers abhor.

Secretary Benson has courageously laid the facts fairly and squarely before the American public and the Congress. To me what he has said may be summarized as follows: Price supports designed for World War II have been prolonged 10 years after the war on such a high scale as to prevent reasonable adjustment of farm production to more normal peacetime market demand.

Second. Surpluses of farm commodities threaten to undermine our economic system.

Third. We must gradually shift away from rigid price supports to a flexible system that allows farmers to have a freer hand in operating their own farms.

Fourth. In the final analysis farmers must produce for the market instead of the Government, and that not only prices but volume of sales as well as costs are highly important to what farmers can earn.

Fifth. Accordingly research and education to lower his costs, increase volume, and expand markets by passing some of these benefits on to the consumer is the traditionally sound economic approach to giving the farmer the assistance that he can put to the best use and at the same time preserve his freedom.

Mr. Chairman, the farmers of Pennsylvania are an independent, proud, industrious, and God-fearing people who earn their living by their toil. They cherish their independence and expect their Representatives in this House to protect it against encroachment regardless of how cleverly the trap is baited. The Pennsylvania Dutch farmers up in Lancaster, Lehigh, Berks, Lebanon, and York Counties—some of whom are represented by my very good friend, PAUL DAGUE, a member of the Agriculture Committee, who is vigorously opposed to price controls—are typical of Pennsylvania farmers: the Amish, the Mennonites, the Dunkards, the Schwenkfelders, who came to this country 250 years ago and developed the greatest agricultural region this side of the Mississippi River. They want no subsidies; they want no gratuities from their Government. They want no restrictions or regulations. They want to be let alone to pursue farming their own way. They represent the American farmer who has contributed to building a great State and Nation.

In 1952, cash receipts of the State of Pennsylvania amounted to approximately $815 million. Of that amount, $50 million came from the basic crops. Wheat, corn, and tobacco only 6.3 percent of the total; 93 percent came from other sources. Yet we are urged by Members from other areas to go along with rigid supports, hold our feed cost up, cut down on the production of basic commodities, and dump the resources for production of a part of these crops onto the markets of the poultry, vegetable, fruit, and other growers of the State.

Our farmers do not like this interference. They do not seek this questionable charity. They believe it is the duty of the citizen to take care of the Government, not the Government to take care of the citizen.

In the name of consumer sense stop this indefensible destruction of our liberties and follow the lead of President Eisenhower out of the wilderness of surpluses, waste, and disgusting dependence on the Government for a dole, and back to the common virtues of industry and thrift that made our State and Nation great.

This whole program does not make sense and if it is continued, the American people will rebel. I sincerely hope the Members will have the courage of their convictions to vote on this bill not as a matter of political expediency but on the basis of what is good for the welfare of the American consumer, the American farmer, and our Government.

Mr. COOLEY. Mr. Chairman, I yield myself 37 minutes.

Mr. Chairman, I think most of the Members already know that the cause of agriculture is close to my heart because of the fact that I have worked on the Committee on Agriculture during the entire time I have had the honor of serving in Congress.

I want to reiterate that during the time I have served on this great committee, seldom, if ever, has partisan politics entered into our deliberations. I can say with regard to the bill we are now bringing to the House for consideration, as has been pointed out by the gentleman from Kansas, Mr. HOPE, this represents the labor of that great committee over a period of about 10 months, during which time the committee went back to the grassroots to find out just how the farmers reacted to this program.

More misinformation, more inaccurate information has been given to the public concerning the price-support program for agriculture than has perhaps ever been given to the people of America on any other important issue which so vitally affects their welfare. A deliberate effort has been made by people in high places to lead the public to believe that the price support program which has been in operation through the years on basic agricultural commodities has resulted in tremendous losses; likewise, that it has been responsible for the increase in the cost of living. If those of you who are interested will listen to the facts you will know the truth, and upon the truth you may render your own verdict.

The truth is that the price support program on the basic agricultural commodities has not been financially burdensome. We have six basic commodities: Wheat, corn, cotton, peanuts, rice, and tobacco. According to information furnished to our committee by the Secretary of Agriculture, Mr. Benson—now, listen. I am giving you the facts and figures submitted by him to us upon which we acted—the losses on those six commodities during the entire operation of the program over a period of 21 years has amounted to a net loss of only $21 million, or actually $1 million a year. If you will add the sugar program to the program on the 6 basic commodities I have named—and certainly sugar is a household necessity—and subtract the $21 million from the $206 million profit on the sugar program, the entire operation on the 7 commodities will show a net profit to the taxpayers of $275 million. Now, tell me one good reason to destroy the program on the basic commodities—and they are the commodities which have been supported at 90 percent of parity.

The sugar program has worked so well that the housewife and the consumer do not even know we have such a program in operation. I have tried it out many times in talking to audiences both in the country and in the cities. I have asked: "How many of you here know anything at all about the sugar program? Hold up your hands." Not a single hand would be lifted. Then my answer would be: "Of course, you do not know what it is because it has operated so well."

We have had an abundant supply of sugar, both in time of war and in time of peace, and at reasonable prices. That program has operated so well that even Mr. Benson and Mr. Eisenhower have approved it, sponsored it and advocated it.

Then we have another program, which is one of the basics—tobacco. That, too, has operated profitably. It has not cost the American taxpayers any money and we have maintained an abundant supply of tobacco at reasonable prices at all times. That basic program has operated so well that even Mr. Benson and Mr. Eisenhower have to approve it. They have come out with their messages to Congress in which they said: "We approve the sugar program; we approve the tobacco program."

Let me explain to you just why the tobacco program has operated successfully and well. It is merely because we have used the law, we have used the machinery provided, and when this Congress with your votes wrote into the tobacco program mandatory 90 percent price supports for tobacco, then and there we agreed we would keep our supply in line with reasonable consumer demands. We have kept faith with the Congress and with the country. Consequently, since the program has operated as well as it has, nobody advocates its repeal. There is not a Member in this House, regardless of his party affiliation, who would advocate a repeal of the sugar program. Neither political party advocated its repeal in the last election.

Let me tell you why. Temporarily, we are confronted with a great supply of cotton and wheat. I am willing to take my part of the responsibility. Had the machinery been used on cotton and wheat as it has been used on tobacco and sugar, we would not now be disturbed about the surplus or the abundance we have in our storage warehouses. The fact is that the Department of Agriculture has advised the farmers what to do, they have fixed goals for the wheat and cotton farmers, and the cotton farmers, relying on the experts in the Department of Agriculture, have complied with that advice strictly to the letter.

They called upon us to produce 16 million bales of cotton last year, and we produced the crop. Had marketing quotas and acreage allotments been imposed, and had the Department of Agriculture said that we would need only 10 or 12 million bales, that is exactly what the cotton farmers would have planted. Without prolonging the argument, the wheat farmers are in exactly the same position. Yet the producers of wheat and cotton are held up to ridicule throughout the length and breadth of this land as a bunch of greedy people, unpatriotic, having no regard for the obligations of the Government, and wanting to play havoc with the financial stability of the Government that they are devoted to. The responsibility lies, not with the farmers of America but with those who have operated the program in this administration and in former administrations.

Mr. ABERNETHY. Mr. Chairman, will the gentleman yield?

Mr. COOLEY. I yield to the gentleman from Mississippi.

Mr. ABERNETHY. What the gentleman has just said about the wheat and cotton situation is exactly correct. I am sure the gentleman is familiar with the fact, however, and the House should be advised that the goals were set in 1952 for the 1953 crop. At the time the goal was set in 1952 we were engaged in a bloody shooting war in Korea. Also, there was a possibility and a fear that the war might spread to other sections of the world. Well, the guess of the Department of Agriculture was not necessarily the best one. It is fair to say, and I am sure my colleague will agree, that at that time, regardless of who would have been Secretary of Agriculture, it would have been a very foolish thing for him to have set the cotton, wheat, and corn quota at any other goal or level of production. I believe my colleague will agree with that.

Mr. COOLEY. Before the gentleman takes his seat, I would like also to remind him of the fact that sometime prior to the fixing of the goals we found it necessary to impose export quotas on American cotton to keep us operating out of our own mills.

Mr. ABERNETHY. That was in the fall of 1950, and the surplus that was built up was built up primarily because we did not get into the war that was anticipated or, may I say, expected that it may come upon us.

Mr. COOLEY. Let me pause right here to say that I do not attach any blame whatever to Mr. Brannan who fixed those prior quotas. I am sure he acted in good faith. I add this: I do not question Mr. Benson's good faith in permitting the 90 percent of parity price support on dairy products to continue for 14 or 15 long months. I think perhaps he thought he was doing the right thing, but unfortunately he drifted along month after month after month accumulating mountains and mountains of butter and dairy products, and then when he started to change his program he did not do it gradually as President Eisenhower wished him to do. He dropped the boom on April 1. He did not destroy the prices on April 1. He destroyed the dairy prices the very moment he announced he was going to take that action on April 1. So, I do not question his good faith, but we can now question his judgment.

Mr. WHITTEN. Mr. Chairman, will the gentleman yield?

Mr. COOLEY. I yield to the gentleman from Mississippi.

Mr. WHITTEN. I thank the gentleman for yielding. I would like to point out that at the time the embargo was placed on cotton and the cotton held in this country, the cotton could have been sold abroad for our farmers for 10, 15, and 20 dollars a bale higher than they could obtain in the United States; and, further, that these same dairy products under the law could have been offered for sale in foreign markets at competitive prices. Not only were they held here, but they were not offered for sale in foreign trade at truly competitive prices.

Mr. COOLEY. The gentleman is right, and yet the farmer is being blamed as if he permitted these surpluses to accumulate.

Mr. DORN of South Carolina. Mr. Chairman, will the gentleman yield?

Mr. COOLEY. I yield to the gentleman from South Carolina.

Mr. DORN of South Carolina. I know it would be of interest to the House to know that I figured out the cost of the farm support program that we are in favor of. The gentleman from North Carolina has done a fine job along that line. It has cost the average American taxpayer, since the inauguration of this program, exactly $2 a year, whereas the foreign aid program has cost the average American taxpayer $87 a year.

Mr. COOLEY. I thank the gentleman for his observation.

Let me return to the main subject of my discussion. I would not stand here and defend this program on the basic commodities if I did not actually believe it was a sound program. I have given you facts and figures to prove that we made a profit on it, and I challenge anybody who is going to speak hereafter to question the accuracy of these figures. Yet, the public has been led to believe that the producers of basic commodities are wrecking the financial stability of America. They have given out inaccurate information world without end; even the distinguished Vice President of the United States and the distinguished Secretary of Agriculture went on the radio night before last, and if you heard them or if you could read their speeches, you would conclude, if you knew the real facts, that neither one of them knew what they were talking about.

Listen to this misleading statement by the Secretary of Agriculture:

> And 6 of the basic commodities produce only 23 percent of all farm income. Why, our livestock farmers alone produced 29 percent of the total farm income, more than all the basic crops put together, but livestock men get no price supports. They don't want them.

Now, listen. He knew that he was deliberately misleading the American people who were listening to him when he went on the radio the other night. Here are the facts. No; the livestock industry does not have any price-support program, but during a recent 12-month period $261,568,352 of the Federal taxpayer's money went into a program for beef cattle.

Mr. ABERNETHY. And that was a complete loss to the taxpayer?

Mr. COOLEY. No; I will not say that. I have it here listed item by item. The complete loss amounted to $166,870,800.

Here are Mr. Benson's own figures. They are the figures that I have brought up to date.

No; they do not have a support program, but it cost more to support a program for beef cattle in 1953 than it did to support all the basic commodities put together. In 1953 it only cost, to support the basic commodities, $67,100,000. Relate that to beef cattle at $167 million. So that in 1 year it cost more to support the unlimited production of beef cattle by $100 million.

Mr. OLIVER P. BOLTON. Mr. Chairman, will the gentleman yield?

Mr. COOLEY. I yield.

Mr. OLIVER P. BOLTON. I wonder if the gentleman will explain what kind of support program that was for beef cattle at that time.

Mr. COOLEY. The loss on the sale of feed to cattle producers, $45,552,200. Loss on freight distribution and other costs of moving feed, $30,671,100.

The Government advanced money to 12 States; assisting the States in paying freight on hay into the States, $6,344,-500.

I shall skip over the other items and then go to this item. The Government purchased beef to the equivalent of 782,-000 head at a cost of $84,300,000. They are the items that I have listed as losses which would total up $166,870,800.

There are three items to which I wish to call attention. The Government has made production disaster loans, some of which were made to cattlemen, in the amount of $31,547,157.

There are two other items. The Government has made economic disaster loans, some of which were to cattlemen, in the amount of $25,801,940.

The Government has made livestock loans in the amount of $37,348,455.

Even with these loans we have invested in this program $261,568,352.

One other thought. The public has been led to believe that we are involved in some sort of a losing, giveaway game, and that the Government has sustained a loss of $6½ billion, when the fact is that every loan is secured by a valuable commodity, either food or fiber, that is needed by our people or by the people of the world somewhere. So it is not a loss. Cotton will keep for decades and decades, and we have never lost a dollar on it. We have made more than a quarter of a billion dollars on the cotton program alone, yet we hear people yelling their heads off about a great surplus.

Mr. OLIVER P. BOLTON. Mr. Chairman, will the gentleman yield?

Mr. COOLEY. I yield to the gentleman from Ohio.

Mr. OLIVER P. BOLTON. Going back to the cattle figures, the gentleman made a statement as to the amount of loss from the price-support program for cattle. Did not the gentleman mean to say that money had been spent as a sustaining factor in the cattle industry, most of which was due to the drought and for taking care of the tremendous damage, but it was not actually a price-support program except where the cattle were purchased by the Armed Forces? Is that not correct?

Mr. COOLEY. How can you justify spending more than a quarter of a billion dollars on cattle if you do not ultimately support the price of cattle? Of course, it was in fact a price-support program. I do not mean to say that somebody actuated by some impulses of humanity did not want to save the dairy herds or buy the cattle, but certainly this was a price-support program. It was not called a price-support program. It was a diversion program to hold up the prices, of course.

Mr. SIMPSON of Illinois. Mr. Chairman, will the gentleman yield?

Mr. COOLEY. I yield.

Mr. SIMPSON of Illinois. I understood the gentleman from North Carolina to say that the agricultural program had cost the country approximately $1 million a month since its inception.

Mr. COOLEY. No, the gentleman did not hear me say anything of the kind. I said that the program on the basics at 90 percent of parity through the 21 years had cost the taxpayers the measly sum of $1 million a year, according to Mr. Benson.

Mr. SIMPSON of Illinois. That is the figure I referred to. On the basis of the figure the gentleman gave, and I certainly hope he is right. I would like to know why the Commodity Credit Corporation had to come in here in a hurry and have their borrowing authority increased.

Mr. COOLEY. Does the gentleman want to know why?

Mr. SIMPSON of Illinois. Yes.

Mr. COOLEY. It is perfectly obvious here. We have increased the supplies of foods and fibers. We have now in nonrecourse loans 8 million bales of cotton. But now you hear a scream about the cotton. We have in the Commodity Credit Corporation inventories not even 1 week's supply of cotton for the American mills—1 week.

Mr. POAGE. Mr. Chairman, will the gentleman yield?

Mr. COOLEY. I yield to the gentleman from Texas.

Mr. POAGE. Let me answer the gentleman from Illinois at least to the extent of pointing out where these losses have occurred. They have occurred largely on commodities that were under variable or flexible or sliding supports, half a billion dollars on potatoes, $1 billion on eggs, $92 million on wool. There is where the losses have occurred, not on the basic commodities.

Mr. SIMPSON of Illinois. Then the losses of the Commodity Credit Corporation apparently have been on perishables that never were intended to be in the program in the first place. I would like to go a little further, if the gentleman will yield. I wish to repeat, if the losses the gentleman states are correct, and I hope they are, I still cannot understand why the Commodity Credit Corporation has had to have emergency increases in its borrowing authority.

Mr. COOLEY. I will explain that in this way. I pointed out that on the basic program, which involves the 90-percent price-support program, we have lost the negligible sum of $21 million in 21 years. The other losses continued up to date, and I am giving you accurate information, which Mr. Benson did not give us fully up to date at the time he testified—the losses on the overall program including the eggs, potatoes, and everything else, were only $1,100,000,000, but to date it is slightly more than $1,300,-000,000 on the whole business, the whole shebang, for 21 years, and that is cumulative losses.

Now, I want to relate that cumulative loss to the cumulative gain.

If you relate this $1,300,000,000 accumulated losses over 21 years to the accumulated gains in farm income—I mean that which the farmers received over and above what they would have received had we stayed at the level of 20 years ago—here is what it amounts to: Total net income from agriculture 1952–53 was $264,155,000,000. Now relate that to the little $1 billion that I was talking about. If such income had remained at the 1932 level, this total would have been only $69,652,000,000, or a difference of $194,503,000,000.

Let me move one step further. The accumulated increase in net income from agriculture from 1932 through 1953 is $13,599,000,000. The accumulated increase in national income overall was $236,011,000,000 for the same period. Now, move it up one step further. It shows you how negligible these losses are. Comparing 1953 with 1932, the net income from agriculture was 530 percent and the national income was 642 percent. Over the period from 1932 through 1953, the actual net income from agriculture totaled $264,155,000,000, or $194,503,-000,000 greater than the total would have been had net income from agriculture remained at the 1932 level.

Now, the national income during this 22-year period totaled $3,015,445,000,000, or $2,057,257,000,000 greater than it would have been had the income remained unchanged from the 1932 level during the 22 years. Now, when you relate the small loss to this accumulated national income, it becomes absolutely paltry and negligible.

Mr. H. CARL ANDERSEN. Mr. Chairman, will the gentleman yield?

Mr. COOLEY. I yield.

Mr. H. CARL ANDERSEN. I wish to back up the gentleman from North Carolina in his statement that the actual net realized losses on our 6 basic commodities during the 20-year period from October 17, 1933, to November 30, 1953, is as he has stated—$21 million through that period of time. The actual net realized losses, according to the Department of Agriculture itself, and I will refer you to volume I of our hearings this spring, are according to Mr. Benson's own Department, the actual net realized loss, on all price-support operations to date, that is, up to last November 30, 1953, $1,194,800,000. In other words, it cost a paltry $65 million a year on all commodities to keep our agricultural economy at a prosperous level.

Mr. WHITTEN. Mr. Chairman, will the gentleman yield?

Mr. COOLEY. I yield.

Mr. WHITTEN. The question was asked as to why we had to add to the borrowing authority of the Commodity Credit Corporation. The law provides, or contemplates, that the Commodity Credit Corporation sell its stocks. It authorizes the sale in foreign markets at

competitive prices. But we have been following a Government program, however, of largely holding our commodities off the world markets so far as offering them at competitive prices is concerned. That same law provides, if you do not sell them as the law authorizes, that each year you must take an inventory, and to the extent that you have supplies in inventory, but which you had not sold although the law authorizes such sale, you have to charge those commodities up against the total borrowing authority of the Commodity Credit Corporation and list as losses in reduction in estimated value. So it means that as they have commodities which you have on hand, and they are not selling, but which they have the authority to sell, to that extent you have to increase the borrowing authority to keep buying more as long as you keep what you already have and do not sell as the law authorizes you to sell.

Mr. COOLEY. The gentleman will agree with me, I am sure, that these abundant stocks of cotton and wheat have been accumulated in the last 2 years, is that not correct?

Mr. WHITTEN. That is right.

Mr. COOLEY. I think that every bale of cotton and every bushel of wheat may very well yet turn out to be a blessing to this Nation. I know when we entered upon World War II, we had almost 15 million bales of cotton in our carryover and now we will have about 7 million, if my information is accurate.

Mr. WHITTEN. The gentleman's point, if I may say so, is well taken. When we have an inventory of military materiel of something like $104 billion for national defense, and when we are providing about $40 billion annually for the support of the Air Force boys all over the world, and when we passed a bill here today providing $3½ billion additional for the foreign-aid program, it certainly is appropriate to say that it is shortsighted for this administration, or any other administration, to advocate the cutting of farm production down to what amounts to normal peacetime operation, which they would do and which these flexible support prices, they say, would force us to do, even more quickly.

Mr. MERRILL. What was the world price of wheat at the time we authorized the 100 million tons of wheat for Pakistan?

Mr. COOLEY. Unfortunately, I am not able to give the gentleman that information, but I am sure we will be able to furnish it to him a little later.

The CHAIRMAN. The time of the gentleman from North Carolina has again expired.

Mr. COOLEY. Mr. Chairman, I yield myself 5 additional minutes.

Mr. MERRILL. Is it not true that the world price of wheat was roughly 50 cents a bushel lower than the price that the Commodity Credit Corporation was reimbursed for when we did reimburse it for that wheat which they gave to Pakistan?

Mr. COOLEY. I am wondering if some Member on that side may not be able to answer the gentleman's question. I am not sure what the price of wheat was.

Mr. AUGUST H. ANDRESEN. We will get that information for the gentleman.

Mr. MERRILL. Would not the gentleman agree that the loss sustained there should actually be considered as a part of the loss in the price-support program?

Mr. COOLEY. Oh, I agree with that thoroughly.

Mr. MERRILL. That is not included in the list that the gentleman has studied when he stated it was approximately similar a year ago?

Mr. COOLEY. No. I was referring to the losses accruing to the Commodity Credit Corporation on the price-support program alone. Of course, other commodities have gone into our foreign rehabilitation program, and similar programs, which probably are not accounted for in the figures I have given.

In this bill we are presenting, as I will show you, we are setting aside substantial quantities of all of these commodities which will probably ultimately be donated.

Now let me go to the bill before us. For the life of me I cannot understand why there has been so much talk about the bill we have before us. As the chairman of the committee pointed out a moment ago, when the administration appeared before our committee, they said they needed five separate things to go into this program. Those are listed on page 2530 of the hearings. My chairman will agree with me that No. 1 was to set aside some of the so-called burdensome stocks. We gave it to them in the very language they requested.

No. 2, Federal assistance to be given to increase exports. We included that in the bill we passed the other day.

I will skip over No. 3.

No. 4, that we go to modernized parity on January 1, 1956; and we included that also.

No. 5, they wanted to do something about diverted acreage, and when the Secretary appeared with his colleagues and assistants, they all agreed that he had all of the authority he wanted or needed to deal with the diverted acreage program.

Now I will come back to the one controversial proposition, No. 3; that for the basic commodities a change be made from price supports of rigid 90 percent of parity to price supports of 75 to 90 percent of parity, depending on supply. Those words, "depending upon supply," are involved in the sliding scale. That means that if your supply remains more abundant the price goes down. If you have scarcity of your commodity, the price will go up.

I do not want to be cruel about this or mean about it, but I believe that this is no time for fancy or fallacy or fraud, and the proposition submitted to us was fanciful, foolish, and fraudulent and fallacious, and I will tell you why. They propose to take 2½ billion of these commodities and put them aside, place them in storage, leave them there for an indefinite period of time, and then afflict yourself with some sort of amnesia or blindness and pretend you do not even have $2½ billion worth of commodities when you come to make your calculations.

When we asked them: Why did you make it exactly $2,500,000,000 worth of agricultural commodities? Why did you take 4 million bales of cotton and try to play hide and seek with it and set it aside and pretend you did not have it? They did that for one purpose, and that was to affect the parity-price calculations so as to bring the price-support program to approximately 90 percent of parity. That is in the evidence. Nobody will deny that. We even included that in our bill. But we did not do it for the purpose that influenced Mr. Benson; we did it because we thought that it was wise for us to have a normal and abundant carryover on cotton and wheat—both vital crops—and a carryover on other listed commodities.

Now, if the administration were presenting honest information to us regarding their intentions and their calculations, their determinations, we would receive 90 percent price support on these basics in 1955 anyway; so what are we fussing about? There is no great difference of opinion as to the effect of the provisions in our bill and the provisions which the administration wants. The only point of difference came in price supports. Secretary Benson was going to achieve 90 percent of parity by the set-aside but to guarantee it we wrote that provision in the bill. This is the administration's program in toto; but unfortunately some of these people in high places do not even realize that it is their program. Actually we have but one so-called controversial issue, and that should not be controversial because Secretary Benson said you would get 90 percent with the set-aside. We said, "All right, if we are going to get it anyhow we will underwrite it and guarantee it for 1 more year." That is what we did in this bill.

The committee reported this bill to the House. It is supported by all the members of our committee except two. It has Democratic and Republican support. Republican Members are as much interested in it as we.

There is nothing in the bill which is calculated to be a rebuff to the administration, nothing in it to insult Mr. Benson or the President's farm program.

We have given them the wool provisions which every Republican, I think, in the House voted against in 1949. I voted for it; I would vote for it now. It is the Brannan plan pure and simple, de luxe, 1954 model; that is what it is, and I am going to vote for it.

Here I would like to propound two questions in connection with the cost of the support program, and the effect of the program on the cost of living.

What did the Government do to assist business in reconverting from war to peacetime production? What was the cost to the Government of such aid?

First, Shortly after V–J Day over 300,000 contracts with a canceled commitment value of over $65 billion were terminated. According to the seventh report of the Director of War Mobiliza-

tion and Reconversion—July 1, 1946, page 15—the gross cost to the Government for settlement of these contracts was estimated at about $6.8 billion.

Second:

Section 124 of the Internal Revenue Code permitted a corporation to amortize any project covered by a necessity certificate over a 5-year period and the Presidential Proclamation of September 29, 1945, permitted the corporation to spread back the unamortized balance as of that date uniformly over the expired portion of the 5-year period. The consequent reduction in tax liabilities for prior taxable years was recouped by such corporations partly through cash refunds and partly through tax credits in the fiscal year 1946 for taxes due in the period following September 29, 1945. (Annual report of the Secretary of the Treasury for fiscal year ended June 30, 1946, p. 14.)

Third. In addition to the privately financed plant, mentioned above, a considerable number of Government-owned war plants were sold to business corporations at considerable reduction below cost. Through September 30, 1949, real property having a reported cost of about $3.9 billion had been sold by War Assets Administration and related agencies for a realization of about $1.25 billion based on quarterly progress reports. (War Assets, General Services Administration, third quarter, 1949, page 20, table IV.)

Fourth:

Under the provisions of section 722, which allows relief from excess-profits tax for corporations under certain circumstances, there have been filed as of the close of the year more than 51,000 applications for excess-profits tax reduction, totaling nearly $5.6 billion, of which 25,000 claims totaling $4.5 billion were still pending.

Carryback allowances of $471 million were made during the year under the quick-refund provisions of the Tax Adjustment Act of 1945. (Annual Report of the Secretary of the Treasury on the state of the finances, June 30, 1948, p. 134.)

My next question is, Has this program on the basic agricultural commodities increased the cost of living?

When the price of wheat went down the cost of bread went up. The farmers get only 2¼ cents for the total amount of wheat in a 16-cent loaf of bread. The price of wheat would have to be cut about 75 cents a bushel to reflect a 1-cent reduction in the cost of a loaf of bread.

There is only about 30 cents worth of cotton in a $3.95 cotton shirt. If the farmer gave away his wheat and cotton the consumers of America would receive very little, if any, relief.

The tobacco farmers in 1953 received about $800 million for the portion of their crop which was consumed in the United States, but consumers paid in Federal, State, and local taxes almost 3 times that amount—or $2,100,000,000. It really does not make much difference to the consumer whether the farmer receives 50 or 15 cents a pound for his tobacco since to all of these taxes must be added the cost of processing, manufacturing, transporting, and distributing the finished product to the consumers. The cost of the raw material is negligible. A 5-cent peanut candy bar contains about one-half cent worth of peanuts and if the farmers gave their peanuts to the confectioners absolutely free this would not change the price of the 5-cent candy bar.

I hope that you will look at this bill and read what I think is a very fine committee report, and that we will pass the bill, on a nonpartisan basis by a substantial vote.

The CHAIRMAN. The gentleman from North Carolina has consumed 37 minutes.

Mr. AUGUST H. ANDRESEN. Mr. Chairman, I yield 10 minutes to the gentleman from Pennsylvania [Mr. KING].

Mr. KING of Pennsylvania. Mr. Chairman——

Mr. WOLVERTON. Mr. Chairman, will the gentleman yield for a consent request?

Mr. KING of Pennsylvania. I yield.

Mr. WOLVERTON. Mr. Chairman, I ask unanimous consent to extend my remarks at the conclusion of the gentleman's remarks.

The CHAIRMAN. Is there objection to the request of the gentleman from New Jersey?

There was no objection.

Mr. KING of Pennsylvania. Mr. Chairman, since the minority——

Mr. COOLEY. Mr. Chairman, will the gentleman yield?

Mr. KING of Pennsylvania. I yield.

Mr. COOLEY. I wish to yield 5 additional minutes to the gentleman.

Mr. KING of Pennsylvania. I thank the gentleman from North Carolina, but I was just going to ask him for 10 minutes.

Mr. COOLEY. Then I will make it 10 minutes.

The CHAIRMAN. The gentleman from Pennsylvania [Mr. KING] is recognized for 20 minutes.

Mr. KING of Pennsylvania. Our Committee on Agriculture is composed of conscientious, hard-working men who, by reason of long experience with agricultural problems, have come to consider themselves specialists in dealing with farm problems. The committee members have pride in being old cowhands, hog callers, cornhuskers, wheat pitchers, and cottonpickers who have graduated from the fields of production into the field of politics.

I, myself, happen to be a graduate soup-greens grower, now representing the No. 1 dairy district of the No. 3 dairy State, Pennsylvania. I originally grew up in the wheat country of western Kansas. I think that the President would agree with me that western Kansas is a good place to be from.

Besides farmers, we do have on the committee enough lawyers to keep us confused, but every member has conscientiously tried to be a good representative of his district in the formulation of this bill.

After 2 years of exhaustive hearings and some weeks of daily executive sessions, out of the confusion has emerged a bill which solves no problems. After all the talk about the farm problem, it merely says there is no problem; we want more of the same thing.

Contrary to all of the glaring evidence of a very real problem, this bill continues rigid price supports, enlarges other production subsidies, and, by the device of setting up new criteria, forces higher supports on nonbasic crops under flexible supports.

And, by omission, this bill says that the Secretary shall not consider as a price factor the enormous accumulation of surpluses in Government hands, nor shall the Secretary protect nonsubsidized producers by limiting the use of acres diverted from the basic crops.

The authors of this bill have, in some parts of it, shown their ability at fiction writing—fiction which would lead you to believe that we can ignore $2½ billion worth of the surplus by merely calling it a set-aside.

What a subterfuge, just to accomplish higher support prices without telling you directly they are to be raised.

Mr. ABERNETHY. Mr. Chairman, will the gentleman yield?

Mr. KING of Pennsylvania. I yield to the gentleman from Mississippi.

Mr. ABERNETHY. Does the gentleman have reference to the committee or to the Secretary of Agriculture?

Mr. KING of Pennsylvania. In this case I have reference to the action of the committee.

Mr. ABERNETHY. Would the gentleman include the Secretary as a member of that subterfuge since he also recommended this?

Mr. KING of Pennsylvania. Since I know the gentleman of the committee would like so much to be associated with the Secretary, I would permit that association.

Mr. ABERNETHY. I appreciate that.

Mr. KING of Pennsylvania. Anyone should know that $2½ billion worth of surpluses cannot be removed by set-aside as a depressing factor in the market and a deadweight in the balancing of our economy, unless it be set aside at the bottom of the sea.

But I like to be a realist, and so I would like to indicate the real nature of the problem by giving you some facts about surplus accumulations, the cost of their accumulation, and the constant cost of their storage.

SURPLUSES PILE UP

Taxpayers learned on March 31, this year, that they had invested $6,229 million in the accumulation of cotton, wheat, corn, tobacco, butter, cheese, dried milk, cottonseed oil, and other minor items. That was the last official figure, but a late check indicates that the figure has now reached $7 billion and is likely to go to $8 billion in picking up this year's production.

We are now holding a 2-year supply of wheat and facing another heavy harvest which starts this week. The holdings of tobacco would supply the 60 million cigarette smokers with 183 packs each. The cotton would make 117 shirts or 91 house dresses for every American family. The butter and cheese would give about 4 pounds for every man, woman, and child in the United States. And the cottonseed oil might be converted into a billion pounds of margarine.

Maybe you can get a better picture of these enormous surpluses if you know that it is costing in excess of $700,000 a

day just for storage. This storage cost may reach $1 million a day before the end of this year. And this figure does not include storage losses from decay and deterioration.

Mr. JONES of Missouri. Mr. Chairman, will the gentleman yield?

Mr. KING of Pennsylvania. I yield to the gentleman from Missouri.

Mr. JONES of Missouri. Could the gentleman separate and show us the amount of production that was supported by flexible supports which are now advocated by the administration as contrasted with those supported at 90 percent.

Mr. KING of Pennsylvania. It can be done, but since we have just heard 20 minutes of presenting figures from your viewpoint, I would like to present them from my viewpoint.

COSTS OF FARM PRICE SUPPORTS

I know you will hear in this debate that the price-support program has cost only $1,110,000,000, for that is all that the CCC shows after concealing the real costs by crediting their accounts in full for all gifts and transfers under authority of other legislation.

In considering the costs of farm price supports, account should be taken of several other programs outside of CCC which have the primary purpose of stabilizing farm prices and income. The International Wheat Agreement has cost over $560 million. The program for removal of surplus commodities, $1,570,000,000; payments under the agriculture conservation program, $2,355,000,000; and other programs about $2 billion, after allowing for net gains of $296 million under the Sugar Act and $320 million from other support activities.

Now, since the Sugar Act was referred to, I would like to point out to you that the gain in the Sugar Act is pure fiction, too, when it comes to considering the cost to this country, because all of the costs in that subsidy are transmitted in the price of sugar at retail to the consumers.

The net cost of all these farm price and income stabilization programs, including loss on CCC price supports, had reached over $7½ billion by last June.

Mr. VORYS. Mr. Chairman, will the gentleman yield?

Mr. KING of Pennsylvania. I yield to the gentleman from Ohio.

Mr. VORYS. Does the gentleman include $8.5 billion of surplus agricultural products that went abroad under foreign-aid programs in his calculation?

Mr. KING of Pennsylvania. This is a calculation of all those surplus removal programs; yes.

Of course, nobody knows how high this $7.5 billion loss has soared, but if we take into consideration the most certain loss on the present holdings in storage, the loss will probably exceed $11 billion.

In addition to all this, more than $700 million has been spent on the school-lunch program, perhaps a desirable thing, yet it must be admitted that the basic purpose of this program is to provide an outlet for surplus foods. The proponents of price supports have been so worried about the mounting accumulation of surpluses they resort to any scheme, good or bad, just to reduce the surpluses.

WHERE DOES THE MONEY COME FROM AND WHERE DOES IT GO?

I call your attention to page 5 of the committee report, which reads as follows:

> The committee presents a farm program to protect the income of farmers while comprehending the interests, the needs, and the security of all segments of the economy and of all our people.

On page 9, the committee continues, as follows:

> The committee deplores any tendency * * * toward a separation of the interests of the farmer and our great consuming populations of the cities. Their interests are one and the same.

In the light of this affirmation of comprehension of the interests of taxpayers and consumers, I would like to give you some information on where this price support money goes, to see if the interests are one and the same.

There may be some room for argument as to how much the price support and Government purchase programs have cost the taxpayer and there may be some little inaccuracy in determining where the tax money goes. But I am sure that all of you, who are interested in schemes for redistributing the wealth of the country, will be interested in considering the statement of the Commodity Stabilization Service giving the State by State distribution of loans made on 1952 crops, together with the statement of the Internal Revenue Service showing the State by State payment of Federal taxes.

As you know, the State of New York pays the most—amounting to 18.6 percent of the total for the Nation. New York State pays 20 times the Federal taxes paid by Kansas. But Kansas gets 154 times as much of this loan money. New York pays 20 times as much Federal tax as Iowa. But Iowa gets 100 times as much as New York State in the distribution of these loans. New York State pays 8 times the Federal taxes that North Carolina pays. But North Carolina gets 58 times as much of this loan money as does the State of New York.

Texas, with all of its millionaires, pays less than half as much Federal tax as is paid by Pennsylvania; but in the distribution of this Government bounty, Texas collects 75 times as much as Pennsylvania.

Some Minnesota Congressmen want this bill, and why not? Minnesota pays just about half the Federal taxes paid by New Jersey, but, in price support loans, gets over 90 times as much as New Jersey.

Mr. H. CARL ANDERSEN. Mr. Chairman, will the gentleman yield for a brief question?

Mr. KING of Pennsylvania. I yield for a brief question.

Mr. H. CARL ANDERSEN. If it were not for the food that Minnesota produces New Jersey people would go hungry.

Mr. KING of Pennsylvania. New Jersey's total agricultural product is probably equivalent to that of Minnesota.

Mississippi has some ardent advocates of rigid supports, but you cannot blame them. Mississippi pays only one-fourteenth as much as Maryland in Federal taxes; but Mississippi takes 20 times as big a piece of this pie as Maryland.

North Carolina deserves second mention, for North Carolina pays less than a third of the taxes paid by Pennsylvania, but gets 75 times as much of this price-support money.

I dislike to point out to you the special interests of the various geographical sections of the country in this bill, because already in this House there is entirely too much voting based on sectional interests, but if there ever comes a time when Congressmen should be aware of the interests of their own district in a piece of legislation, it is now, during the consideration of this bill.

Another example will emphasize the point. Delaware pays 12 times as much tax as North Dakota and 11 times the tax of South Dakota. Yet, in distributing that part of the tax money which supports the farm-price program, North Dakota gets almost 80 times as much as Delaware, and South Dakota gets almost 60 times as much as Delaware. This is redistribution of wealth on a grand scale.

NOW, WHAT IS THE INTEREST OF CONSUMER AND TAXPAYER?

Farm legislation emerging from the Agriculture Committee has repeatedly provided for a farmer vote or so-called referendum to determine what the farmer wants from the Government. Such votes are touted as being ultra-democratic. Supposedly, freedom is preserved by giving a producer a choice between two methods of getting the Government to guarantee his own profitable security.

The real fact is that there is nothing democratic about the whole scheme. Giving farmers a choice as to which way they can get the most from the Government is nothing but a socialistic subterfuge. Real democracy would provide that consumers and taxpayers vote, along with the farmers, on these propositions. Real democracy would demand that all affected persons of the country be permitted to vote on the issue.

And how are consumers and general taxpayers affected by Government subsidy and guaranties to food producers? I need not restate the details as to how the general taxpayer in 20 years has dumped about $20 billion into the overall farm subsidy program. About half of this $20 billion is attributable to price supports and Government purchase programs. Do you not think that $1 billion a year in taxation is full justification for the right of the taxpayer to vote on these farm propositions?

And how about the consumer? I know that consumers have shown very little interest in this farm program because they do not understand what has been happening to them. Only in the last year or so, when butter accumulations began to get in the news, have they begun to comprehend what the price support and Government purchase programs mean to their food costs.

Mr. JAVITS. Mr. Chairman, will the gentleman yield?

Mr. KING of Pennsylvania. I yield to the gentleman from New York.

Mr. JAVITS. As I understand, the food bill of the consumer in the United States runs close to $50 billion a year. Can the gentleman give us any percentage as to what he thinks it would mean to the consumer if we did not have these high rigid farm supports and did have the flexible system?

Mr. KING of Pennsylvania. I am about to discuss that very point.

What the price-support program has cost consumers at the retail stores is beyond calculation. Since a free market has been completely destroyed on the basic crops, no one can determine what a free market would have produced as a price level at retail. But anyone with the slightest understanding of economics can be assured that Government purchase for hoarding has created an artificial price at retail which has cost consumers billions.

Yet, city Congressmen have in the past given heavy support to this program, not realizing the significance of it. Several of them have arisen on the floor of this House and, in effect, said that, even though farm production in their districts is limited to window boxes, they still wanted to go along with the program of gifts and profit guaranties to farmers.

Mr. JAVITS. If the gentleman will yield again, I would like to pin this down if we could. The price of butter is down, I understand, to 89 cents, which is a reduction of around 12 percent. Will the gentleman be able to tell us that America's food bill could be reduced say 12 percent if we had the flexible as against the rigid support system?

Mr. KING of Pennsylvania. I would not want to be a guesser on the matter.

Now, however, with the excesses of the farm program glaringly evident, these Congressmen are beginning to understand the interests of their constituents, for the very good reason that any working consumer can understand the consequences of the Government hoarding and withholding from the market 1 billion pounds of butter, cheese and dried milk.

FREE ENTERPRISE

I have not emphasized that the provisions of this bill are contrary to the principles of free enterprise. That should be self evident. But nowadays an affirmation of faith in the free-enterprise system brands one as a reactionary. So many people, lost in the maze of our big Government, believe a free market and the law of supply and demand are "something for the birds."

With many, the free play of price as an intelligent force in adjusting production to consumption has lost its significance, so they argue that it becomes necessary for the Government to fix prices and impose restrictions.

They say this is especially true in agriculture, so we must have this bill. Yet the proof is plain that agriculture is responsive to price. The price-supported lines have responded with enormous surpluses. Other lines have adjusted and maintained a satisfactory balance.

Examples are numerous if you study the history of poultry, eggs, hogs, fruits, and vegetables. Production in agriculture does respond to price. The free-enterprise system will work if we give it a chance. But we shall lose the free-enterprise system and all the liberties that go with it if we resort further to collective price fixing and political control of production and marketing.

Is there any wonder that the Communist Party in their latest official pronouncement of policy emphasized the importance of maintaining rigid price supports on farm products?

Now, mind you, I have no idea that any of the congressional supporters of this bill are even tinged with communism. But it is significant that the extension of rigid price supports fits perfectly into their openly declared purpose of socializing the American economy by first socializing the farm economy.

Their scheme of dragging down all people to a common economic level and masterminding both production and distribution from Washington embraces wholeheartedly the first section of this bill. If the Communists had written it, the specified level of supports might be higher and the coverage broader, but, in basic principle, it would be no different. Free enterprise they hate, but subsidies they love, knowing full well that, out of subsidies will eventually come the dictatorial controls they seek.

A few days back we made a feeble attempt to devise schemes for the disposal, by gift or otherwise, of the enormous surpluses we have accumulated. Then we were dealing with consequences. Today we are dealing with the cause. Our decision will be a fateful indicator of which economic road we shall travel in the future.

Mr. WOLVERTON. Mr. Chairman, it is most unfortunate that it has not been possible to find a middle ground between the contending forces as to price support for agricultural products.

The bill reported by the committee is a continuation for 1 year of the old program of 90 percent of parity for wheat, corn, cotton, rice, and peanuts. Tobacco's 90-percent program is continued by the bill. In reporting this bill the committee has set at naught the flexible support program advocated by Secretary of Agriculture Benson which was offered as the administration's plan.

I have been deeply impressed by the sincerity that has been shown by Secretary Benson. It is admitted that his plan may not be one that would necessarily get votes for our party among the farmers of the West and South, but, in all honesty it must be recognized as a sincere and thoughtful approach to a perplexing problem and a solution that is fair and equitable to all concerned, both farmers and consumers.

I am a great believer in the theory that in this country we all go up or we all go down together. Prosperity on the farm is necessary if we are to have prosperity in our cities. And, the reverse is equally true. The farmer does not live unto himself, nor does the worker in our mills, factories, and related activities live unto himself. We are all dependent on each other. Hence the necessity of solving the problems connected with each class of worker in our Nation in a manner that will not do injustice to one class in our effort to improve the status of another class.

This, I beleive is the basis of the approach that is being made by Secretary Benson on behalf of the administration in his so-called flexible parity program. He recognizes that high prices for the basic food products maintained by artificial means can be harmful to consumers if maintained at too high a price. Hence he seeks to remove the rigidity of the present law in order that it might operate in a more natural and normal manner to the end that the farmer shall get a fair price for his commodity and the consumers not be required to pay a price that would be distressingly high.

Another feature that should be given serious consideration relates to the surpluses that have resulted in those commodities for which a 90-percent parity level is provided by law. It is surprising that the commodities that are in greatest trouble today are those for which price support at a rigid 90 percent of parity level is provided. Of the $6¼ billion CCC investment, more than $5 billion is tied up in wheat, cotton, corn, and dairy products. Whatever else may be said about surpluses, they are not good for farm incomes.

Currently the Commodity Credit Corporation has an investment of $6½ billion in price-support programs, the major portion of which is tied up in wheat, corn, and cotton. CCC had an investment of $1½ billion in the fall of 1952, $3½ billion in the fall of 1953, and in the fall of 1954 will probably have substantially in excess of $7 billion, perhaps as much as $8 billion.

The following table gives the investment by commodities as of March 1, 1954, and the amount invested in each:

Cotton, 8,400,000 bales	$1,370,000,000
Wheat, 915 million bushels	2,195,000,000
Corn, 763 million bushels	1,224,000,000
Dairy products, 1,114,000,000 pounds	410,000,000
Cottonseed oil, 1,022,000,000 pounds	185,000,000
Tobacco, 647 million pounds	284,000,000
Other	584,000,000
Total	6,252,000,000

The costs of storing the farm products in which CCC has an investment are currently running $700,000 a day. Nobody has even estimated the daily cost resulting from deterioration of quality of products in storage. And the unfortunate part of the whole thing is that nobody has any really good idea about what we ought to do with these stocks. We do not dare feed them back into the market because of the impact they would have on current marketing. In desperation we are grasping at straws, we give them away and exchange them for foreign currencies. These are but costly measures of desperation aimed at trying to alleviate the crushing effect of the surpluses created by price-fixing in agriculture.

Fixed-level price supports may not have been the only factor contributing to the accumulation of surplus stocks, but it has been a factor, and a major factor. And it will continue to be a

major factor in the future if such supports are continued.

The extension of rigid supports is against the overwhelming weight of sound opinion. Every Secretary of Agriculture for over 20 years has recommended flexible price supports. The major farm organizations, representing the vast majority of farmers, have for the most part rejected rigid price supports as being unsound, both from the standpoint of the farmer and his customers, the consumers. Economists are virtually unanimous in their viewpoint that rigid price supports are harmful in the long run to the best interests of farmers. The intensive long-term study of experts in the Department of Agriculture in 1947 and 1948 resulted in reports to the Congress that clearly set forth why rigid wartime supports designed to encourage superabundance for war would be unsound for a peacetime economy. The basic fundamental reason is that rigid supports allocate more money, manpower, equipment, land, and other resources to agricultural production than consumers are willing to pay for.

Briefly, we have in this country at this time the largest surpluses in history that are, first, costing the Government unthinkable sums of money; second, hanging over the domestic and world markets so heavily that they do not actually support prices to farmers; third, creating fear among our allies that this country may suddenly dump them upon world markets and destroy them; and fourth, causing both the sound and unsound parts of the farm program to be brought into such disrepute as to raise serious doubts as to the feasibility of continuing it.

The attitude of the farmers located in the First Congressional District of New Jersey has been made plain to me in several ways. Letters, telegrams, and telephone messages from farm organizations, farm leaders, and individual farmers have impressed upon me the desire to have the flexible plan of Secretary Benson enacted into law. As evidence of the thoughtful consideration that has been given to the matter by our farmers through their farm organizations, I call attention to the letter I have received from Herbert W. Voorhees, president of the New Jersey Farm Bureau, expressing the views of that organization with reference to the pending bill, H. R. 9680. It reads as follows:

NEW JERSEY FARM BUREAU,
Trenton, N. J., June 28, 1954.

Re farm price supports in H. R. 9680.

Hon. CHARLES A. WOLVERTON,
Washington, D. C.

DEAR CONGRESSMAN WOLVERTON: We know that you are interested in the opinion of New Jersey farmers on the important question of the level of farm price supports. This issue is before you now in H. R. 9680 (sec. 101).

New Jersey farmers are in favor of flexible price supports. This position was taken by the voting delegates at our annual meeting last November. A copy of the resolution developed by the delegates is enclosed. The first paragraph of this resolution summarizes the feeling against high, rigid supports—"high, fixed farm price supports on the basic commodities have encouraged uneconomic production, caused very large expenditure of tax funds, and required the imposition of arbitrary production controls on agricultural production."

You will recall that this position was stated at our annual congressional get-together at the Congressional Hotel on February 4, 1954. At that time there were over 100 farmers representing their county boards of agriculture. As you know, the county boards are the county units of New Jersey Farm Bureau, and the New Jersey Farm Bureau is part of the American Farm Bureau Federation. The American Farm Bureau Federation includes 48 State farm bureaus and the Puerto Rican Farm Bureau. There are more than 1,500,000 farm families in the American Farm Bureau Federation.

The policies of the State and National organizations were started in the communities and counties and developed through local meetings where farmers got together to decide. Each farm family which is a member had a chance to voice its opinion and vote on policy. Across America 597,985 people attended 23,299 meetings and formed the policy of the American Farm Bureau. The enclosed New Jersey resolution was taken to the American meeting and was a factor in developing the AFBF position on price supports.

Briefly, we oppose any extension at all of 90 percent farm price supports because—

1. High, rigid supports guarantee agricultural surpluses.

2. It is not economically sound for farmers to continue to produce for Government storage. They must produce for consumer demand.

3. Nationally the six basic crops only make up 23 percent of the cash farm receipts. In New Jersey they only make up 2 percent.

4. Controls—marketing quotas, allotments, permits, etc.—are inevitable with too much production.

We strongly urge your support in preventing any extension on any conditions of the 90 percent levels of farm price supports.

Sincerely yours,

HERBERT W. VOORHEES,
President.

I have endeavored to frankly set forth my views in this important matter. I shall vote in favor of the flexible plan of Secretary Benson.

I am grateful to the constituents from my congressional district who have communicated to me their views and thereby assisted me in arriving at a decision which I believe is right and just.

Mr. COOLEY. Mr. Chairman, I yield 20 minutes to the gentleman from Texas [Mr. POAGE].

Mr. POAGE. Mr. Chairman, there is a very widespread feeling that the losses which our Government may have sustained on agricultural price-support programs have resulted from losses on the basic storable commodities. I do not know how that feeling got abroad because it simply is not true. I think the average man on the street to whom you may talk has in mind, when he thinks of the cost of the farm program, some kind of losses on wheat, cotton, corn, rice, peanuts, or tobacco. But as was so ably pointed out by my distinguished colleague, the gentleman from North Carolina, the total cost of price supports on all 6 of these commodities up until the 1st of this year, only amounted to approximately $1 million a year for each of the past 21 years. At the same time, we have been sustaining tremendous losses on some commodities, many of which have been under flexible supports. We lost nearly a half billion dollars on potatoes. During at least 2 years of that time, they were on a flexible basis. In other words, the Secretary had the right to support them from 60 percent to 90 percent of parity—and he put them down as 60 percent—and we continued to lose. However, we have lost around one hundred and eighty million on eggs. We have lost on poultry. We have lost a very substantial amount, and we are still losing every day a very substantial amount on butter and dairy products. These losses have nothing to do with 90 percent supports because these commodities are on a flexible system right now. I am not theorizing about something—I am talking about what is happening right now. We are trying a flexible program and we are trying the 90 percent of parity fixed program and we are losing in 1 month as much on the flexible program as we have lost on the basic commodities during the 21-year period. Now I just wonder how simple people can be. I wonder just how ridiculous people can get when they come along and suggest that we abandon a program which is working as well as our basic commodity program has been working, and suggest that we should adopt in its place a program which over the years has lost dozens of times as much as the basic program, and that we should adopt a program which right today is losing many, many times more money than the basic commodity programs are losing.

Mr. YATES. Mr. Chairman, will the gentleman yield?

Mr. POAGE. I yield.

Mr. YATES. The gentleman said that dairy products were under the flexible program.

Mr. POAGE. I did.

Mr. YATES. Is there a change from that program in this bill?

Mr. POAGE. No, there is not, except that this bill keeps the minimum support on dairy products 5 percent higher for 1 year.

Mr. YATES. Why is there not a change if they suffered so many losses?

Mr. POAGE. Let me explain what the change is. This bill lifts the floor below which the Secretary may not set the support price up to 80 percent instead of the present 75 percent of parity. The reason we did not put dairy products under the same program as we put the basics is that we do not know of any way of controlling the production of storing dairy products as we do in the case of the basic commodities.

Mr. HERLONG. Mr. Chairman, will the gentleman yield?

Mr. POAGE. I yield.

Mr. HERLONG. If we are losing at 75 percent, are we not going to lose more at 80 percent?

Mr. POAGE. I do not think so. We were losing less at 90 percent than we are losing today at 75 percent.

Mr. HERLONG. Is not the reason that we are completing the June production month, which is the highest production month of the year?

Mr. POAGE. I think that has unquestionably a bearing on it. But in many, if not in all, instances when we

have reduced the support price in the past we have seen the cost to the Government go up. I know that sounds unreasonable, but I think I can explain how it happens. For 8 years we supported the price of potatoes, 6 years at 90 percent of parity and the last 2 years at 60 percent of parity. During those 6 years at 90 percent of parity we lost on an average of $67,829,000 a year on potatoes. Then we adopted the 60 percent of parity support on potatoes and we lost on an average during those 2 years $76,107,000 a year, or $10 million a year more on the average than when we were supporting potatoes at 90 percent.

Mr. YATES. When you say we lost more, do you mean this was cost to the taxpayers?

Mr. POAGE. Yes. This was cost to the taxpayers.

Mr. YATES. May I ask another question? In 1949, because of this possibility the gentleman from Georgia [Mr. PACE], who is recognized as one of the outstanding experts on agriculture, proposed a system of production payments on perishables. Why is not Mr. PACE's suggestion incorporated in this bill?

Mr. POAGE. It is incorporated in the bill in two instances.

Mr. COOLEY. Mr. Chairman, will the gentleman yield?

Mr. POAGE. I yield.

Mr. COOLEY. I was just going to point out that exact provision with regard to wool is in this bill, and also the payments authorized now on dairy products.

Mr. YATES. But the payments for dairy products are not comparable to those provided for wool, are they?

Mr. COOLEY. It authorizes exactly the same thing.

Mr. YATES. But is it not mandatory in one case and discretionary in the other?

Mr. COOLEY. I think so.

Mr. YATES. In the case of dairy products it is discretionary with the Secretary, and in the case of wool it is mandatory.

Mr. COOLEY. The reason that prompted us to put it in this dairy section was because of the tremendous surplus problem involved, and to help expedite the disposition of accumulated surpluses.

Mr. YATES. Is there a fixed price support for dairy products contained in this bill?

Mr. COOLEY. Yes.

Mr. POAGE. There is, beginning on September 1, this year. The floor below which the support price on dairy products cannot drop will be enough to bring to the producer 80 percent of parity. It had been 90 percent prior to the 1st of April at which time Secretary Benson reduced it to 75 percent. I think the cut was certainly too severe or too great at one time. So our committee said to the Secretary, "During the next marketing year you must support the price of dairy products at 80 percent, but," we also said, "You do not have to support it by purchases as you have been doing in the past; you can support it by incentive payments." So, as far as the consumer is concerned, if the Secretary uses the authority that is given, there will be no increase in price to the consumer, but the producer will receive a price that will give him 80 percent, or he will receive a payment which will bring his return up to that figure.

Mr. YATES. Mr. Chairman, will the gentleman yield?

Mr. POAGE. I yield.

Mr. YATES. Why was the requirement made mandatory in one case and discretionary in the other? Why mandatory in the case of wool and discretionary in the case of dairy products?

Mr. POAGE. For a very practical reason. The administration was very anxious to get a mandatory support on wool; the committee was trying to report a bill which the administration would approve, so we put the wool section in exactly the words that the Eisenhower administration asked, and those happen to be the words of Charlie Brannan. The administration lifted the provisions of the Brannan plan—almost verbatim from the wool bill that we brought to the House when we were meeting in the caucus room in the Old House Office Building some years ago.

The wool section of this bill is the Brannan proposal and the dairy section in this bill is a permissive Brannan proposal.

Mr. YATES. If the gentleman will yield further, is the gentleman saying that Secretary of Agriculture Benson is requesting the Brannan plan for wool?

Mr. POAGE. That is exactly what the gentleman is saying.

Mr. GAVIN. Mr. Chairman, will the gentleman yield?

Mr. POAGE. I yield.

Mr. GAVIN. I wonder if the gentleman would repeat the losses on potatoes again?

Mr. POAGE. The losses during the 6 years when supports were 90 percent of parity were $67,829,000 per year. During the 2 years when supports were only 60 percent of parity the losses were $76,107,000 per year.

Mr. GAVIN. I think the gentleman will recall that at that time we had mountains of potatoes, that we were destroying potatoes and feeding them to the hogs. Is not that right?

Mr. POAGE. I might say that they were hills while supports were 90 percent; they became mountains when we dropped the support to 60 percent.

Mr. GAVIN. After we took off the support prices we saw pictures and read articles about potatoes; so we removed the support prices on potatoes and we have not had any peace from the American public since, yet it saved them considerable money and brought back a free market. So it proves consistently that these subsidy programs in building up these tremendous surpluses are not practical, do not make good sound commonsense; and I am glad the gentleman brought up the matter of the loss on potatoes, because we are not taking losses on potatoes now that they have got back on a free market.

Mr. MARSHALL. Mr. Chairman, will the gentleman yield?

Mr. POAGE. I am sorry I cannot yield further; I want to discuss some other phases of this program which cannot but arouse the curiosity of the Members.

The gentleman from Pennsylvania has proven clearly that we got along better with the potato program when we had 90 percent parity prices than when we cut it back to 60 percent. I think that portion of Mr. Benson's suggestion is all wrong when he intimates that you can control production simply by lowering the support price. Maybe that is the way it is supposed to work out in theory, but in practice it does not come out that way. It has been my experience that if a cotton farmer, for instance, knew that he was going to get only 15 cents for next year's crop when he had been getting 30 cents, he would try every way he could to grow twice as much cotton, unless prohibited by law from growing it. Apparently, that is a lesson Secretary Benson has yet to learn. To reduce prices just aggravates the production situation in a one cash-crop area; at least until you have bankrupted a large part of the farmers. That has been the history of this Nation.

Those of you from the cotton country will recall that we grew our largest crop in 1937 when we had a support price of only 53 percent of parity. In the face of history is there anybody who believes we can reduce production of cotton, at least the first year, by cutting the support price to 75 percent of parity? Remember, we grew our largest crop of cotton at 53 percent of parity. As a matter of fact, the philosophy does not work out like some of the planners have said it would work. Farmers try to make a living for their families in the only way which is available to them, that is, by growing something to sell. The farmer doesn't figure all of the costs like the manufacturer does, and even when it looks hopeless, so hopeless that no one else would spend a dollar, the farmer will try to grow a crop, always hoping that he will hit a bumper year. Mr. Benson's program will, of course, bring about a reduction in time, but so did the old system of no supports. They are both effective after they have bankrupted enough farmers.

Another mystery about this matter has been the different and inconsistent positions of the President. I recall that it has been but 2 years ago when the man who is now President of the United States was speaking at Brookings, S. Dak., at which time he made the following statement:

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

Those were the words of President Eisenhower. Now we are told that this same President for some reason or other now feels that our farmers should have only 75 percent support. He said at that time, "a guarantee of 90 percent."

We would like to carry out that pledge. It was also in the Democratic platform.

But nobody has commented on that because everyone evidently expected the Democrats to carry out their platform, and they are doing it. There was not one Democratic vote on this committee against the pending bill. There has been a carrying out of that pledge on one side of this House, and I am proud of it. There has also been a carrying out of that pledge by some individuals on the other side of the aisle, and I want to pay my respects to those courageous, those farsighted individuals on the Republican side who have done what President Eisenhower pledged that he and they would do. We are going to do just that when we vote upon this bill.

It is quite mystifying to figure out how some of these changes of position are going to be explained. But there is a whole lot about this situation that is hard to explain. It is hard to explain why the present Secretary of Agriculture is so determined that all of the basic commodities shall be reduced 75 percent except on tobacco. I have no objection to giving tobacco growers 90 percent of parity. I think they ought to have it. I think any commodity that is storable should have 90 percent supports where producers will keep their production in line with demand and I am for 90 percent of parity on tobacco. But it is passingly strange to recall that Secretary Benson sent a message to this House recommending that we pay not 75 percent but 90 percent of parity on a crop of tobacco grown down here in Maryland the year before; and to make the payment in spite of the fact that the producers had voted against quotas. He did not even ask that the tobacco producers comply with the quota program. I am for the tobacco producers or anybody else when they comply with production controls. Secretary Benson is against 90 percent supports for cotton or wheat even when the producers accept every control, but he is ready to give tobacco 90 percent support without any controls.

I suggest that the next speaker explain why the Secretary of Agriculture is so anxious to pay 90 percent of parity to tobacco producers who have voted down quotas and why at the same time he refuses to pay 90 percent of parity to cotton, corn and wheat producers who have voted for quotas. I think it is more than just another passing coincidence.

I do not think it necessary to comment further on the wool situation which has been mentioned. It is another strange situation. I am in favor of giving the wool people support. Certainly they ought to have it. But we ought to be frank about it, we ought to tell the people of America what we are doing; that we are probably giving wool 110 percent of parity. That is said to be necessary in order to get the amount of wool produced that we need in the United States. We do not produce all of the wool we consume. We are, therefore, probably justified in supporting wool at a price considerably over parity. We are going to achieve this support through the Brannan Plan, and I think we are going to get good results, but let us be frank about it and not try to use any of the wool to pull over our own or the public's eyes.

Another strange and remarkable situation is the set-aside program that has been mentioned. The gentleman from North Carolina pointed out some of the peculiarities of this set-aside program. It is simply a "hide away," "fool yourself" program. You do not fool anybody else. When we set aside 2½ million bales of cotton or 400 million bushels of wheat, we have not fooled anybody unless we fool ourselves. The commodities are there and they are going to depress the market.

The United States Government is going to be the biggest loser, because the United States Government has more commodities in its possession than anybody else. And, when you depress the commodity market, you destroy the value of the things the United States Government owns and take money out of the taxpayers' pockets. Of course, you keep right on paying storage. There is no reduction in the costs to the taxpayer, but the Secretary comes up and suggests that we fool ourselves; that we should set these commodities aside and not take them into consideration in calculating the support price at which we will support these commodities in the future.

Then he tells us, as has already been brought out, "If you take this set-aside, boys, you will get 90-percent support even under my flexible plan." Oh, I think he said 89 percent for your cotton. "You will be assured of that much, and you will get practically all you are asking for, but we are doing it in a devious, roundabout way rather than in a frank, open way." I do not like those devious methods. I had rather go on down the road and let everybody see where I am going. I think 90 percent is fair and I am for it. If I felt that 90-percent supports were immoral I would oppose them whether they were obtained directly or indirectly. But, this willingness to do indirectly what he says is wrong if done directly is another one of those devious things about the Secretary's program that I do not understand.

Now, this bill contains set-asides; sure it contains them. I do not want anybody here to think that the members of our committee who voted for the bill did not know that this was merely a face-saving device. But, we have gone a long, long way to try to let the President and to try to let the Secretary save their faces. We have given them five-sixths of all they asked. We have tried to let them come around in the back door and save face, and that is all there is to this set-aside, the proposition of saying, "Boys, we are willing for you to get 90 percent, but we do not want to admit that it is right." If the administration is going to give us 90 percent, and the Secretary said he would, with this set-aside, we ought to have it in the open. If it is right, let us have it. If it is wrong, don't approve a scheme to cover up the wrong.

We have heard a lot of talk about principle in connection with the farm price support program. I have listened to some very tear-jerking radio reports about "How I stand above my petty politics" and "I base my stand on principle. So, I am for 75 percent, because it would be wrong in principle to get 90."

Now, let us be sensible. What is the difference in principle between 90 and 75? It is merely a question of arithmetic. There is no principle involved, and every intelligent Member of this House and every intelligent citizen of America knows it. There is no principle involved in the choice of figures. It is hog wash to tell the American people that we are talking about principle. We are talking about a figure—whether it be 90 percent or 75 percent. I think that is a sound principle to give to the American farmer support when he cooperates and controls his production. I think that is a principle, and I am for that principle. Now, we can argue about what the level of support should be, but that is not arguing principle; that is merely arguing about details. And, the president of the United States knows it, and I think most of the people of the United States know it. So, let us not fool ourselves that we have any great debate here about principle. We simply have a debate about the practicalities of maintaining a sound farm program. There can be honest differences about what is the most desirable from a practical standpoint but do not let us try to take a "holier than thou" attitude.

Of course, the question of maintaining a sound farm program is the question of maintaining a sound economy, because there never has been a time in all of the economic history of America when we allowed the average price of farm products to drop as low as 75 percent of parity that we did not suffer a widespread and a devastating depression, throwing millions of American working men out of work, breaking thousands of small businesses all over this country, and destroying profits and the accumulations of wealth of generations.

Now, are we going to deliberately engage in a program which throughout all our history has resulted in wreck and ruin to the man in the town as well as the man on the farm? Are we going to invite that sort of thing simply to enable somebody to save face? Are we going to be so simple that we will be led into accepting some kind of shibboleth, some kind of tag or banner or some kind of slogan and say, "Oh, we want a flexible scale; we want a sliding scale which will slide right out from under you every time you need it, Mr. Farmer; but we are willing to do all these things and add to the problems of the taxpayers, add to the problems of the workingman who is looking for a job, add to the problems of the little-business man who is seeking customers and somebody who has got some money to spend with him"? Are we willing to take all of that away in order to enable the present administration simply to save face?

The opponents of this bill, that is, the opponents of 90 percent of parity supports, like to speak of the present program as being "rigid" and of their program as being "flexible." This is just another instance of trying to condemn

a good program with a name. Our 90-percent program is not "rigid." It has all the flexibility that a program should have. It is, of course, based on parity; parity goes up and down. It goes down when the general price level goes down, and our price supports go down when farmers' costs go down, but if the general price level goes up so does our 90 percent of parity supports.

I submit that is only fair. This bill is fair. It continues the program and the only program which has ever given effective support to the farmers of this country. It continues, at least for the time being, the program which has enabled so many farm homes to enjoy at least a few conveniences which once were thought of as belonging exclusively to city people. It continues the program which has enabled our farmers to provide the greatest market for industrial goods that the world has ever known. It continues the program of American economic progress. It does not go nearly as far as it ought to go, but at least it doesn't turn the clock back 21 years.

If we do not pass this bill, if we allow the Secretary of Agriculture to pull the rug out from under the farmer, we are going to find a lot of rugs being pulled off the floors of city homes by finance companies.

I want to congratulate that substantial group of Republican Members of this House, and particularly the 7 to 1 majority of the Republican members of the Agriculture Committee who, despite political pressure and abuse, are standing fast in behalf of the constituents they represent, and who are keeping the promises they and their candidate made to the people in the last election. They are indeed maintaining principle.

Mr. HILL. Mr. Chairman, I yield such time as he may desire to the gentleman from Pennsylvania [Mr. DAGUE].

Mr. DAGUE. Mr. Chairman, I am opposed to the first section of this bill. I favor a gradual adjustment to a flexible program.

Mr. Chairman, in announcing my opposition to the pending bill, I am moved to emphasize my considered opinion that the constructive features of the measure are completely overshadowed by the provision which continues support at 90 percent of parity throughout 1955, and thereby clearly ignores the public clamor for the abandonment of a rigid program which has resulted in depressed prices to the farmer without corresponding benefit to the consumer.

A reasonable case could probably be made for 90-percent support for basics if it could be shown that farm prices had been kept at a reasonably high level, but the record will reveal that the income of the farmer has declined some 16 points in the past 3 years, whereas the retail price of farm commodities has remained fairly stable—a situation which leads to the logical conclusion that about all we have done has been to stabilize the middleman's profit.

There are 2 considerations which clearly constitute an indictment of the 90-percent program, namely, first, that income from the basics—wheat, corn, cotton, tobacco, rice, and peanuts—has made up on the average only around 23 percent of farm income; and, second, that the commodity price of such products has never been above 100 percent of parity except when stimulated by the demands of war. In other words, most of the farmer's income has been derived from products which have no props whatsoever, and his income from the supported items has been impressive only during those periods when a lot of good Americans were being killed on foreign battlefields.

A telling indictment of rigid supports can also be had in the fact that hog prices have held fairly steady around 120 percent of parity, and poultry products have stood at 110 percent of parity, with some normal seasonal fluctuation, of course, but without benefit of the direct aid from the Government which is accorded those items on the rigid list.

I might say, in passing, that there seems to be an inclination among my colleagues in the Committee on Agriculture to dismiss or ignore the fact that Pennsylvania is a great agricultural State and that, by and large, our stature in the field of agriculture has been maintained with but little reliance on Government incentives. Indeed, my own district—consisting of Lancaster and Chester Counties—is the leading agricultural area east of the Mississippi River and the leading nonirrigated agricultural area in the United States; and our preeminence is emphasized by our leadership in two commodities in particular, namely, tobacco and mushrooms, in which we lead the entire Nation, and in both cases without the benefit of Government subsidies. In the case of tobacco, the growers in Lancaster County vote down quotas each year—in 1953 by the ratio of 3 to 1—and I am persuaded that our hard-working people have set an example in free enterprise for other sections to follow if they can only be weaned from the regimentation which their lack of initiative and failure to diversify have brought upon them.

There is, of course, an attempt to prove that the 12,000 farms in the Ninth Pennsylvania District have benefited from the rigid supports that have been maintained under crops in other localities, but it will take but few arguments to prove that the contrary is the case. As producers of large quantities of fluid milk and poultry products we have had to pay an inflated price for processed feeds, whereas the end products of our industry have had to compete in a free market, the latter situation being, of course, as we would have it. In a similarly striking example we have seen our small wheat growers placed under the most irksome regulations simply because the commercial wheat States have elected to accept acreage restrictions, which in turn become binding on those farmers in Pennsylvania who have rejected the entire socialistic philosophy of selling to the Government instead of in the market place.

When Secretary of Agriculture Ezra Taft Benson was before our committee testifying in favor of a flexible program, I was one of the very few who took the occasion to commend him for his forthright approach to the vexing problem presently confronting us and at the same time to assure him of my support in the committee and on the floor of this House. My contributions toward the preparation of the bill now before you were admittedly limited since my position in opposition to rigid supports was registered as one of the eight who voted against extending 90-percent supports for 1 year and finally as 1 of the 2 who voted against reporting the bill to the House.

While it is true that my position has consistently been in favor of a flexible program—I voted against the extension of the 90-percent level in 1952—I have been greatly encouraged by the fine leadership we have had from both President Eisenhower and Secretary Benson in their undeviating and uncompromising stand against the continuation of the agriculture fallacy which would be prolonged if section I of the pending bill were adopted in its present form.

I can state quite frankly that I am in favor of a completely flexible program which will authorize the Secretary to set the support level at the figure he thinks will be consistent with our domestic and foreign needs in relation to the anticipated supply. And I favor putting such a program into operation in 1955. Out of deference, however, to the spirit of compromise which is inherent in our democratic processes and taking into account the President's concession to a gradual reduction from the present high level, I am willing to lend my support to a graduated program which will set the level at 85 percent for 1955 with a drop of 5 percent each year until we have reached 75 percent, after which the completely flexible program of 75 to 90 will come into full operation. And I am sure that the American public will not be dissuaded from the opinion that continuing 90-percent support for 1955 constitutes anything more than a political maneuver on the part of those who feel sure that when the 84th Congress assembles in January they will have another try at making the 90-percent program permanent.

In setting forth my deep appreciation of the encouragement I have had in the leadership given us in this fight by our able Secretary of Agriculture, I would not for one minute want to convey the idea that I do not respect my colleagues in the Committee on Agriculture who with great vigor and unquestioned conviction have worked to keep in being a program which they feel has benefited their respective areas, even if at the expense of the Nation as a whole. And I have been in this House long enough to interpret the designation "Representative" as meaning exactly what that term implies—full responsibility to represent the views of the majority of our constituents in our support of pending legislation. Certainly I am trying to do just that, and I would be less than honest were I not to accord my colleagues full credit for reflecting the views of the people who have sent them to sit in this Congress. And certainly I get no satisfaction out of taking a position on this subject at variance with that of my esteemed chairman, the gentleman from

Kansas [Mr. HOPE], and my highly regarded friend, the ranking minority Member, the gentleman from North Carolina [Mr. COOLEY], even though I think their policy of rigid supports is unrealistic, to say the least.

The need for a strong and healthy agriculture in this country was never greater, since the direction our farm economy takes may well be the direction toward which our entire free-enterprise system will turn. We have tried a system of rigid controls and a form of regimentation with its penalties and its frustrations, and we now know that it can only result ultimately in the socialization of this basic industry. We saw our stalwart forebears throw off the regimentation that a British tyrant attempted to impose upon them, and we fought a bloody war within our Union to excise human bondage as a cancer upon the vitals of a people who were pledged to remain free. The issue we are deciding today is just as clear cut, and we can either return to the uncontrolled system that has made us great or we can continue along the present road which leads to the brink of the abyss at the bottom of which lies the wreckage of every socialistic system that has come to curse the human race throughout its long struggle for survival. In the spirit of those who have sacrificed so much to keep us free, let us again reject these encroachments upon the freedom of our people. Let us reinstate the farmer in his traditional place in our competitive system with the assurance that he will always have that protection against disaster that every other segment of our economy enjoys.

Mr. HILL. Mr. Chairman, I yield myself 10 minutes.

Mr. Chairman, I wonder at this time if it would not be a good idea to talk exactly on the bill for a few moments. But before I talk on the measure itself I would like to read a wire from the National Grange, one of the soundest and most highly respected farm organizations in the United States.

WASHINGTON, D. C., *June 29, 1954.*

Hon. WILLIAM S. HILL,
House Office Building,
Washington, D. C.:

Since high level versus flexible supports are not the heart of the farm problem, National Grange solicits your support of Agricultural Act of 1954 as constructive measure pointing direction toward sound commodity-by-commodity solution with expanding recognition of competitive price mechanisms, while cushioning farm-price problem until new measures become operative.

HERSCHEL D. NEWSOM,
Master, the National Grange.

I am sure it is the first line of that that is the important line.

Before I go further, let me say that I think we should not only commend our chairman, the gentleman from Kansas [Mr. HOPE], which has been done on the floor this afternoon already, as one of the great chairmen in the present Congress, but I think we might also pay a compliment to the excellent cooperation we have had in our committee from the minority side. Regardless of all talk to the contrary, we have 30 members on our committee and these 30 members come from almost every section of the United States, from Maine to California. I think 1 or 2 of them have 2, Texas, of course, being 1, and there being 1 other State, Pennsylvania.

So the bill comes to this floor, as I hope you understand, by a majority. The fact of the matter is that only 2 members out of the 30 who were present voted against the measure. I say that not because that is anything strange, but there is something very important about it. If I had the time I would like to discuss the men who make up this committee with which I have had the privilege of working for more than 12 years. It is a wonderful thing to be on a committee where the men are trying to do a real job. There is not a single man on our committee that is not just as conscientious as he can be. I frankly confess to you that I do not appreciate, and I am sure none of our committee does, being pressured to do this, that, or the other that we know, in the end, will destroy any resemblance to a farm program. We do not have that kind of men on our committee. Such men are very seldom, if ever, elected to this House.

I am pleased at the number of men and women, too, who are elected to this House who stand against the most terrific pressures and do not yield a single inch. I say frankly to you that I am glad to be a member of the committee that has tried its best to bring you a good bill. We have worked night and day and traveled, as our chairman said, over 20,000 miles, listened to everyone and, strange as it may seem—and it is strange, too—not a single meeting did we have at which any of the members of our committee asked questions of witnesses. They were permitted to make their statements without interruption. Few committees of the House can match that. We said to them, "You just tell this committee and tell us in your own language what you think should be the program for the farmers of this country, of this Nation of ours."

Thirty years ago Secretary of Agriculture Henry Cantwell Wallace wrote in his book, Our Debt and Duty to the Farmer:

In practice it is impossible for the farmers of the Wheat Belt all at once to set up a system of diversified agriculture. Climatic conditions limit the crops that may be grown at a profit. The farms are equipped primarily for wheat growing. * * *

The transformation of a one-crop region into a region of diversified agriculture is an evolutionary process, the result of the gradual accumulation of experience and capital. It is not an evolution that can be hastened very safely with money alone. Overstimulation in this direction will certainly do more harm than good.

If the special favors now enjoyed by other economic groups are to stand, the propriety of granting compensating favors to agriculture cannot be questioned. * * *

Now, the farmer is as truly a laboring man as he who works on the railroad or in industry. He is also a capitalist in that he has large investments in land and equipment. But such legislation as has been enacted presumably in aid of agriculture has been to increase production instead of to insure a fair reward for the farmer's labor or a fair return on his capital. * * * All of these laws which increase wages and rates and strengthen the bargaining power of labor and capital help to bring about and maintain an unfair relation between the prices of farm products and the prices of other things, and to decrease both the wages of the farmer and the return on his capital investment. To urge that the Government may with propriety fix wages and rate of return and restrict competition for some groups but may not apply the same principle to farmers is to deny common justice to one-third of our population.

The only subject fairly open for debate is whether it is better to reduce wages, railroad rates, and other industrial charges until they bear a fair ratio to prices of agricultural products, or whether the farmer should be raised to the level of other groups and industries. Considering conditions at home and abroad, it seems that a sincere effort to bring up the farmer rather than pull down other groups is the wiser and easier course.

The fact of the matter is that there are, in the multitude of operations covered by the Federal budget, many items of cash outgo for aid to business as well as agriculture. In 1951, cash outgo in the form of payments to business for goods and services totaled about $11 billion; loans and subsidies, $4 billion; and other loans and transfers, chiefly to foreign countries, another $2 billion; a grand total of $17 billion. Comparable loans and subsidies to farmers came to $1.8 billion; other loans and grants, chiefly to foreign countries, another $1.2 billion, or a total of $3 billion.

The farmers' share of the total cash outgo that in effect aids or stimulates business and agriculture amounted to about 15 percent of the total, which is in line with the proportion of the farm population to the total population.

How farm prices sway

	Nonagricultural product prices	Farm product prices	Percent nonagricultural	Change farm
1910–14=100				
May 1920	253	238		
June 1921	152	113		
Total	−101	−125	−40	−52
August 1929	135	151		
March 1933	98	57		
Total	−37	−94	−27	−62
March 1937	127	132		
August 1939	119	86		
Total	−8	−46	−6	−35
January 1948	220	285		
January 1950	216	223	−2	−22
Total	−4	−62		
1947–49=100				
April 1952	114	109		
February 1953	113	98	−1	−10
Total	−1	−11		

The simple record of the cost of the typical consumer market basket, if taken for January of each year since 1946, just

before the OPA restraints were removed, tells the story:

Cost of the market basket

	Retail cost of farm food basket	Distribution costs	Farmer's share	
			Dollars	Percent
January 1946	$677	$323	$354	52
January 1947	894	449	445	50
January 1948	992	470	552	53
January 1949	969	518	451	47
January 1950	875	473	402	46
January 1951	1,000	519	481	48
January 1952	1,025	540	485	47
January 1953	1,014	555	459	45

Between January 1950 and January 1953 retail food prices advanced to $1,014, an increase of $139, farm prices showing a net advance of $57, distribution costs a greater increase, $82. Farm prices, however, were practically no higher than they were in January 1947, 6 years earlier. In view of the blame so often placed on farm prices for the continued rise in living costs, it should be pointed out that after the initial impact of the 1946–47 inflation, distribution costs alone were responsible for practically all of the $120 net increase in the cost of the food market basket between January 1947 and January 1953.

Farm dollar shrinks fast

	Cost of food market basket received by farmers	Prices paid by farmers	Purchasing power of farm receipts
January 1946	$354	$100	$354
January 1947	445	118	373
January 1948	522	135	386
January 1949	451	132	340
January 1950	402	138	314
January 1951	481	141	342
January 1952	485	149	326
January 1953	459	147	312

Man-hours in the food sack

	Retail cost, food market basket	Straight-time wages per hour	Hours required to purchase
January 1946	$677	$1.00	677
January 1947	894	1.13	790
January 1948	992	1.26	786
January 1949	969	1.37	700
January 1950	875	1.38	633
January 1951	1,000	1.50	677
January 1952	1,025	(1.58)	648
January 1953	1,014	(1.68)	605

Wages and distribution

	Food distribution	Margin (percent of 1946)	Straight-time wages per hour
January 1946	$323	100	$1.00
January 1947	449	139	1.13
January 1948	470	145	1.26
January 1949	518	157	1.37
January 1950	473	146	1.38
January 1951	519	160	1.50
January 1952	540	167	1.58
January 1953	555	172	1.68

For more than 12 months the Committee on Agriculture has been laboring diligently to supply background and collect grassroot information on all phases of agricultural activity.

We visited communities in 23 States and traveled more than 20,000 miles. Meetings were held in both large communities and small country centers throughout the country.

At these meetings testimony was taken and amazing as it may seem, questions were not asked nor discussions entered into; but the farmer and his wife were permitted to tell their story in their own individual and personal manner. This is fine testimony, and we have copies of the hearings in the committee offices.

Our committee chairman, the Honorable CLIFFORD R. HOPE, deserves and I am sure has the respect and appreciation of the entire committee, regardless of politics. No committee of the House is directed by a finer chairman than our Mr. HOPE. We compliment him on his fairness and excellent manner; he has conducted all the hearings and has patiently permitted not only the committee but all of the witnesses to express themselves in their natural and individual manner.

This bill comes to the House by an overwhelming majority. You could not expect legislation covering as many aspects of agriculture as this bill and with 30 farm representatives with as many different types of farm production to agree on how a farm bill should be written. It is remarkable that we could have such a nonpartisan, nonpolitical unanimity of approach to the difficult problems facing our agricultural economy.

Every member of the committee knew and understood that there is not and never will be a pat or quick-easy approach to the solution of agricultural problems.

This legislation offers only a dim and uncertain path of approach toward the solution of basic agricultural economic troubles now threatening our whole American way of life.

Wars, high prices, rising population, research, and efficient methods, the decline in exports—all have contributed and are contributing to tremendous surpluses now under Federal loans and actually property of the Government. What to do with these rising surpluses poses a real dilemma. So far no one has offered what seems to be a satisfactory solution for the sale of farm surpluses.

If the causes of surpluses are as I have stated, then we are not in a position to place the blame on any single error or to indict or incriminate any party or organization for the present costly purchase and storage activities.

The farm bill comes before the House as a one-package legislative measure, recommended by the Secretary of Agriculture himself when on March 10 he appeared before our committee and stated:

> In the first place we do not come here with two proposals. We come here with one package which the President has recommended to the Congress.

There are several separate and distinct titles in this bill, each title proposing a plan of operation for a commodity or providing definite changes in the existing agricultural legislation.

Time does not permit me to discuss each title. I shall be general in my remarks.

In speaking of agriculture not long ago, Arthur P. Chew, an agricultural writer of considerable ability and standing, said "Our agriculture is at the crossroads." I agree with the statement, but feel that we should add: "so is our entire economy."

When agricutural difficulties arise and the economy of the farmers is strained, warped, and steadily contracting, none of our economy can remain long in a healthy, prosperous condition or on an upward climb. It must falter, hesitate, and begin a period of contraction, and this is not an exaggerated conclusion.

Certainly the magnificient record of production by the American farmers during war eras should not be the straw that breaks the camel's back, nor the stone about the farmers' necks that sinks them into oblivion. No society should be a party to any such economic operations.

What nation in history can you call to our attention that bankrupted itself producing the fruits of the earth? It never has happened to my knowledge but many of our friends seem to indicate by their attitude that here it must happen to us.

With about six percent of the world's population, we have been producing nearly 50 percent of the world's goods and services, 50 percent of the total income of the world, and have provided a standard of living scarcely dreamed of by millions of people throughout the world.

Surely if we are capable of such production, such a wonderful way of life, we should not consider surplus farm commodities anything but a blessing provided for us in the midst of our enemies. Using it properly, we can make friends over the world, hold our economy steady and stabilize and improve our way of life.

Just a little information on farm subsidies and other subsidies:

I wish to include in my remarks figures given by a Washington Farmletter of February 6, 1954. I have heard no one dispute the figures, so I assume they are absolutely correct. I quote:

> Price supports have cost $1.1 billion in 20 years, according to a USDA tabulation supplied at Congress request. Net cost of supporting 6 basics (only ones getting mandatory 90 percent of parity supports) has been only $20 million since June 17, 1933. Nonbasics, supported at Secretary of Agriculture's discretion between 75 and 90 percent of parity, have cost $708 million. Other nonbasics, with no mandatory support, cost $382 million.
>
> Business gets more subsidy than farmers, farm leaders have replied. Congressman WHITTEN has compared $1.1 billion cost of price supports to $4.2 billion spent on consumer subsidies and to $45.6 billion spent on business reconversion, tax amortization, and airlines subsidies.

Business gets $609 million aid in Ike's new budget compared to $549 million for agriculture, according to special analysis section in the budget. Business figure would be $300 million higher but the budget makers assume that Congress will hike rates on business mail.

Here's how the budget sets out the aid given various groups for 5 years, including 1951–53 actual, and the 1954–55 estimates:

[In millions of dollars]

	1951	1952	1953	1954	1955
Agriculture	$905	$463	$305	$609	$549
Business	809	1,041	934	918	609
Labor	197	200	215	204	216
Housing and tenants	------	−129	−123	−100	−48
Veterans	4,515	4,710	4,178	4,057	4,095
General	1,327	1,364	1,506	1,672	1,656

Here's the official budget breakdown on agricultural aids in net figures by programs for 3 years. The 1953 is actual. The 1954 is an estimate made at mid-year. The 1955 is what Ike's budget provides:

[In millions of dollars]

	1953 actual	1954 estimate	1955 asking
Farm Credit Administration	−$2	−$27	−$1
Price supports	−69	64	82
International Wheat Agreement	131	84	89
Sugar Act	63	65	65
Other	116	283	152
Labor program	4	4	4
Grants-in-aid	62	133	158
Total	305	609	549

Mr. HERLONG. Mr. Chairman, will the gentleman yield?

Mr. HILL. I yield.

Mr. HERLONG. The gentleman said that we had lost $50 million by supporting oranges since 1932, is that correct?

Mr. HILL. I just read that to you out of the book.

Mr. HERLONG. That is not a support price, it is the total amount the Government has spent for purchases for the school lunch programs, and from section 32 funds.

Mr. HILL. We did not say who purchased them.

Mr. HERLONG. That is the total over 23 years, is that not correct?

Mr. HILL. That does not change the situation on milk just because it is given to children. We are talking about the program. It says in this book that those are the programs that have removed that much surplus through the Commodity Credit Corporation.

Mr. HERLONG. Does the gentleman know what percentage of parity oranges and grapefruit bring on the market today?

Mr. HILL. Sometimes oranges get so expensive that I cannot even buy them one at a time.

Mr. HERLONG. They bring considerably less than 50 percent of parity.

Mr. HILL. The gentleman knows that he is not supporting any of these marketing agreements which have as their purpose the increasing of prices to consumers.

The CHAIRMAN. The time of the gentleman from Colorado has again expired.

Mr. AUGUST H. ANDRESEN. Mr. Chairman, I yield myself 10 minutes.

Mr. Chairman, so much has been said in previous discussion about the general farm problem that I thought I would get down to a specific commodity. I will therefore attempt to discuss the provisions of title E, Dairy Products. However, I would like my colleagues to know that I favor the bill as reported by the Committee on Agriculture, which is now up for consideration.

Our committee spent many months with hearings before H. R. 9680 was finally agreed to by a large majority of the members of the Committee on Agriculture. It is a comprehensive bill covering the major portion of our agricultural economy. Dairy farming which involves approximately 4 million farm families in the United States, is the largest segment of our country's agricultural economy. Fair returns and prosperous conditions for dairy farmers mean much to the success and welfare of men and women engaged in business, industry, and labor in all parts of the United States. For example, as you will note from the following table, the dairy industry is the largest single business in the States of New York and Pennsylvania, as well as many other States. When I speak on dairy legislation, I am attempting to speak for all of the dairy farmers of the United States.

Number of farms owning milk cows, number of milk cows, dollar sales of dairy products, and dollar sales of cattle, by States

State	Number of farms owning cows 1950 [1]	Number of milk cows on farms Jan. 1, 1954 [2]	Cash income from dairy product sales 1952 [3]	Farm cash income from cattle sales 1952 [3]
		Thousands of head	*Thousands of dollars*	*Thousands of dollars*
Maine	19,193	132	32,199	7,257
New Hampshire	7,843	73	19,522	3,948
Vermont	14,859	317	76,918	11,838
Massachusetts	10,866	131	49,554	6,696
Rhode Island	1,352	21	9,296	1,198
Connecticut	9,216	122	43,991	7,260
New York	87,736	1,497	403,406	80,434
New Jersey	9,513	158	67,107	11,296
Pennsylvania	103,609	1,029	279,126	95,654
Ohio	151,017	1,050	233,271	156,222
Indiana	127,813	684	149,020	147,189
Illinois	156,229	940	185,590	428,978
Michigan	109,481	982	213,366	101,582
Wisconsin	144,935	2,604	580,402	178,294
Minnesota	147,509	1,542	259,197	252,678
Iowa	177,381	1,145	164,287	666,393
Missouri	193,894	1,044	149,443	254,655
North Dakota	52,403	430	41,862	76,100
South Dakota	57,477	354	32,261	208,540
Nebraska	92,393	455	56,892	465,008
Kansas	109,622	568	74,692	385,324
Delaware	4,068	43	10,194	2,634
Maryland	22,996	275	69,501	21,159
District of Columbia	4	------	------	------
Virginia	112,411	494	72,212	55,306
West Virginia	63,222	231	25,729	25,901
North Carolina	161,756	411	52,720	18,831
South Carolina	73,710	176	17,911	10,924
Georgia	127,133	395	41,977	35,354
Florida	27,806	164	39,700	39,363
Kentucky	173,968	708	74,792	112,355
Tennessee	174,520	736	76,496	76,564
Alabama	155,586	471	29,139	45,652
Mississippi	166,225	624	42,100	52,150
Arkansas	125,307	485	35,618	60,876
Louisiana	89,835	366	33,454	44,255
Oklahoma	120,474	558	59,119	234,619
Texas	261,079	1,052	144,653	570,528
Montana	27,453	112	15,575	126,589
Idaho	32,700	254	42,149	66,433
Wyoming	10,447	48	7,297	79,159
Colorado	33,795	187	32,206	264,493
New Mexico	15,851	50	10,230	92,181
Arizona	6,053	52	15,439	84,488
Utah	17,799	115	27,385	46,001
Nevada	2,391	17	4,176	29,955
Washington	47,102	291	76,589	55,977
Oregon	41,440	242	56,948	58,008
California	51,234	900	319,611	375,139
Total	3,930,706	24,735	4,554,322	6,231,438

[1] 1950 Census of Agriculture, Vol. II, General Report, Statistics by States, Bureau of the Census, U. S. Department of Commerce.

[2] Livestock and Poultry on Farms and Ranches, Jan. 1, AMS, U. S. Department of Agriculture. Released Feb. 12, 1954.

[3] Farm Income Situation, July–August 1953, BAE, U. S. Department of Agriculture.

SUBTITLE E—DAIRY PRODUCTS

I will now proceed to give an explanation of the legislation proposed in this bill covering dairy products which will be of importance to every dairy farmer in the United States. The primary objective of our committee is to provide a policy that will assure an abundant supply of wholesome sanitary milk for consumers at reasonable prices and to dispose of Government surpluses of dairy products into domestic and foreign markets.

Milk production on farms was the largest on record in 1953 and another new record will be established in 1954. It increased from 115 billion pounds in 1952 to 121 billion in 1953 and is currently running 4 percent higher than in 1953.

This recent upsurge in milk production began in the late fall of 1952. Previous to that time there had been a continuous downtrend in milk production from a high point of 120 billion pounds reached in 1945. From 1945 to 1952 milk production on farms declined from 120 to 115 billion pounds and then all at once a sharp upturn occurred. In December of 1952, milk production was 8 percent

above a year earlier. For the year as a whole milk production was 5.2 percent higher in 1953 than in 1952—the largest increase from one year to another on record.

MILK COW NUMBERS

Milk cow numbers reached a high of 25.6 million head in 1944 and thereafter declined to a low of 21.6 million head in 1951 and 1952. Milk cow numbers increased again, however, in 1953, to 22.3 million head and current reports indicate that they are slightly higher today than they were a year ago.

UPTREND IN MILK PRODUCTION PER COW

An important factor in the uptrend in total milk production is the steady increase in milk production per cow. Milk production per cow has increased 20 percent in the last 10 years.

INCREASED MILK PRODUCTION IS NATIONWIDE

This recent upsurge in milk production has been nationwide. In the 30 Federal order milk markets receipts per producer were 8 percent larger in 1953 than in 1952, as compared with an increase of 5 percent for the entire country. Milk production in Maine, Vermont, and New Hampshire was up 9 percent in 1953 over 1952. The increase in the other New England States was 4 percent.

In the Midwest the increase was 6 percent in Minnesota, South Dakota, and Kansas; 5 percent in Wisconsin, Illinois, and Missouri; and 4 percent in Iowa and Nebraska.

In the South the increases ranged from 4 percent in South Carolina and Georgia to 9 percent in Mississippi. In the Far West the increases ranged from 4 percent in Oregon to 8 percent in California.

REASONS FOR NATIONWIDE INCREASES

The 5-percent increase in milk production in 1953 over 1952 and a further 4-percent increase thus far in 1954 has been due to 2 factors, first, an increase in milk cow numbers in 1953 of 3 percent and a further increase in 1954; and, second, a smaller increase in milk production per cow.

Lower prices for beef have caused farmers to put more emphasis on dairying. Beef prices on cull cows in Chicago dropped by one-half between 1951 and 1953. This discouraged the normal culling.

The decline in the prices of other farm products and the acreage allotments on basic crops has caused other farmers to increase their dairying. Ample supplies of feed grains has resulted in increased grain feeding to dairy cows.

Better pastures and large supplies of high-quality roughages resulting from improved conservation practices and improved forage-harvesting machinery are other important factors in this recent upsurge in milk production.

DOWNTREND IN CONSUMPTION OF DAIRY PRODUCTS

The current dairy situation is further complicated by a sharp downward trend in the demand for butter and a smaller decline in the demand for fluid cream and evaporated and condensed milk with no offsetting uptrend in the other major dairy products. Civilian consumption of dairy products in terms of milk equivalent reached a high of 821 pounds in 1942. It has since declined to 689 pounds in 1953 with the decline in butter consumption equal to the total decline. Civilian consumption of fluid milk has declined from 335 pounds per capita in 1945 to 299 pounds in 1951 and has been stabilized at this level since that time.

Civilian consumption of dairy products, per person, milk equivalent, averages 1925–29 and 1935–39, annual 1940–53

[In pounds]

Year	Fluid milk	Fluid cream [1]	Butter	All cheese	Evaporated and condensed milk	Ice cream	Other [2]	Total milk
Average:								
1925–29	270	68	358	46	26	24	6	798
1935–39	264	66	337	55	36	25	8	791
1940	265	66	336	59	41	29	11	807
1941	267	67	317	58	40	34	8	791
1942	290	64	313	63	40	39	12	821
1943	315	56	235	48	40	31	15	740
1944	328	53	236	48	34	33	20	752
1945	335	64	216	65	39	37	21	777
1946	323	66	207	66	40	57	16	775
1947	306	63	221	68	44	51	5	758
1948	295	60	197	68	43	45	6	714
1949	296	56	207	72	42	45	6	724
1950	293	56	212	75	43	44	8	731
1951	299	53	190	71	39	44	11	707
1952	299	53	170	75	38	47	12	694
1953 [3]	298	52	172	70	37	48	12	689

[1] Cream estimated at 20 percent of total fluid milk and cream consumption prior to 1942; beginning 1942, the proportion has been varied largely on the basis of information obtained for markets having Federal milk marketing orders.

[2] Includes dry whole milk, malted milk, dry ice cream mix, cottage cheese as well as other minor products and an adjustment allowance.

[3] Preliminary.

Butter consumption per capita has dropped from 16.8 pounds in 1935–39 to 8.6 pounds in 1952 and 8.7 pounds in 1953. At the same time, oleomargarine production increased from 2.8 pounds per capita in 1935–39 to 7.8 pounds in 1952 and 7.9 pounds in 1953.

PROSPECTS FOR BALANCING SUPPLIES WITH MARKET OUTLETS

A balancing of production and utilization is a possibility in the next 2 years or so. Unfavorable weather or more favorable income prospects from other farm enterprises would shorten the adjustment period. For example, the short feed supplies and high prices of meat animals in 1948 resulted in a 4-percent decline in milk production as compared with 1947.

When beef prices improve, if other alternatives are satisfactory, we can expect a slackening in dairy production. This, together with our rapid rate of population increase and some increase in per capita milk consumption as a result of more aggressive promotional campaigns, should bring supply and market outlets back into balance before too long.

DAIRY INDUSTRY DIVIDED

In the face of this situation the dairy industry has been badly divided. Some parts of it have recommended that we authorize a self-help program for the dairy industry, some have advocated production controls, others have advocated the use of compensatory payments.

All are agreed, however, that the dairy industry must continue to have some price protection during this difficult readjustment period.

The committee recognized this lack of unanimity among the dairy industry regarding the best longtime program by providing in section 325 that the Secretary of Agriculture shall make an exhaustive study of the alternatives and report back to Congress by January 3, 1955, regarding the possibilities of self-help and other price-support alternatives for the dairy industry.

H. R. 9680 also includes a number of sections which will help to maintain dairy farm incomes, increase the utilization of dairy products, and reduce current production levels.

INCREASED SUPPORT LEVEL

H. R. 9680 establishes the support level at 80 percent of parity for the balance of this marketing year, and includes a set of factors for the Secretary to use in determining the support level hereafter between 75 and 90 percent of parity.

The Secretary has stated that the present language which says that the Secretary shall set the support level within the 75-to-90-percent range at that level which will assure an adequate supply left him no alternative but to drop it from 90 to 75 percent of parity this year. This sharp drop in the support level was not in harmony with President Eisenhower's farm message urging gradualism in any downward price-support adjustments.

The new factors in H. R. 9680 will correct this deficiency.

METHOD OF SUPPORT

H. R. 9680 adds new language providing that milk and its products may be supported by loans, purchases, or for the period ending March 31, 1956, by other operations in connection with milk and the products of milk and butterfat.

This language gives the Secretary the widest possible authority as to price support methods and together with other

sections permits the widest possible authority for the Secretary to develop domestic and foreign disposal programs for existing Government stocks.

With this authorization there should be no further difficulties with excessive Government stocks of dairy products.

The Secretary, if he desires, may use direct payments to plants or producers as a means of price support.

SCHOOL MILK

As one means of increasing the utilization of milk, H. R. 9680 authorizes the use of up to $50 million annually of CCC funds to make reimbursement payments to schools for a 2-year period so that they may serve more milk to children at reduced prices.

There are now 33 million school children, yet only 10 million participate in the school-lunch program at the present time.

DONATION OF SURPLUSES TO MILITARY

The Agricultural Committee believes that it would be beneficial for the men in our military services and in veterans' hospitals if they were served more ample rations of butter, milk, and other dairy products. As one means of accomplishing this objective H. R. 9680 provides that after these services have purchased their normal supplies through the usual market channels they shall be donated as much of the surplus stocks of dairy products held by the CCC as they can effectively use to improve their rations.

These two methods of increased utilization of dairy products—increased use in school lunches and the military services, should help substantially in reducing our surpluses.

BRUCELLOSIS ERADICATION

As a means of reducing current high production levels the committee has urged an expanded dairy culling program which the industry is pushing vigorously.

In addition, H. R. 9680 provides for acceleration of the present Federal-State brucellosis eradication program which has proved its effectiveness in stamping out this serious disease. It provides that up to $15 million of CCC funds may be used annually for a 2-year period for an augmented and accelerated brucellosis campaign. These funds will be used to increase the Federal indemnity payments from $9 for grades and $18 for purebreds to $25 and $50, respectively, and to make the program available in all States regardless of whether or not the funds are fully matched in each State. The same high standards of the present program in all its aspects will be maintained.

In the first 2 years of such an accelerated program 1,100,000 reactors should be located and a third year would bring the number up to 1,500,000 head. If each reactor produced 5,000 pounds of milk, the elimination of 1 million to 1,500,000 dairy cows with brucellosis would be the equivalent of reducing milk production by 5 to 7.5 billion pounds. This is roughly equivalent to our current annual surplus.

It is reliably estimated that if the Secretary of Agriculture in cooperation with other agencies of the Government will promptly and effectively administer the dairy sections of this bill according to the intent of the Congress, the problems of the dairy farmers will be largely solved within the next 2 or 3 years. While the Secretary of Agriculture has not confided in me as to what he intends to do in solving the dairy problem, I can assure the members of this committee that this legislation gives him blanket authority to use any method or device in handling the problem of disposing of surplus dairy products, and placing this vital industry on its feet again.

BUTTER, A CASUALTY OF WAR AND GOVERNMENT EDICT

Dairy farmers of the United States are being blamed for the surplus situation which has now occurred in the case of butter and other manufactured dairy products. This criticism is not justified. Government records will show that butter and other dairy products are a casualty of World War II.

The per capita consumption of butter in 1939 was fixed by the Department of Agriculture at 17½ pounds. In 1942, butter was placed under the ration system, and by 1945, butter consumption was reduced to 10½ pounds per capita. Consumers in this country were urged by agencies under the Roosevelt administration to use less butter and to eat more oleomargarine, and other substitutes so that our butter could be shipped to England, Russia, and other allies during the war. Several hundred million pounds of butter were sent to our allies. During the same period around 1,500,000,000 pounds of butter were consumed by men in all branches of our fighting forces in all parts of the world. In the past 4 years our men in the Army have been fed mostly oleomargarine.

Prior to World War II, dairy farmers fed a considerable amount of milk produced on each farm to poultry, hogs, and other livestock. To use this milk, the Government devised an attractive proposal for dairy farmers to convert both whole and skim milk into milk powder. Millions of dollars were spent by the Government in the construction of milk drying plants. This was a part of the war effort in order to supply our soldiers and allies with millions of pounds of milk powder which could be reconstituted into liquid milk and used for all edible purposes. Since the termination of the war in Korea, the demand for milk powder has disappeared, and hundreds of millions of pounds of this product has passed to the Government as a part of the surplus.

As far as I am able to learn, most of the manufacturing industries in this country that were engaged in the manufacture of war materials were fully compensated by the Government for their losses. Similar consideration was not given to dairy farmers who had followed and complied with the Government program.

When Paul V. McNutt was Federal Security Administrator, an order was issued by his Department and under his direction permitting oleomargarine manufacturers to flavor their synthetic product with a butter flavor so that oleomargarine would become more acceptable to the general public. He also issued an order permitting oleomargarine manufacturers to inject up to 16,000 units of vitamin "A" into oleomargarine so that the manufacturers could claim that their synthetic product contained the same vitamin content as butter. These Government regulations encouraged the consumption of oleomargarine as a substitute for butter and the per capita consumption of butter continued its downward decline to the detriment of every dairy farmer in this country.

For more than 20 years prior to 1950, the oleomargarine companies tried to secure the enactment of legislation to permit the coloring of oleomargarine yellow in imitation of butter without the payment of any tax. Yellow is the historic color of butter, and the oleo companies felt that if they could imitate butter by coloring their synthetic product to look like butter, they could capture the butter market in the United States. They finally succeeded in putting through such a law in the 81st Democratic Congress under President Truman. This action increased the production and consumption of oleomargarine and further displaced the use of butter. It is estimated that for the year 1954 the consumption of oleomargarine will equal or exceed that of butter.

I have called these facts to your attention because I feel that you should be informed as to who is responsible for the plight of our great American dairy industry. A few hundred million dollars invested by the Government to save the dairy industry during the postwar period is a wise investment. Dairy products are vital to the health and welfare of all American consumers. It may take several years before proper readjustment can be made by dairy farmers, and they cannot do the job alone. They need the aid and assistance of the Federal Government, because the Federal Government is responsible for what has been done to this great industry, and by no stretch of the imagination can it be charged to our dairy farmers.

THE COST OF DAIRY PRODUCTS TO CONSUMERS

One of my colleagues mentioned the cost of butter and other dairy products to the consumers. Since April 1, 1954, when Secretary Benson reduced the support price of dairy products to farmers, the price of butter to consumers has declined from 6 to 8 cents a pound. According to the best estimates, this reduction in the price of butter has not materially increased consumption. The Commodity Credit Corporation continues to buy approximately the same quantity of butter at 75 percent of parity as it did during the past year at 90 percent of parity. Production of butter and other dairy products has not decreased. On the other hand, production of milk has increased in all parts of the country—particularly in the milkshed areas for the reason that the dairy farmers are forced to maintain their income by increased production in order to maintain their customary buying power.

The Department of Agriculture advises me that the average price of fluid milk in the United States is 22½ cents

per quart. In many areas of the country the price of fluid milk to consumers has not dropped 1 penny a quart. In some areas the price has been reduced one-half cent per quart, and I am informed that in areas outside of the milksheds the price to consumers has been reduced by 1 cent or more a quart depending upon the quantity purchased.

I am advised that due to distribution, processing and labor costs, it has not been possible to materially reduce the price of milk to consumers. I have also been reliably informed that certain milk drivers in larger cities make as much as $15,000 a year on their milk routes.

Mr. KING of Pennsylvania. Mr. Chairman, will the gentleman yield?

Mr. AUGUST H. ANDRESEN. I yield briefly.

Mr. KING of Pennsylvania. What is your basis for saying that that has not been passed on?

Mr. AUGUST H. ANDRESEN. I believe that the explanation which I have just given will fully answer your question and demonstrate that dairy farmers are taking the loss and that consumers are not receiving any appreciable benefit from the reduction in the support price.

Mr. YATES. Mr. Chairman, will the gentleman yield for a question?

Mr. AUGUST H. ANDRESEN. I yield.

Mr. YATES. The gentleman from Texas indicated that this bill provides for production payments for dairy producers.

Mr. AUGUST H. ANDRESEN. Do you ask me that as a question?

Mr. YATES. I was wondering what the gentleman's opinion of that section of the bill was.

Mr. AUGUST H. ANDRESEN. I do not want to get into that because it has been charged that the dairy farmers are not willing to control their production of milk. I want to answer that for the benefit of some of my good friends—and I am in accord with them on the provisions of the bill.

We have fewer milk cows today than we have had in this country for many many years, still they are producing greater supplies of milk for the American people; and that is a good thing. I think we have ways where this milk can be fed to human beings in the United States, and this piece of legislation proposes methods whereby the milk is going to be consumed in this country rather than to have it put out in the hands of the Government in the form of butter, cheese, and milk powder.

This legislation gives the Secretary of Agriculture the authority that has been mentioned for a period of 2 years to take these Government surpluses out of the hands of the Government and distribute them, to American consumers. I do not know whether the Secretary of Agriculture will adopt the payment plan to the producers or whether he will adopt a consumer-subsidy plan as I know the gentleman may want or that some others may want. That is up to him. We do not administer laws. But under the language in this bill he has the authority to adopt any plan that he wants to in order to dispose of these diary products now in the hands of the Government.

Mr. McCORMACK. Mr. Chairman, will the gentleman yield?

Mr. AUGUST H. ANDRESEN. I yield to the gentleman from Massachusetts.

Mr. McCORMACK. I have heard, and I have read a lot in the papers about the tremendous savings in warehousing that will be made if the recommendations advocated by Secretary Benson go into effect. Is there anything in this bill that is going to bring about these tremendous savings?

Mr. AUGUST H. ANDRESEN. If the Secretary of Agriculture will move the supplies in the hands of the Commodity Credit Corporation into the hands of the consuming public, you will eliminate the storage charges and the cost of handling these commodities. It is up to him. I do not want to appear critical of Mr. Benson, but may I say that during the past 4 months at least he has said he is going to do something, that he had a program to move butter out into the hands of the consumers of the United States. We have waited for that program. As chairman of the subcommittee on dairying I have asked him for the program. We have specifically asked him what he wanted to do and what he wanted written in the form of legislation. He has not furnished that information to me or to any other member of the committee as far as dairy products are concerned.

So we did the best we could in our committee to write a program that would give him the authority to go ahead and carry out any program that will dispose of the dairy products now in the hands of the Commodity Credit Corporation. I wish I could tell you what he intends to do, but I am not in his confidence in that respect. I hope that he will work out a program and do it within the 2-year period allowed by this bill so that we can dispose of these surpluses.

Mr. Chairman, I believe that inside of 2 or 3 years we are going to have this surplus dairy problem licked. Do you know that in 1954 there will be 4 million babies born in this country that should have a quart of milk each per day? It is estimated that in 1955 there will be another 4 million babies born that should have a quart of milk a day each. This bill also provides that we are going to furnish additional milk for school lunches. There are 23 million children in the United States going to schools that do not have milk or do not have the school-lunch program. We have provided in this bill $50 million a year for the next 2 years to supplement the milk program from Commodity Credit Corporation funds. We want all of these kids to have at least a pint of milk a day. We also want the men in the armed services who are on rations to have at least a pint of milk a day. Why, we would not have enough cows producing enough milk here in the United States if we were to take care of the boys and girls and men in the armed services and in veterans' hospitals, to say nothing of the other people in this country who want to drink milk.

The dairy industry can do a great deal on its own accord to promote the increased consumption of dairy products. It might be well for the industry to take a look at some of the modern TV advertising of certain beverages and to use more modern radio and newspaper advertising.

In conclusion, let me again urge your favorable support of the general farm bill. Such action on your part will benefit both producers and consumers and be for the best interests of the entire economy of our country and the health of our people.

Mr. POAGE. Mr. Chairman, I yield 8 minutes to the gentleman from Mississippi [Mr. ABERNETHY].

Mr. ABERNETHY. Mr. Chairman, one member of our committee who spoke earlier today made the statement that the bill which we have brought to the House of Representatives solves nothing. In his judgment, that may be true, but in the judgment of those of us who support the bill, we feel that we have brought to the 25 million American farmers a bill which will at least sustain them in a reasonable standard of living, a standard of living to which we believe they are entitled, for at least 12 months, and then after that, if the program which is advanced by Mr. Benson becomes law, well, God pity them.

Mr. Chairman, I say this for many reasons but for a particular reason which has just come to my attention. I have just been out and taken off of the news ticker an alarming news item in which I am sure most, if not all, of you would be interested. The report is most disturbbing. The Associated Press has just reported that farm prices dropped 4 percent between mid-May and mid-June. Think of it, a 4-percent drop in 1 month. This represents the sharpest monthly decline in years, the sharpest since the break of 1929. The report goes on to say that prices paid by farmers for goods and services used in family living and in farm production eased off 1 percent below a month earlier. In other words, that means that the things which merchants sell to farmers dropped off 1 percent. Why? Because the farmers did not have as much money with which to buy. Their purchasing power is diminishing. Farm prices have now dropped to 88 percent of parity, 12 percent below a fair price.

Mr. KING of Pennsylvania. Mr. Chairman, will the gentleman yield?

Mr. ABERNETHY. I yield to the gentleman from Pennsylvania.

Mr. KING of Pennsylvania. The gentleman is reporting something that is happening now while we are under price supports.

Mr. ABERNETHY. I shall comment on that.

My opinion is, and I think it is the opinion of every Member of this House who has studied this subject, that the reason for this decline is this terrific, powerful, potent, persistent drive that has been put on by the Secretary of Agriculture to drive a wedge between the farmer and consumer and especially to drive prices received by farmers down to 75 percent of parity, or only 75 percent of a fair price. And, to the extent of 4 percent, he has succeeded in the last 30 days without any law of any kind. Now, if this Congress does not scotch this decline in some shape, manner, or form,

next month it might and probably will drop 4 percent more, and the next it will be an additional 4, and so on and on. Then this country will be back to the levels of 1930. Not only will our 25 million farm people be bankrupt, broke, and eating from the bottom of the trough, but those of you who sell them farm machinery, shoes, clothes, hardware, lumber, automobiles, and so forth, you, too, will be dragged down to identically the same level. All depressions have been farm led. It has never failed. When they go down the rest of the country follows. Benson and this administration are flirting with a dangerous economic philosophy and the news report I have just brought you proves it.

I see my friend, the gentleman from New York [Mr. JAVITS], still on the floor, and I am glad he is here. I know he is of the opinion that if he could just get these farmers to give away their food, then his city constituents would be happy. Actually if they did so, the drop in price at the retail level would be negligible, if noticeable at all. But that, no doubt, is what he wants farmers to do, give away their crops. The gentleman asked the question this morning if a flexible price-support program would reduce the price of food.

Now, let us see what the Secretary of Agriculture, the sponsor of flexibles, has to say about that.

The gentleman from Virginia [Mr. ABBITT] asked the Secretary of Agriculture when he appeared before our committee, this question:

> Mr. Secretary, do you think that a loaf of bread would be any cheaper to the housewife if flexible price supports were imposed?

The Secretary said:

> There will be practically no change in the loaf of bread or in food prices generally.

There you have it, right from the horse's mouth, from the Secretary himself; that if they reduced prices to 75 percent of parity, you and your constituents, you and your city consumers, would be paying identically the same price for bread and other foods that you are paying today.

Mr. JAVITS. Mr. Chairman, will the gentleman yield to me?

Mr. ABERNETHY. I yield to the gentleman from New York.

Mr. JAVITS. I think the gentleman is wrong for two reasons.

Mr. ABERNETHY. No; I am not wrong. I expressed no opinion but did read the Secretary's opinion. So you should have said your own Secretary of Agriculture, an affiliate of your Republican Party, is wrong.

Mr. JAVITS. May I make my point. May I point out that butter has gone down 10 cents a pound. We saw that result in our retail stores, the minute that the support percentage was reduced. Secondly, the consumer is also a taxpayer and, as the gentleman from Pennsylvania [Mr. KING] has pointed out, he is paying billions into the Treasury to keep up these prices that he has to pay.

Mr. ABERNETHY. Yes, they made a leader of butter to make people think the support price was keeping it up. They did drop the price slightly and then marked it up again. But anyway, why did the gentleman ask the question if he knew all about it? If his mind was already made up why did he ask the question at all? Here the gentleman displayed ignorance and took up the gentleman's time by asking him the question whether that which has been proposed by Secretary Benson would reduce the price of food.

Mr. JAVITS. I never display ignorance when I ask a question. On the contrary, I display intelligence.

Mr. ABERNETHY. Now the gentleman, the farm expert from Manhattan, reveals that he knew the answer all the time. So, I just cannot understand how he could have displayed any intelligence in propounding a question the answer to which he already knew. I take it that he just wanted to hear himself talk.

Mr. KING of Pennsylvania. Mr. Chairman, will the gentleman yield?

Mr. ABERNETHY. I yield.

Mr. KING of Pennsylvania. The gentleman is implying that if we destroy the rigid support price that the farmer's income would keep on going down, would get farther and farther away from parity. Will the gentleman explain why it is that the crops that are not under support prices are higher, in a free market, than the crops that are?

Mr. ABERNETHY. It just so happens that some of the crops in the free market to which the gentleman has referred, are produced by only a small group of farmers. They can get together and easily control production. In the Cotton Belt alone there are approximately a million cotton farmers. Cotton farming is not like a factory where a few men, a board of directors sit down and plan production to meet only the market demand. Nor is the growing of cotton, wheat, corn and other crops of extra large acreages engaged in by several million farmers like the case of a few large vegetable producers, such as the gentleman who I am told is producing vegetables on about 5,000 acres of rented land, with imported Puerto Rican labor.

Mr. KING of Pennsylvania. I am one of those poor tenant farmers.

Mr. ABERNETHY. Broad belt farmers, such as producers of cotton, wheat, and corn, are too numerous and too scattered to sit around a table and determine for themselves just how many bales of cotton or bushels of wheat or corn they are going to grow. There are too many of them. There are millions of such farms and each and every one constitutes a farm factory within itself. As a result of their difficult position the Government has given them this sensible program. It is the only program that will actually work. The only program that will actually work is the one that the Secretary is making an attack on. It is the production control program, a program of self-control if you please. Farmers themselves may determine through their board of directors—and every farmer is on the board—in a referendum, to control, or not control the production of cotton, corn, wheat, rice, whatever it may be, at levels fixed by the Secretary of Agriculture, which levels will produce the amounts consumers will consume. What is wrong with that?

Let us get down to and discuss the issues.

The principal issue before us is flexible supports at from 75 to 90 percent of parity versus rigid supports at 90 percent of parity. Those who advocate the flexible program contend that the 15 percent difference in support price will act as a cure-all for the problems confronting our farmers.

The issue has also been raised and complaint made that our farm program results in the payment of unreasonable subsidies and many believe that the Eisenhower-Benson flexible support price plan would eliminate such. Let us discuss each of these in order and then follow with the position of Candidate Eisenhower in 1952 as compared with that of President Eisenhower only 15 months later.

FLEXIBLE SUPPORTS WILL NOT SOLVE SURPLUS PROBLEM

It is a fallacious argument that flexible price supports will solve the surplus problem. Ordinarily when one thinks of flexible supports he thinks of lower farm prices and that is exactly what flexible supports will mean. Lower farm prices will not necessarily bring about less production. Production records of the Department of Agriculture are replete with statistics showing that when the price of a farm commodity goes down the farmer simply plants that much more and sells more in an effort to make up for the difference in price.

The records also reveal that a vast majority of the surplus troubles with certain farm commodities have been at a time when they were under flexibles. A few years ago we have the potato fiasco which we all remember. Potatoes were then under a flexible program. About that time we had a similar experience with eggs. Eggs were under a flexible program. As of today our troubles are with milk, butter, and dairy products. They are under a flexible program. Flexible price supports cure nothing. They simply create more trouble. The record proves the point.

The sliding scalers, flexers, or variables, as you prefer, contend that rigid supports at 90 percent of parity are pricing farm commodities out of the market. They propose to recapture this market for farmers by lowering prices of farm commodities to as low as 75 percent of parity. Then in the next breath these same flexers contend that their downhill-sliding-scale program will not actually lower farm prices to farmers but on the contrary the plan is designed to and will bring farmers 100 percent of parity. In other words, by reducing the guaranteed price from 90 percent to 75 percent farmers will soon receive 100 percent. And mind you now, the flexers—the President, Benson, Allen Kline, and others—also contend that consumers will at the same time be made happy because the program will enable them to purchase food and clothing much cheaper as a result of the price supports having been lowered to 75 percent of parity. So, here you have it—a plan which will get better results, perform more cures

and satisfy more people than the old-time corner medicine man's cure-all herb tonic with the double-your-money-back guaranty. What a program. But the farmers have not bought it yet and they never will buy it.

COST OF FOOD NOT TIED TO SUPPORT PRICES

Another false argument universally spread against our farm program is that it has made the cost of food high. This is positively untrue. Consumers are buying food today cheaper than ever before. Furthermore, there are less hungry people in the country than ever before, one of the reasons being that food is cheaper and more abundant. Here are the facts to prove it.

Let us go back to 1914, which is often referred to as the good old days, the time when the prices of farm commodities were in balance with the things which farmers had to buy. In 1914 1 hour's labor would buy 3½ pounds of bread; in 1953 it would buy 7 pounds; it would then buy six-tenths of a pound of butter but in 1953 it would buy 2.2 pounds; it would then buy 1 pound of pork chops whereas in 1953 it would buy 2 pounds; it would then buy only one-half dozen eggs as against 2.7 dozen in 1953; it would in 1914 buy nine-tenths pound of round steak but in 1953 it would buy 2 full pounds; and it would then buy 12¾ pounds of potatoes whereas in 1953 it would buy 31.8 pounds if anyone could eat that many.

So I say again and the record proves beyond all argument that our farm program has neither priced farm commodities out of the market nor has it made the supply scarce. If anything it has had the reverse effect because it has guaranteed an abundance of food and fiber and contributed to the high standard of living which we Americans enjoy.

Again I say the facts refute the charge that the price-support program has priced farm food out of American kitchens. During the past 3 years when prices of farm products were declining, retail prices of food were climbing. While farm income was going down, the cost of living was going up. The spread between what the farmer received and the consumer paid increased. Farmers have received less and less of the consumer's dollar. Even so, the consumer is buying cheaper today than he did 40 years ago.

CONTROLLED PRODUCTION IS SOUND

The only program which can and will work and has worked is a control program, a program of controlled production, put into effect by the farmer himself, with a guaranty of 90 percent of parity. American industry has succeeded because of its ability to control production, to put on the market no more than the market will stand. Such a program is quite simple for a given industry such as automobiles or televisions or farm machinery. The decision need only be made by a few boards of directors. But it is not so easy for six-million farmers who operate as separate and distinct farm factories. Therefore, the producers of cotton, corn, wheat, rice, peanuts and tobacco, the basic crops, through Government, have been provided with a means of controlling production. The program is simple. Its methods are democratic. Nothing is imposed on anyone. Farmers themselves are left to make the decision. If two-thirds of them vote for controls they are imposed. Otherwise unlimited production is permissible. If controls and quotas are invoked by the Secretary and approved by the farmers, then and then only are price supports at 90 percent of parity guaranteed.

The remarkable thing about the program is that, except in one or two instances in isolated tobacco areas, farmers have never rejected it. In every instance they have overwhelmingly voted to control production. This should be a clear answer to the lamentations of those who concern themselves so much about the regimentation of the American farmer. He is not regimented. He has been given a sensible program which will permit him to keep production in line with demand. The farmer has had sense enough to use it and wants it continued. It or something similar can and will be made available to the producers of other farm commodities any time they come up with a demand for it.

FARMERS INDIGNANT

There is a rising tide of indignation in rural America. Farmers do not like the scorching criticisms that are being heaped upon them in connection with losses incurred in the operation of the farm price-support program.

Farmers have been pictured as the only large economic group in the Nation benefiting from Government subsidies.

The editor of a large metropolitan newspaper asserted recently:

> The farm price-support program has accumulated annoying surpluses, destroyed our export markets, priced farm products out of American kitchens, and together with other farm programs has cost American taxpayers $14 billion.

The editor then went on to picture the farmer as a recipient of parity pie, although prices of most farm products are well below parity, admittedly a fair level, and farmers are striving desperately under the cost-price squeeze to make ends meet.

The editorial cited is typical of numerous criticisms hurled at farmers by the press, over the radio, and on the forum.

Farmers work hard, long hours, often under difficult conditions. They face weather hazards, crop disasters, animal losses. But their biggest problem is not production on the farm. It is a fair price at the market place.

Farmers resent the charges of profiteering on the one hand and imputations of self-seeking on the other. They have not asked for special favors. They want only fair farm prices.

FARMERS ARE IN TROUBLE

Farmers are in trouble. Prices of farm products have been declining for 3 years. Prices of farm products are down 20 percent from the February 1951 high. Cattle prices, except for choice and prime animals, are down one-half. The parity ratio dropped from 113 in February 1951 to 90 in November 1953, the lowest in 12 years. Meantime, farming costs zoomed to an all-time high and have declined only slightly.

Most of the losses under the farm price-support program were taken on farm commodities on which there were no production control measures in effect at the time and after the Government had called for high farm production as a part of the national defense effort.

The one phrase "the patriotic response of American farmers to the request of the Government to produce to the limit to supply the Nation and its friendly allies with all of the food and fiber needed," largely explains the surpluses of farm products. As late as 1952, the Government asked farmers to raise 16 million bales of cotton and to produce all the meat and milk, chickens and eggs, and fruits and vegetables they could. At that time no one knew what the future held. National officials did not want the Nation caught short of vital food and fiber.

The truth is the cost of farm price-support programs has been small compared with the cost of Government subsidies to other groups. Official figures show that the cost of farm price-support programs from August 1933 to June 1953—20 years—was $1,110,000,000. The cost of consumer subsidies was $2,102,000,000, Government aid to business totaled $4,430,000,000.

INDUSTRIES ARE SUBSIDIZED

And the $4,430,000,000 in aid to business did not include the benefits business and industry received under the protective tariff, the cost-plus contracts to industry under the national-defense program, housing subsidies, accelerated amortization, special depletion exemptions, gratuities to railroads, and other benefits.

United States Postmaster General Arthur Summerfield in August 1953 reported that the Post Office "was losing $240 million a year in second-class mail." Comparing losses of the Post Office Department with losses under the farm price-support program, Mr. Summerfield said:

> The total I last saw for all subsidies for the support-price program was $752 million, whereas the loss in handling of second-class mail for the same period was $2,400,000,000.

CAMPAIGN PROMISES OF 1952

I have never thought it a good thing to get the farm program involved in politics. Our committee, the Committee on Agriculture, has prided itself in the fact that little politics creeps into our considerations. We have for years worked in harmony, with one objective in mind—the interest of the American farmer.

However, I think it is quite appropriate that at this point we go back and review the promises of the Republican Party and its candidate for President in 1952. I am making particular reference to the Republican Party because it is now in power and all responsibility rests upon it. It is from its own household that effort comes to destroy the present farm program and substitute a program new and untried, which will without a doubt mean a lower standard of living for 25 million farm people.

Republicans during their 1952 campaign made no mention of sliding scale, flexible, or variable price supports. They would not have dared do so. In fact they led our farmers to believe that they were not only for the 90-percent support program but might go the Democrats 10 percent better and make it 100-percent supports. It is difficult to believe that the Republicans of this Congress will repudiate their campaign promises of only 20 months ago. To say the least, I feel sure that a majority of those on my committee will not. Unfortunately the President has already repudiated his promises but it is not too late for him to be rescued by this Republican Congress.

THE GOLDEN PROMISE

Let us see now where Candidate Eisenhower stood less than 2 years ago. On a fall day in 1952 in Kasson, Minn., he took the farm program right out of the campaign with his golden promise and here are his exact words:

Here and now, without any "ifs" or "buts" I say to you and I stand behind—and the Republican Party stands behind—the amendment to the basic farm act to continue through 1954 the price supports on basic commodities at 90 percent of parity.

I firmly believe that agriculture is entitled to a fair full share of the national income. A fair share is not merely 90 percent of parity—but full parity.

Now I leave it to you, Members of the House, what impression did Candidate Eisenhower leave with those farmers? What impression did he intend to leave? Do you suppose a single farmer who heard that speech once interpreted it to mean that Ike was going to reduce the price supports to 75 percent of parity? Do you once suppose any farmer who heard the speech or read it ever dreamed that Ike was going to sponsor and impress upon him a sliding scale of price supports, which slides only one way—downhill—to 75 percent of a fair price?

But Candidate Eisenhower did not stop there. He later figuratively lined that golden promise with diamonds and precious jewels in speeches at Columbia, S. C.; Brookings, S. Dak.; Omaha, Nebr.; and elsewhere. In Columbia on September 30, 1952, he said:

I believe wholeheartedly and without any "ifs" or "buts" in Federal programs to stabilize farm prices, including the present program insuring 90 percent of parity on all basic commodities.

Search this statement closely. Determine for yourself what impression he intended to and did leave with his listeners. He solemnly planted himself upon the present program of 90 percent of parity. He was speaking in a cotton-producing State. He wanted their votes. When the returns were in, he had come very close to carrying South Carolina, a State which has never before given a Republican candidate even as much as 10 percent of its vote. With the cotton South listening to this speech and believing Ike believed in their program, he did carry several cotton States. Now what is to be the reward of South Carolina and other cotton farmers who heard the speech and voted for him on the strength of it? Cheap cotton, lower income, and a lower standard of living; a poor reward indeed.

Did this end the campaign promises of Candidate Eisenhower to American farmers? Oh, no; not at all. He continued to drive home the impression that he stood four-square with the price support program "as is" and if any sliding changes were to be made, the slide would be upward and not downward. At Brookings, S. Dak., on October 4, 1952, he said:

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 of parity, with the guaranty in the price supports of 90.

Now, did he mean what he said? If not, these quotes will come back to haunt him the rest of his political life. Actually farmers believed what he said. These emphatic endorsements of the present farm program "without any 'ifs' or 'buts'" actually took the farm issue out of the campaign and resulted in overwhelming Republican victories throughout the farm belt. Now that they have won the elections, hold the offices and run the Government, they offer farmers a sliding scale which slides one way only—downhill. How different from the promises of the Republican candidates of 1952.

NO ONE IS BEING FOOLED

But, Mr. Chairman, no one is being fooled. The people are alert to what is going on. They remember what was said in 1952 and who said it. As evidence hereof let me read two editorials which recently appeared in midwestern newspapers. The editorial from the Argus Leader, of Sioux Falls, S. Dak., reads as follows:

BUT THEY DIDN'T REBUFF CANDIDATE EISENHOWER

The Agriculture Committee of the United States House of Representatives voted 21 to 8, this week in favor of a bill to maintain fixed price supports for another year.

In so doing, the news dispatches said, the committee members rebuffed President Eisenhower.

But, it should be explained, the committee members did not rebuff Candidate Eisenhower.

Back in 1952, Candidate Eisenhower made several speeches in the farm regions. Candidate Stevenson of the Democrats was advocating a system of fixed price supports at 90 percent of parity. Candidate Eisenhower matched this and even went so far as to say that the objective should be 100 percent of parity.

Particularly at Brookings—the speech of primary interest to this area—pledged himself to a full support of the fixed price program.

So the House Agriculture Committee, in voting for a bill continuing fixed price supports, did only what Candidate Eisenhower promised the farmers in the campaign of 1952 that he would do.

These are the blunt facts and there's little purpose, politically or otherwise, in ignoring them.

The Republican Party and its candidate for the Presidency went on record in 1952, when they were trying to get the votes of the farmers, in favor of fixed price supports.

Are the farmers to believe now that the Republicans say one thing during a campaign and do something else after they have been elected? Apparently the House Agriculture Committee is ready to respect the campaign pledge. President Eisenhower should be induced to do likewise.

The editorial from a newspaper published in Hayti, S. Dak., offers even more food for thought, Republican thought, that is. It follows:

President Eisenhower and sympathetic administration leaders worry about the adverse effect of the McCarthy investigations on the GOP, when they should be worrying more about the effect of the betrayal of campaign promises on the farm price issue. At the moment Agriculture Secretary Benson is reported considering urging a veto if fixed price supports pass Congress, which they appear likely to do. If that transpires, after all the fulsome promises of 90 percent and 100 percent parity pledges by the President as a candidate at Kasson, Minn., and at Brookings, the GOP can just about kiss the farm vote goodby. Even as matters stand, it hangs by a thread, farm voters in general standing by in a wait-and-see frame of mind. Rightly or wrongly, farmers were assured in the election campaign that they would never be let down by the administration, and that promise, or at least a reasonable facsimile, should be kept.

Now it is not pleasant, Mr. Chairman, to bring criticism on anyone but the facts remain that farmers are not getting from this administration that which was promised them in 1952. I trust that administration leaders will reverse themselves and turn back to their commitments. I also trust that Secretary Benson will administer the present program in a wholehearted manner. He has not tried very hard to make it work. If he will just try the program will work, both to the good of farmers and consumers. It will insure a fair price to farmers and abundant production for consumers at fair prices.

If we have an occasional surplus we should be happy about it instead of being so critical. After all, this is the only nation on the face of the earth where there is an ample supply of both food and clothing. Our's is the only nation able to feed and clothe itself adequately. And with all the blessings which come from abundant farm production here we find our President, Secretary of Agriculture, and many people of the country complaining. What do they want? Scarcity? On the contrary the whole country should be expressing thanks that we have been blessed with more than enough to meet our needs.

Then, too, Mr. Chairman, our surpluses could be a tremendous blessing should we become involved in another war. This is not impossible or improbable. Unrest persists throughout the world. A shooting war is going on right in our own hemisphere. Another in the Far East. In the last 10 years we have been involved in 2 and are just out of 1. Our soldiers are today scattered over the face of the earth. We are appropriating billions, keeping ourselves armed to the teeth and storing away an abundance of strategic military supplies. Why? Because we fear involvement in another war. Food is a strategic commodity. So is fiber. On second thought, Mr. Chairman, is it not a blessing that we have on hand these surpluses? They are not very large but sufficient to run us a few months in case of disaster. Why

should we complain? Should we not be thankful?

We should remember that agriculture is indispensable. There are some things we can do without. But farming is not one of them. People must have food and fiber. They must eat. People live off of the land. Plenty of good nutritious food is essential to a strong and healthy nation. And farmers must be assured of at least the cost of production if they are to conserve soil fertility, maintain farm productivity, and continue to produce plenty of food and fiber for a fast-growing population, plus large export demands.

Our farm program has worked well, Mr. Chairman. We ought to be here making it permanent instead of trying to extend it only for 1 year. And this administration, which through its candidate endorsed it in 1952, ought to be helping us.

The CHAIRMAN. The time of the gentleman has expired.

Mr. HOPE. Mr. Chairman, I yield 10 minutes to the gentleman from Iowa [Mr. HOEVEN].

Mr. HOEVEN. Mr. Chairman, I think one of the reasons why this bill is creating so much agitation is the fact that throughout the past several months and weeks a concerted drive has been on in this country to aline the consumer against the farmer. That does not work for any good in our economy.

I think we should all realize that agriculture is the Nation's basic industry, and the prosperity of the entire country depends upon the prosperity of the farmer. Some people may argue and say, "Other segments of our economy are just as important as agriculture." What about labor? What about the white-collar man?

Well, you know, the good Lord made man and placed him on the earth, and then he provided food for him, and the man consumed the food so that he could work. The man in the machine shop manning the machine tools, or the miner in the bowels of the earth cannot flex one single muscle unless he has had food in his stomach. That is why agriculture is so important and so different from other segments of our economy.

Net farm income has declined, and is on the decline, as my colleague from Mississippi just told you. It has declined 13 percent in the past 2 years and some 25 percent since 1947, while other segments of the economy have reached new heights, as far as net income is concerned.

People fail to understand that whenever the farmer's income declines his purchasing power declines, and it is immediately felt by business and industry all over the country, almost immediately. In my particular Midwest section of the country the minute farm income declines it is felt in every little store on Main Street. It is felt in the stockyards in Sioux City. It is reflected in the markets all over the country.

If it had not been for price supports, surplus removal, and marketing agreements the farmer's net income last year would have been $3 billion less than it is now, or 25 percent less, according to some of our most competent economists. If it had not been for price supports we might well today have a recession.

Our present program of price supports, surplus removal, and marketing agreements covered 70 percent of the value of all crops produced, livestock, and livestock products last year. About 90 to 95 percent of our farmers producing crops and livestock for market were directly or indirectly benefited by existing stabilization and marketing agreement programs, thus preventing further impairment of agricultural income.

Does anyone want to take such benefits away from the American farmer? Farmers have already voluntarily limited the acreage of major crops in order to bring production into balance with consumption. Now under cross-compliance provisions of basic law already being enforced by the Secretary of Agriculture for wheat, the farmers will have less acres than ever before. This all means less income. If it applies to wheat it can be applied to corn and to other commodities. So in substance the opponents of this legislation are saying, "Well, Mr. Farmer, even though farm income is going down and even though things you have to buy are still sky high and even though you are in a price squeeze, and even though you have taken out of production voluntarily and through cross-compliance regulations many of your tillable acres, and even though all of this will make it very difficult for you to maintain your normal income, still we want to assure you, Mr. Farmer, in spite of all these handicaps we want to guarantee you less income than you had before." That simply does not make sense in my book economically or otherwise.

In this connection, it should be carefully pointed out that unless Congress acts the 1949 Agricultural Act will take effect in 1955 supplanting the 90-percent parity supports for the basic crops for a system of flexible supports that may drop the support level for several major crops to around 75 percent of parity. Such a sudden drop of prices would be dangerous to American agriculture and the whole economy as well. If this were to happen it might well mean the complete ruination of many an American farmer.

It behooves us, therefore, to stop, look, and listen.

There are certain fundamentals in the field of agriculture which must be emphasized and which we should never forget. Many segments of our economy seem to forget that an equitable price for farm products is absolutely essential if we are to generate income which will maintain employment and prosperity. In other words, agriculture must have an income that will enable it to buy its proportionate share of our total production of consumer goods. I am sure there is complete agreement on that score.

The farmer today is caught in a price squeeze. This squeeze, which has reduced net farm income in the past several years, remains a continuing problem. It must be solved. Prices for almost everything the farmer has to buy remain high while prices received for agricultural products have diminished much below the high points reached during the Korean war. It stands to reason that when the farmer's income diminishes he, in turn, will purchase less consumer goods. In fact, he is most likely to buy only those things which he actually needs to carry on farm operations and to support his family.

The farmer is rather unique in our economy. He has nothing to say about the cost of the things he has to buy. Someone else sets the price for his plow, tractor, or combine. Someone else fixes the wages he is required to pay his hired help, such wages usually being fixed by competition with high wages in the city. Someone else fixes the farmer's taxes, determines the amount of his insurance, and his costs of transportation. Someone else tells him what he has to pay for his feeder cattle and other livestock which is not raised on the farm. In short, the farmer usually pays whatever the seller demands.

On the other side of the picture the farmer has very little, if anything, to say about the price of the things he has to sell. When he takes his cattle to the livestock market at Sioux City or Chicago, he takes what the buyers offer him. If he does not like the price his alternative is to take the cattle back to the farm. Usually he thinks twice before doing this. He takes his cattle to market when they are fat and ready to sell. Keeping them for any length of time thereafter simply is not good business. So it goes when the farmer hauls his grain to the country elevator. Upon delivery he takes what the elevator operator offers him. If he does not like the price he has the privilege of taking the grain back to the farm. The point I want to emphasize is that almost everyone except the farmer himself determines the price of the things he buys and the things he has to sell.

Keeping in mind that the farmer is really in a cost-price squeeze, please remember that he is the same fellow who is being called upon to provide the food and fiber not only for the people of the United States but for many other areas of the world. I have yet to hear anyone advocate that we here in America should reduce our standard of living. We all like to eat "high on the hog." Today the American farmer is feeding 160 million people in the United States alone. It is estimated that at our present rate of growth we will have approximately 175 million people in the United States by the year 1960.

We have a hungry world on our hands, and from all the information I can gather, the world's population is increasing more rapidly than the world's food supply. This fact should cause us to stop, look, and listen when we discuss the problem of farm surpluses. The growing world population means that if people are to be fed the farmer must produce more agricultural products rather than less in the years that lie ahead.

The CHAIRMAN. The time of the gentleman from Iowa has expired.

Mr. HILL. Mr. Chairman, I yield the gentleman 3 additional minutes.

Mr. McCORMACK. Mr. Chairman, will the gentleman yield?

Mr. HOEVEN. I yield.

Mr. McCORMACK. Might I also observe the farmer and agriculture in America is an important part of our national defense.

Mr. HOEVEN. There is no question about it. There would be no national defense if it were not for the American farmer who is producing food not only for our own people but for our Armed Forces.

The growing world population means that if people are to be fed the farmer must produce more agricultural products than less in the years that lie ahead. With few exceptions, we have already reached the saturation point as far as new farmland is concerned, so if we are to expand production to meet an expanded population, we will have to increase the productivity of the land.

We hear much discussion these days about farm surpluses, and I frankly admit they do present an aggravating problem in many instances. By and large, however, I would rather have an economy of abundance than an economy of scarcity, world conditions being what they are today. It is not the farmer's fault that we have these surpluses. During the war he was asked and implored to produce and produce, and he did.

Many of the surpluses are over-emphasized and over-magnified. Take, for instance, the situation in corn. They say we will have on October 1, 1954, a carry-over of some 900 million bushels which only constitutes about a 3 months' supply, with which we must feed the entire livestock population of this country. Corn is no problem. I do not know of a single witness before our committee, including the Secretary of Agriculture, farm leaders or anyone else who said that corn constituted a surplus problem. Our supply of corn may be a blessing in disguise if we get into trouble.

Corn is the foundation of our livestock industry. Approximately 80 percent of the corn produced in the United States is fed on the farm—and, remember this, cheap corn inevitably means cheap livestock. The higher the price for corn the higher the livestock price will be. Although corn has been supported at 90 percent of parity since 1944, without any controls whatever except acreage allotments, there has never been and does not exist today a burdensome surplus of this commodity. Not only has it helped the feeder by providing a dependable supply, but it has served the consumer by providing a better and more stable supply of food from livestock sources. By stabilizing the price of corn a floor has been placed under the livestock industry. Further, we must not forget that the price-support program for corn has served to place a floor under competitive crops within the commercial corn areas.

It has been charged that the present farm program has encouraged farmers to produce corn and wheat for storage rather than for meat, eggs, and other livestock products. Iowa is the greatest hog-producing State in the Union so let us analyze the charge that has been made. Iowa farmers produced over 19 million hogs for market in 1953. Only four times in history has that total been exceeded. The 19 million hogs produced in Iowa last year was 7 percent above the 10-year average and for this year, 1954, the Iowa hog production total promises to bounce right up near former record highs despite corn price supports. Anyone acquainted with the facts should know that drought had a great deal to do with the reduction in hog totals nationally. For example, 1953 spring crop in the south central States was 32 percent below 1952. Hog production has gone up, not down, in this period when so-called high price supports were in effect. Meat production in 1953 exceeded that of any peacetime year. Consumption of red meat per person at 154 pounds was the highest since 1908. The thing I want to emphasize is that price supports at present levels have not made Iowa farmers quit raising hogs, and hogs eat corn and lots of it as everyone knows. Neither have price supports cut national production of meat and livestock products.

Consumers of the country have the impression that the farmer is responsible for the high cost of food and no one is doing much to dispel that idea. It is my firm conviction that we who are most interested in the farmer's problems can do a much better job of public relations in bringing the facts and the truth to the consuming public.

I would like to point out that food is the biggest bargain of the year 1954. Fewer hours of work buy more food now and better food than ever before. The world should know and certainly the consumer should be advised that out of each dollar the consumer receives as his income only 26 cents is used for food. The other 74 cents can be used for other things. Of the $1 the consumer spends for food farmers get only 45 cents. Thus less than 12 percent of consumer income reaches the farmer.

If farmers gave away their wheat the price of bread would only fall less than 3 cents a loaf. Not only do consumers now get more food for an hour's wage but they get more convenience, wider selections and better quality. The consumer has a wide selection of farm products. He can buy breasts of chicken or he can buy only chicken legs or livers. He can select his vegetables and meats wrapped in individual transparent packages. He can buy his milk in paper cartons with no bottles to return. Few farmers, however, get any of the money that these extra services cost.

Only a part of the food sold over the grocery counter comes from supported farm crops. Much publicity is given to farm subsidies. Some people like to magnify the situation and take great delight in giving misleading information to the country about the cost of our farm programs. Farmers are by no means the only group who have received Federal support at taxpayers' expense. Let us not forget the subsidies to business, the railroads, the airlines, the shipping industry and the subsidy granted to labor by providing a minimum wage.

Consumers can depend on it that their jobs will disappear if farm returns for foodstuffs fall to nonprofit levels. Agriculture's purchasing power creates high employment as sure as general prosperity helps agricultural sales. Farmers today produce so abundantly that 85 percent of our population can choose other kinds of jobs. If farmers were not so efficient, a lot more people would have to go to work on the farm. This is an efficiency that since before the war has increased farm output by 40 percent, doing the job with 17 percent less labor. There should be a better understanding between the farmer and consumer. In the last analysis we are all farmers because we are all so dependent upon the fruits of the soil.

The American farmer is always on the job. The American farmer today faces a great challenge in the light of much criticism which is coming his way. This Nation has demanded much of its farmers in recent years. They have responded in a magnificent way. They will always be equal to the occasion. In fact, the farm problem is a tremendous challenge to all of us who are close to agriculture. Sometimes it seems as if the questions presented cannot be solved. Working together as citizens of a great Nation—not as farmers, not as consumers—but as Americans, we can and will find a solution to the problems which confront agriculture today. What we need is more teamwork and better understanding. In these times of crises we must work together. The Congress alone cannot solve the problems presented to us. Our free enterprise system is still the greatest in all the world. What seems a momentous problem today will disappear on tomorrow. I have great faith in our system and am satisfied that in the long pull we will solve the farm problem as we have heretofore solved economic problems which ofttimes seem unsurmountable but which in the end were solved through perseverance and a determination to come up with a solution.

Mr. HILL. Mr. Chairman, I yield such time as he may require to the gentleman from Wisconsin [Mr. LAIRD].

Mr. LAIRD. Mr. Chairman, tomorrow when this bill, H. R. 9680, is open for amendments, I plan to propose an amendment which would incorporate into this bill the provisions of H. R. 8368, introduced by Representative AUGUST H. ANDRESEN, and H. R. 8795, introduced by myself. It is my purpose in taking this time today to call this amendment to the attention of the Members of the House so that they will have sufficient time to give it real consideration.

Perhaps the most important single thing that can be done by this Congress to effectively deal with the problem of the future of the dairy industry and to help in the distribution of the products of milk is to give favorable consideration to this amendment. During and for some years after World War II, Wisconsin fluid milk was very popular. The cities in the East and in the South pled for more milk. The pleas of these cities for more Wisconsin milk were heard throughout our State. At the present time the free flow of milk from Wisconsin to other sections of the country is being stopped by local health ordinances which act to keep out low-priced Midwest milk. Federal milk marketing or-

ders issued by the United States Department of Agriculture have had the same effect.

First let us consider the local health ordinances. One large metropolitan city says that no milk may be sold except from farms inspected by local milk inspectors. These inspectors are prohibited from working more than 40 miles from the city hall. Local health ordinances are used in dozens of ways to keep out low-priced milk from Midwest areas.

Second, let us look at the Federal marketing agreements. They have kept class I fluid milk prices at such a high level that the result has been to increase milk output in city milkshed areas. Just last year there were 49 Federal marketing agreements in force. Over 44 percent of the milk coming into these areas was surplus milk which could not be sold as fluid milk. These Federal orders have encouraged building up huge surpluses in these selected milksheds because of monopoly prices and distant producers have been forced out of these same markets. The amendment which I propose will help to clean up the sorry milk-marketing mess. It will strike at the root of the problem which faces the metropolitan consumer. Under this amendment the United States Health Service would be required to set up uniform standards. These standards would take the place of the hodge-podge local milk regulations which in reality are local milk restrictions. This amendment would have the effect of wiping out all Federal milk-marketing orders where local restrictions prevent the free movement of approved milk. The amendment is short and simple. If it adopted, it will be brutally effective in wiping out milk monopolies in the eastern and southern cities where they now exist.

I would like to read this amendment to you, and I hope that you follow it in your copy of H. R. 9680, which has been handed out here this afternoon. On page 51, after line 2, insert the following:

SEC. 602. The Agricultural Marketing Agreement Act of 1937 is amended by adding at the end thereof the following new section:

"SEC. 7. (a) The purpose of this section is to remove those barriers to the free movement of milk and milk products in interstate commerce which now exist because of milk marketing agreements and orders issued under this act and because of various State and local sanitation requirements; and to provide uniform sanitation standards governing milk and milk products shipped in interstate commerce.

"(b) The Surgeon General of the Public Health Service shall prescribe uniform sanitation standards governing the production and handling of milk and milk products shipped in interstate commerce. As used in this section, the term 'sanitary milk or milk products' means milk or milk products produced in a State whose chief agricultural officer has certified to the Secretary of Agriculture of the United States that milk and milk products produced in such State are produced and handled in compliance with the standards prescribed under this subsection.

"(c) No marketing agreement or order issued under this act shall apply to, or be effective in, any marketing area in which any Federal, State, or local restrictions operate to prevent the free marketing of sanitary milk or milk products shipped into such area in interstate commerce.

"(d) No Federal, State, or local law shall operate to prevent the free marketing, in any area of the United States, of sanitary milk or milk products shipped into such area in interstate commerce."

Mr. HILL. Mr. Chairman, I yield such time as he may desire to the gentleman from Utah [Mr. STRINGFELLOW].

Mr. STRINGFELLOW. Mr. Chairman, many critics of the President's flexible price support program have been trying to make a case for high fixed price supports on the insecure and inappropriate grounds that if there is a recession in agriculture, it will be reflected in every business, in every industry, and in the pay envelope of every worker. Now on first glance such a contention may appear to be 100 percent correct and to merit the extreme vocal criticism heard these days about the President's farm program, since farmers do buy and use all types of goods and services manufactured today. But closer examination of the relationship between price and output determination in agriculture and nonagricultural industries shows that the validity of this view not only is greatly overexaggerated but also does inestimable harm in preventing our getting at the basic cause of agriculture's plight. Let me explain in more detail.

As Secretary Benson said in his testimony before the House Agricultural Committee last May:

There is a relationship between farm income and national income, but it is not always 7 to 1, there is nothing automatic about it, and causation does not necessarily lie with farm income.

Years ago, when a large percentage of our people were farmers, the ratio was 2 to 1. During the late forties the ratio was about 7 to 1. Currently it is 10 to 1. A decade or two from now, if the trend toward urbanization continues, the ratio may become 15 to 1. During several postwar years the ratio has not held; farm incomes declined and national income increased.

Even if the ratio were consistently 7 to 1 this would not demonstrate that causation lay with agriculture. If farm income and national income are found to be associated, it still remains to be determined whether the one causes the other, or the other causes the one, or whether they are both the result of a third force. The cock crows at the break of day, but it does not logically follow that he causes the sun to rise.

It is doubtful that a dollar, once it got into the pocket of a farmer, would enjoy the unique distinction of multiplying itself seven times.

There are other ratios that bear a fairly constant relationship to national income. The value of new construction is maintained fairly well at a ratio of about 9 to 1; for sales of Sears, Roebuck & Co., the ratio is reasonably stable at about 1,200 to 1. If blind faith is to be placed in ratios, then one can make a case for maintaining national income through subsidies to our mail-order houses rather than to our farmers. It would be far cheaper.

It is also clear to economists that the orientation of business policy in nonagricultural industries has important consequences for the functioning of the economy. The decisions of individual businessmen influence the pattern and behavior of prices, the amount and variety of goods produced, the level of employment and individual incomes; and, of course, the levels of living of the Nation's population. The existence of unemployed industrial workers and idle equipment in the face of the need for goods and services is the central problem relevant in every sphere of economic activity—agricultural and nonagricultural alike. During the 1930's this factor alone produced a severe curtailment of purchasing power and consequent declines in the total demand for agricultural products in domestic markets. Compare that experience with agriculture's serious depression of the 1920's. While agriculture in general was experiencing very low prices, the nonagricultural industries went merrily on their way enjoying the most prosperous period industry had ever experienced up until that time. Was agriculture's plight "reflected in every business, in every industry, and in the pay envelop of every worker?" No, not at all.

Owing to the close relationship of prices, output, and profits, businessmen have always been eager to increase the degree of discretion and control which they can exercise with regard to the price structure. Such control is made possible by the fact that in the nonagricultural sectors of our economy business units operate under conditions described by the economist as less than pure. Business, as would farmers if they could—for it is a difference of opportunity only, not motive—have been reluctant to permit the course of prices to be determined entirely by impersonal market forces.

Given control over price, which farmers do not enjoy, industry can in general attempt to secure a profit by two methods: First, increasing production, which means maintaining levels of employment and consumption, or increasing them; and second, adjusting production to consumption. When the outlook for profit—the motivator of the free-enterprise system—is poor, businessmen follow the latter rather than the former course of action. This is understandable, but when industry decides to maintain prices, curtail output, and lay people off, as happens during economic recessions, it has significant implications for agriculture: Unemployed labor—remember only 16 percent of our population is engaged in agriculture—means lessened levels of consumption and, therefore, curtailed markets for agricultural commodities.

Our present mild economic recession is primarily due, first, to the fact that with the tremendous drop in demand for manufactured goods, occasioned by the end of the Korean war, the outlook for normal profit is not very good; and second, to a significant decrease in Government domestic spending. Manufacturers, therefore, are disposing of high cost inventories rather than producing, thus resulting in mild unemployment, lower personal incomes, and smaller agricultural markets. Farmers confronted with this situation and coupled with large yields have experienced low prices and incomes. This no one denies. But we should, however, endeavor to maintain farm income at high levels, through methods that encourage efficient production and move farm products into

use rather than into Government storage. High fixed price supports, as the experience of recent years only too well illustrates, leads to the latter, not the former, situation.

As Secretary Benson has pointed out on many occasions, a system of flexible price supports coupled with direct attack upon industrial unemployment is essential for the maintenance of a healthy agriculture. Fundamentally, a healthy agriculture depends upon maintaining a healthy nonagricultural sector of our economy. Our agricultural program, in a few words, must be geared into the general economic policies of this country relating to such matters as money and credit, taxation, wages, social security, public works, and many other fiscal and monetary programs. Demand for agricultural commodities—desire plus purchasing power—fluctuates severely with fluctuations in industrial activity. Therefore, national policies such as those mentioned above, which aim at keeping employment stabilized at a high level, offers the best guaranty of a healthy agriculture—not a system of high fixed price supports.

Mr. HILL. Mr. Chairman, I yield 10 minutes to the gentleman from Indiana [Mr. HARVEY].

Mr. HARVEY. Mr. Chairman, the House is considering one of the most complex and controversial bills of this session. So much has been written and said, indeed, that it would seem to me a Member from a nonagricultural district would be at a loss to know what the real facts are. So skillfully have fact and fiction been interwoven that I find it difficult, even in my own case, to keep them separated. Moreover, the farm problem is not one problem, as has been so frequently emphasized by our chairman. It is a combination of many problems, some phases of which are in opposition to others, or, if not, in competition at least.

The farm problem is not a new one. It has been with us in one form or another since our country was first colonized. Nor will any legislation passed by this Congress solve it; we can only hope to approach a solution.

Your Committee on Agriculture has spent many months holding hearings, not only here in Washington, but throughout the country. These hearings have been illuminating to me and, I am sure, to all committee members. Permit me to say that the real value of these hearings came during periods of informal discussion when attending farmers really let their hair down. My remarks today will be in the nature of an endeavor to bring to you in brief fashion an analysis of the problem, with special attention given to the problems peculiar to the Midwest.

Legislation dealing with the farm problem is of an evolutionary nature, as it is with most major problems, citing social security, labor relations, and tariff-making as examples. The present status of those enumerated does not satisfy many of our people, nor all Members of Congress, but the status does represent as best attainable a meeting of minds. This does not necessarily mean that in the future, changes will not be made to conform to a newer concept brought about by the ever-changing aspects of our economy. We are even now revising the Nation's social-security program.

I deem it appropriate first of all to discuss those factors which brought about this farm legislation. They obviously are so numerous that in my brief time it will be impossible to touch on all of them. A general statement summing up the factors is relatively simple—we have an agricultural production capacity capable of producing more of many foods and fibers than we can use at home or sell abroad.

Some of our major commodities are dependent upon an export market to take a sizeable share of their annual production. Cotton, wheat, and rice fall in this category. But we are almost 95 percent self-sufficient as a nation so we cannot have a large export market as the British can for example. Since we cannot sell abroad unless we likewise buy abroad, this means that there is a scramble among those depending upon exports for their portion of the foreign dollar. There is then selling competition among various segments of our farm economy.

Those who can visualize a greater prosperity with an expanding foreign market clamor for greater imports, while those whose products would be hurt by such an expansion plead for fewer exports. All of you have heard debate on this subject from the well of this House. I might cite an example of this situation within my own district; indeed, within one city. In this city, where many lawn mowers are made, their manufacturers are being hurt by imports, while nearby another manufacturer makes bus bodies with a high potential outlet for the export market if only trade restrictions were relaxed.

Much has been made of the loss of our foreign markets within the last few years, especially with respect to wheat and cotton. Actually our production of these commodities has been increased since World War II not during it, to meet the demands occasioned by the Marshall plan and its successors. Now that there is no longer the need for economic aid overseas, the demand has dropped to a level comparable with pre-War II. It was relatively simple for the Congress to cut off appropriations for seending food and fiber to needy and friendly people abroad, but the problem of coping with a productive capacity geared to supplying these demands remains with us.

Unfortunately, there is no sign of immediate relief on this score, so the most apparent solution is to cut back acreage to meet market requirements. The question that faced Congress a year ago was: Should we order a drastic cut-back in 1 year or should we make it a more gradual one? We decided on the latter course. This year will mark the second of acreage reduction and it may be that even greater cuts will be necessary in order to bring production in line with demand. It is generally recognized by those who have studied the problem that no scheme of price supports will work until supply is brought in approximate line with demand.

We can bring production into line with present demand, not easily, but it can be done. A problem remains with regard to the surpluses we have accumulated. It is easy to look back to the events of the past 2 or 3 years when these surpluses were accumulated and reflect on what might have been. Former Secretary Brannan could have invoked controls on wheat and cotton then and we would not have them in surplus. At the time, however, it looked as if the Korean war might spread into a worldwide conflagration. Fearing that it might, he not only withheld controls but instead encouraged greater production. World war III did not come, a fact for which we all are thankful.

Secretary Benson is presently taking about the only step he can take and he has met an unhappy situation forcefully. Drastic steps are being taken to bring production in line with demand. He has had such authority from previous acts and while his actions will not be popular in certain areas, it would seem there remained no alternative.

Under provisions of S. 2475, passed recently by the House, we are proceeding to set up an aggressive and practical plan for disposing of at least a portion of our surpluses abroad. This plan has had a trial run during the 1954 fiscal year and has proved successful. This plan will in no way displace goods marketed abroad through the usual commercial channels and it is hoped will enlarge our markets abroad where many of these commodities are needed.

Title II of the bill now being considered takes additional steps toward surplus disposal. This is the so-called set-aside program. It is aimed principally at disposing of surplus dairy products, wheat, cotton, and vegetable fats and oils. With a portion of the above-named surpluses earmarked, the Secretary—Benson—will have authority for disposal through the school-lunch program, the armed services, veterans' hospitals, and other nonnormal outlets.

Because of rather drastic acreage reductions in certain commodities, we will and do have the problem of the use to be made of acres diverted from their normal production. While in some instances there are few if any alternate uses for these acres, in most instances they could be so diverted as to cause undue hardships for the producers of nonsupported commodities and thereby aggravate the overall problem of surplus production. Provisions are made in title IV so that the Secretary will have authority to use a percentage of the funds of the soil-conserving program—ACS—to insure that these diverted acres will be placed in soil-conserving crops with modest incentives to help relieve the shock to the individual farmer's cutback.

The new farm bill also provides for a long needed improvement in our use of agricultural attachés who are stationed in most American embassies abroad. It will bring these attachés, who incidentally have been selected because of special background training such as county agents, within the jurisdiction of the Secretary of Agriculture instead of the Secretary of State. It was my own observation while traveling in Europe in

1949 with my committee that these attachés were not really serving agriculture as they could and should. These men should be assisting our Department of Agriculture in enlarging our markets abroad through their understanding efforts.

Debate upon the price-support features of the bill has attracted most attention. Great emphasis has been placed upon surpluses of certain commodities, particularly wheat, cotton, and dairy products. Dairy products have come in for major criticism, chiefly because they are perishable while wheat and cotton are not.

The dairy problem is a most difficult one for two reasons in addition to the fact that the surplus is perishable. One is that there are no controls over the production of milk and none appears practical. The second is that milk is almost in the category of a necessity. Most of you will recall the furor, almost panic that prevailed in New York City some time ago when that great population center was without milk for even a few days.

The area serving a given city—often termed a milkshed—tries to plan its production schedule to provide customers enough milk during the low-production months of the year, which are in the winter. But consumers use about the same amount of milk in the spring as they do in the winter. In the spring, when the weather is favorable and grass is excellent, the same cows that produced enough for the demand then produce a surplus.

The processors—that is, bottlers and distributors—must figure some way of handling the overflow. It is at this time that their operation interferes with those dairy plants that buy milk entirely for making cheese, butter, and so forth. The surplus milk is converted to ice cream, but when this outlet is exhausted there are only two byproducts to dispose of the remainder—cheese and butter.

The severity of winter also can make a difference in the production at low production time. The last two winters were mild, so that this also increased the surplus. The low cattle market of the last 2 years delayed the usual culling of low-producing cows, adding to the other surplus producing factors. The remarkable fact is that with all these factors, the surplus has amounted to only about 4 percent of normal consumption.

The reduction of the support price from 90 to 75 percent has not had much immediate effect upon supply. It has lowered the cost of these products to the Government but it has also brought additional hardship to the dairymen who, as a group, are probably the poorest paid segment of our agricultural economy. A self-help program has been suggested but as yet is about the only remedy offered and it may not work.

In any event, our city consumers will continue to have their daily supply of whole milk. This must be our primary consideration. As previously stated, this bill does make rather drastic provisions for the Secretary to dispose of the dairy surpluses to the needy, armed services personnel, veterans' hospitals, and others who would not be consumers otherwise.

Some comments I have heard here are distressing to me. It seems the favorite approach of those opposed to the bill is to portray the farmer as an individual selfishly demanding an unreasonable share of the national income; as a person utterly devoid of conscience who is demanding a fat income at the expense of the city consumer. I have heard the farm program declaimed on the basis of the fact that the declaimer knows a farmer who had an income of $10,000, or he knew a farmer who drove an expensive automobile. Such detractors have abandoned reason and commonsense to persuade themselves of the propriety of their stand on an emotional basis.

Actually most farmers resent the necessary regulations inherent in a price-support program. They accept the regulations even as many of their city cousins accept regulations because the alternative is worse.

If I might be pardoned a personal illustration, let me cite the case of our own foster son, who is doing the farming on our family farm in Indiana. Last December, Dick came to visit with me one Sunday morning. He came to talk not about our individual farm problem but about the farm program. This was an unusual experience for us believe it or not.

Dick started out by asking me whether farmers would not be better off if all farm programs were discarded. He explained that he grew weary of defending the farmer every time he went to town and was accosted by his friends there. He was tired of being accused of being a parasite on the Government. The advantages his city relatives enjoyed such as the wage-hour law, unemployment insurance, social security, regulated rates for railroads and communications were—in their opinion—of no importance or consequence or at least nondebatable.

I asked Dick how long he thought he could survive with his market unprotected, buying all the things necessary for the operation of the farm—things produced by labor whose rates were guaranteed. He replied that if the farmer made such a concession it would be his idea that all other segments of our economy should make similar concessions. I had to explain to him that such a step would not happen. His final answer then was that in that case a farm program to protect the price at which farmers must sell should also be protected. I relate this incident because it is typical of many of the statements and opinions offered to me. Farmers just do not like controls and will accept them because they know that the alternative would be much worse.

During recent weeks I have frequently heard the charge made that less than one-fourth of the income from products of agriculture are actually attributable to the so-called basic commodities involved in the support program. While this is technically true if you consider only the cash sales, there are other factors which should be taken into consideration. First of all, corn, the most valuable of all commodities of a crop nature, is not sold as a cash crop except to the extent of about 20 percent. As I will show later it is marketed through livestock, in fact is the backbone of the industry. A floor under corn places a floor under livestock and will raise the income percentage to a much higher figure. An additional factor often overlooked is another phase of the farm program, the marketing agreements. These marketing agreements are more or less arbitrary price-fixing arrangements which apply to fluid milk and certain vegetables or fruits. Add all these features and you have a total of price-supported income which approaches three-fourths of all farm income. I am not complaining but let us be fair and set the record straight. There is a definite relationship between farm income and the income of industrial workers. Following is a table setting forth this relationship. If we persist in driving the income of the farmer further down, the consequences are apparent. The farmer's income is already out of line.

Farmers' cash receipts and income of industrial workers

Year	Cash receipts farm marketings [2]	Production worker payrolls [1]
	Millions	*Millions*
1929	$11,299	$10,920
1930	9,050	8,936
1931	6,369	6,864
1932	4,735	4,680
1933	5,308	4,972
1934	6,314	6,240
1935	7,074	7,488
1936	8,356	8,424
1937	8,819	10,296
1938	7,703	7,800
1939	7,819	9,360
1940	8,332	10,608
1941	11,075	15,288
1942	15,486	22,464
1943	19,358	30,888
1944	20,377	32,136
1945	21,383	27,456
1946	24,564	25,272
1947	29,706	30,576
1948	30,207	32,760
1949	27,944	30,264
1950	28,328	34,944
1951	32,799	40,560
1952	32,373	42,120
1953	30,975	45,864

[1] Annual payroll computed by using payrolls for 1941–51 as given by U. S. Department of Commerce in Statistical Abstract 1953 as 100 and adjusting with Bureau of Labor production payroll index 1947–49=100. Average industrial payroll 1947–49, $31,200,000,000.

[2] Cash receipts for marketing of farm products. Bureau of Agricultural Economics.

THE CASE FOR CORN

Corn is the most valuable—in terms of dollar value, at least—of all crops produced in the United States. The term "basic" as it has come to be applied in the various agricultural price support programs of recent years is a technical one and refers to certain commodities which are granted additional consideration with regard to price-support policy. Corn is technically a basic crop and a real basic crop as well. It is the foundation of our livestock industry. While about 80 percent of corn is fed to livestock on the farm or area where it is produced, the remaining 20 percent becomes a factor in the processing and industrial phases of our economy. The on-the-farm value of our annual corn crop is approximately $5 billion.

There are several factors which should be given consideration in determining

a long-range price-support program for corn. The following are some of them:

CORN IS A DOMESTIC PRODUCED AND CONSUMED COMMODITY

Corn is unique among our farm crops, at least our major one in this respect. Wheat—the next most valuable crop—depends upon domestic consumption to use about one-half of our present average annual production. Cotton, while not an edible commodity but a basic one, is also dependent upon foreign or export demand for use of a sizable percent of our annual production. The export or foreign demand for both wheat and cotton has dropped substantially in recent years and this fact is the principal reason these commodities are being held by the Government through their purchase price support program in surplus quantities.

Very little corn is imported and a very small percentage is exported so that it is not dependent upon an uncertain and varying demand abroad for its use. This fact alone has caused corn to be less of a problem than most of our major farm products.

CORN ACREAGE IS STEADILY GOING DOWN

Within the past 45 years—since 1909—there have been ups and downs in the corn acreage, but the trend has been steadily downward since 1932. The year 1932 was the highest within this period when we had 113 million acres. The depression years were high acreage years, for it was during this period that farmers were trying to meet their fixed costs by greater and ever greater production. By 1944 the acreage had dropped to 95½ million acres. Since then the acres have continued to drop until 1953, when it had dropped to 81½ million. Estimates for 1954 show another half-million drop. Production to meet the needs of the livestock industry has been adequate because of better seed varieties—hybrid—better equipment, and more know-how.

WEATHER CONDITIONS ARE THE YIELD DETERMINER

Corn is grown in 44 of the 48 States but 4 States, Ohio, Indiana, Illinois, and Iowa produce half of the average crop. The influence of weather on corn production is demonstrated by an example. The smallest crop in recent years was 1947 when the yield was 2.3 billion bushels, while the largest was in 1948 when it was 3.7 billion. Both yield results were due almost entirely to weather conditions. In 1947 the acreage was 85 million acres while in 1948 it was 85.5 or an increase of five-eighths of 1 percent.

CORN IS A MULTIUSE CROP

While about four-fifths or 80 percent of the corn crop is fed to livestock on the farm or immediate area where it is produced, the wide variety of uses gives it considerable flexibility. This flexibility has made for stability both to the corn producer and feeder as well. There is considerable fluctuation from year to year in the consumption of corn. About one-half of the corn crop is fed to hogs. Hog production runs in cycles usually from 5 to 6 years. When hog prices are high production is usually low and vice versa. An example of how the normal economic cycle works will illustrate. In 1948 as previously stated we had a high corn yield. Hog production however, was in the lower phase of the cycle. The surplus corn went into storage. As hog production increased during the following 3 years, the reserve supply was drawn from storage and consumed. We are now passing from the low-production-high-price phase of the hog cycle and our reserves of corn are again high. As the hog production cycle expands this reserve will disappear. Thus the corn support and storage program has helped the corn grower by stabilizing the price from year to year. It has helped the feeder by providing a dependable supply. And it has served the ultimate consumer by providing a better and more stable supply of food from livestock sources. By stabilizing the price and supply of corn a floor has been placed under the livestock industry.

MARKETING QUOTAS ARE IMPRACTICAL FOR CORN

In the case of most basic farm commodities, the supply can be regulated by both acreage allotments and marketing quotas. When a commodity such as wheat is produced in surplus quantities, the succeeeding crops can be controlled by both acreage allotments and marketing quotas. This provides an effective method for controlling production. In the case of corn, however, marketing quotas are not practical. The reason—less than one-fifth of the crop ever goes through a commercial marketing channel. In certain sections of the corn belt, corn is grown as a cash crop and sold for commercial use. In these areas the corn acreage can be controlled because a loan from the Commodity Credit Corporation—CCC—can be denied unless acreage allotments are observed. Since this is the corn that might glut the commercial market and thus disrupt the market for all the crop the present system works effectively in actual practice although it might not seem so as a matter of theory.

CORN HAS NEVER BEEN A PROBLEM CROP

Much has been spoken and written in the past few months about the problem of surpluses, but the fact has often been overlooked with respect to this most valuable of all crops. The present law has been in effect with modifications since 1938 or 16 years. During that period corn has not been a problem. The program has, however, worked effectively to support the livestock industry and helped to stabilize the farm income of the Middle West which is sometimes termed "The Breadbasket of the Nation." The price-support program for corn has served to place a floor under competitive crops within the commercial corn area. Canning crops, as an example, are indirectly supported since the contracting agent—canner—offers a contract which will place such a crop in a favorable competitive position.

FLEXIBLE PARITY AS APPLIED TO CORN

Numerous suggestions have been made with regard to the price-support program as it affects corn. The Department of Agriculture has recommended a variation of approximately 25 cents a bushel as a device to control production. Since a study of the statistics which I have set forth previously shows that weather alone can and has caused a fluctuation of 50 percent in yield and that the average over the years is about right, there would not be too much to be gained by such a device in my judgment.

MODERNIZED PARITY FOR CORN

The present basis for parity is the cost during the 1910–14 period of producing corn translated into modern prices the farmers have to pay. However, there has been substantial improvement in recent years in the methods of production. As a consequence the time required to produce a bushel has dropped significantly. More expensive equipment and land is, however, involved. Taking these factors into consideration the cost has dropped about 10 percent from 1910–14 base period. This is a factual not a policy proposition and I think should be acknowledged. I would therefore endorse the application of the modern parity formula as it would apply to corn. This would drop the support price from $1.60 to $1.45 per bushel.

SUMMATION

First. Corn is not an export or import problem.

Second. Corn acreage is steadily going down; corn prices are not stimulating artificial production.

Third. Weather is the determining factor in the production of corn.

Fourth. The use of corn gives it great flexibility, giving the law of supply and demand an ample opportunity to operate.

Fifth. Due to the fact that four-fifths of the corn crop is used on the farm and never goes into commercial channels, marketing quotas are impractical. While this provision is in the present law it is unworkable—agreed to by all authorities—and is deleted from the bill under consideration.

Sixth. Corn has not been a problem crop. In other words, the present law has worked effectively.

Seventh. Attempting to control production by a price variable would not work since weather exercises far greater control than most any artificial device.

Eighth. Modernized parity should be adopted for corn, thereby using a realistic figure for the average cost of production.

Mr. HILL. Mr. Chairman, I yield 1 minute to the gentleman from Illinois [Mr. SPRINGER].

Mr. SPRINGER. I would like to ask the gentleman from Indiana if it is true that at the present time, even under the present plans, we have less than 6 months' supply of corn on hand?

Mr. HARVEY. We have right now less than a 3 months' supply on hand.

Mr. SPRINGER. May I ask the gentleman one thing further? Is this not a rather dangerous situation to have less than a 90-day supply on hand in view of our general world situation, and the importance of corn, which the gentleman has pointed out as being far more important than any of the other basic commodities?

Mr. HARVEY. I agree with the gentleman wholeheartedly.

I failed to point out, which I think I should have, one fact, and that is that weather is the greatest factor in the production of corn. The shortest crop we ever had in history was in 1947, and the largest crop we ever had in history was in 1948. The acreage for those 2 years was almost identical.

Mr. POAGE. Mr. Chairman, I yield 10 minutes to the gentleman from Wisconsin [Mr. JOHNSON].

Mr. JOHNSON of Wisconsin. Mr. Chairman, it is a distinct honor and privilege for me, personally, and on behalf of my constituents, to lend support to the agricultural bill now before the House of Representatives for consideration. Because of my interest in the deliberations of my colleagues on the Agricultural Committee and the great importance this legislation will have upon the economic future of this Nation. I have diligently followed their work, particularly their hearings on the subject of agricultural legislation to which they have devoted so much time—both here in Washington and in their nationwide tour last summer to talk directly to farmers.

I have never seen and doubt if I shall ever see a group of men more devoted to duty. They have worked under tremendous pressure applied by those who are known as the farm-price "flexers." The committee has had to weigh carefully the provisions incorporated into the bill against partisan agricultural controversy outside the committee. Members of the committee have worked, however, in a cooperative, bipartisan spirit for which they deserve the heartfelt thanks of every Member of this Congress. If the farmers of this Nation ever needed bipartisan support of the Congress, they need it today.

I am going to vote for the bill before us today which, among other things raises the support price of dairy products to 80 percent of parity. But, very frankly, I am disappointed that the committee has seen fit to increase the support level of dairy products only 5 percent. I would be less than fair, however, if I did not give full cognizance to the pressure applied on a grandiose scale by the executive branch of the administration to lower, and keep low, farm income. There is not a better example of this than Ezra Taft Benson's cut in dairy farmers' income from 90 to 75 percent of parity on April 1. If the legislation before us shows any marks or symptoms of a compromise it must be attributed to this pressure and to the interest of the committee in arriving at legislation which they hope will merit bypartisan support in this Congress. At the appropriate time I shall submit for your approval an amendment raising the mandatory support level of milk to at least 90 percent of parity.

I would, for myself, welcome the opportunity to vote for 100 percent of parity for all agricultural commodities, including dairy products. This would only be placing farmers on a par with other segments of the economy. I submit to you—Is an equal wage for farmers unworthy of support from both sides of the aisle?

On March 15, 1954, I introduced H. R. 8388 to extend support prices on dairy products at 90 percent of parity to counteract the "April fool" action of Secretary of Agriculture Ezra Taft Benson which slashed down from 90 to 75 percent of parity the support price of dairy products. This bill, if enacted, would have extended the support prices of such commodities at 90 percent of parity until the Congress formally considered and enacted a price suport program for milk and butterfat. If this bill or one similar had been enacted, dairy farmers at least would have been spared a cut in income as severe as that made by Secretary Benson. What a shame it is that dairy farmers have been made to take a seat at the second table, that their pocketbooks have been flattened out and that the lack of purchasing power has finally resulted in a swift, sure unemployment and a depression in main-street businesses and American industry.

Instead of slashing dairy price supports, why did not Secretary Benson recommend a production payment program such as that provided in the bill before us? Why has he not also come forward with a program to expand the consumption of dairy products both at home and abroad, instead of his shortsighted program of returning dried milk to cows and other livestock in feed.

My bill, H. R. 8600, deals squarely with this problem. If enacted, it would raise the consumption of milk, or its equivalent by 1.8 billion pounds. It attacks the problem of underconsumption and in a forthright and forward manner because it increases allowances of health-giving dairy products to our Armed Forces personnel.

I wish to compliment the Committee on Agrciulture for covering this matter on the bill they have brought before us. While this is not the same method suggested in my bill, the committee bill does encourage more use of milk in the Armed Forces. Later, at the appropriate time, I shall introduce an amendment to require an official report to Congress on how much dairy products are used by the Army under this bill.

The failure of the price support flexers to come forward with a plan for the utilization of our abundant food stocks is more than ample evidence of their limited imagination and vision.

Our ability to make progress in whatever we undertake is looked upon by the great majority of Americans as our greatest American asset. This is not true of the farm cutters in our midst. They still live in the days of boom and bust. They believe the way to progress is to turn back to those days.

I commend the members of the Agriculture Committee for their inclusion in this package bill provisions for a domestic food-allotment program. They have accepted our abundance as a blessing, not a curse.

Numerous attempts have been made by Secretary Benson and his underlings to incite war between farmers and consumers. Not content to stop here, efforts have been made to put the producers of farm commodities against each other. These are the weapons so viciously used to gain support for the flexible program of price supports.

It is of great personal satisfaction to me to report the failure of this strategy. Farmers today realize that they must seek parity for all or become the victims of the plot which has been laid to cut all agricultural prices by inciting civil war in agriculture. Briefly, this has been the strategy: Consumers were the first set against farmers. Following, an attempt was made to set the producers of dairy products against producers of feed grains, of cotton and cottonseed. Then in rapid succession producers of beef cattle were set against producers of corn, producers of feed grains; and the producers of corn against the producers of feed grains.

It is not my purpose to turn the matter of parity or equality for farmers into a partisan issue. On the contrary, I am only interested in getting at the facts necessary to gain support for providing the same measures of income protection for farmers as that enjoyed by other segments of the economy. It goes without saying that farmers must have price protection or be trampled by those who stand to profit from a cut in agricultural prices.

My constituents have left no doubt as to their position concerning the cut in dairy price supports by Ezra Benson. It is because of their interest, evidenced by the volume of mail which has rolled into my office during these past months, that I fought to forestall the action of the Secretary of Agriculture to cut dairy price supports.

Benson's cut has proved to be what dairy farmers in my district have told me it would be—a "bust"—that is, insofar as reducing production is concerned. It did, however, accomplish Mr. Benson's objective of cutting income from milk and butterfat to the bone. Might I suggest Mr. Benson would have done well to listen to farmers rather than his advisers in the select-interest groups who proclaimed that dairy farmers would respond to a price cut with a cut in production. This is, in fact, the real core of the agreement favoring across-the-board cuts in price supports embodied in the Department of Agriculture recommendation on agricultural legislation.

The inaccuracy of Benson and his advisers is now borne out by the Department of Agriculture crop report for June 10. Dairy farmers responded to the cut in price by increasing milk production in April 1954 1 billion pounds over the average production for that month during the period 1943–52. Milk production in May was 11.3 billion pounds compared to 10.3 billion pounds for that month during the period 1943–52.

More than 13 billion pounds of milk were produced in May 1954, setting a new record for total output and production per cow. For the first 5 months of 1954, milk production totaled 4.7 billion pounds greater than the output of the same period of 1953. This is an increase of almost 10 percent.

Dairy farmers concentrated on increasing production to offset the cut in income brought about by Benson.

Even though dairy farmers increased production, sufficient income was not

available to maintain their purchasing power on the same level as under previous price-support programs. Thus they are still experiencing difficulties in meeting high, rigid production costs and in meeting family living expenses.

Since history has taught us that depressions are farm led and farm fed, we must attribute, at least in part, industrial cutback and unemployment to reduced farm income. The best illustration of this is the sharply reduced activity of the farm equipment industry.

Unemployment in May was the highest for that month since World War II. It totaled 3,305,000—more than double the total a year ago. While the unemployment situation improved slightly this spring in response to an increase in construction employment, the improvement made was smaller than usually occurs at that time.

More factory cities are being placed on the list of critical unemployment areas. In May, 17 areas were added to the list of areas with 6 percent or more of the labor force unemployed. This makes a total of 124 such areas.

To continue abundant production of food and fiber—as opposed to scarcity of such commodities—and full parity for farmers means a stabilized United States economy, high living standards for all our people, with enough left to aid the starving, naked people throughout the underdeveloped areas of the world.

Let us not forget the interdependence of farmers and consumers. Let us always remember farmers—producers of food and fiber—consume the products manufactured by industry and sold on the Main Streets, and consumers—producers and distributors of manufactured goods—consume the products of farmers.

Let them not be split asunder. In this regard I want you to hear this editorial that was carried in one of the papers in my district. This is something all of us should keep in mind. I do not necessarily endorse everything this editor says, but this statement is most worthy of our consideration.

[From the Sauk Prairie Star]

DON'T LAUGH AND DON'T GET MAD

At the Democratic banquet in Baraboo a few weeks ago the editor of Labor News at Madison was making an honest effort to understand the problems of a farmer. "What I don't understand," he confessed honestly, "is this parity business. Us workingmen don't ask for parity. All we want is a job."

Don't laugh and don't get mad. The guy just didn't understand. It didn't occur to him that when he loses his job, he goes to the unemployment office and gets a fairly fat check every week until he does get a job. The check isn't his full wage. But, on the other hand, the guy didn't do a lick of work for it. There is a difference, and the difference we'd say offhand is in favor of the farmer.

When an industry converts to war work, Uncle Sam not only pays the conversion costs, but Uncle Sam guarantees the industry a fat profit, more than ample to pay the conversion costs back to peacetime production.

We are not lashing out at labor and industry. Both of them have suffered from some of the same ailments as the farmer, mostly because labor has been busy calling industry names and industry has been busy calling labor names. Most workers are right guys, most farmers are right guys. All of them suffer mostly from a bad press.

What most of the country needs to know right now is that the farmer's overalls aren't patched with silk, his buckles aren't solid gold, and that the only reason he has his hand out toward Washington is because industry and labor—practically everybody except the small-business man—has his hands out toward Washington. The average farmer is willing and eager to eliminate subsidies. But he wonders sometimes if he can make a go of it without a subsidy in a society which subsidizes practically everyone else.

Mr. H. CARL ANDERSEN. Mr. Chairman, will the gentleman yield?

Mr. JOHNSON of Wisconsin. I yield to the gentleman from Minnesota.

Mr. H. CARL ANDERSEN. I would like, if the gentleman would permit, to say that there has been much discussion today as to the cost of the price support program to the taxpayers. We have not had a single word to the effect that during World War II the Treasury of the United States paid out a total, in one instance, of $2,102,067,000 through the Commodity Credit Corporation, and in another a total of $2,143,281,000 through the Defense Supplies Corporation. For what purpose? For the purpose of holding down the cost of food to the consumers; in other words, a $4.2 billion subsidy to the consumers of the Nation. Now, none of us kicked about that. I remember when OPA told me, "You, Mr. ANDERSEN, cannot have over 53 cents a pound for your butterfat on your farm near Tyler, Minn. That is all you can get out of your creamery." Had they left me alone, I would have received $1 a pound during the war at Tyler, but the Treasury, in addition, sent me a subsidy check of 17 cents a pound. So I netted about 72 cents for butterfat. I remember shipping a carload of lambs. The OPA ceiling was 15¼, I believe, and the Treasury sent me $3.15 subsidy. Had they left me alone and let me have what I should have had according to the law of supply and demand that the gentleman from Pennsylvania [Mr. KING] wants, I would have received $30 a hundred. I am just pointing out that here is evidence to the effect that we have paid out of the Treasury of the United States $4.2 billion of the taxpayers' money for the purpose of holding down the price of food to the consumers. Certainly, after having spent that amount of money in the past to help the consumer, should we not be willing now to give the farmer a fair price? Is that not justice?

Mr. POAGE. Mr. Chairman, I yield 5 minutes to the gentleman from Minnesota [Mr. MARSHALL].

Mr. MARSHALL. Mr. Chairman, I must first of all commend the members of the great Committee on Agriculture for the patience and courage with which they have devoted themselves to the legislation now before us. They have withstood terrific pressures and have put aside partisan political interests in striving honestly to bring before this House the best bill possible under the circumstances surrounding American agriculture today.

They have traveled many thousands of miles. They have talked not only to the leaders of the great farm organizations of this country but to the farmers themselves. In a very real sense, Congress listened to the farmers and asked their advice in their own backyards instead of waiting here to hand down a mail-order farm plan that might look attractive in the catalog but that just would not fit the facts as they exist.

COMMITTEE LISTENED TO FARMERS

In my knowledge, no committee has ever made such laborious efforts to go to the people to find out firsthand just what kind of a program was needed to meet the day-to-day problems they face. And the farmers responded by the thousands. You need only see the heavy volumes of hearings to know that the farm people of the United States wanted to talk directly to Congress. And to the everlasting credit of the Committee on Agriculture, its members listened.

After these months of hearings in every part of the United States, the committee has spent long hours and many days in serious deliberation on this legislation. Many members of the committee have had long years of service in the Congress and have made great contributions to the welfare of our country by their understanding and knowledge of agriculture.

UNFAIR ATTACKS ON COMMITTEE

As a Member of the Congress, I deeply resent the unwarranted and oftentimes misleading attacks made upon the members of this committee by less conscientious elements of the press and even by the administration itself. To men whose integrity has never before been questioned, these political sadists—if I may borrow the term—attribute base motives for their efforts to improve the lot of the American farmer. They distort truth not only in criticizing the farm programs now in effect but in implying that the committee reached its decision for purely political motives contrary to best interests of the country and its farmers.

Whatever siren song these political hucksters may sing, they forget we were elected by the people of the United States to legislate in the interests of the people of the United States. That is why the authors of our Constitution so wisely provided that the Members of this House every 2 years give an accounting to their constituencies. It was intended that we reflect immediately and accurately the aspirations and desires of the people who are most intimately affected by the laws of the land. If this be politics, surely it is a noble and proper purpose for elected representatives. Through us, the people of the United States express their hopes and their demands for economic justice and they rightly expect us to respond to their wishes. Our forefathers intended that we remain close to the people of our districts so that, knowing the problems of the people, we will keep faith with their mandate.

PROMISES MUST BE KEPT

This responsibility is above party and it lies upon all of us equally, whatever side of the aisle we may sit. Because of this, Mr. Chairman, I regard the House as the most truly representative legislative body in the world and I am all the more proud of the opportunity to share in its deliberations.

Candidates for other offices, including even that of President of the United States, have been known to use fine words to cloak uncertain meanings. For a time it may be possible to rouse cheers from a distant audience by words that do not mean what they say. But our neighbors in our districts are not a distant audience. They know what we mean and want us to mean what we say. And what we say at Kasson they want us to say in their kitchens, and they want it to mean the same thing.

Members of Congress, particularly those who have served as long as many on the Committee of Agriculture have, do not make careless statements. They, like all of us, are accountable to their neighbors for the pledges upon which they are chosen to represent their districts. Farmers to them are not an abstract statistic in a political poll. They are the people who live and work in our communities and who want their voices heard in the Congress of the United States.

ELECTED REPRESENTATIVES SPEAK FOR PEOPLE

I say, therefore, if we must choose between the slick TV slapstick of the opponents of this bill and the sober recommendations of the Committee on Agriculture, it is best that we choose the side of the elected representatives of the people.

How many of us can remember, just a few years ago, the slogan, "Equality for agriculture"? Remember the political struggle farmers had to engage in to obtain economic justice in a nation that had given many special privileges to both industry and labor. Have we so completely forgotten that struggle that we are prepared to sit complacently by while agriculture is driven to the bottom of the heap?

An oft-repeated charge by administration spokesmen is that farmers have priced their products out of the market and that the way to move food from storage to stomachs is by lowering farm income. The fallacy that lower farm prices would bring significant reductions in prices to consumers is ably demonstrated in the committee report itself.

No one can dispute the fact that never before in our history have people been so well fed as they are today. And this food is brought to their tables for a smaller proportion of their wages than ever before. And yet we have political appointees parading through the length and breadth of the land crying calamity and inciting consumers to revolt.

TURN FARMER AGAINST FARMER

But they are not content to turn consumer against farmer, they are even trying to turn farmer against farmer. Their strategy is almost as simple as their economic theories. So simple, in fact, that any child first hearing nursery rhymes knows about the cats of Kilkenny who fought and fit, and scratched and bit, until instead of two cats there were not any. But American farmers will not be fooled by the age-old doctrine of divide and conquer. They will not be taken in by this new breed of city-slicker—the processors and the professors—that holds sway in the councils of professional agriculture these days.

The same spokesmen for the same Department of Agriculture under the same administration do not say the same things in Minnesota as they say in North Carolina. In Minnesota they say, "You do not raise the crops that are covered by price supports." In North Carolina they say, "You do not produce the dairy products you need for your people, so why pay more on the market for them?" This shameful doubletalk plays loose with the facts published by the same Department of Agriculture for which they speak.

COMMITTEE GIVES THE FACTS

Using these facts honestly, the committee report points out that 55 percent of all the crops produced and livestock products sold in Minnesota are protected by price supports. This is a far cry from the 1 percent figure which has become increasingly popular in the mimeographed products of the Department's press agents.

What do they hope to gain by these practices? What do they expect to reap by sowing dissension and confusion, misinformation and ill-feeling? I, for one, do not know.

It is true that we have been accumulating surpluses. But let me remind the "gloom and doom peddlers" of agriculture that this is a tribute to the American farmer and not a curse upon him. It is a blessing for which we should be humbly thankful to God. The abundance of our harvest is surely more comforting to thinking Americans than the prospect of famine and want.

The glib exponents of a supply and demand market are seldom as enthusiastic when demand exceeds supply. How can anyone measure the cost to consumers of even a 1-percent shortage in food production? Yet even the slightest increase in supply strikes fear in their hearts and they raise the banner of the "fear deal" in agriculture.

FARMING IS FREE ENTERPRISE

Mr. Chairman, I think we ought to be grateful each day that our granaries are bulging, that our warehouses are full, and that we are able to feed the hungry who stand sometimes but one meal from the Communist boot. Full production is the best answer that our country can give to the forces of communism conspiring against us. This is free enterprise with a purpose and a conscience and it is the answer to controlled market place of the totalitarian bureaucracy. Thank God that our problems are the problems of plenty and not the problems of starvation and panic.

It has often been said that the highest purpose of government is to do together what we cannot do alone. We are capable in this country of maintaining a prosperous economy in every segment of society—industry, labor, and agriculture. By supplying an abundance of food and raw materials, we can maintain a strong and healthy economy.

It surprises me to find people who talk of full production for industry and maximum employment for labor while at the same time advocating a cutback for agriculture. I am optimistic for the long-time welfare of agriculture in this country. What other enterprise has a product to offer that is so essential to human life? What other enterprise is so truly basic to existence itself? What other enterprise finds its customers growing at the rate of 5 every minute, 300 every hour, 7,200 every day? When more and more people must be fed each day by fewer and fewer farmers, it is certainly safe to say that the market is expanding and not contracting.

THE FUTURE CAN BE SECURE

I know of no other enterprise in which the future is so surely secure if only we will exercise good sense in meeting the passing problems of this hour. By the same token, I can think of no future so bleak as one in which the shortsighted policies of today result in food shortages for tomorrow. Agriculture may be destroyed in a year, but it will never be restored in a decade.

Any balanced program for agriculture for the present and the future must provide for wise use of our land through soil conservation. And soil conservation is everybody's business. It requires that farm income enable the farmer to carry out good practices that benefit not only him but every generation that follows. The tremendous increase in population which we are now witnessing gives sharp urgency to the need for better soil conservation now. Every acre of topsoil carried down to the sea is an acre that can never be recovered. It is lost not only to the generations unborn but to those living today and next year.

ENCOURAGE SOIL CONSERVATION

Because our pioneers looked ahead we are a nation prosperous beyond precedent in the history of the world. But soil conservation is a battle never won and we must continue to look ahead if we are to continue our remarkable growth and if we are to supply the food that our next generation will need. Soil conservation does not just happen, it needs to be encouraged by all who will benefit from it. And there is no better way than by general prosperity for agriculture and specific programs of conservation.

Because I believe in the future of agriculture, I think it is wise that we do all in our power to improve our marketing machinery in order that we can continue to give consumers the benefit of the high quality products they now receive. It is important that we use the tools of research and education to bring know-how from the laboratory to the farm. It is important that we wage relentless war against the diseases and pests that ravage our crops. It is important that farmers obtain the necessary credit to carry on a good farming operation that benefits from all of these efforts. All of these programs are as important as REA, which lightens the burden for the farmer and his wife by wise use of labor-saving devices. When we see all of the elements that go to make up a prosperous and expanding agriculture, it is hard to understand the defeatism and fear some politicians are trying to foist upon us.

PARITY ITSELF IS FLEXIBLE

Why has our Department of Agriculture, which has so long spoken for the American farmer, failed to present a workable program for agriculture? Why does it speak for scarcity in a land of plenty? And what do they mean by flexibility? Is not parity itself flexible?

Mr. Chairman, I have no quarrel with those who consistently and firmly oppose any price-support program. I respect their views, though they differ with mine. But I fail to understand how anyone on the basis of our past experience can possibly believe that flexible supports will do all of the things their proponents claim for them. Every control that is necessary to make a flexible program operate is an extension of the same control under a so-called rigid program except that more controls are necessary.

PRESENT DAIRY PLAN ANSWERS NO QUESTIONS

The dairy program as administered by the present Secretary of Agriculture has created within the dairy industry more uncertainty and disaster and has given fewer answers to pressing problems than any program ever put into effect by either of our past administrations.

The farmers of our country realize that adjustments need to be made from time to time. They have shown their willingness to make these adjustments for the good of all. But they fail to understand why they alone should bear the expense of these adjustments when business reconversion payments reach $50 billion, or almost 40 times as much as the total loss on farm programs in 20 years.

LOWER PRICES AND LESS ACREAGE?

By what wisdom or logic does our Department of Agriculture ask for lower prices and less acreage at the same time? Is this an admission of weakness on the part of the Department of Agriculture? Why are regulations being written to take from farmers the control of their own agricultural programs? The USDA advisory committees are more and more mere front organizations for the processors and professors and give less and less consideration to the recommendations of the farmers themselves. Can you imagine a department of commerce controlled by the heads of our labor unions? Can you imagine a department of labor controlled by the heads of industry and business?

FARMERS LOSING CONTROL

Yet even in the election of community and county committeemen the present officials of the Department of Agriculture have so little regard for the wishes of farmers as to set up regulations that prevent farmers from taking a full and active part in the administration of their own programs.

Mr. Chairman, even if our Committee on Agriculture could come before this House with a perfect bill, our problems would not end. It is one thing for the Congress to enact a good bill; it is another for it to be properly administered. We well know that good administration can sometimes make up for deficiencies in the law, but bad administration can render worthless the best of laws. Even if this were a perfect farm bill—and no member of the committee to my knowledge has claimed that it is—Congress would have a difficult time getting it carried out with the present defeatist attitude in the Department of Agriculture.

So far as I know, not a single top-ranking official of the Department has been brought in to administer the program that is sympathetic to an effective price-support program.

GOOD FAITH NEEDED IN ADMINISTRATION

Mr. Chairman, I believe that we need an effective price-support program. But it cannot be achieved under the best of laws if its administrators are determined to prove that it will not work.

It is my firm conviction that it is better to build than to destroy; it is better to move forward than backward; it is better to act than procrastinate.

With high confidence and firm resolution we can solve our problems if we recognize our strength and move forward in a spirit of cooperation as we have been guided by the great Committee on Agriculture.

Mr. AUGUST H. ANDRESEN. Mr. Chairman, I yield 5 minutes to the gentleman from South Dakota [Mr. LOVRE].

Mr. LOVRE. Mr. Chairman, I rise in support of the bill now before the Committee. Before giving my reasons, however, I am compelled to commend our chairman for his honest, conscientious and courageous work on behalf of American agriculture. In my day I have come in contact with many leaders in agriculture, but never have I encountered a more sympathetic and understanding friend of the actual dirt farmer than our own chairman, the Honorable CLIFFORD HOPE, of Kansas. He is one individual who understands agriculture and its relation to our national economy. He has the courage of his convictions and will not be swayed by political pressure. American agriculture and the American farmer are fortunate to have such a man as chairman of the House Agriculture Committee. The Republican Party is fortunate to have such a man on its team.

PROSPERITY

The prosperity and stability of American agriculture is one of the most important domestic problems facing this Congress. Certainly, no one will disagree with me when I say, what is good for agriculture is good for every segment of our economy and the country as a whole. We have seen what happened to the storekeeper, the manufacturer, the professional man, the laborer, and all others when the bottom has dropped out of agriculture, our basic industry. It has happened, and it can happen again.

PRICE-COST SQUEEZE

Since February of 1951, we have witnessed a gradual drop in net farm income. Net farm income has dropped 13 percent in the last 2 years, while other segments of our economy have achieved new records. Net farm income has dropped 24 percent since its peak in 1947. It has also been estimated that if it had not been for the support program, farm income in 1953 would have been $3 billion lower. This is equal to almost 25 percent of the farmers' net realized income in 1953. Farmers receiving less and less for what they sell and paying just as much as ever for what they buy—that is the problem facing agriculture today. Agriculture has been for some time in what is known as a cost-price squeeze.

GRASSROOT HEARINGS

The committee and its staff, realizing the importance and seriousness of this problem and its effects on our national economy, took to the road last summer to find the answer. We traveled 20,000 miles and into every section of this country, interviewing farmers, businessmen, professional men and all others interested. We held public hearings with no holds barred. We stopped at individual farms and talked to the farmers on the cornpicker, on the plow, and in the farmyard. We took testimony by the reams of all who wanted to be heard. It was strictly a grassroots trip with a sincere desire on the part of our chairman, his committee, and its staff to find the answer.

Since January of this year, we have held numerous hearings trying to solve this complex problem. We have heard all of the national farm organizations. We have listened to countless individuals, groups, and organizations who are interested in agriculture and the general welfare of this country. We have left no stone unturned in trying to resolve the dilemma we now find ourselves in.

The bill now before you, Mr. Chairman, is the result of 2 years of hard work by this committee. Into this bill has gone the combined judgment and thinking of hundreds of witnesses, all of our national farm organizations and others interested in agriculture, our consumers and the country as a whole.

AGRICULTURE INCOME DETERMINES NATIONAL ECONOMY

National prosperity is the goal of every administration. Last Sunday on Meet the Press our Secretary of the Treasury, Mr. Humphrey, stated that the new tax bill was designed to create new and more jobs for an expanding and dynamic economy. This is as it should be, particularly at a time when our responsibilities as the leading nation of the free world are many and burdensome. The Secretary of the Treasury recognizes the need for a strong and expanding economy to fight communism, inflation, burdensome taxes, and the like.

Mr. Chairman, with new and more jobs we must likewise have sufficient income with which to purchase the products created by this expanding, dynamic economy that our Secretary of the Treasury advocates.

I am sure that you agree with me that, of all classes, our farmers are among the largest buyers of processed and manufactured articles. I am sure it would startle all of us if we knew today just how many millions of nonfarm people are living on the purchasing power of farmers. In 1952, farmers purchased over 7 million tons of steel—more than that used for a year's output of passenger cars; 16½ billion gallons of crude oil—more than is used by any other industry; 320 million pounds of raw rubber—enough to put tires on over 6 million cars; 15 billion kilowatt hours of

electric power—enough to supply Chicago, Detroit, Baltimore, and Houston for 1 year. There are owned by farmers in this Nation today 4,400,000 tractors, approximately the same number of cars, and over 2,500,000 trucks.

The 24-percent drop in farm income has already had its effect on industry, labor, and our national economy generally. If this trend is not stopped and reversed, this expanding and dynamic economy that Secretary of the Treasury Humphrey speaks of could become only another dream.

ISSUE

There is only one controversial issue in this bill, that is, the continuation of the 90-percent support program for our basics—wheat, corn, peanuts, rice, tobacco, and cotton—for a period of 1 year. All other commodities are on a flexible basis.

CAMPAIGN

Mr. Chairman, I have never witnessed a more vigorous campaign than has been waged by the proponents of the flexible system. Misleading information has gone out relative to the benefits of the support program. In my State of South Dakota we are led to believe that only 17 percent of our total farm income comes under the support program, while, in truth and in fact, 69 percent of the total value of our crops produced and livestock marketed was protected by price supports, surplus removal purchases, and marketing agreements. In addition to pitting farmer against farmer, there has also been a campaign to pit the consumer against the farmer. The farmer has been made the whipping boy for all of the evils that now exist. In truth and in fact, the present dilemma which agriculture now finds itself in was caused by Government itself and the administration of the support program. The farmer is blamed for the present surplus, the high cost of living, confiscatory taxes, and all the other evils that we are plagued with. He is labeled the "subsidy boy"—all of which is untrue.

An editorial in a leading magazine stated recently:

> The sorriest fact about the farm mess is that the supporters of rigid supports are well aware that they are economic nonsense. The system guarantees for the six basic crops—corn, cotton, wheat, rice, peanuts, and tobacco—a fixed price, no matter how much is needed or how much is produced.

Mr. Chairman, the editor of this magazine knows that this statement is untrue and is made for the sole purpose of confusing the issue between firm and flexible supports. Secretary Benson's decision to impose stringent crop controls, regardless of what kind of support program we may have, is ample proof that any support program must have controls.

The proponents of the 90-percent-support program for basics recognize the fact that with supports of any kind there must be controls. In this respect the farmer is no different from any other person in any other field of endeavor. The manufacturer, the processor, the merchant, in fact everyone, produces, processes, and manufactures only enough to meet the demand which will give him cost of production with a reasonable profit. In fact, I know of no other segment of our economy, other than agriculture, which operates on less than a full-parity concept.

Certainly, no one likes controls, and the farmers are no exception, but the vast majority of farmers we interviewed would rather take production controls than ruinous prices.

SURPLUS

Those who advocate a flexible price-support program contend that lower prices will wipe out surpluses, decrease production, and increase the farmer's income. If this were true, then the early thirties should have been an era of prosperity, but we know that is just not true. The disastrously low farm prices in the thirties not only broke the farmers but practically wrecked the entire national economy.

It is true that surpluses of farm products today are troublesome, but we should thank God that we live in a land of plenty rather than in a land of scarcity. The farmer and the support program are being blamed for these surpluses, but nothing is further from the truth. The truth is that the present surplus is caused, not by the support program or the farmer but by our Government and the administration of the support program. Previous Secretaries of Agriculture have played politics with the program, which cannot be justified. Controls have not been imposed when they should have been, as provided by law.

Further, Mr. Chairman, during the war period our Government pleaded with our farmers to increase their plants in order to provide the necessary food and fiber for our people and our allies. Our farmers responded patriotically, and no one was permitted to go hungry at home or abroad. After the war, it was the policy of our Government to help rehabilitate our allies, and justly so. With the aid of our Government, the battlefields were turned into grain fields, thereby losing the foreign markets to which our farmers had geared their production. This was a noble purpose, and a program to which I subscribe. But that is not all. In addition it has been, and is, the policy of our Government to open our markets to all the world in the interest of international good will but at the expense of our farmers.

Let me give you a few examples.

We have in this bill a wool provision whereby our Government can support wool at any level—90 percent or 190 percent of parity—in order to encourage an annual production of 300 million pounds. This can be done by direct payments to producers if necessary. Our wool producers are not sympathetic to this provision because they do not like subsidies and would rather get a fair price at the market place, but this is not possible under our foreign policy.

In 1942, this Nation had a sheep population of 49 million head. On January 1, of 1953, 11 years later, we had only 27 million head in the United States. Testimony before our committee disclosed that more than 90 percent of the sheep producers of the United States have now been forced to borrow their operating capital, and their position of solvency is so reduced that most of the growers have already mortgaged land and other capital investments in order to maintain their operations.

During all this time of decline in production, there was the 90-percent Government support program in effect. Obviously, it did not work because production has continued to decline throughout that period.

Even with 90-percent supports, low-wage foreign countries were able to ship into the United States and undersell the American grower. The result was the present program has piled up 100 million pounds of domestic wool in Government inventory, while foreign wool continues to take a larger share of our market. The present support program put a floor under the world market, took domestic wool off the market and turned it over to foreign competitors.

Now what should we do about it? We should impose enough restrictions on foreign imports so that the domestic grower can sell in the domestic market. We should raise the tariff high enough so that foreign producers of wool cannot come into the American market and undersell the American producer, who must produce his wool at costs based upon the American standard of living.

Can we do that? Apparently we cannot. Wool is an important segment of world trade. About 50 percent of Australia's income, more than that of New Zealand's national income, almost that much of South Africa's national income and the economy of many South American countries depend to a large extent upon the wool sold in export trade. The United States has been their best customer, but at the expense of our producers. This has been going on for years, and our State Department has failed to recognize that wool production is an important part of our economy and has also been declared strategic.

Congress has provided that when imports threaten our domestic farm support program additional tariffs, or duties, should be imposed, in order to protect the support program, our producers, as well as our taxpayers, from losses under the support program. This provision of the law has not been used for many of our agricultural products, including wool. A recommendation of the Tariff Commission that 10 cents per clean pound be added to the present duty, in order to protect the price of wool up to the support level of 90 percent of parity, has been set aside.

The President has publicly announced that he will oppose any tariff increase because we must not in any way endanger the billions we are spending for defense through breaking down trade relations with such areas as Australia, New Zealand, and South America. Our producers of sheep and wool are the victims of our defense program and cannot survive without immediate Federal assistance. The American market has been taken over by foreign producers under the guise of national defense.

Thus, if the tariff protection needed for the wool industry is to be sacrificed in the interest of national defense, then we must find some other solution in order to keep a healthy domestic sheep

economy. This is essential, because the Congress and the administration have both recognized and adopted the principle that wool production is essential to the national security and the national welfare. The money spent on such a program would be as much in the interest of national defense as is the money spent for guns and atomic bombs. This Nation cannot fight a war without wool.

We believe we have found the best solution possible under these circumstances and which is contained in this bill now before us. Under this proposal, without any regard to parity formulas or parity standards, the Secretary of Agriculture would consider the costs of production and other factors affecting the sheep industry, and would set a price at an incentive level, sufficient to encourage the increased production of wool from its present low of 227 million pounds per year up to a figure of 300 million pounds year year. This is considered by the administration as the very minimum of production for the national security.

Instead of financing this payment through taxes assessed against the general public, 70 percent of the revenues from the tariffs now in effect on wool would be used to finance the program. There is no tariff on wools coming into the United States which do not compete with domestic production, so it is obvious that the tariff now in effect is only for the protection of the domestic growers, inadequate as it may be. Thus the National Wool Act proposed by the administration proposes to make those tariff revenues do double duty. It will protect up to its present level, low as it is, and the money received will be used to compensate the grower through payments for the tariff protection the Government is unwilling to give him at this time. I am not happy with the bill, but it is the best we can devise under the circumstances.

Mr. Chairman, as with wool, our surplus of feed grains—oats, barley, and rye—is due primarily to our foreign policy of permitting imports to come into this country in direct competition with our home producers. According to the Department of Agriculture, I find the import of oats jumped from 3,231,000 bushels in July of 1951 to 68,593,000 bushels by July 1, 1953; barley from 13,915,000 to 24,910,000 bushels; and rye from 3,450,000 bushels to 5,564,000 bushels. For the first 10 months of fiscal 1954, or from July 1, 1953, through April 30, 1954, I find that there was imported into this country 68,246,000 bushels of oats, 31,307,000 bushels of barley, and 13,468,000 bushels of rye. During the same period, or for the first 10 months of fiscal 1954, the Commodity Credit Corporation, under the flexible-support program for those commodities, took a loss of $3,178,450 for oats, $1,053,138 for barley, and $17,571 for rye. All of this is done in the name of defense, but the farmer and the support program is made the whipping boy.

Mr. Chairman, we have invested billions of dollars in war materials. These materials are not charged as surplus against industry. Food is equally as important and its abundance should not be charged against the farm program, which has protected not only the farmers but every segment of our economy. It should be remembered that after World War II industry was protected against the competition of surplus war material. Trucks and cars and other Government surplus items were kept off the normal competitive market. Industrial war plants were recognized as surplusage, and charged off to war. The Government's investment in surplus foods today is only a small fraction of the annual military budget.

DECREASE PRODUCTION

It is argued that a flexible system of supports would decrease production and increase consumption. Testimony before our committee does not substantiate these statements. The price support on soybeans has been reduced from 90 percent to 80 percent this year, and the Department estimates a 12 percent increase in acreage. Support on corn in noncommercial areas has been dropped from 90 percent to 67 percent, with an estimated increase of 5 to 10 percent in acreage. Flaxseed has been flexed from 80 percent to 70 percent, with an estimated increase of 18 percent in acreage. These figures are from the Department of Agriculture and prove that by dropping the support level you will not decrease production.

The support level for dairy products was dropped from 90 percent of parity to 75 percent on April 1, and I am told that during the month of May of this year, under the 75 percent support level, the Commodity Credit Corporation bought more butter than they did under the 90 percent support program for the like period a year ago, and with very little increase in consumption.

CONSUMERS WOULD BENEFIT

It is also argued that a flexible system would result in lower living costs. This, too, has been proven a fallacy. Let us take a look at a few items on today's prices. If cotton were reduced to 75 percent of parity, it would lower the price about 5 cents per pound. The average amount of raw cotton in a shirt is three-fourths of a pound. This would save the consumer 4 cents on a $2.50 shirt; a housedress, three-fourths of a pound, saving consumer 4 cents on a $2.98 or $4.98 dress; a street dress, 1 pound, saving consumer 5 cents on a $5 to $7 dress; a bed sheet, 2⅕ pounds, saving consumer 11 cents on this $2.30 item.

Let us take a look at wheat. The value of the farmers' wheat in a 1-pound loaf of bread in 1953 was 2½ cents. The average sale of 1-pound loaves during 1953 was 16.4 cents. The farmer would have to reduce the price of wheat 80 cents per bushel to save the consumer 1 cent per loaf. In 1952 the price of the farmers' tobacco going into cigarettes averaged about 55 cents per pound. The farmers' share in a regular-size package was 3.3 cents. To save the consumer 1 cent per package on cigarettes the farmer would have to reduce his price over 15 cents per pound.

In spite of the 90-percent program which some people today so viciously attack and blame for the high cost of living, the fact remains that for 1 hour's earnings today you can buy more food than at any other period in the history of the country. Statistics prepared by the Department of Agriculture show that in 1914 the average factory employee could buy 3½ pounds of bread with an hour's earnings, in 1929 he could buy 6.4 pounds with 1 hour's earnings, and in 1953 he could buy 10.7 pounds. In 1914 the consumer could buy 0.9 pound of round steak; in 1929, 1.2 pounds; and in 1953, 1.9 pounds. In 1914 he could buy 0.6 pound of butter; in 1929, 1 pound; and in 1953, 2.2 pounds, and so on down the entire list of food commodities.

SUBSIDY

It has also been charged that agriculture has been and is being subsidized more than any other segment of our economy. A House appropriations subcommittee in January 1954, published figures indicating subsidies amounting to $45,662,835,506 for business since World War II, a large part of this for business reconversion payments. Our country's farm price-support and surplus-removal operations in the last 20 years have cost only $3,500,000,000, or 1 percent of the value of crops and livestock marketed.

Mr. Chairman, there is one last argument I would like to make. The proponents of the flexible system contend that the 90-percent support program is pricing our farm products out of the world market. This may be true, but it is likewise true of the entire United States economy. United States labor is the highest paid in the world. The cost of producing industrial goods and finished articles in the United States is the highest in the world. The cost of producing our food and fiber is the highest. When anyone starts talking about lowering farm prices to meet world prices they should be consistent and also talk about the necessity of lowering wages and the costs of all items that go into a finished article. In short, they should be prepared to make a case for reducing the standard of living to that of the rest of the world. The farmer cannot walk alone. The farmer cannot be asked to sell in a free market and buy in a protected market. All the farmer asks is a fair chance.

Mr. POAGE. Mr. Chairman, I yield 5 minutes to the gentleman from Georgia [Mr. PILCHER].

Mr. PILCHER. Mr. Chairman, I came here in February, a year ago, to succeed the late Gene Cox. This is the first time I have been in the well of the House of Representatives. One of the first things I learned is that rooky Congressmen were to be seen instead of heard. The reason I am speaking to you here this afternoon is that I do not believe that there is a man in this Congress who has had any more experience in farming or dealing with farmers than I have. There has not been a year in 42 years that I have not actually planted some cotton, corn, peanuts and potatoes, or had a few pigs and a few yearlings. I started plowing for 30 cents a day 30 years ago and I have farmed every day

since that time. For 30 years I have bought cotton and sold fertilizer and sold tractors to farmers and furnished them with insecticides, and my entire life has been built up with the farmers. I want to endorse this bill 100 percent.

Mr. Chairman, 90 percent of parity is a bare existence for the farmers; 75 percent of parity is complete bankruptcy. These surpluses are not the problems of the farmers. I was chairman of the PMA committee for several years in my county. In 1951, you remember, we were getting letters and telegrams from the Secretary of Agriculture advising us to advise our farmers to increase the acreage and increase the use of fertilizer. Now I am not one who believes in high price supports without having rigid controls. We cannot have price supports and not have controls.

I have the honor to represent 14 counties in southwest Georgia and I think my district is the most diversified agricultural district in the United States. We grow cotton, tobacco, peanuts, sugar cane, oats, rye, satsuma, beans, tomatoes and tobacco. We can grow practically anything in my section of the country that is grown in the entire United States. There has been a movement on, as we have been told this afternoon, to divide the city people and the farmers. The city people are wrong about what the farmers get out of it.

I had 100 acres of cabbage the first of this year, with a ton of fertilizer per acre. The highest I sold that cabbage was at 2 cents a pound. In less than 3 weeks there was no sale at all and we had to harrow it under.

I was down there at Easter and I had 6 acres of tomatoes. The highest price I got for the tomatoes was 2 cents a pound. I was paying 25 cents a pound in Washington for tomatoes at that time.

You can buy 30 pounds of watermelon for 15 cents on the farm this afternoon. That would cost $1.50 in Washington.

We all know it is distribution, processing, advertising, that cause these costs to the housewife. It is not the farmer. The farmer has one of the most hazardous professions in this country. He has to be a weather prophet. He has to be a gambler. He has to be a financier. He has to have an unlimited amount of guts and energy. Any man that can successfully farm can run any business in this country. They talk about the farmers making money. Any farmer in my section who has farmed his entire lifetime and sent his children to high school and accumulated five or six or seven thousand dollars in a little home, we consider a successful farmer. We are small farmers.

This 75 percent of parity will absolutely ruin our section of the country, because I think it will bring on a recession. I know it does not make any difference with this House, but I am giving you what a smalltown businessman's idea of it is.

I borrow about a quarter of a million dollars every year to buy fertilizer, implements, insecticides for these farmers. If this 75 percent of parity is going into effect the 1st day of January, I will not open my business next year. I will tell you why: 90 percent of parity last year was the first year that we really hit it. You can see the tractors in the sheds down there now. They are not buying any tractors, they are not buying any washing machines, they are not buying any well pumps. They can hardly do it now. I would be foolish to scatter that over that section of the country knowing I could not collect it next fall. Unless things get so bad, if we do not have 90 percent of parity, that Congress will do something, we will have a recession, and then we will start back.

The CHAIRMAN. The time of the gentleman from Georgia [Mr. PILCHER] has again expired

Mr. HOPE. Mr. Chairman, I yield 5 minutes to the gentleman from Minnesota [Mr. H. CARL ANDERSEN].

Mr. H. CARL ANDERSEN. Mr. Chairman, I want to use these few minutes to point out what may happen tomorrow. The main amendment tomorrow will probably be a proposal to reduce the 90-percent-price supports under basics to 85 percent. This would, if agreed to, be a victory for those who follow Secretary Benson's thinking. To accept such an amendment will be a direct repudiation of our President's pledge made in October 1952, to the farmers of the Nation at Brookings, S. Dak.

I am very sincere when I tell you that whoever offers such an amendment and whoever helps put such an amendment through the Congress will cost agriculture in the United States about $2 billion gross income for each 5 percent that the 90-percent figure is reduced. Surely we will not legislate a depression by our action tomorrow. Please study carefully this news report to the effect that farm prices have dropped 4 percent during the past month. Should we not stop, look, and listen?

Mr. Chairman, I fear we are on the economic slide. Just last week I received 82 cents per bushel for my 1953 rye. Today in my district in Minnesota eggs are bringing from 22 cents to 27 cents a dozen. Hog prices are on the way down and it looks like $17 or $18 hogs by October. Bring the price of our corn down 25 cents or so a bushel and you will see a great increase in production of hogs and poultry, and consequent distress in those fields next year. Why? Simply because my farm partner, and hundreds of thousands of farmers like him, will have to feed their corn in order to secure approximate parity for it. He will have to increase his production, and thus further add to the surplus if the commodities he does produce is lowered in price. I personally do not intend to be responsible for knocking down the income of agriculture by agreeing with Mr. Benson and taking perhaps one half billion dollars in 1954 from the corn crop value, and next year an additional one-half billion dollars because of a mistaken reasoning. If this Congress foolishly follows Mr. Benson's suggestion and breaks down the price level of that great corn crop to which the gentleman from Iowa [Mr. HOEVEN] referred, that is the responsibility of those who vote in that fashion. But remember that when you take that billion dollars off of that one crop, corn; when you take away from my partner on my farm the little profit that he makes, weather permiting, in producing corn today, you will lose in gross income for all in America, all along through the economic bloodstream of our great Nation, 7 times that $1 billion, yes, seven billion in gross income which will not be generated into purchasing power. Cut down the 90-percent protection to 85 percent upon our basics, and eventually our entire agricultural gross income will decline to that level. Cheap feed grains mean cheap cattle, cheap hogs, cheap poultry, and eventually an improverished agriculture. Statistics prove that if agriculture receives $1, the Nation as a whole receives $7. In 1932 agriculture received $6½ billion, the whole Nation, $45 billion. In 1947 when agriculture received $42 billion, our great Nation prospered as never before. Now agricultural income is dropping and unless that decline is checked, unemployment and distress will prosper throughout our Nation.

I ask all of you very sincerely as a man whose lifetime has revolved around agriculture to think twice, yes, even oftener, before you support anybody, regardless of whether it may be my good Majority Leader or any other of my good friends, in an effort to reduce the 90 percent price-support figure in section 1. In my opinion if you do support such a move—and I am sincere in this—you will be helping to grease the slide toward the further decline in agricultural commodities. Also, you will help to put people out of jobs all the way up through our economy in these great United States of America. I ask you to think this over tonight before you act on the basic amendment before us tomorrow. I respectfully request that you support Mr. HOPE and Mr. ANDRESEN, whom you have always followed before. They know agriculture.

Mr. KING of Pennsylvania. Mr. Chairman, will the gentleman yield?

Mr. H. CARL ANDERSEN. Surely I will yield to the gentleman from Pennsylvania; the gentleman has always been very courteous in yielding to me.

Mr. KING of Pennsylvania. The gentleman is adding to the argument that has been presented here on the floor that those farmers——

Mr. H. CARL ANDERSEN. What is your question, please, Mr. KING?

Mr. KING of Pennsylvania. I am asking if we have not been under this system of rigid support all during the last 7 years; does not that prove that it will not work?

Mr. H. CARL ANDERSEN. It proves nothing whatsoever. We would have had a ruinous depression following World War II had we not had the price support protection.

We have had a great propaganda campaign over the last year and a half, mistakenly urging the adoption of flexible price support by sincere but mistaken people who do not understand the economics of our great workshop, the United States. They do not know that you cannot harm one segment of our

population without the entire economy becoming dislocated.

To my mind it is extremely dangerous to reduce our farm economy. If you tinker with the basic materials upon which our economy is based, the raw materials produced by agriculture, fisheries, forestry, and mines, you may by such tinkering hurry along a depression in our entire Nation. Please leave the 90 percent as it is.

Mr. KING of Pennsylvania. Will the gentleman yield further?

Mr. H. CARL ANDERSEN. I regret that my time is so limited that I must yield the floor.

Mr. POAGE. Mr. Chairman, I yield 7 minutes to the gentleman from Florida [Mr. MATTHEWS].

Mr. MATTHEWS. Mr. Chairman, I disagree with my colleague from Florida, the distinguished member of the Committee on Agriculture [Mr. HERLONG], because I am supporting this bill that has been brought in by the great Committee on Agriculture. I do not often disagree with my dear friend and able colleague, Mr. HERLONG, who has rendered such distinguished service to our State.

I want at the outset to thank most sincerely the members of the Agriculture Committee for spending at least 2 days this past fall in the Eighth Congressional District of Florida. I believe they know more about the problems of agriculture than any other group in the Congress, and I know that all of us appreciate the wonderful work they have done.

Mr. Chairman, I am for this bill for many reasons. The first reason is because of the fact, as has been explained here today, that the cost to the consumer at the market place is not appreciably reduced because of price supports; and I do think it is somewhat of a pity that we have had in the press and over the radio this fight between the consumer and the farmer, because it absolutely is not true.

For the cotton in a shirt that sells for $3.95 the farmer gets but 30 cents.

For the 5-cent candy peanut bar he gets but half a cent for the peanuts in it.

How can the consumer get a decent break by giving the farmer just a little bit less?

I am told that in 1953—in fact, it is in the committee report—the farmers received $800 million for their tobacco crop which was consumed in the United States. With the local, Federal, and State taxes added to that amount the consumers of that tobacco paid $2,100,000,000.

I heard Secretary Benson on the radio and television several months ago—and many of you heard him when this question was asked him: "Do price supports have anything to do with consumer costs at the market place? If we do away with them would it cost the consumer less?"

Secretary Benson said: "It would not have any appreciable effect." Let me tell those of you who do not go grocery shopping for your wife that you should do so, for it is very revealing. When the support price on butter was reduced it was 3 weeks before it was reflected in the price of any butter I bought in a store near the District.

Let us take another example, if you please. We might assume, "well, if we do not have such things as supports the consumer will get a break, and also the one who grows the product will get a break." Let us take watermelons. The distinguished gentleman from Georgia mentioned watermelons in his State. Last week in the Eighth Congressional District of Florida they were being sold by our farmers for 10 and 15 cents apiece. Yet just yesterday in the House restaurant, and they furnish their food at a modest price, I paid 50 cents for a slice of watermelon. Watermelon is 5 cents a pound in some of the great stores in this area, which means you pay $2 for a 40-pound melon.

Let us take as another example, coffee, if you please. I want to congratulate the gentlewoman from Missouri, who keeps telling us about the millions of dollars the American consumers are losing on coffee. Who are you going to blame for the high cost of coffee? You cannot blame it on the farmers of the Eighth Congressional District of Florida. I believe the high cost of coffee is tied up with the idea of speculation. I believe it is tied up with the idea of a scarcity scare, if you please. I suggest that perhaps a little bit of coffee stored in some bins here in the United States might have a very salutary effect on the price of coffee. So I say again, Mr. Chairman, you cannot prove to me that this is a fight between the consumer, on the one hand, and the farmer on the other.

I am for this program because the cost has not been excessive to our Government. I notice it has been said the program has cost $3.5 billion during the last 20 years or 1 percent of the value of the crops and livestock which were marketed during that period. In that same period I am told, Mr. Chairman, that we have given subsidies to business in the amount of $45 billion. I will not even try to guess the amount we have given in foreign aid, and may I say that I voted for the foreign-aid bill this morning. You know, I am proud I did that for many reasons, one of which is, I am going to say to you: I know this bill is going to pass because the foreign-aid bill passed by a great majority and no man is going to get up and say to the American public, "We are willing to take a more calculated risk, if you please, with those abroad than we are with those in our own country."

I am also for this bill, Mr. Chairman, because the farmer cannot go it alone when other segments of our economy are protected. You protect the railroads, and I believe they should be protected. You give them the right to charge a certain fare. We have the merchant marine subsidized, and I believe in that. We have labor organized, and I am proud of the fact that labor is not fighting the farmer. The laboring man is not saying that the fight is between the farmer and the laborer. You have the public utilities given the right to make a profit. I think that is proper. You give the great corporations, by reason of their huge structure, the right to establish prices so that they may make a fair profit. Now, you have got to do something for the farmer because the farmer simply cannot go it alone.

Also, Mr. Chairman, the farmer must be prosperous if the city people are going to be prosperous. The other day I was up there at Rockefeller Center, in New York City, and I wish the gentleman from New York [Mr. JAVITS] were present to hear about this. There were about 20 of us there from 5 different States. In our group we were from Iowa, Kansas, Missouri, Florida, and Nebraska. We paid $1.40 apiece to go through Rockefeller Center. Why, that guide took in more money from us than one of my farmers made on his cucumber crop this past season. That guide took in more money from us than another one of my farmers made on his tomato crop.

Mr. Chairman, this is not a fight between the city and the country, if you please; it is a common fight that all of us share.

Lastly and most important, I believe in the Jeffersonian ideal of democracy. One important thought in that ideal is ownership of land—the proper caring for land. I do not know much about past civilizations, but I have studied somewhat the civilizations of Rome and Greece. Those civilizations fell to a large extent because of their land problems.

I plead with you Members of the Committee to pass this bill. It is not perfect. There are some things we perhaps would like to have in it, but it is a good bill. It will help the farmers. It is right; it is just, and it ought to pass.

Mr. HOPE. Mr. Chairman, I yield 3 minutes to the gentleman from Massachusetts [Mr. HESELTON].

Mr. HESELTON. Mr. Chairman, there is no doubt but that many portions of this bill are not only in accord with recommendations made by the administration, but carry out long needed revisions in outdated national agricultural programs. To that extent the committee is certainly entitled to our appreciation and the appreciation of the country as a whole.

It is very unfortunate that the most controversial provision of the bill is title I, which would require 90 percent of the parity price for the 1955 crops of any basic commodity, is a definite rejection of the proposal of the administration of flexible price supports. Although there have been some efforts to becloud this fact, I was glad to note that the very able chairman of the committee [Mr. HOPE], frankly admitted that this was true in his opening remarks this afternoon.

This is a clear instance where those who do not wish to support this part of the President's programs will vote for title I and those who want to support that program can do so by voting for an amendment striking the 90 percent provision.

The President has made this evident beyond any doubt on a number of occasions, the latest being at his news conference this morning which we can all read in today's press or hear on the radio and television news programs.

I think that too often many of us are likely to forget some of the facts presented to us earlier in the year by the President personally with reference to the program he has recommended.

I want to make brief references so that the record of this debate will not only be clear but factual. On January 7, in the state of the Union message, the Presisaid:

As we seek to promote increases in our Nation's standard of living, we must be sure that the farmer fairly shares in that increase. Therefore, a farm program promoting stability and prosperity in all elements of our agriculture is urgently needed.

May I emphasize the words "all elements of our agriculture."

I do not think that any member of the committee will seriously dispute the fact that the existing program and the proposal of the committee for the continuation of price supports in title 1 has been and would continue to be most unfair to those engaged in agriculture in New England and throughout the northeast.

I obtained this afternoon from the Department of Agriculture information as to the percentage of total cash receipts in the New England States from the basic commodities. It is as follows:

	Percent
Massachusetts	4
Connecticut	12
Maine	0
Vermont	0
New Hampshire	0
Rhode Island	0

What is true of New England is obviously true in the Northeast and elsewhere. And this destroys completely the argument that a continuation of the present rigid 90 percent program is in the best intrests of all American agriculture.

After referring to the war-time purpose of encouraging maximum production of many crops, you will recall that the President pointed out that we now had reached a point where production far exceeds present demands; where the borrowing authority of the Commodity Credit Corporation was nearly exhaused; where surpluses in gigantic quantities existed and where we had been priced out of domestic markets and world markets.

He pointed to the two clear alternatives. First, the imposition of still greater acreage reduction for some crops and the application of rigid Federal controls over the use of diverted acres. He stated that this would regiment the production of every basic crop and would place every producer of such crops under the domination and control of the Federal Government. He condemned this alternative as contrary to fundamental interests, not only of the farmer, but of the Nation as a whole. He then pointed to the second alternative of permitting the market price for these proucts gradually to have a greater influence on the planning of production by farmers while continuing the assistance of the Government. He commended this as a sound approach. He then continued:

Building on the agricultural laws of 1948 and 1949, we should establish a price-support program with enough flexibility to attract the production of needed supplies of essential commodities and to stimulate the consumption of those commodities that are flooding American markets.

At the conclusion of this portion of the state of the Union message, the President said:

I have chosen this farm program because it will build markets, protect the consumers' food supply, and move food into consumption instead of into storage. It is a program that will remove the threat to the farmer of these overhanging surpluses, a program, also, that will stimulate production when a commodity is scarce and encourage consumption when nature is bountiful. Moreover, it will promote the individual freedom, responsibility, and initiative which distinguish American agriculture. And by helping our agriculture achieve full parity in the market it promises our farmers a higher and steadier financial return over the years than any alternative plan.

On January 11, the President sent his message on agriculture to Congress. The entire message is worthy of serious restudy by all of us, but at this moment, I wish to quote only two paragraphs. They are as follows:

Sixth. No single program can apply uniformly to the whole farm industry. Some farm products are perishable, some are not; some farms consume the products of other farms; some foods and fibers we export, some we import. A comprehensive farm program must be adaptable to these and other differences, and yet not penalize one group of farmers in order to benefit another.

Seventh. A workable farm program must give the administration sufficient leeway to make timely changes in policies and methods, including price-support levels, within limits established by law. This will enable the administration to foresee and forestall new difficulties in our agriculture, rather than to attempt their legislative cure after they have arisen.

The minority report of the gentleman from Pennsylvania [Mr. KING] is worthy of the most careful kind of consideration. It analyzes ably the fallacy of the committee bill with reference to the results of high rigid price supports. Certainly, anyone truly interested in a sound agricultural program can adopt his analysis of the committee recommendation.

I want to refer in particular to his discussion of the cost of the program, not only as of now, but in terms of present facts carried on into the future. This should be considered in the light of what seems to me to be a most erroneous presentation of the fiscal results of this program in terms of realized losses. I doubt if anyone can dispute the conclusion that he reaches that the total expenditure of $23 billion of taxpayers' money, and the end is not in sight. Certainly he is entirely right when he states:

In the face of these facts there are still people trying to make the people believe that these programs are not costing anything, and that the Government has made a profit on them.

One of the most conclusive pieces of evidence as to the soundness of this conclusion reached Congress this afternoon when the President forwarded Secretary Benson's request for an additional $1,500,000,000 for the borrowing authority for the Commodity Credit Corporation in terms of the possibility that the existing program would be continued.

The vast cost has been paid by the taxpayer. It has thereby increased their cost of living. Yet it is now proposed to continue that increase. And it will be for the benefit of a relatively few farmers with far the larger amount of price supports going to those engaged in agriculture who need them least.

Many of my constituents are engaged in substantial agricultural pursuits. I also have many constituents engaged in nonagricultural pursuits. I know that the best interests of all of them would be served by the enactment of the President's recommendation and unless someone else offers an amendment to carry out that recommendation so far as price supports are concerned, I shall do so.

I am convinced that all of us in the northeast, whether we represent people engaged in agricultural pursuits or people engaged in other activities, or both, will be acting in their behalf by supporting such an amendment. All of us realize that all of our constituents are consumers. If, because such an amendment is rejected and the committee recommendation is adopted, the result in the coming months is an increase in the cost of farm products to the consumer, I am certain that those who are adversely affected will resent any indifference on our part to their legitimate interest so far as this bill is concerned.

Mr. H. CARL ANDERSEN. Mr. Chairman, will the gentleman yield?

Mr. HESELTON. I yield to the gentleman from Minnesota.

Mr. H. CARL ANDERSEN. The gentleman says that we should follow the President's recommendation relative to title I.

Mr. HESELTON. I do, sir.

Mr. H. CARL ANDERSEN. Well, I sat and listened over the radio to the President's speech in Brookings, S. Dak., just 30 miles from my own farm, and I am following, in my voting, his recommendation made then as a candidate for the Presidency of the United States.

Mr. HESELTON. I did not hear the speech, but I did hear him deliver his state of the Union message, and I heard the agriculture message read, and I intend to follow his recommendations.

Mr. HARVEY. Mr. Chairman, will the gentleman yield?

Mr. HESELTON. I yield to the gentleman from Indiana.

Mr. HARVEY. I would just like to say for the benefit of the gentleman that the committee last fall held hearings in his home State, and while we were there we heard many of the producers of commodities, including those of tobacco, particularly, that I recall, and those folks were very heartily in sympathy with the present program. So, I do not think the gentleman is quite correct when he leaves the impression with the House that nobody in the New England territory is for the program.

Mr. HESELTON. Only those who raise tobacco, and only a small portion of those receive any support. Much of that tobacco is raised in my district and I can assure the gentleman that many

want no part of high, rigid support because they know the inevitable results in other controls which they detest.

In further answer to the gentleman's question, may I read a telegram I received this afternoon?

SHELBURNE FALLS, MASS., *June 30, 1954.*

As president of Massachusetts State Farm Bureau and member American Farm Bureau dairy committee, favor American Farm Bureau position regarding amendments, favor flexible price supports and 75 percent for dairy products.

FRANCIS E. BARNARD.

I think I am as close to my own district as anybody else, and I can assure the gentleman—and I respect him and I know that he reflects the opinion in his own district—that there are many of us in this country that know what this program has done to our own farmers and we are not going to permit it to continue if we can help it.

In Massachusetts dairying ranks highest in total income. Poultry farming is next. Those fine people in those activities have been squeezed over the years because of the high cost of feed which they have had to import from the feed-growing areas. They have been forced to reflect that as much as they could in their prices. They know the results and they know one of the main reasons. So do the consumers of their products.

As I have said, I am convinced that neither the producers of agricultural products in the Northeast, nor the millions of consumers there, are likely to look with much favor upon this attempt to block this part of the President's program for all American agriculture.

Mr. HOPE. Mr. Chairman, I yield 5 minutes to the gentleman from Maine [Mr. McINTIRE].

Mr. McINTIRE. Mr. Chairman, as a younger member of the Committee on Agriculture, it would be most ungracious for me if I did not take the opportunity, after the many months of hearings and the many miles of travel which it has been my privilege to enjoy in company with the membership of this committee, to express my appreciation of the many privileges of discussion and a chance to visit in the congressional districts of many of the members of the committee, and thereby get the opportunity to understand some of the problems which those members have in dealing with the agricultural situations within their districts.

As I have listened to this debate, I appreciate more fully the tremendous task which has been placed into the hands of our chairman. I wish to express to him personally my deep appreciation of the very gracious manner in which he has dealt with those matters which have been of interest to me and of his kindness in extending to me the privilege of debating with other members of the committee our common problems. We are indeed fortunate to have Mr. HOPE as our chairman.

This afternoon we have been listening to debate and arguments relative to price support. I would particularly call your attention to the fact that this bill covers much more than that. There are many features of this bill which are deserving of more time than they are likely to get. I refer particularly to the provisions relative to agricultural attachés, putting them back under the jurisdiction of the Secretary of Agriculture. I have had a limited experience in dealing with agricultural attachés, but that experience has brought me the conviction that this provision of the bill is most important.

I draw on a background of farm experience similar to that which has been described by the gentleman from Indiana [Mr. HARVEY]. I have spent years dealing with farmers in their credit problems, farmers who were on the verge of bankruptcy. I appreciate to some extent, I believe, the efforts which have been made in legislation to build a firm base under the economy of agriculture.

I have had also rather firsthand experience through direct contact with the potato price-support program which brought upon the potato industry a great deal of criticism, and out of that experience I have become deeply concerned as we approach a decision on this legislation whether or not we are facing squarely up to a solution of our agricultural problem.

I appreciate fully the arguments which have been presented by the members of the committee and were I from their districts, I suppose I would argue along the same lines. But it seems to me this afternoon's arguments have hinged rather closely to justification for continuing high level support, rather than to a concrete solution of the problems which are confronting us.

I want to say very frankly from experience which I have had in the potato program that while acreage control may seem to lead toward a solution of overall production, that that certainly was not our experience. I am afraid to draw the conclusion, but I must, that in the producing areas that are now subject to rather strict acreage controls they will find that they do not have the complete answer to production problems because it is natural for farmers to improve their practices and bring forth from those acres the highest production possible.

I shall support the flexible principle as set forth by the administration. It is not a new position for me. I appeared before the House Committee on Agriculture, as a farmer, at a hearing in Durham, N. H., in 1947 and took the same position. I voted against extension of the 90-percent support 2 years ago. I did not do it because of any lack of interest in the problems of the basics. I have visited their sections and seen their problems. However, I believe it is a constructive step toward a solution of our agricultural problems.

Mr. HOPE. Mr. Chairman, I yield 5 minutes to the gentleman from Nebraska [Mr. HARRISON].

Mr. HARRISON of Nebraska. Mr. Chairman, at the outset I want to join my colleague from North Carolina [Mr. COOLEY] and the others who have been so complimentary to our chairman. He certainly has been everything that has been said about him, as I have found him to be since I have been a member of this committee. Appearing as I do here at this particular time, you may know where I stand on this committee. I am at the low end of the totem pole. However, I must say this about our committee chairman, that he has afforded me every courtesy and every kindness that anyone could afford a freshman on a committee. Because of the courtesies he has extended to me, I take it for granted that a few years ago he was at the lower end of the totem pole himself.

I, too, represent a farming district. I have been a farmer and I own and operate a farm at the present time. I am sure I have no monopoly here this afternoon on the desire of the Members of Congress to do something for the farmer. I am sure we all have that desire. However, it seems to me that we have clouded the issue here a time or two this afternoon in trying to do the thing we want to do for the farmer.

I know my good friend the gentleman from Texas [Mr. POAGE] has a very good understanding of the subject of arithmetic, but he has told you in his own words that the Government would lose more at 90 percent of parity than it would lose at 60 percent of parity. I know he knows more about arithmetic than that. Nevertheless, those were his statements.

I have heard it said here this afternoon that the surpluses we have—and the thing that seems to be foremost in our minds here this afternoon is what we are going to do with our surpluses—are a blessing. I am sure that in instances they are a blessing, but if they are going to cause you to go down to an unsuccessful farming career, I am not sure that it makes any difference whether they are a blessing or a burden. It is a good deal like when you die, it does not make any difference whether you are killed or scared to death. It does not make any difference whether this is a blessing or a burden. At the present time these surpluses seem to be somewhat of a burden on the farming industry. That is the thing we are talking most about.

I am sure that the Members who have appeared here before me are sincere in the thing they propose. I have heard and seen crocodile tears shed here this afternoon for the farmer, but I want to say that the farmers in my district, the district I represent, and this is not the best district in the United States, but it is as good as the best, and I would put my farmers and my constituents up against any district in the United States, would tell you that the sooner we get away from Government control and support prices the better off we are going to be.

I want to say this in support of that with the farmers in my area. This has not been mentioned here this afternoon. It is a thing which is uppermost in the minds of all the farmers. We found it to be true in the trips that we took throughout the United States. I was one of those who along with CLIFF McINTIRE made all of these trips throughout the entire country. We listened at length to all of the people who are interested in a farm program. They were interested in a 90-percent support program and they told us that in no uncertain words. But, the people who are interested in a support program are not

interested in the controls that must accompany the support program. That is the thing which is uppermost in the minds of the farmers today. They want the supports, but they do not want the accompanying controls. Those of you who want these support-price programs fail to remember that while we are giving the farmer these high support prices, we are choking him off by controlling his acreage. So I do not know whether it makes a great deal of difference whether the income comes about as a result of the high support prices or because of greater production—I think the farmer would be interested in less controls and greater production. I have a letter which I just received this morning to bear me out in that statement. It comes from a little farmer in Ashland, Nebr., who has raised nine children on his little farm. He has 130 acres on which last year he had 9 acres of wheat. He went to the elevator the other day to sell his wheat. He asked the elevator man if he would take the wheat. The elevator man said, "Do you have a marketing card?" He said, "No, I do not have a marketing card." He said, "I cannot take your wheat." Then the farmer said, "What are we coming to? Are we coming to the Russian plan where everything we have is controlled by the Government?" I think that is the way the farmer feels about these things. I think he is thinking more about that control that is being wished upon him than he is thinking of this 90 percent support, which you people seem to want to give him. I am sure if we take these things into consideration, we will change our minds about high-support prices.

Mr. POAGE. Mr. Chairman, I yield such time as he may desire to the gentleman from Massachusetts [Mr. LANE].

Mr. LANE. Mr. Chairman, $243 a ton, and they call that "peanuts"? No, it is not a typographical error; $243 a ton for jumbos, otherwise known as "elephant food," that once sold for 5 cents a bag, but now pushed so high by a Government price-support program that is out of this world, up in the stratosphere where things do not look the same as they do when down to earth.

They talk about "messes."

Rigid price supports for peanuts are in a class by themselves, defying all competition.

Piling up surpluses, depriving children of old-fashioned peanut bars, curtailing the business of candy manufacturers, and inviting a consumer strike against this fantastic adventure in economics.

This law hurts everybody concerned.

Growers, shellers, crushers, brokers, manufacturers of peanut products, consumers, and taxpayers.

This is not control.

It is suicide by suffocation.

The formula looks so neat and scientific when, in fact, it is a wasteful WPA for agriculture.

Artificially jacking-up prices and producing high-cost surpluses that are a bother to everybody except the needy.

How long do you think the public is going to stand for this nonsense?

Especially when there is no compensatory subsidy for unemployed industrial workers?

The farmers need some protection, that is sure, but not to the point where he is supported, regardless of all other consequences.

The contradiction of bulging storehouses and scarcity prices will lead to a revolt against the whole price-support program, unless a fair compromise stems the tide of consumer resentment.

Government held stocks of peanuts are at an all-time high.

The price of peanuts is more than six times the price in 1931.

No wonder that peanut bars have been forced off the market.

The American people can take it, up to a point.

You cannot impose upon them, however, time and again.

If you insist upon rigidity, so can they, in opposition to commodity prices that are stacked against them.

Why peanuts should get preferred treatment, along with cotton, corn, and wheat, does not seem logical to them.

Peanuts represent less than one-half of 1 percent of the national farm income. During the entire period of the Commodity Credit Corporation's history, from October 15, 1933, to April 30, 1954, the loss on peanuts has been $109,039,923.

In relation to national farm income, the losses on peanuts have been 13 times larger than the losses suffered on wheat.

From 1943 to 1952 usage of peanuts by the confectionery industry was reduced by almost 50 percent. This was not a matter of choice. Manufacturers were compelled to do so by an unrealistic price-support program.

When figured on the basis of the new modernized parity peanuts are priced at 112 percent on parity, the highest of any commodity under support.

Both grownups and children would like to buy peanut products, but they just cannot do it when they are subjected to these pressures.

And you cannot force them to buy at extortionate prices.

Blind and stubborn adherence to rigid supports will defeat itself.

It is the industry that will be left holding an empty bag as demand dries up.

Never lose sight of the fact that your best ally is consumer-support.

If you continue to alienate it, as you are doing, all the compulsory legislation in the world will not save you.

Peanuts are not a basic commodity.

They cannot be shoved down people's throats by the forced-feeding of unworkable parities.

A flexible program is a reasonable program.

Anything else is foredoomed to failure.

Better merchandising methods are better values; real values will recapture lost markets.

If you give millions of children a break they will cut down that surplus in short order.

If you give in a little on price supports you will harvest a better return from consumers who are with you instead of against you. Flexible price supports are your best friend.

Mr. POAGE. Mr. Chairman, I yield such time as he may desire to the gentleman from Mississippi [Mr. WHITTEN].

Mr. WHITTEN. Mr. Chairman, I wish to congratulate the members of the Committee on Agriculture for bringing out this measure providing for firm price supports for basic commodities against the active opposition of the Secretary of Agriculture and the administration. There are many features of this bill on which I know there are differences of opinion even among the members of that committee.

However, I say again the overwhelming majority has refused to help scuttle the farm program for that is what so-called flexible supports mean. The chairman of this great committee and many Republican members did not subscribe to such provisions in the law passed in 1948 and 1949.

The President and Secretary Benson would put storable basic commodities, on which we have lost only $21 million in 21 years, under flexible supports when those commodities already under flexible supports, which they advocate, lost $1,425,000,000.

They would change the law where we have lost no money, but leave the law alone where we have lost the money.

Mr. Chairman, our President would return for flexible supports the Agriculture Act of 1948, Public Law 897, passed by the Republican 80th Congress.

This law provided for 90 percent of parity support price when there was a shortage of a basic commodity—of course, if there was a shortage there would be a market and no need for any support. But if there was a surplus of as much as 30 percent—and, therefore, a need—then the support assured was only 75 percent.

Many Democrats in my section who supported President Eisenhower are making discoveries.

Many thought that candidate Eisenhower gave assurances of firm 90-percent support prices for basic commodities. However, the Republicans are reading the fine print to us now.

As one Washington newspaper which supported General Eisenhower recently pointed out:

The platform—

Of the Republican Party—

on agriculture favored a farm program aimed at full parity prices in the market place.

The last four words were in italics.

Of course, if the buyers would buy at that price you would need no price supports.

I wonder if the Republican Party has tried to determine why their ticket ran so far behind President Eisenhower. Could it be that the farmers remembered the Aiken bill, which gave complete assurance of help to the farmer when he did not need it and only two-thirds as much when he did need it?

Could it be that the American people were afraid of the flexible-support program, which stretched when you did not need it and was tight as Dick's hatband when the farmer needed help to get his breath.

Now that the Secretary of Agriculture, the Vice President, and others are reading the fine print to us and the Secretary of Agriculture is making speeches, the general tone of which is that a little hardship and privation visited on some us would be good for all of us, Democrats and farm-minded Republicans early last year almost falling over themselves to extend firm price supports 2, 4, and 7 years.

I told a number of people that if the Republican leaders kept their present ideas on farm legislation I thought I would offer a bill to extend firm supports for 26 years—for the remainder of this Republican term, the 20 years they would be out, and through their next term.

I note Secretary Benson says he does not see why they should find fault—that he is carrying out every order the late Secretary Brannan left behind. I thought he was going to improve on Brannan. Why, I made the closing argument in the House debate against the Brannan plan, so to me, a Democrat, Brannan's order is not the complete answer. Yet Mr. Benson has taken over Brannan's plan for wool.

The farm commodities on hand in 1941 saved the day for us and our allies. Today we are building ships, airplanes, guns, atomic bombs, H-bombs, trucks, tanks, storing up everything—for they would be needed as a margin of safety in the event of all-out war. This buildup far exceeds that for World War II. On each item of these hundreds of billions of dollars' worth of equipment, the Government paid cost-plus-a-profit to the manufacturer and fixed pay to the worker. Yet there is great fear of a $1 billion or $2 billion reserve of food and fiber.

Are we in danger enough to spend hundreds of billions on the military? The military people say so. We have acted on that assumption. Then is our food and agricultural surplus too large?

In World War II we asked industry to expand. We paid the bill. We later gave them quick tax amortization. We asked labor to work—they did—we paid them.

We asked the farmer to expand his plant. We did not pay him. We gave him no firm contract. We promised only to support his production of basic commodities at 90 percent of the comparative gross purchasing power which he had in 1904–14, when his farm was 70 percent land, when out of his gross he did not have to buy expensive farm machinery and equipment, which is more than half the value of today's farm. And with those farmers who did not produce the six basic commodities, their support price, if any at all, was usually 60 percent of the comparative purchasing power the farmer had in 1909–14, when his house went unpainted, his boy or girl had to work their way through school, and the average farm family did not enjoy ordinary conveniences.

We spent $4 billion on consumer subsidies during the war. We paid out over $14 billion to get industry to convert and expand during World War II, and have spent much more since then. Shall we complain at the job the farmer has done at less than $2 billion expense, if we count the value of what we have on hand?

Mr. Chairman, at a time when we have a stockpile of $104 billion worth of military materiel, when we spend $40 billion annually for national defense because of the dangerous international situation, we find the Secretary of Agriculture and the Vice President of the United States on the air saying that we should cut back our farm production in this country practically to that necessary to meet domestic needs. We have only about $6½ billion worth of so-called surplus commodities. Those commodities are not surplus to world needs, nor actually are they surplus to our security needs. Those commodities, due to the actions of those in Mutual Security and in the State Department are not moving in world trade on a competitive basis. When offered they are offered on a prevailing price basis. That means that we offer at the prevailing world price; then when foreign countries reduce or discount theirs, we are not meeting their competitive price. We hold ours back. We therefore are merely a residual supplier. Remember the Commodity Credit Corporation has the authority to sell now—but by administrative policy the Corporation is prevented from doing so.

When everything else is going up, the administration says let us have sliding scale supports.

Mr. Chairman, let me show just where the cost paid by consumers goes. It is not the farmer who gets an ever-increasing share, but rather the opposite. I would like for the Members to look at these charts which show the true picture.

For instance, in answer to the statement that is frequently made that the American farmer is pricing himself out of the domestic market you will note from this chart that today 1 hour of labor will buy more bread than almost ever before. The same thing applies to steak; it applies to milk; it applies even to butter. It applies to bacon, it applies to eggs, it applies to potatoes, and it applies to oranges. In other words, in spite of the fact that agricultural prices have been supported and that the Commodity Credit Corporation has on hand certain stocks that I will talk about a little later, you will find that even on a comparable basis the factory worker can buy more agricultural commodities than at practically any time in history for 1 hour's work. Why is it the American people are not told of these facts instead of being told things that serve to incite opposition to some equal treatment for American agriculture?

You will note that in 1947 a loaf of bread, which is a common article of food, that in 1947 the American farmer got 2.9 cents out of a loaf that sold for 13 cents. In 1953 the farmer got only 2.5 cents out of a loaf of bread that sold for 16.4 cents.

Why is the Department of Agriculture not telling the American people these facts? These come from the statistics of the Department and they are facts which should be told.

Another thing that has been pointed out so frequently by the Secretary of Agriculture and by so many others in an effort to inflame the city consumers against the farm program is the fact that most of these increases in farm production came at the request of the Federal Government.

Here is a record of the production goals—which means requests made of the American farmer by the Federal Government for the period of years 1942 to 1952—with the exception of a very small amount in 1952—for this period of years from 1942 to 1952 the Government of the United States was asking farmers to increase their production to meet the needs of the American people and of our allies in this period of international trouble. Not only that, but for this number of years the Government also established export restrictions and in some instances an outright embargo on the shipment of agricultural commodities and not shipping these agricultural commodities into world trade even though world prices were much higher than the domestic prices that the farmers were getting. These are facts that exist, these are facts that are found in these hearings. They are not the facts that you read in the speeches of those who would wreck the present farm program in favor of what they call flexible supports but which I term to be sliding-scale supports.

Mr. Chairman, I happen to come from a cotton section of the country. There are many things involved in this. In the first place, notwithstanding the quantities of cotton you have on hand, the American Government has made money on all your price-support programs on cotton. Cotton will stay in storage for as long as 40 years. The supply of cotton that we had on hand when World War II occurred practically saved us. That was true not only in connection with that one commodity but other commodities as well.

COMPETITION FOR LAWS

We are a country of laws. There is competition in this Congress, like there is everywhere else, as to how a law is going to be written. For instance, we have a law in reference to a standard quality of shirt with a standard mark. This is true of many other commodities also. If they get an agreement among the merchants in many cities in many States to sell at a certain price they can require others to sell that same commodity at the same price.

WHO GETS THE CONSUMER'S DOLLAR?

If you will look here as to the division of your cotton dollar, you will see that the cotton grower gets 13.3 cents out of the dollar, the ginners about seven-tenths of a cent, the merchandisers 1.3, the manufacturers, dyers, and finishers 18.5, the manufacturers of apparel and household goods 29.2, and the retailers 32.1 for buying the goods and offering it for sale again. The wholesalers get 4.9 cents.

I make that point not to complain about the markups, though in some instances you might think they are un-

reasonably high, but to point out where your dollar goes. If this were a standard make shirt with a regular name and if one merchant were to agree to sell it at a fixed price set by the manufacturer and that price is $3.64, the farmer would get 31 cents for his cotton in that shirt. Furthermore, if the farmer gave the cotton for nothing, there is no reason to believe that the shirt would be reduced in price at all as long as the buyer would buy it at $3.64. As long as one merchant would offer it for sale at $3.64, in most areas of the United States, because of laws we have written, the other merchants would have to sell it at $3.64. I am not saying that there are no faults with the present farm program. I do say those faults are not the cause of the things that are being pointed at today as being a reason to abolish or seriously damage the existing farm program. In other words, we have heard lots of statements about the high price of beef. This shows you that out of the beef dollar the marketing share is 36 percent, while the farmer's share is 64 percent from which of course he pays his cost including depreciation. Then again we see in this economy of ours that when the farmers' prices are drastically reduced, as much as 40 percent, we see precious little change in the retail price. Why? Do you know of any merchant whose commodity will move at regular prices that will reduce those prices as long as people stand in line as they do in Washington to buy those commodities at the price fixed? Is there any reason to believe that private enterprise is going to reduce just because they can under our system?

IS THE CONSUMER GETTING LESS?

The next thing we find is the statement to the American people that due to the high cost of food, due to the high cost of the price-support program, the American consumer some way is being injured. The record shows that the American people are eating 12 percent more nutritious food, good food, on an average, than ever before in history. The record further shows that the individual is paying a less percentage of an hour's time of work to buy that food. Whatever the conditions are surrounding the price-support structure, the American consumer, on a comparative basis, seems to be doing all right.

I think it should be pointed out that the American people today are paying approximately 23 percent of their income, on an average, for food, while the people in the rest of the world pay on an average approximately 70 percent of their income for food.

It is easy to see why they are not able to buy the automobiles, the refrigerators, and the television sets that we can here in America, since we have 77 percent left after buying the food in America to buy all these other commodities, while the rest of the world, on an average, only has 30 percent left.

In 1953 the farmer received 2.5 cents out of 16.4 paid for a loaf of bread. In 1947 he got 2.7 out of a 13-cent loaf.

As I have tried to point out many times, beginning with the first session of the first Congress in this country of ours, the fight was on to write the laws. Competition was on as to how our laws would be written, and various advantages have been written into the laws by folks who believed in them and thought they were essential. In about 1900 we began to have substantial protection for industry, or even earlier than that, but about 1900 we began to place advantages—I will not say unfair advantages, but advantages—to take care of the wages of industrial workers. This is no attack on that situation, but I am saying when you set out through the Interstate Commerce Commission and grant freight-rate increases since World War II amounting to 121 percent, when since 1946 the total cost of the farm commodities from the time they leave the farmers' hands until they reach the consumer has gone up 83 percent, when you say that the high cost of living can be attributed to the producer of the basic raw materials, when actually he is getting a less percentage than in 1946, we are making serious and real serious mistakes. Now, about 40 years ago it took about 4 people who lived on the farm to feed 1 in the Nation. It was comparatively easy for 4 people on the farm to feed 1 in the city, because they could virtually do it with their surpluses, you might say.

Before there was any price support program or any real effort to give farmers or American agriculture its reasonable share of the Federal law, our Nation wasted about 40 percent of our fertile lands, including other natural resources. When the farmer sold for what he could get, farm life was so unattractive and the farmer received such a small share of the conveniences which other segments had that young men and women left the farm and farm life was hard on those who remained, not because of the long hours but because the individual farm had little purchasing power. Where about 40 years ago 84 percent of our population was on the farm, today only 16 percent of our population is on the farm, actively engaged in farming.

FARMING TODAY IS A BUSINESS

Today farming is a business. Our American farmers have a total investment of more than $141 billions and last year spent more than $24 billions making a crop. The investment per farm worker was $18,718 while that per industrial worker was $12,289 in 1953. Due to his large annual investment, today the farmer can lose his farm in 2.7 years.

The American farmer will either have to make enough money to meet cost of production and make a small profit, or else like any other businessman he will let the farm plant go down, exhaust the fertility of the soil, and then move to town like the rest of us. The price of taking commodities from land is going to be paid either by the person who consumes it, uses the commodity, or by the land itself, and we do not have the land to spare. In less than 25 years, at the present rate of production, we will need more than 100 million acres of fertile land—land we don't have—to meet a population increasing by about 3 million a year.

PRICE-SUPPORT PROGRAM NOT THE CAUSE

The existing price-support program is not the primary cause for large agricultural surpluses now in the hands of the Commodity Credit Corporation. In the first place all basic commodities now under a 90-percent support price are contingent upon the farmer's control of his production in line with the foreseeable market, when requested to do so by the Government.

Next, the so-called 90 percent of parity support level does not even assure the farmer cost of production. It attempts to give him the same comparative purchasing power that he had in the base period 1909–14, or on a comparable basis with the last 10 years. In either instance, to be given such assurances the farmers as a group must agree to restrict production in line with the foreseeable market, as set out by their Government when requested to do so.

REQUEST FOR PRODUCTION

During the period 1942–52 the Government requested the farmers to expand their farm plant and to produce ever-increasing quantities of agricultural commodities for the benefit of the Nation and our allies. Firm commitments to purchase these commodities were not made—page 22, hearings.

GOVERNMENT RESTRICTIONS ON EXPORTS

During this period numerous embargoes and restrictions on export of farm commodities were imposed by the Government, which prevented the exportation of many farm commodities at any price, notwithstanding the fact that the world price greatly exceeded our domestic price—page 26, hearings.

SALES POLICY

During this period and up until the last 30 days our Government, notwithstanding the fact that much of this production was held in the United States at the instance of the Government, has followed a policy of holding American agricultural commodities off the world market to enable friendly nations to have the market with American commodities used only to take up the slack—pages 49 and 1120, hearings.

AGRICULTURAL ATTACHÉS

Even our official agricultural representatives abroad—agricultural attachés—are subjugated to the control of our State Department, which has consistently opposed selling American farm commodities competitively on world markets—unless we let the domestic price paid our farmers sag to competitive world levels—and our Government so far has largely followed that course as general policy.

What would American labor say to that if advocated for them? What would American industry say?

FARMERS LARGE CONSUMERS

American farmers are great purchasers of the output of American industry, possibly the greatest single market. They buy on the American market, causing high costs which must be included in

prices received or else they will bleed the land, then go broke—page 173 hearings.

WHY?

Our American price-support system has not priced American farm commodities out of the domestic market. The American people are eating approximately 12 percent more good nutritious food than in 1939. It takes a smaller part of an hour's work to buy food today than at any time in the last 40 years—BAE report.

Many people believe these commodities have been deliberately held here to build up the cost so as to inflame the public against the present farm program. I do not believe the Department of Agriculture has gone that far. However, I do know the butter bought by the Government has not even been offered on world markets, even at prevailing world prices much less competitive prices. I do know the Department of Agriculture has increased interest paid as well as storage fees paid—page 1647 hearings. Why, unless to add to the expense of the farm program?

COMMODITY CREDIT CORPORATION LOSSES

Only approximately $1½ billion of the total Commodity Credit Corporation stocks have been offered on world markets during the last year, and those were offered at prevailing prices, which means the world price was determined, our commodities were offered at that level, our competitors then merely had to give a discount to undersell. Of course, when other supplies became exhausted, countries still needing supplies came to us for the residual amount needed to meet demand. There have been minor exceptions to this general policy, but the policy insisted upon by the State Department to meet international relations has virtually held most American farm commodities off the world market—page 49 and page 1120, hearings—since we have not made the price truly competitive.

INCREASED MIDDLEMAN'S TAKE

Since 1945 the cost of handling agricultural commodities from the time they leave the farmer's hands until the level of the consumer has increased by 83 percent. During that same period the farmer's share of the consumer dollar has $1,850—BAE report.

The American farmer's average income was approximately $850 in 1953. The average comparable income of other workers in our economy was about $1,850—BAE report.

COMPARATIVE COSTS

The cost of our farm program, notwithstanding that most of the cost comes from governmental policy of asking increased production and holding such production off world markets, is far less than our expenses in connection with industry and labor, in connection with World War II and since—page 20, CCC hearings.

The total losses on farm commodities have been approximately $1,200,000,000 in the 20 years of its existence. During the period of war we paid out $4 billion in consumer subsidies. The Federal Government paid out approximately $40 billion in tax amortization to industry and in contract settlements to enable industry to reconvert quickly so as to keep industrial labor employed. Total investment of the CCC of approximately $7 billion is small indeed as compared with the $129 billion we have invested in military materiel—page 20, CCC hearings.

FLEXIBLE SUPPORTS MEANS SLIDING SUPPORTS

It should be remembered that the administration's recommended flexible price-support program, fixing a maximum support of 90 percent, with provision for required supports being reduced to 75 percent contingent upon supply on hand, will become effective automatically January 1, 1955, unless the Congress acts to prevent it—page 70, hearings. It must be remembered that supplies of commodities on hand now under the formula of that law would automatically reduce the required support level for most basic commodities almost to the minimum of 75-percent supports.

It should be remembered too that any basic farm commodity already at 90 percent could flex only downward under the so-called flexible supports advocated by the administration. Support levels on commodities not now under the new parity formula, if placed under the new formula as requested by the administration, would be reduced.

DEPARTMENT SPEECHES

Led by the Secretary of Agriculture, many speeches are being made today to the effect that the farmer and the present price-support system seriously threaten the American economy, and that if something is not done to reduce the amounts going to the farmer under the present program the city consumer is going to rise up and overthrow the farm program. It is my considered judgment that those in control of the Department of Agriculture are doing more to incite such a feeling than any other group. The facts supporting the farmers' position, which I have cited, are all supported by our hearings on the appropriation bill for the Department of Agriculture; but they are not the primary subject of speeches by the Secretary and his group, who in their efforts to build up public sentiment against existing farm programs in my humble judgment are building up opposition to any farm program though they do not intend to do so. This is tragic, in my judgment. Only in the last 20 years has American agriculture had its fair share of laws or has agricultural life offered anything like the attractiveness that other segments of our population have enjoyed. Only during that period have we put back a reasonable share of what we have taken from the soil.

In order to protect future generations we must give real attention to maintaining a sound financial system. It is bad to overdraw at the bank. It is much worse to overdraw on our real wealth, which is the land, the timber, the natural resources, the material things.

COSTS WILL BE PAID

In this day of commercial agriculture the price must be paid. I realize the consumer is paying much for his groceries; but he is paying a smaller percentage of what he makes per hour than almost at any time in history. May I remind you that these high costs come from the fact that there has been an 83 percent increase since 1945 in cost attached to farm commodities from the farmers' hands to the consumer. May I remind you that freight rates have been increased by the Interstate Commerce Commission 11 times since World War II, reaching a total of 121 percent increase—page 138 hearings. May I point out to you that in a $3.69 shirt of a standard make the farmer's share is about 35 cents, and under the law if one merchant agrees to sell the standard brand at a fixed price, the manufacturer can require all other merchants in the same locality to stick to the same price. Thus, if the farmer furnished the cotton in such shirt for nothing there is nothing in the law that would require the passing on to the consumer of such windfall.

THE NATIONAL DEBT

Mr. Chairman, we are having lots of trouble living with a debt of $265 billion. But the records of our country will show that for any 5-year period in our history the national income has averaged about seven times the farm income, and we cannot stand a reduction in our national income of seven times the drop we have already had in farm income.

Our high standard of living can be largely attributed to the fact that with our wealth of natural resources it took so few of us to supply food, clothing, and shelter for the rest of us that it left many to supply the automobiles and other conveniences that we enjoy far beyond any nation in history. We must not force back on American agriculture the huge cost which is being attached to his production from the time it leaves his hands until it reaches the consumer. Such costs are attached by reason of minimum wage laws, bargaining power of labor unions, by freight rate increases and by continuing demand of consumers for cellophane containers, washed vegetables and frozen foods, and so forth. The American farmer is in business too, he has a tremendous investment and a huge annual cost. That cost will have to be paid either by the consumer or by the land itself. There is one thing that will put the farmer completely in the saddle, just as he is in the saddle in Greece, China, and India. When the Nation's resources are so exhausted that there is competition for who is going to eat, the man who produces it will be in the saddle, but we must not be so shortsighted in our Nation as to fall for that.

THE ANSWER

The answer, Mr. Chairman, is that this administration must stop the governmental policy of holding agricultural commodities off world markets at competitive prices. The American farmer is entitled to his fair share of world markets at competitive prices, just as he is entitled to his fair share of the laws on our own statute books, in view of protection for industrial labor and American industry. We must retain equal treatment for American agriculture. Then the farmer will be willing to limit

his production to the foreseeable market, domestic and foreign; but not to the domestic market for that would mean his ruin as well as the reduction of the standard of living for the rest of us.

Mr. Chairman, may I conclude by saying that many people, many businessmen today are finding out their welfare is dependent upon the welfare of agriculture. They know it in our smaller cities now. It will not be long before they know it in Detroit, Chicago, and New York.

Mr. POAGE. Mr. Chairman, I yield such time as he may desire to the gentleman from Oklahoma [Mr. EDMONDSON].

Mr. EDMONDSON. Mr. Chairman, the committee report on the Agricultural Act of 1954 is outstanding in more than one respect. It not only contains a clear and logical discussion of our farm problem—and no honest and realistic American can deny the existence of a complex and difficult problem—but there is also presented in graphic form a great volume of evidence to support the nationwide importance of an effective farm program.

Surely it has become elementary that national prosperity goes hand in hand with farm prosperity, and that danger signals on the farm front are a cause for alarm to all Americans who want to see a prosperous country.

The Agriculture Committee's report is a convincing showing of these danger signals, and every Member whose district includes farm population has already learned at first hand of the increasing distress in American agriculture. Today's report of a further decline in farm income during the past month is additional evidence of this grave condition.

The farmer who goes broke is no longer a customer for the Nation's factories and retail stores. He cannot pay his doctor, his lawyer or his merchant—and hard times on the farm do not take long to reach into every home, every store and every office.

The arguments against this bill have convinced me of the law's imperfections, and it should be obvious that new methods are needed to deal with the problem of farm surpluses, but I cannot disagree with the powerful conclusions of this great Agriculture Committee that extension of 90-percent supports on basic commodities and immediate restoration of some support for dairy farmers are both wise and imperative.

The committee conclusions were reached after the most careful and extensive nationwide hearings, and these conclusions represent the combined wisdom of men whose heads and hearts have been occupied with America's farm problem for many years. I cannot lightly dismiss the thinking and the logic of the senior Members of this House who have made the study of American agriculture and farm legislation their life work, and who have brought to our great Agriculture Committee the honor and distinction which are only earned through untiring effort, devotion to duty, and unchallenged integrity of purpose.

I deeply regret that our Secretary of Agriculture does not share the conclusions of House leaders who have given so many more years to the study of this problem, and I fully sympathize with the Secretary in his difficult task and acknowledge the responsibility of Congress to give assistance in the problem of our farm surplus. I trust and hope that the committee will soon come forward with additional recommendations in this field, and am confident that an answer can be found without destruction of the foundations for stability in American farm income.

If the committee's report has demonstrated nothing else, it has in my opinion conclusively exploded the misleading argument that farm price supports are responsible for today's high cost of living for the American consumer. When we read that only 2¼ cents in the price of a loaf of bread is paid to the wheat farmer—that the cotton farmer receives about 30 cents for the cotton which goes into a $4 garment—that the peanut grower is paid one half a penny for the peanuts in a 5-cent peanut candy bar—we can find very little comfort for the consumer in the prospect of lower price supports on the basic commodities.

As one Member has already put it, a failure to pass this committee bill—in the light of present-day farm conditions—could well mean disaster for the American farmer.

Disaster for the American farmer in 1954 would surely bring disaster to all Americans in 1955.

Let us keep our farm economy strong, and thereby strengthen our country, by supporting the Agricultural Act of 1954 as reported by our committee.

Mr. POAGE. Mr. Chairman, I yield 5 minutes to the gentleman from Kansas [Mr. MILLER].

Mr. MILLER of Kansas. Mr. Chairman, I, too, am one of these newcomers. Maybe I should apologize for taking up the time of the committee at this late hour in the evening. I do not know that I shall consume the entire 5 minutes. I think I shall talk, perhaps, more from experience than on the basis of theory. Like some of the rest of us, I have done some farming in my time. I took over a farm, a quarter section with a good mortgage on it, before the turn of the century. I have farmed every year since. I suppose I have planted, raised, and harvested a hundred acres of wheat a year for the last 55 years, and maybe 200 acres of corn, along with oats and hay, and I have raised hogs and cattle, and so forth, just as I am sure you who are farmers or have been farmers have done. I see that nearly everybody here has had some experience on the farm, and I have likely had just about the same experience as you have had. I can remember when there was no farm program. I can remember, too, when this farm program was new and when it was being attacked, as it is being attacked more or less here today, on the ground that it is regimentation and that it is contrary to our free-enterprise system.

I can tell you just how free this enterprise system is in the United States. The very first Congress that was convened after the adoption of the Constitution abolished free enterprise by passing a protective-tariff law, at the solicitation of some ironworkers in the State of Pennsylvania. That was the beginning, if you please, of creeping socialism in this country, and the good people of Pennsylvania have profited by this protective tariff ever since. They still have their hands out.

The farmer went without any protection for a century and a half. Oh, yes; he had a paper tariff. He had a tariff of 30 or 40 or 50 cents a bushel on his wheat when he was producing a surplus and selling it in the open market most of the time. It was not worth a dime to him. The surplus is where the trouble is today. We have not said much about it; but if you take the problem of surpluses out of this bill, the rest of it would fall flat. It is all built around the fact that we are producing surpluses; and if we do not do something about them, they will ruin the American farmer. The American farmer went unprotected for a century and a half. I can remember when my father told me that they burned corn for fuel in the seventies. I do not remember that, but I do remember when my father hauled corn off at 12 cents a bushel in the spring of 1897.

I did not bring any manuscript to the well, but I have a little book here that I picked up on my desk the other day, and it shows figures like this: In 1896, 4,816 bushels of corn were bought for $1,333.29—a little over 20 cents a bushel. That is a picture of what the farmers went through at that time. But you do not have to go back to 1896. I can remember in 1932 when I bought corn at 8 cents a bushel from my neighbors. They planted it and harvested it and put it in the crib and sold it at public auction at 8 cents a bushel. I bought wheat of my neighbors at 28 cents per bushel and fed it to hogs that I sold at 2½ cents per pound. Think of it, a 200-pound hog for a $5 bill.

The CHAIRMAN. The time of the gentleman from Kansas [Mr. MILLER] has expired.

Mr. HOPE. Mr. Chairman, I yield the gentleman 2 additional minutes.

Mr. MILLER of Kansas. Those are the things that brought about this farm program. It was the surplus that produced those prices. It was the surplus that brought on the ruinous conditions which resulted in a farm program.

I just want to say in conclusion, if we ruin the farmer—we do not have to ruin him—if we just put him in straits, we will all feel it. I do not care whether you are a white-collar man, a merchant, a manufacturer, a professional man, or who you are, you will all feel it up and down Main Street within 12 months.

Who was it that came before this House saying "We must do something for the farmer" in the lean years of the early thirties? It was everybody, for we were all in distress. That could happen again. It is because we do not want it to happen; it is because we are determined that it shall not happen, that we should pass this bill giving the American farmer equal consideration with other segments of our population.

Where is the most distress now? Why, it is among the manufacturers of farm machinery. The workers in that industry are nearly all out of a job. Why? Because the farmer cannot buy these tractors at the price he is getting for his products at the present time. I know, because I went through this situation. I know what happened to the cattlemen a year ago. I had 110 head of cattle on the feed when I came to Congress and I know I put up about $10,000. I know what is happening to the dairymen now. Those are things we have to think about.

Mr. Chairman, I would like to say just one more word in passing about parity. Parity means equality, equality means justice, and 100 percent of parity is just equal justice. We farmers are willing to take off that 10 percent just as a margin, give it to you, just as a bargaining figure. But when you do anything less than that you are simply asking the farmer to take less than is coming to him.

Mr. HOPE. Mr. Chairman, I yield such time as he may desire to the gentleman from New Jersey [Mr. CANFIELD].

Mr. CANFIELD. Mr. Chairman, heretofore I have not taken an active part in the debates on farm program legislation. This in no way indicates my lack of interest in this program because I think the prosperity of America is tied up very closely with the prosperity in agriculture. The proposal for extending rigid, mandatory price supports on the so-called six basic commodities for another year, in spite of the tremendous surpluses of agricultural commodities, moves me to say a few words on this subject.

I would like to remind my colleagues in the House that we spend a great deal of our time talking about the so-called six basic commodities—corn, wheat, cotton, rice, peanuts, and tobacco—which only make up 23 percent of the cash farm receipts; and very little time is devoted to discussing the problems of the majority of the farmers of this Nation where 77 percent of the cash farm receipts are derived. I think it is high time that we stop to consider where the continuation of the present farm program will lead us. As a matter of fact, the continuation of fixed profitable price supports on these six basic commodities is not only piling up tremendous surpluses of the commodities, but at the same time the use of the diverted acres from the basics is getting the other 77 percent of our farmers into serious trouble.

I can speak with some authority on this subject because in 1952, the latest year complete figures are available, only 1.9 percent of the cash farm receipts in my State of New Jersey were derived from the basic commodities. Seventy-eight and five-tenths percent of the agricultural commodities produced in New Jersey have no support at all. Nineteen and three-tenths percent of the farm cash receipts in New Jersey come from dairy products; and dairy products are supported in accordance with the provisions of the Agricultural Act of 1949.

We hear a great deal of talk and discussion about the evils of the Agricultural Act of 1949. Let me remind my colleagues that this act was developed and supported on a bipartisan basis. Let me also remind you that in 1954 the Agricultural Act of 1949 is in full force and effect on all commodities except cotton, wheat, corn, and peanuts. I ask the Members of this House: How long can we defend a program which is costing upward of $700,000 per day for storage alone and an estimated $300,000 a day in wastage and spoilage?

Surely we must recognize that the program of price supports now in effect for the so-called basic commodities is the same program that was institgated by this Congress in May 1942—12 years ago—when we were entering a Second World War. We have extended year after year this wartime measure until we have reached the point of the highest volume of surplus agricultural commodities in our history.

We should recognize that 5 out of the last 6 years' net farm income has declined under this program. Surely we have the necessary courage to make needed changes in order that the farmers in this Nation can earn and get a good income.

I think it will be a serious mistake if we vote to extend this wartime emergency legislation for another year. We can no longer go blindly down the road and accumulate additional market-depressing surpluses, and see the net farm income of farmers continue to decline.

Mr. HOPE. Mr. Chairman, I yield such time as he may desire to the gentleman from California [Mr. PHILLIPS].

FLEXIBLE SUPPORT PRICES

Mr. PHILLIPS. Mr. Chairman, for a long time it has been recognized by Congress that flexible price supports are the only answer to an economy based on basic needs for food and fiber produced in the United States. It is true that because of the Korean War and our emergency needs for increased production, rigid supports were introduced to meet the emergency needs. As we turn back now to a peacetime economy we find that these rigid supports have made it profitable to produce surpluses and that these surpluses have become so great, so unmanageable and so expensive that they threaten to destroy the very economy we are trying to preserve.

The agriculture bill which we are considering contains set-aside provisions which are vital to the basic crops, agriculture attache provisions which are vital to all phases of agriculture related to export-import commodities and the wool bill which is necessary to save an essential and vital agricultural industry.

We must not jeopardize these good and essential measures by tying them to the rigid price-support provisions which the administration has already warned could only lead to a veto of the entire bill. For that reason, I urge the adoption of the amendment which will be offered to place under flexible price supports our basic agricultural commodities as was originally intended by Congress when these flexible supports were added to the basic law.

Mr. HOPE. Mr. Chairman, I ask unanimous consent that all Members may have the privilege of extending their remarks at this point in the RECORD on the pending bill.

The CHAIRMAN. Is there objection to the request of the gentleman from Kansas?

There was no objection.

Mr. EVINS. Mr. Chairman, a few days ago we had a distinguished visitor in our country who stated that he came here to talk over some "family matters"—certainly this is always in order—and following that visit we of the House have just passed a measure authorizing expenditures of approximately $3½ billion in aid and assistance to allies abroad—gifts to our friends of foreign governments.

All this we recognize is risky and costly, but we also recognize is designed in the best interest of the United States.

What is difficult to recognize sometimes is how we can continue to dole out huge sums—gifts—abroad to foreign governments, and to deny assistance to people of our own country, particularly the American farmers and American agriculture.

This measure before us provides for 90 percent of parity support price for four basic farm crops. It is not a handout in any sense of the word, but an effort to stabilize American agriculture and to insure that American farmers receive a fair return for their labors and production and to keep American agriculture on an even keel.

I have always supported the parity program—the insuring of 90 percent of parity for basic agriculture crops. We all know and we must recognize that when American agriculture prospers, all of America prospers.

There has already been a substantial reduction in farm income over the past 2 years—estimated to be a 13 percent reduction—and we should take no action here which would precipitate a further declining farm income, rather, we should bolster the economy of American agriculture.

I think we all recognize—as has been heretofore pointed out—that President Eisenhower recommended 100 percent parity for American agriculture. And now his Secretary of Agriculture is proposing the sliding scale formula for a reduced parity. The farmers and farm organizations of my State are not in favor of the so-called sliding scale. There is only one way to slide and that is down.

The Tennessee Farm Bureau at the last national convention of that organization voted to continue the 90 percent parity support program for basic agriculture products. The farmers of my State with whom I have talked have repeatedly pointed up the fallacy of a program which results in high costs for farm machinery and feed and fertilizer while suggesting or proposing a program for lowered income for American farmers or dairymen. In other words, a 90 percent parity for corn, which is a basic

feed, and only 75 percent parity for dairy products.

The farmer has to pay for corn and livestock feeds under a high formula and sells his products at a considerably decreased parity formula. These inconsistencies should be resolved.

As the committee has pointed out, the present bill is designed to protect the income of the American farmers by continuing 90 percent parity price support on basic agricultural crops for 1 year—and is designed to encourage the expansion of markets for agriculture products abroad. The surplus problem can be resolved with the opening and expansion of our foreign markets.

In view of the pledges and promises of the leaders of the administration, it seems to me that the least that this committee can do would be to pass this bill in its present form—certainly the measure will be given my support.

Mr. MAHON. Mr. Chairman, the Agricultural Act of 1954 is before us for general debate and I have listened for several hours to members of the House Committee on Agriculture and others discuss the measure. The debate has been on a high level. Since there are 30 members of the committee it has not been possible in 1 day of debate for all of them to be heard, and, of course, it has not been possible for Members of the House who are not members of the House Committee on Agriculture to speak extensively on the bill. I am not complaining about the situation. The committee members who wrote the bill before us are best able to discuss it.

I want to particularly compliment Members who have spoken in opposition to the proposal for flexible or sliding scale supports. I want to associate myself with them and express my unalterable opposition to the flexible support idea as to the basic crops. I am against the flexible support idea for storable crops for the present and for the future.

It has been plainly demonstrated in this debate that the 90 percent of parity support program on basic crops has not been responsible for relatively huge losses nor for large surpluses.

One more word. I wish to join others in condemning the persistent effort in some quarters to array the city dweller against the farmer and misrepresent the farm picture. Such misrepresentation is just as hurtful to the consumer and city dweller as to the farmer.

Mr. HOPE. Mr. Chairman, I yield 4 minutes to the gentleman from Wisconsin [Mr. O'KONSKI].

Mr. O'KONSKI. Mr. Chairman, I feel that we are tampering with the economy of our Nation when we can ill afford to do so. The individuals who advocate going from a rigid to a flexible system of price supports for farm products are very definitely and dangerously tampering with the economy of our Nation.

I know whereof I speak. Since April 1 we have had an example of what would happen to the farm interests if a flexible system of price supports were inaugurated. Since April 1 the dairy farmers of my district have been operating under a program of 75 percent of parity.

I come from a district where we do not have these Federal milk orders. All of the dairy farmers of America have not felt the disastrous impact of 75 percent of parity because many of the dairy farmers of America have a second protection, namely, the Federal milk orders which give them a higher price. After the reduction from 90 to 75 percent of parity in my district, let me tell you what has happened. There is not a bank, there is not a department store, there is not a hardware store, there is not an automobile dealer, there is not a farm implements dealer, there is not a theater, there is not any place of business in my district that has not been disastrously affected as a result of this reduction in parity from 90 to 75 percent.

It has had sad effects and has resulted in very serious consequences and a cloud of gloom has set over the entire area. There is doubt and worry of the future. There is uneasiness and uncertainty.

The advocates of a flexible support program say it is time that we must bring order out of chaos. Let me tell you what they are doing instead. They are inviting chaos because instead of trying to avoid surpluses which we now have, they are aggravating the situation and encouraging greater surpluses. For instance, in the latter part of April, after the farmers in my district, the dairy farmers, got their first check on April 15, 15 days after this reduction in parity, I was going through my district, through these small farming communities. When I went into a bank I saw farmer after farmer standing in line. What was he doing as a result of his drop in his check? Those farmers who had money in the bank were taking their money out to buy more milk cows in order to make up the difference. Those farmers who did not have money in the bank were asking the banker to lend them some money so that they could put into production more milk cows to make up the difference.

So, as a result of this drop of parity in dairy products in areas that are not protected by the Federal milk orders, you are going to have more production instead of less production. Yes, greater surpluses instead of smaller surpluses. Instead of more order there will be more chaos and even lower prices.

I have only one objection to this bill in its present form and I am going to try to remedy that when we come to that section. I shall propose an amendment to restore 90 percent of parity for dairy products. In all fairness this should be done. Dairy products are not less important than others. They are more important.

Mr. KING of Pennsylvania. Mr. Chairman, will the gentleman yield?

Mr. O'KONSKI. I yield.

Mr. KING of Pennsylvania. I just wondered if you had a suggestion as to what we might do with Wisconsin butter and cheese that the Government has in storage?

Mr. O'KONSKI. Yes; I will answer that question this way: If the Secretary of Agriculture and this administration gave one-half of the time to unloading the surplus dairy products that they give in trying to divide the consumers against the farmers, they could get rid of the surplus. If they would just spend half the time trying to unload the surplus that they spend trying to divide the consumer against the farmer, they could accomplish something. I want to say here and now that Benson has not even tried to unload the surpluses. He has talked a lot but accomplished nothing. He cannot even get our military establishments to use the surpluses.

Mr. KING of Pennsylvania. Is not one way to have the Secretary inform the people what the situation is?

Mr. O'KONSKI. I do not agree that he should go on television when the farmers' wives cannot see him trying to convert the city women to his point of view instead of taking time when he could be seen by the farmers' wives as well. Benson would do better for farmers if on his television show he would have put on the program some farm wives who could tell how they make only 40 cents an hour for a 15-hour day, including Sunday.

Mr. KING of Pennsylvania. You want to conceal the facts from the city women, do you?

Mr. O'KONSKI. The city women will not be fooled by this magic of Benson's. They know there is a joker in his program somewhere. They know that even if the farmer gave away his products the profiteers would still not lower prices to the consumer. The city women know that the farmer, even under 90 percent of parity, gets only a small share of the prices they pay. Many city housewives were farmers once. They know the farm families are never overpaid for their drudgery.

The city wives in my district know that if the farmers and their families cannot afford to come to the city to buy from their husbands they will feel the effects of such a drop in business, and soon. The city wife knows that the surest way to insure her husband's success—whether he be a laborer, officeworker, or businessman—is to keep the farmer and his family buying. Benson is not going to fool any city housewives in my district, even on television.

Mr. HOPE. Mr. Chairman, I yield 5 minutes to the gentleman from Minnesota [Mr. O'HARA].

Mr. O'HARA of Minnesota. Mr. Chairman, I certainly am one who would like to express appreciation for the tremendous amount of work which the Committee on Agriculture has done on this very complex and very difficult problem dealing with farm legislation.

It happens that I do not think there is any one problem of the many problems that have faced us in the last year to which I personally have given more thought and consideration. I confess at this hour it is still a very difficult problem.

Last fall I announced to people who asked me, privately or publicly, that I felt that this was a time when we should

continue our present farm program at least for 1 year.

I realize there are those who differ in that view, some of them farmers in my own district, but I think that economically the farmer has been in a very, very difficult squeeze.

A little over a year ago I happened to be visiting with a couple of banker friends in my district—and my district is rather a typical farm dairy district, probably one of the best in the country. These banker friends of mine came from different parts of my district and without mentioning any names or disclosing any confidences I can relate this incident. I asked, "What would you estimate has been the drop in deposits of your farm depositors for the last 2 years?" That would be 3 years now altogether. They said very frankly, both of them, that they felt that the deposits of their farm depositors had dropped at least 25 percent. Both of the bankers came from very excellent farming communities with heavy dairy production, comparing with any of the mixed production that we have in southern Minnesota. I am not quarreling with Secretary Benson, and personally I think he is a very sincere, fine man; I just disagree with his reasoning and his thinking.

I am supporting this bill and the great Committee on Agriculture in the position which they have taken. I think to do otherwise would not be right.

Mr. KING of Pennsylvania rose.

Mr. O'HARA of Minnesota. I may say to the gentleman from Pennsylvania that I know his philosophy so well that I am aware there is not anything I can say he will agree with, but I will yield to the gentleman; certainly, I will yield.

Mr. KING of Pennsylvania. I appreciate that a 25 percent reduction in bank deposits is serious; but has not that happened since we have had this high support program in operation? And does not that prove that the thing will not work?

Mr. O'HARA of Minnesota. Let me answer my friend with this question: So you are going to say to the farmer that you are going to guarantee him 12 or 15 percent less? I think that is wrong because I tell you, my friend, I was out home the first part of June. I have never seen since the late twenties and early thirties a more disturbed group of farm people than we have in my district. And it is a very prosperous district, let me say, from the viewpoint of general income. But, I say to you frankly that they are very disturbed because they do not know what is going to happen to them.

Mr. KING of Pennsylvania. Mr. Chairman, will the gentleman yield further?

Mr. O'HARA of Minnesota. Certainly.

Mr. KING of Pennsylvania. Does that not prove that the thing that is basically wrong is the principle of any support price which is beyond the cost of production?

Mr. O'HARA of Minnesota. No; I do not agree with that. Perhaps the surplus problem has added to our problems, but, you know, I think we ought to get down on our knees every night and thank the good Lord that He has been so good to us for the production we have had. Out our way we have had for the last 12 or 14 years some of the most beautiful, perfect growing conditions I have ever seen, and we have produced a great deal more than we did 12 or 15 years before that. Part of that has been the result of weather and divine providence, but let us have just 1 bad year, and you will not hear any more talk about surpluses, and I say that to you in all seriousness.

Mr. HOPE. Mr. Chairman, I yield 5 minutes to the gentleman from West Virginia [Mr. NEAL].

Mr. NEAL. Mr. Chairman, I can very readily understand why, right or wrong, sound or unsound, the people of the large grain- and food-growing States are interested in continuing farm supports at high levels. I happen to come from one of the smaller States, a mountainous region, where agriculture is not so much of a basic income producer as in some of your Western and Southern States.

We have two things existing in the State of West Virginia which I think very definitely show to you that this manner of supporting farm prices at high levels does have a lot of inequities. We have in my district several counties that depend primarily on the production and sale of very fine beef cattle and food animals. Those people, as you well know, 6 months ago took a terrific loss because of the sudden drop in the price of their products. Those who had produced, and were compelled to retain on their farms animals which they were not able to dispose of, had to buy feed for that stock at prices regulated and based on high cost price supported grain. At the same time, the general public who was consuming the products, your wheat and your wheat products, your milk and your dairy products, all at supported prices, even in times when they were unemployed, were being compelled not only to pay the taxes to support these programs but likewise to pay the high prices at retail that naturally resulted to a great extent from the support prices. I can see these inequities, and I believe that this whole problem needs to be given more serious consideration than simply viewed from the standpoint of maintaining high levels of production, much of which must be wasted because it sets consumer prices too high for average families to afford. There are all over this country many inequities resulting from price support programs that have to be readjusted, and certainly in States like mine, where even with tobacco, which is a standard supported product only 3 percent of the farmers' income is derived from price supported products. It is easy to see why the people from States like mine are not inclined to go along wholeheartedly with a support program at 90 percent of parity.

Mr. HOPE. Mr. Chairman, I have no further requests for time.

Mr. POAGE. Mr. Chairman, I yield 2 minutes to the gentleman from North Carolina [Mr. COOLEY].

Mr. COOLEY. Mr. Chairman, I do not intend to take 2 minutes. I do want to say that I know the leadership and all of us are anxious to expedite the consideration of this bill. When the House convenes at 10 o'clock in the morning, if we are all punctual and will remain on the floor, I am sure the chairman of our committee and the members of the committee on this side will do everything we possibly can to expedite final decision on the bill.

It occurs to me there is only one controversial matter involved, and when that is settled we should be able to move along with great ease and conclude early tomorrow afternoon.

The CHAIRMAN. The Clerk will read the bill for amendment.

The Clerk read as follows:

Be it enacted, etc., That this act may be cited as the "Agricultural Act of 1954."

Mr. HOPE. Mr. Chairman, I move that the Committee do now rise.

The motion was agreed to.

Accordingly the Committee rose; and the Speaker pro tempore (Mr. HALLECK) having assumed the chair, Mr. COTTON, Chairman of the Committee of the Whole House on the State of the Union, reported that the Committee, having had under consideration the bill (H. R. 9680) to provide for continued price support for agricultural products; to augment the marketing and disposal of such products; to provide for greater stability in the products of agriculture; and for other purposes, had come to no resolution thereon.

SPECIAL ORDER GRANTED

Mr. PRIEST. Mr. Speaker, I have a special order for today. I ask unanimous consent that it be vacated and that I may have permission to address the House for 1 hour on Friday, following the legislative program of the day and the conclusion of any special orders heretofore granted.

The SPEAKER. Is there objection to the request of the gentleman from Tennessee?

There was no objection.

REPUBLIC OF THE PHILIPPINES

Mr. ALLEN of California. Mr. Speaker, I ask unanimous consent for the immediate consideration of the conference report on the joint resolution (S. J. Res. 72) to authorize the Secretary of Commerce to sell certain vessels to citizens of the Republic of the Philippines; to provide for the rehabilitation of the interisland commerce of the Philippines, and for other purposes.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from California?

There was no objection.

The conference report and statement are as follows:

CONFERENCE REPORT (H. REPT. No. 2003)

The committee of conference on the disagreeing votes of the two Houses on the amendments of the House to the resolution (S. J. Res. 72) to authorize the Secretary of Commerce to sell certain vessels to citizens of the Republic of the Philippines; to provide for the rehabilitation of the interisland commerce of the Philippines, and for other

purposes, having met, after full and free conference, have agreed to recommend and do recommend to their respective Houses as follows:

That the Senate recede from its disagreement to the amendments of the House and agree to the same.

JOHN J. ALLEN, Jr.
HORACE SEELY-BROWN, Jr.
TIMOTHY P. SHEEHAN,
HERBERT C. BONNER,
EDWARD A. GARMATZ,
Managers on the Part of the House.

JOHN M. BUTLER,
CHARLES E. POTTER,
FREDERICK G. PAYNE,
WARREN G. MAGNUSON,
GEORGE A. SMATHERS,
Managers on the Part of the Senate.

STATEMENT

The managers on the part of the House at the conference on the disagreeing votes of the two Houses on the amendments of the House to the resolution (S. J. Res. 72) to authorize the Secretary of Commerce to sell certain vessels to citizens of the Republic of the Philippines; to provide for the rehabilitation of the interisland commerce of the Philippines, and for other purposes, submit the following statement in explanation of the effect of the action agreed upon by the conferees and recommended in the accompanying conference report:

Senate Joint Resolution 72 as passed by the Senate provided for the sale of eight specified ships to citizens of the Republic of the Philippines. As amended by the House, the resolution substituted therefor the extension of the existing authority to charter the vessels for an additional year commencing July 1, 1954. The Senate recedes and concurs.

In the course of the hearings on the resolution held by the appropriate committees of both Houses, it appeared that the Republic of the Philippines has been practicing various discriminations against citizens of the United States. These discriminations ranged from selective imposition of an excise tax on transportation of persons, and nonuniform application of a currency-exchange tax, to the establishment by legislation of import quotas on tobacco, which constituted a violation of the spirit, if not the letter, of the Philippine Trade Act of 1946.

It was the view of the conference committee that in the event that authority to purchase these vessels is sought from the next Congress, consideration might well be given to permitting the application of a portion of the next year's charter hire to the purchase price if in the meantime appropriate action has been taken to remove the discriminations.

JOHN J. ALLEN, Jr.,
HORACE SEELY-BROWN, Jr.,
TIMOTHY P. SHEEHAN,
HERBERT C. BONNER,
EDWARD A. GARMATZ,
Managers on the Part of the House.

Mr. ALLEN of California. Mr. Speaker, I ask unanimous consent that the statement be read in lieu of the report.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from California?

There was no objection.

The Clerk read the statement.

Mr. ALLEN of California. Mr. Speaker, I move the previous question on the conference report.

The previous question was ordered.

The conference report was agreed to, and a motion to reconsider was laid on the table.

TEMPORARY APPROPRIATIONS FOR THE FISCAL YEAR 1955

Mr. TABER. Mr. Speaker, I ask unanimous consent for the immediate consideration of the joint resolution (H. J. Res. 552) making temporary appropriations for the fiscal year 1955, and for other purposes.

The Clerk read the title of the joint resolution.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from New York?

Mr. CANNON. Mr. Speaker, reserving the right to object, may I ask the gentleman from New York if this is the usual routine resolution customarily offered at the end of the fiscal year to take care of continuing projects and activities for which funds have not yet been provided beyond the end of the current month?

Mr. TABER. Yes.

Mr. CANNON. May I ask the gentleman what temporary agencies are included in this joint resolution?

Mr. TABER. The items that are included are refugee relief, civilian relief in Korea, government and relief in occupied areas, government in occupied areas, Federal Civil Defense Administration (Operations), Washington National Airport, rubber, tin, and abaca programs, and the Mutual Security Agency item. That is all. They are all temporary agencies that are not covered by the regular bills. We held hearings on these in a special committee, but we could not complete them until after the foreign relief bill was passed today.

Mr. CANNON. In no instance is the figure in excess of the current rate or the rate permitted by the budget estimate, whichever is lower.

Mr. TABER. That is right.

Mr. CANNON. The resolution covers 30 days only?

Mr. TABER. Thirty days only, because we would never be able to get the bills through the other body and through conference unless we had them up against a deadline.

Mr. CANNON. Mr. Speaker, I withdraw my reservation of objection.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from New York?

There was no objection.

The Clerk read the joint resolution, as follows:

Resolved, etc., That there are hereby appropriated, out of any money in the Treasury not otherwise appropriated, and out of applicable corporate or other revenues, receipts, and funds, for the several departments, agencies, corporations, and other organizational units in the executive branch of the Government, such amounts as may be necessary for continuing the projects or activities enumerated in this section as follows:

(a) At a rate not in excess of the current rate or, in the case of any such project or activity for which a budget estimate is pending, at a rate not in excess of the current rate or the rate permitted by the budget estimate, whichever is lower:

Refugee relief;

Civilian relief in Korea;

Government and relief in occupied areas;

Government in occupied areas;

Federal Civil Defense Administration, Operations;

Washington National Airport;

Rubber, tin, and abaca programs.

(b) Mutual security programs, $290 million, to be derived from unobligated balances of appropriations heretofore made for such purposes and to be expended in accord with provisions of laws applicable to such programs during the fiscal year ending June 30, 1954: *Provided*, That the rate hereunder for any individual program shall not exceed the current rate: *Provided further*, That administrative expenses for such programs shall not exceed $4 million.

(c) Relief and Rehabilitation in Korea, the unobligated balance of the appropriation available in fiscal year 1954 is continued available.

SEC. 2. (a) Except as otherwise herein provided, appropriations and funds made available and authority granted pursuant to this joint resolution shall be subject to the general provisions of chapter XIII of the Supplemental Appropriation Act, 1954, to the same extent as the comparable appropriations, funds, and authority were subject to such provisions in the fiscal year 1954.

(b) Except as otherwise specifically provided therein, appropriations and funds made available and authority granted pursuant to any regular annual appropriation act for the fiscal year 1955 shall be subject to the general provisions of chapter XIII of the Supplemental Appropriation Act, 1954, to the same extent as the comparable appropriations, funds, and authority were subject to such provisions in the fiscal year 1954.

SEC. 3. Appropriations and funds made available and authority granted pursuant to this joint resolution shall remain available until (a) enactment into law of an appropriation for any project or activity provided for herein, or (b) enactment of the applicable appropriation act by both Houses without any provision for such project or activity, or (c) July 31, 1954, whichever first occurs.

SEC. 4. Appropriations and funds made available and authority granted pursuant to this joint resolution may be used without regard to the time limitations set forth in subsection (d) (2) of section 3679, Revised Statutes, and expenditures therefrom shall be charged to any applicable appropriation, fund, or authorization whenever a bill in which such applicable appropriation, fund, or authorization is contained as enacted into law.

SEC. 5. No appropriation or fund made available or authority granted pursuant to this joint resolution shall be used to initiate or resume any project or activity which was not being conducted during the fiscal year 1954. Appropriations made and authority granted pursuant to this joint resolution shall cover all obligations or expenditures incurred for the pertinent project or activity.

The joint resolution 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.

Mr. TABER. Mr. Speaker, I ask unanimous consent to extend my remarks at this point in the RECORD and include a table showing the progress of appropriation bills to this date.

The SPEAKER. Is there objection to the request of the gentleman from New York?

There was no objection.

Mr. TABER. Mr. Speaker, I am submitting herewith the Appropriations Committee's report of progress on appropriation bills for this session.

We presently have up the continuing resolution. It involves only those agencies that are regarded as temporary, with the exception of the Washington National Airport. The following table is a report of our operations:

Estimates and appropriations, 83d Cong., 2d sess.

Bill	Estimates	Appropriations	Appropriation compared with (+ or −) estimate
Regular annual acts:			
Treasury-Post Office:			
Treasury	$578, 783, 000	$577, 855, 600	−$927, 400
Post Office	2, 760, 000, 000	2, 754, 877, 100	−5, 122, 900
Subtotal	3, 338, 783, 000	3, 332, 732, 700	−6, 050, 300
State-Justice-Commerce:			
State	116, 191, 960	114, 110, 000	−2, 081, 960
Justice	177, 732, 000	176, 864, 500	−867, 500
Commerce	930, 997, 000	837, 022, 000	−93, 975, 000
United States Information Agency	89, 000, 000	73, 914, 000	−15, 086, 000
Subtotal	1, 313, 920, 960	1, 201, 910, 500	−112, 010, 460
Civil functions	465, 160, 000	457, 071, 300	−8, 088, 700
Independent offices	5, 987, 622, 360	5, 651, 770, 063	−335, 852, 297
Interior	427, 751, 110	405, 936, 149	−21, 814, 961
Agriculture	698, 741, 813	723, 683, 150	+24, 941, 337
Defense	29, 887, 055, 000	28, 800, 125, 486	−1, 086, 929, 514
Legislative-Judiciary	102, 349, 911	98, 197, 494	−4, 152, 417
Labor-HEW	1, 965, 285, 261	1, 975, 198, 261	+9, 913, 000
District of Columbia (Federal payment)	21, 890, 000	21, 890, 000	
Total regular annual	44, 208, 559, 415	42, 668, 515, 103	−1, 540, 044, 312
Supplemental and deficiency acts:			
Commodity Credit (note cancellation)	(741, 548, 788)	(681, 769, 763)	(−59, 779, 025)
2d supplemental, 1954	27, 942, 616	27, 517, 616	−425, 000
Mexican farm-labor program, 1954	550, 000	478, 000	−72, 000
3d supplemental, 1954	430, 458, 241	505, 218, 741	+74, 760, 500
Total supplemental and deficiency	458, 950, 857	533, 214, 357	+74, 263, 500
Grand total	44, 667, 510, 272	43, 201, 729, 460	−1, 465, 780, 812

The items that I have referred to above show a saving in the regular annual acts of $1,540,000,000. In the supplemental and deficiency acts, the overall picture, including everything, shows an increase of about $15 million, so that our savings direct will run to $1,525,000,000.

This is much smaller than it has been, because of the closer budget that has been submitted by the Bureau of the Budget, but it reflects the very best energies of the Appropriations Committee.

It has been a long time since the regular appropriation bills have all been sent to the White House before the 1st day of July—and that is our accomplishment today.

I wish to express my thanks to the members of the Appropriations Committee, both sides of the aisle, for the work they have done in trying to get these bills through, and for the uniform cooperation that I have had. It would have been impossible except for that.

I can only say that I wish that the whole House of Representatives would in the days to come appreciate, as we on the Appropriations Committee do, the absolute necessity of balancing the budget and putting the United States of America right side up, where it will be able to give us the proper kind of defense. In saying that, I appreciate the support that the membership of the House has given us on so many occasions, and I hope that in the days to come there may be a greater appreciation on the part of all the Members of the necessity of meeting our responsibilities.

Before going on the floor a question was asked me as to the language in the item in the continuing resolution (H. J. Res. 552) relating to the mutual security program. That language on page 2, lines 10 to 14, inclusive, means that any unobligated balances, whether it shall have been originally appropriated for military purposes or civilian purposes or any other purpose shall be available to the Mutual Security Administration up to $290 million for their operation of any character during the month of July 1954.

The only limitation on the amount for any particular item is the administrative expenses for $4 million for the month and that the other programs cannot be carried on at a greater rate than the going rate.

HOUR OF MEETING TOMORROW

Mr. ARENDS. Mr. Speaker, I ask unanimous consent that when the House adjourns today it adjourn to meet at 10 o'clock tomorrow morning.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Illinois?

There was no objection.

NEW JERSEY FARMERS SUPPORT PRESIDENT'S FARM PROGRAM

Mr. CANFIELD. Mr. Speaker, I ask unanimous consent to address the House for 2 minutes.

The SPEAKER. Is there objection to the request of the gentleman from New Jersey?

There was no objection.

Mr. CANFIELD. Mr. Speaker, I rise at this time to read to the House a letter emphasizing the support by New Jersey farmers of the President's farm program.

The letter is as follows:

NEW JERSEY FARM BUREAU,
Trenton, N. J., June 28, 1954.

Hon. GORDON CANFIELD,
House Office Building,
Washington, D. C.

DEAR GORDON: New Jersey farmers are in full agreement with the administration that improvements in the farm program are overdue. In fact, the New Jersey Farm Bureau, at Secretary Benson's request, spent the major portion of 1953 holding meetings in the many townships and counties around the State gathering the opinion of its members on the type of farm program they wanted. Last December we gave the Secretary the opinion of our members.

The New Jersey Farm Bureau has approximately 10,000 farm families as members. They produce eggs, milk, vegetables, potatoes, and other dozens of commodities for which New Jersey is famous as a Garden State. These farmers have a big stake in the type of farm program written by the Congress.

We have many reasons for opposing the continuation of the present high, rigid-support program. Contrary to popular opinion, Government supports do not deserve credit for farm prosperity. The healthy condition that exists in a number of branches of agriculture is due to the fact that these segments of agriculture have not received support and have, therefore, been left free to adjust their products to real market needs. Those segments of agriculture that are in a distressed position, practically without exception, are those that have been the recipients of high, fixed Government guaranties. The elimination of price as a guide to the needs of the consumer has destroyed the farmer's ability to adjust production to demand. Only with very strict and ofttimes unfair Government production controls have we been able to maintain any semblance of balanced production. In most cases—wheat, cotton, etc.—we have not been able to do that.

Static prices as established by the rigid support law have served to price us out of markets when we need those markets the most. This is particularly true on the domestic market with cotton and butter and in foreign markets with wheat and cotton.

One of the things that bothers us most in New Jersey is the problem of diverted acres. The production control program which must be so strictly applied with high, rigid supports takes a great many acres out of the production of supported crops. Thus, the farmer receiving the Government support is free to produce on these acres what he wants, as long as it is not another supported crop. This year, the number of diverted acres is about 25 million. Just how many of these acres are being used to grow vegetables, produce grass for cattle, or grow chickens is not known.

Many of them are, however, and are competing against the New Jersey farmer who has for the most part done without supports. Our New Jersey farmers buy 17 times as much price-supported grain to feed to their chickens and cows as they produce of the grains to receive supports on.

We're for the immediate adoption of flexible supports. We do believe in having a reasonable floor under farm prices. The trouble with the present program is that it offers price guaranties that limit markets, and therefore makes the support price a maximum price to the farmer rather than a floor or minimum price.

Very sincerely,

HERBERT W. VOORHIES,
President, New Jersey Farm Bureau.

DISTRIBUTION OF INCOME BEING DANGEROUSLY DISTORTED

Mr. PATMAN. 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 Texas?

There was no objection.

Mr. PATMAN. Mr. Speaker, economic policies being pursued by this administration are taking the American

economy straight down the 1929 path to a financial and physical crackup.

Under the administration policies of rewarding lenders and providing incentives to stimulate business initiative the distribution of income in the United States is being dangerously distorted.

Since mid-1953, labor income—in the form of salaries as well as wages—has fallen by more than $8 billion. In July 1953 the annual rate of labor income was $202.4 billion. Today it is running at a rate down to $194 billion.

DECLINE IN FARM INCOME

Farm proprietors' income in May and June 1953 was running at an annual rate of $12.5 billion. Today, farmers' income is running at an annual rate of only $11 billion. This is a decline in the annual rate of farm proprietors' income of over 10 percent, or $1.5 billion this past year. And this comes on top of a previous drop of $3 billion or nearly 20 percent in farm proprietors' incomes between 1951 and 1953.

Together labor and farm incomes have fallen nearly $10 billion at annual rates, under the impact of the administration's policy of economic contraction.

INCREASE IN INCOME OF CAPITAL

Let us see how administration policies affected owners of capital.

In 1952 dividends and personal interest income received by investors and lenders totaled $21 billion. Currently dividend and personal interest income is running at an annual rate in excess of $23 billion. This represents an increase of over $2 billion or 10 percent in the annual rate of personal income going to lenders and investors since the administration took office. This is substantially greater than the annual rate of growth of real production in the United States which is estimated historically at about 3 percent.

In addition to benefiting from the increased flow of personal income in the form of higher interest receipts and dividends, owners of capital have also gained from the increase since 1952 of over $3 billion in profits, depletion and depreciation allowances plowed back into corporate businesses.

COSTLESS CAPITAL

The rise in the amount of funds available for plowing back into business by making the consumers pay higher prices, in the absence of an increase in demand for the products of enterprise has enabled corporations to finance their new capital requirements with less reliance on outside new capital. At the same time, however, disbursements to investors and lenders, as we have seen, has risen more than $2 billion since 1952. Has this sum gone into the market for consumers goods? Undoubtedly it has contributed to the rise in spending on luxury items—such as Cadillac motorcars. But by and large it has either been saved or is being used in stock market speculation.

Business needs for new capital, in the face of a weakening of buying power in relation to our greatly expanded productive capacity, has diminished. This is shown by the latest survey of expenditures for new plant and equipment by United States business. According to this Department of Commerce survey, the yearly rate of such expenditures will be about $2,100,000,000 less in the third quarter of this year as compared with the same period in 1953. About half the decline has occurred in manufacturing industries.

With a drop in new fixed capital investment by American business, new security issues exclusive of refundings, offered for sale to the public has declined. During the first quarter of 1954 corporations raised $1,500,000,000 of new money through the sale of stocks and bonds as compared with $1,800,000,000 in the same quarter of 1953.

GREEN LIGHT FOR MONOPOLY

With the number of new security issues declining, it is not surprising that the increased income flowing to lenders and investors should be used to bid up the price of existing securities. Wise investors see the green light for monopoly. That is evidently the reason why such stocks of industries that are dominating in their field, such as Du Pont, General Motors, General Electric, and United States Steel, are such favorites, and are booming while others trail far behind. A recent report in the New York Journal of Commerce—May 21, 1954—indicated the presence of purely speculative money in the current stock market boom by noting:

> The stock market extended its advance yesterday with speculative interest continuing on a larger scale.

In addition to increasing their holdings of corporate securities, recipients of higher interest and dividend income have also been increasing their personal savings. During 1953, individuals increased their deposits in savings and loan associations by nearly $4 billion; in mutual-savings banks by $1.8 billion; in commercial banks by $2.7 billion; and in increased equity in life-insurance policies by $4.4 billion. In the aggregate there was an increase of $12.4 billion in the savings of individuals in 1953, the largest rise since 1945.

WHO ARE SAVING?

Who did the saving? Earlier I showed that labor and farm income had fallen some $10 billion at annual rates since mid-1953. It would appear unlikely that individuals with falling incomes would be increasing their savings. On the other hand, interest and dividend recipients, who normally account for the bulk of total personal saving, appear the most logical group to have increased savings, for their income receipts have risen over $2 billion since 1952.

The trend toward increased personal saving has carried over into 1954. Despite sharp cutbacks in employment and factory earnings in the first quarter of this year the overall rate of personal saving in relation to spendable income rose.

During the 1920's the emphasis on increasing production and investment by providing business and investors with financial incentives also led to an increase in the rate of saving. But these savings could not find useful productive outlets because the demand for goods did not keep pace with our capacity to produce. Consequently they went into sterile hoards or were used to finance speculative ventures.

Our policies today are once more being fashioned with an eye toward business incentives and the administration is again banking on business initiative to spark an upturn in the economy.

It would appear that my Republican friends have not learned the wisdom of the adage: "Once burned, twice shy."

SMALL-BUSINESS ADMINISTRATION NOT EFFECTIVE — SMALL-BUSINESS MAN ASKS FOR BREAD, GIVEN A STONE

Mr. PATMAN. Mr. Speaker, I ask unanimous consent to extend my remarks at this point in the RECORD and include certain excerpts.

The SPEAKER. Is there objection to the request of the gentleman from Texas?

There was no objection.

Mr. PATMAN. Mr. Speaker, the Small Business Administration Act was approved July 30, 1953 (Public Law 163). It provided an authorization of $250 million to help small business. It was intended to take the place of the Reconstruction Finance Corporation, which expired September 28, 1953, and the Small Defense Plants Administration, which expired July 31, 1953.

The first date of acceptance of applications by the Small Business Administration was September 29, 1953.

The information I am furnishing in this statement has been furnished to me from official sources and, therefore, can be relied upon.

The Small Business Administration has had a lot to say about the number of loans approved. That does not mean very much, considering its policy of delaying the disbursement of the loan. It is the loans that have been closed and disbursed that should be considered loans made. The number of loans approved seems large but that is not the test, it is the loans completed where the money is actually paid.

From October 1, 1953, through May 31, 1954, there were 34,072 personal calls, letters, and telephone inquiries concerning the Small Business Administration's financial-assistance program received by the Small Business Administration field offices.

Through June 17, 1954, a total of 2,146 formal applications for loans, amounting to $129,247,365, were filed with the Small Business Administration. This does not include the thousands of informal applications that were made by eager applicants, who visited these offices but were told that it was useless to file an application.

Out of these formal applications filed, only 39 direct loans have been made and disbursed by the Small Business Administration from September 29, 1953, to June 24, 1954.

During that same period of time, there were 45 deferred participation and 9 immediate participation loans, the latter

two were made in cooperation with local banking institutions.

I am inserting herewith a statement showing the distribution of these loans according to regions between September 29, 1953, and June 24, 1954. The employees listed evidently have other duties, including procurement, but they are all evidently charged with the duty of helping on credit policies and loans. That is certainly one of their main duties. It is as follows:

Business loans by the Small Business Administration on which initial disbursement has been made as of June 24, 1954, commencing Sept. 29, 1953

Type of loan	Date of application	Date disbursed	Amount of loan	
			Gross	SBA share
Region I. Boston (States of Maine, Massachusetts, New Hampshire, Rhode Island, Vermont, Connecticut, excluding Fairfield County): Number of employees, 18:				
Direct	Oct. 13, 1953	Jan. 5, 1954	$55,000	----------
	Dec. 31, 1953	Apr. 29, 1954	35,000	----------
	Feb. 15, 1954	June 7, 1954	9,000	----------
Immediate participation	----------	----------	None	None
Deferred participation	Feb. 23, 1954	May 7, 1954	50,000	$40,000
Region II. New York (States of New York, Connecticut, Fairfield County only, and Northern New Jersey): Number of employees, 39:				
Direct	Dec. 15, 1953	Mar. 15, 1954	100,000	----------
	Dec. 23, 1953	Apr. 23, 1954	90,000	----------
Immediate participation	----------	----------	None	None
Deferred participation	----------	----------	None	None
Region III. Philadelphia (States of Delaware, Pennsylvania, and southern New Jersey): Number of employees, 26:				
Direct	Jan. 15, 1954	Apr. 23, 1954	20,000	----------
	Jan. 13, 1954	May 12, 1954	10,000	----------
	Dec. 14, 1953	May 18, 1954	100,000	----------
	Feb. 15, 1954	May 27, 1954	20,000	----------
	Mar. 2, 1954	June 18, 1954	10,000	----------
Immediate participation	----------	----------	None	None
Deferred participation	Jan. 8, 1954	Apr. 6, 1954	100,000	75,000
	Feb. 9, 1954	do	100,000	90,000
	Feb. 10, 1954	Apr. 29, 1954	18,000	16,200
Region IV. Richmond (States of Maryland, North Carolina, Virginia, West Virginia, District of Columbia): Number of employees, 19:				
Direct	Oct. 1, 1953	Feb. 15, 1954	100,000	----------
	Feb. 23, 1954	June 9, 1954	57,000	----------
Immediate participation	----------	----------	None	None
Deferred participation	Jan. 28, 1954	May 7, 1954	5,000	4,000
	Jan. 19, 1954	May 22, 1954	150,000	135,000
	Mar. 15, 1954	June 19, 1954	30,000	27,000
Region V. Atlanta (States of Alabama, Florida, Georgia, Mississippi, South Carolina, Tennessee, Commonwealth of Puerto Rico, Virgin Islands): Number of employees, 44:				
Direct	Dec. 14, 1953	Feb. 19, 1954	25,000	----------
	Dec. 2, 1953	Mar. 15, 1954	115,000	----------
	Nov. 10, 1953	Mar. 31, 1954	4,000	----------
	Jan. 28, 1954	May 20, 1954	75,000	----------
	Nov. 9, 1953	June 15, 1954	57,000	----------
Immediate participation	Oct. 30, 1953	Apr. 9, 1954	100,000	70,000
	Dec. 23, 1953	May 22, 1954	109,000	103,550
	Oct. 13, 1953	June 1, 1954	25,000	22,500
	Nov. 25, 1953	June 2, 1954	10,000	9,000
	Feb. 19, 1954	June 9, 1954	112,000	84,000
Deferred participation	Dec. 7, 1953	Feb. 27, 1954	300,000	150,000
	Dec. 23, 1953	Apr. 20, 1954	40,000	20,000
	Feb. 10, 1954	May 12, 1954	6,000	4,500
	Dec. 23, 1953	May 25, 1954	70,000	52,500
	Nov. 17, 1953	do	40,000	34,000
	Feb. 12, 1954	May 28, 1954	3,000	1,500
	Mar. 20, 1954	June 7, 1954	60,000	45,000
Region VI. Cleveland (States of Kentucky, Michigan, Ohio): Number of employees, 46:				
Direct	Jan. 8, 1954	Feb. 25, 1954	57,000	----------
	Dec. 31, 1953	Apr. 7, 1954	35,000	----------
	Jan. 14, 1954	Apr. 13, 1954	70,000	----------
	Feb. 5, 1954	May 6, 1954	35,000	----------
	Nov. 6, 1953	June 7, 1954	60,000	----------
	Feb. 16, 1954	June 11, 1954	150,000	----------
	Jan. 13, 1954	June 18, 1954	[1] 45,000	----------
	Jan. 29, 1954	June 21, 1954	[2] 75,000	----------
Immediate participation	----------	----------	None	None
Deferred participation	Jan. 13, 1954	Apr. 9, 1954	60,000	30,000
	Feb. 8, 1954	May 27, 1954	28,000	14,000
Region VII. Chicago (States of Illinois, Indiana, Wisconsin (excluding Douglas County)): Number of employees, 34:				
Direct	Oct. 23, 1953	Apr. 14, 1954	20,000	----------
	Feb. 1, 1954	June 18, 1954	28,710	----------
Immediate participation	Dec. 4, 1953	Apr. 28, 1954	40,000	36,000
Region VII—Continued				
Immediate participation—Con.	Jan. 28, 1954	May 10, 1954	$60,000	$42,000
	Mar. 19, 1954	June 16, 1954	52,000	26,000
	Dec. 28, 1953	June 17, 1954	25,000	22,500
Deferred participation	Oct. 30, 1953	Feb. 2, 1954	25,000	16,000
	Oct. 12, 1953	Feb. 5, 1954	100,000	90,000
	Dec. 18, 1953	Mar. 12, 1954	14,000	12,600
	Feb. 15, 1954	May 1, 1954	32,000	28,800
	Feb. 9, 1954	May 5, 1954	40,000	36,000
	Mar. 19, 1954	May 10, 1954	15,000	11,250
	Feb. 8, 1954	May 18, 1954	35,000	26,250
Region VIII. Minneapolis (States of Minnesota, Montana, North Dakota, South Dakota, Wisconsin (includes only Douglas County)): Number of employees, 19:				
Direct	Jan. 20, 1954	June 24, 1954	25,000	----------
	Feb. 23, 1954	June 15, 1954	3,500	----------
	Mar. 8, 1954	do	10,000	----------
Immediate participation	----------	----------	None	None
Deferred participation	Jan. 28, 1954	May 17, 1954	100,000	75,000
Region IX. Kansas City (States of Iowa, Kansas, Missouri, Nebraska): Number of employees, 31:				
Direct	----------	----------	None	None
Immediate participation	----------	----------	None	None
Deferred participation	Dec. 14, 1953	Mar. 4, 1954	66,000	59,400
Region X. Dallas (States of Arkansas, Louisiana, Oklahoma, Texas): Number of employees, 34:				
Direct	Dec. 18, 1953	Feb. 3, 1954	100,000	----------
Immediate participation	----------	----------	None	None
Deferred participation	Oct. 30, 1953	Dec. 14, 1953	25,000	12,500
	Nov. 30, 1953	Apr. 6, 1954	100,000	60,000
	Jan. 7, 1954	Apr. 14, 1954	30,000	27,000
	Dec. 23, 1953	May 6, 1954	30,000	27,000
	Jan. 20, 1954	May 12, 1954	167,000	141,950
	Mar. 11, 1954	June 5, 1954	90,000	70,000
	Mar. 5, 1954	June 15, 1954	30,000	27,000
Region XI. Denver (States of Colorado, New Mexico, Utah, Wyoming): Number of employees, 10:				
Direct	----------	----------	None	None
Immediate participation	----------	----------	None	None
Deferred participation	Feb. 11, 1954	Apr. 5, 1954	15,000	7,500
	Mar. 10, 1954	May 24, 1954	250,000	150,000
	Feb. 9, 1954	June 16, 1954	20,000	13,000
Region XII. San Francisco (Northern California, Nevada, except Clark County, and the Territory of Hawaii): Number of employees, 11:				
Direct	Oct. 29, 1953	Feb. 8, 1954	150,000	----------
	Nov. 2, 1953	Feb. 23, 1954	81,000	----------
	Oct. 27, 1953	Mar. 5, 1954	18,000	----------
	Nov. 30, 1953	Apr. 27, 1954	100,000	----------
	Dec. 22, 1953	May 14, 1954	85,000	----------
Immediate participation	----------	----------	None	None
Deferred participation	----------	----------	None	None
Region XIII. Seattle (States of Idaho, Oregon, Washington, Territory of Alaska): Number of employees, 27:				
Direct	Nov. 24, 1953	Mar. 17, 1954	10,000	----------
	Jan. 4, 1954	June 4, 1954	30,000	----------
	Feb. 3, 1954	June 24, 1954	100,000	----------
Immediate participation	----------	----------	None	None
Deferred participation	Dec. 16, 1953	Feb. 23, 1954	15,000	13,500
	Nov. 23, 1953	Mar. 19, 1954	100,000	80,000
	Dec. 30, 1953	Apr. 16, 1954	20,000	18,000
	Jan. 4, 1954	Apr. 22, 1954	75,000	67,500
	Feb. 4, 1954	do	15,000	11,250
	Feb. 26, 1954	Apr. 28, 1954	10,000	9,000
	Dec. 28, 1953	May 10, 1954	25,000	22,500
	Feb. 8, 1954	May 17, 1954	50,000	35,000
	Jan. 20, 1954	May 21, 1954	60,000	54,000
	Mar. 11, 1954	June 19, 1954	50,000	37,500
Region XIV. Los Angeles (Southern California, Arizona, and Clark County, Nev.): Number of employees, 26:				
Direct	----------	----------	None	None
Immediate participation	----------	----------	None	None
Deferred participation	----------	----------	None	None

[1] Application declined Mar. 12, 1954; reconsidered and approved Mar. 27, 1954.
[2] Transferred to Philadelphia.

CRUEL HOAX

Although I have the names of the concerns receiving the loans and other accompanying information, it is believed that the information inserted is enough to show that very little is being done by the Small Business Administration. In fact, the total amount of the direct loans is $2,180,210. The expenditures of the agency during this period of time was much more than this amount, and this does not take into consideration the

thousands of useless trips made by anxious applicants, the hours and days spent preparing and furnishing information, engineers' reports, statements from local banks and citizens, numerous trips back and forth, long distance telephone calls, and so forth, neither does it disclose the broken hearts, disillusionment, and the cruel hoax that has been perpetrated on so many innocent, worthy, hard-working American citizens who were seeking an opportunity to work and earn a living with the help of the Government, which has been held out to them. When they asked for bread, they were given a stone.

The contention by SBA that they are showing the small man how to improve on the way he is running his business is no answer. The little man does not want regimentation. He wants a fair chance and an equal opportunity.

EXTENSION OF REMARKS

By unanimous consent, permission to extend remarks in the RECORD, or to revise and extend remarks, was granted to:

Mr. KNOX.

Mr. BRAY and to include the result of a poll.

Mr. PRICE.

Mr. AUGUST H. ANDRESEN to revise and extend his remarks made today on the farm bill and include certain tables.

Mr. BENDER in four instances.

Mr. HOPE to revise and extend his remarks made in Committee of the Whole and include certain letters and telegrams.

Mr. HAYS of Arkansas to include in his remarks on the mutual security bill certain extraneous matter.

Mr. LESINSKI (at the request of Mr. HAYS of Arkansas).

ENROLLED BILLS SIGNED

Mr. LECOMPTE, from the Committee on House Administration, reported that that committee had examined and found truly enrolled bills of the House of the following titles, which were thereupon signed by the Speaker:

H. R. 2636. An act for the relief of George Japhet;

H. R. 5436. An act for the relief of David Hanan;

H. R. 8067. An act making appropriations for the Departments of State, Justice, and Commerce, and the United States Information Agency, for the fiscal year ending June 30, 1955, and for other purposes;

H. R. 9203. An act making appropriations for the legislative branch and the judiciary branch for the fiscal year ending June 30, 1955, and for other purposes;

H. R. 9447. An act making appropriations for the Departments of Labor, and Health, Education, and Welfare, and related independent agencies, for the fiscal year ending June 30, 1955, and for other purposes;

H. R. 9474. An act to extend the authority of the President to enter into trade agreements under section 350 of the Tariff Act of 1930, as amended;

H. R. 9505. An act to continue the effectiveness of the act of December 2, 1942, as amended, and the act of July 28, 1945, as amended, relating to war-risk hazard and detention benefits until July 1, 1955; and

H. R. 9517. An act making appropriations for the government of the District of Columbia and other activities chargeable in whole or in part against the revenue of said District for the fiscal year ending June 30, 1955, and for other purposes.

BILLS PRESENTED TO THE PRESIDENT

Mr. LECOMPTE, from the Committee on House Administration, reported that that committee did on this day present to the President, for his approval, bills of the House of the following titles:

H. R. 2636. An act for the relief of George Japhet;

H. R. 5436. An act for the relief of David Hanan;

H. R. 6465. An act to amend paragraph 1530 of the Tariff Act of 1930 with respect to footwear;

H. R. 7709. An act to continue until the close of June 30, 1955, the suspension of certain import taxes on copper;

H. R. 8067. An act making appropriations for the Departments of State, Justice, and Commerce, and the United States Information Agency, for the fiscal year ending June 30, 1955, and for other purposes;

H. R. 8680. An act making appropriations for the Department of the Interior for the fiscal year ending June 30, 1955, and for other purposes;

H. R. 9203. An act making appropriations for the legislative branch and the judiciary branch for the fiscal year ending June 30, 1955, and for other purposes;

H. R. 9474. An act to extend the authority of the President to enter into trade agreements under section 350 of the Tariff Act of 1930, as amended;

H. R. 9505. An act to continue the effectiveness of the act of December 2, 1942, as amended, and the act of July 28, 1945, as amended, relating to war-risk hazard and detention benefits until July 1, 1955; and

H. R. 9517. An act making appropriations for the government of the District of Columbia and other activities chargeable in whole or in part against the revenues of said District for the fiscal year ending June 30, 1955, and for other purposes.

ADJOURNMENT

Mr. ARENDS. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 6 o'clock and 32 minutes p. m.), under its previous order, the House adjourned until tomorrow, Thursday, July 1, 1954, at 10 o'clock a. m.

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. ALLEN of California: Committee of Conference. Senate Joint Resolution 72. Joint resolution to authorize the Secretary of Commerce to sell certain vessels to citizens of the Republic of the Philippines; to provide for the rehabilitation of the interisland commerce of the Philippines, and for other purposes (Rept. No. 2003). Ordered to be printed.

Mr. ALLEN of Illinois: Committee on Rules. House Resolution 605. Resolution for consideration of H. R. 9252, a bill to amend the Merchant Marine Act, 1936, to provide a national defense reserve of tankers and to promote the construction of new tankers, and for other purposes; without amendment (Rept. No. 2004). Referred to the House Calendar.

Mr. ALLEN of Illinois: Committee on Rules. House Resolution 606. Resolution for consideration of H. R. 9640, a bill to amend the Vocational Rehabilitation Act so as to promote and assist in the extension and improvement of vocational rehabilitation services, provide for a more effective use of available Federal funds, and otherwise improve the provisions of that act, and for other purposes; without amendment (Rept. No. 2005). Referred to the House Calendar.

Mr. ALLEN of Illinois: Committee on Rules. House Resolution 607. Resolution for consideration of H. R. 7486, a bill to amend section 1071 of title 18, United States Code, relating to the concealing of persons from arrest, so as to increase the penalties therein provided; without amendment (Rept. No. 2006). Referred to the House Calendar.

Mr. ALLEN of Illinois: Committee on Rules. House Resolution 608. Resolution for consideration of H. R. 8009, a bill to provide for the commitment and care of the mentally ill of Alaska, and for other purposes; without amendment (Rept. No. 2007). Referred to the House Calendar.

Mr. TABER: Committee on Appropriations. House Joint Resolution 552. Joint Resolution making temporary appropriations for the fiscal year 1955, and for other purposes; without amendment (Rept. No. 2008). Referred to the Committee of the Whole House on the State of the Union.

Mr. JOHNSON of California: Committee on Armed Services. S. 1999. An act to provide for the recovery, care, and disposition of the remains of members of the uniformed services and certain other personnel, and for other purposes; with amendment (Rept. No. 2010). Referred to the Committee of the Whole House on the State of the Union.

Mr. TOLLEFSON: Committee on Merchant Marine and Fisheries. S. 2370. An act to authorize the sale of certain vessels to Brazil for use in the coastwise trade of Brazil; with amendment (Rept. No. 2011). Referred to the Committee of the Whole House on the State of the Union.

Mr. ARENDS: Committee on Armed Services. H. R. 7131. A bill to repeal a limitation on pay of certain officers of the Navy and Marine Corps; with amendment (Rept. No. 2012). Referred to the Committee of the Whole House on the State of the Union.

Mr. JOHNSON of California: Committee on Armed Services. H. R. 9001. A bill to provide for the award of certain medals, crosses, and other similar awards, in cases where the statement or report recommending the award was not completely processed because of loss or inadvertence; without amendment (Rept. No. 2013). Referred to the Committee of the Whole House on the State of the Union.

Mr. JOHNSON of California: Committee on Armed Services. H. R. 9006. A bill to amend the act of May 22, 1896, as amended, concerning the loan or gift of works of art and other material; without amendment (Rept. No. 2014). Referred to the Committee of the Whole House on the State of the Union.

Mr. JOHNSON of California: Committee on Armed Services. H. R. 9008. A bill to provide for the deposit of savings of enlisted members of the Army, Navy, Air Force, and Marine Corps, and for other purposes; without amendment (Rept. No. 2015). Referred to the Committee of the Whole House on the State of the Union.

Mr. JOHNSON of California: Committee on Armed Services. H. R. 9561. A bill to correct typographical errors in Public Law 368, 83d Congress; without amendment (Rept. No. 2016). Referred to the Committee of the Whole House on the State of the Union.

Mr. HYDE: Committee on the Judiciary. H. R. 9580. A bill to revise and extend the laws relating to espionage and sabotage, and

for other purposes; with amendment (Rept. No. 2017). Referred to the Committee of the Whole House on the State of the Union.

Mr. ROBSION of Kentucky: Committee on the Judiciary. H. R. 229. A bill to incorporate the Board for Fundamental Education; with amendment (Rept. No. 2018). Referred to the House Calendar.

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. JOHNSON of California: Committee on Armed Services. H. R. 9200. A bill to authorize the President of the United States to present the Distinguished Flying Cross to Col. Bennett Hill Griffin; with amendment (Rept. No. 2009). Referred to the Committee of the Whole House.

PUBLIC BILLS AND RESOLUTIONS

Under clause 4 of rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. RHODES of Arizona

H. R. 9751. A bill to authorize the Secretary of the Interior to sell and convey certain Parker-Davis transmission facilities and related property in the States of Arizona and California, and for other purposes; to the Committee on Interior and Insular Affairs.

By Mr. KNOX:

H. R. 9752. A bill to provide supplementary benefits for recipients of public assistance under Social Security Act programs through the issuance to such recipients of certificates to be used in the acquisition of surplus agricultural food products; to the Committee on Agriculture.

By Mr. PHILBIN:

H. R. 9753. A bill to readjust size and weight limitations on fourth-class parcel post and to provide that the classification, rates of postage, zones, weight, and size limitations, and other conditions of mailability of fourth-class mail shall be determined solely by the Congress; to the Committee on Post Office and Civil Service.

By Mr. RAY:

H. R. 9754. A bill to amend the Internal Revenue Code to encourage the establishment of voluntary pension plans by individuals, to promote thrift, and to stimulate expansion of employment through investment; to the Committee on Ways and Means.

By Mr. REED of Illinois:

H. R. 9755. A bill to permit the naturalization of certain Philippine citizens by reason of honorable service in the United States Navy prior to December 24, 1952; to the Committee on the Judiciary.

By Mr. WOLCOTT:

H. R. 9756. A bill to increase the borrowing power of Commodity Credit Corporation; to the Committee on Banking and Currency.

By Mr. COLE of New York:

H. R. 9757. A bill to amend the Atomic Energy Act of 1946, as amended, and for other purposes; to the Joint Committee on Atomic Energy.

By Mr. BISHOP:

H. Con. Res. 248. Concurrent resolution commending the Polycultural University of America for its contributions to international understanding, providing for the preparation of a gift for His Imperial Majesty Haile Selassie I, and for other purposes; to the Committee on Foreign Affairs.

PRIVATE BILLS AND RESOLUTIONS

Under clause 1 of rule XXII, private bills and resolutions were introduced and severally referred as follows:

By Mr. HAYS of Arkansas:

H. R. 9758. A bill for the relief of Wilhelmus Marius Van Der Veur; to the Committee on the Judiciary.

By Mr. HOLTZMAN:

H. R. 9759. A bill for the relief of Joseph (Giuseppe) Ventura; to the Committee on the Judiciary.

By Mr. O'BRIEN of New York:

H. R. 9760. A bill for the relief of Adelheid Walla Spring; to the Committee on the Judiciary.

By Mr. PHILBIN:

H. R. 9761. A bill for the relief of Maria Palermo Passalacqua; to the Committee on the Judiciary.

By Mr. SHELLEY:

H. R. 9762. A bill authorizing the consideration of the recommendation made for the award of the Legion of Merit to Dr. William A. Reilly for meritorious service during World War II; to the Committee on Armed Services.

H. R. 9763. A bill for the relief of Mr. Michael Nemoff; to the Committee on the Judiciary.

H. R. 9764. A bill for the relief of Sigfried Olsen Shipping Co.; 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:

1074. By Mr. GOODWIN: Petition of Prof. Arthur W. Leighton and 37 other members of the North Street Congregational Church of Medford, Mass., favoring the Bryson bill, H. R. 1227; to the Committee on Interstate and Foreign Commerce.

1075. Also, petition of Miss Adelaide M. Hodson and 24 others urging the passage of the Bryson bill, H. R. 1227; to the Committee on Interstate and Foreign Commerce.

1076. Also, petition of Rev. Delwin H. Martin and 38 others of Highland Congregational Church, of Somerville, Mass., favoring passage of the Bryson bill, H. R. 1227; to the Committee on Interstate and Foreign Commerce.

1077. By Mr. KING of California: Petition of Mrs. Verna P. Thistle representing a group requesting consideration of proposed legislation to bar advertising of alcoholic beverages; to the Committee on Interstate and Foreign Commerce.

1078. By the SPEAKER: Petition of the Disabled American Veterans, Patriotic Hall, Los Angeles, Calif., relative to adopting a policy of exposing any person or group of persons that criticizes any citizen or group of citizens of the United States of America that endeavor to ferret out and expose communism; to the Committee on Rules.

1079. Also, petition of the president, Baltic States Freedom Committee, New York, N. Y., relative to being assembled in prayerful sorrow for the victims of Soviet aggression and genocide in the Baltic countries, and protesting these flagrant acts, etc.; to the Committee on Foreign Affairs.

1080. Also, petition of the President, Chamber of Deputies of Argentina, Buenos Aires, Argentina, relative to the Parliament of Argentina inviting the nations of Argentina, United States, and the Americas to take joint action in concentrating their efforts on restoring peace in Guatemala; to the Committee on Foreign Affairs.

EXTENSIONS OF REMARKS

Lt. Gen. Robert W. Harper, United States Air Force

EXTENSION OF REMARKS

OF

HON. MELVIN PRICE

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Wednesday, June 30, 1954

Mr. PRICE. Mr. Speaker, the retirement from active duty of Lt. Gen. Robert W. Harper, United States Air Force, becomes effective today, June 30, 1954.

Bob Harper has done a great job for the Air Force in my hometown of Belleville, Ill., but he has been doing a great job for the Air Force for a long time. I just happen to know more about his last assignment because I was in a better position to observe. And I know that I speak for all my fellow citizens in Belleville when I express admiration for his work as commanding general of the Air Training Command, and regret at his imminent departure from our community. Community relations between an Air Force base and a busy city could nowhere be better than at Scott Field and Belleville—and that state of affairs is due to Bob Harper more than to any other single person.

Just to refresh my memory I looked up the assignments Bob Harper has had since he was graduated from West Point in 1924, and commissioned in the Infantry. A year later he transferred to the Air Corps. There was not much flying being done in those days, so in the free time he had after he had learned to fly, he studied law, and was admitted to the Texas bar before he was transferred to his next assignment.

I think that industry was typical of the man—he was always preparing for something that might happen, and when it did happen he was ready. By the time World War II began, his capabilities had been recognized at Air Corps Headquarters, and he was Assistant Chief of Staff for Operations. By March 1943 when he was made Assistant Chief of Air Staff for Training, his silver eagles had been traded for a star. When I think of the great job he did in that capacity I think the promotion was only an incidental reward. He must have taken a great deal of satisfaction in knowing that he had directed the training of per-