ultranationalist and anti-Semitic propaganda, aimed at stirring anti-alien sentiment, has attacked critics of the act, while minimizing or ignoring the opposition of Christian church groups. Played up instead is a portrayal of the Jews as seeking the law's repeal because they wish to get millions of their coreligionists into this country. Hints of Jewish power are frequently woven into this argument.

"EXPLOITING LOCAL ISSUES

"The onslaught of ultranationalists against modern education has gravely harassed the school systems of many towns during the past several years. In some instances, so-called education groups, dominated or influenced by anti-Semites, have smeared modern educational methods as communistic and atheistic. Such features as intercultural education, especially, have come under vicious attack; leading educators have been vilified as Communists and their textbooks investigated. UNESCO teaching materials and the display of the U. N. flag have been frequently used as starting points for these attacks. The momentum produced by the earlier organizational and propaganda efforts of ultranationalists promises to keep the issue of modern educational methods alive for some time to come.

"In the grotesque effort to exploit the fears and phobias of the public, the anti-Semites have seized upon proposals in some sections of the country to fluoridate drinking water as a community health measure. Demagogic interpretations range from outright scares of mass poisoning and mass suicide to innuendoes that fluorine saps the individual's willpower—an end, it is charged, desired by the Government. Also suggested, if not openly asserted, is that a supersecret world government backs the project. Fantastic? Yet huge quantities of such propaganda were distributed in Cincinnati. They may well have influenced the negative vote which this proposition received in November 1953.

* * * * *

"CONCLUSION

"Organized anti-Semitic activity today bears little resemblance to the noisy, unruly assemblages of pre-Pearl Harbor days with their spewing of unvarnished racial hatred easily recognizable as Nazi inspired. Using as a point of reference the year 1947, when the anti-Semitic movement reached its lowest ebb, several changing trends in dynamics and tactics are discernible:

"First, more emphasis is laid on disseminating literature, rather than staging meetings, picket lines, rallies, and other demonstrations.

"Second, more subtle approaches are made to public opinion by exploiting such issues as communism, United Nations, and national economic policies.

"Third, there is a pronounced tendency among prominent ultranationalist organizations and leaders to accept—or at least tolerate—hatemongers and their propaganda products. In many cases this amenability is the result of unwariness; many would be more discerning, were it not for their own extremist viewpoints.

"And finally, professional fomenters of discord are in positions where they can cause much trouble, for they have learned how to salt public debate with hate propaganda, and have discovered the usefulness of general mailing lists, instead of relying on the private rosters of crackpot following in years gone by.

"The threat of bigotry polluting the American atmosphere can best be averted by an alert American public. Hatemongers and their machinations must be exposed. Vitally important is the responsibility of ultranationalists and ultraconservatives to recognize, and rid themselves of, the racists who seek to exploit and dominate them. Equally vital is the obligation of respectable leaders and supporters of these movements to dissociate themselves from groups which cannot dislodge the anti-Semites, and to persuade other men of goodwill to do likewise.

"There is much room in the market-place of ideas for opposing viewpoints on a multitude of issues—national and international, political, social, and economic. That is the glory of American democracy. But the public must be shown how to recognize and reject the ideological counterfeiters who would pass on as legal tender their hollow coins of bigotry."

SENATE

MONDAY, JULY 19, 1954

(Legislative day of Friday, July 2, 1954)

The Senate met at 10 o'clock a. m., on the expiration of the recess.

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

Our Father God, who hath taught us that in quietness and confidence shall be our strength, standing at the threshold of another week of test and toil, by the might of Thy spirit lift us, we pray Thee, to Thy presence that we may be still and know that Thou art God.

We thank Thee for friendships that enrich our lives, for duties that challenge our powers, for rainbows of radiant hope which are our skies. In paths beyond our human ken to discover, lead us to that concord which is the fruit of righteousness. Grant us reason and insight to apply our hearts unto wisdom and to bring every thought and effort into captivity to the high endeavor of peace on earth to men of good will. We ask it in the Redeemer's name. Amen.

THE JOURNAL

On request of Mr. SCHOEPPEL, and by unanimous consent, the reading of the Journal of the proceedings of Saturday, July 17, 1954, was dispensed with.

MESSAGES FROM THE PRESIDENT—APPROVAL OF BILL

Messages in writing from the President of the United States were communicated to the Senate by Mr. Tribbe, one of his secretaries, and he announced that on July 16, 1954, the President had approved and signed the act (S. 3539) to further amend title II of the Career Compensation Act of 1949, as amended, to provide for the computation of reenlistment bonuses for members of the uniformed services.

MESSAGE FROM THE HOUSE—ENROLLED BILLS SIGNED

A message from the House of Representatives, by Mr. Bartlett, one of its clerks, announced that the Speaker had affixed his signature to the following enrolled bills, and they were signed by the President pro tempore:

S. 2987. An act to provide for the transfer of hay and pasture seeds from the Commodity Credit Corporation to the Federal land-administering agencies;

H. R. 2617. An act for the relief of Guillermo Morales Chacon;

H. R. 2846. An act authorizing the President to exercise certain powers conferred upon him by the Hawaiian Organic Act in respect of certain property ceded to the United States by the Republic of Hawaii, notwithstanding the acts of August 5, 1939, and June 16, 1940, or other acts of Congress;

H. R. 4928. An act to authorize the Secretary of Agriculture to convey a certain parcel of land to the city of Clifton, N. J.;

H. R. 6263. An act to authorize the Secretary of Agriculture to convey certain lands in Alaska to the Rotary Club of Ketchikan, Alaska;

H. R. 6642. An act for the relief of Mrs. Augusta Selmer-Andersen;

H. R. 6882. An act to amend the act of September 27, 1950, relating to construction of the Vermejo reclamation project;

H. R. 6975. An act authorizing the Secretary of the Interior to convey certain lands to the Siskiyou Joint Union High School District, Siskiyou County, Calif.;

H. R. 7012. An act for the relief of Nicole Goldman;

H. R. 8549. An act granting the consent of Congress to The Breaks Interstate Park Compact;

H. R. 8713. An act to amend section 1 (d) of the Helium Act (50 U. S. C. sec. 161 (d)), and to repeal section 3 (13) of the act entitled "An act to amend or repeal certain Government property laws, and for other purposes," approved October 31, 1951 (65 Stat. 701);

H. R. 9006. An act to authorize the Secretary of the Army to donate 28 paintings to the Australian War Memorial; and

H. R. 9242. An act to authorize certain construction at military and naval installations and for the Alaska Communications System, and for other purposes.

ORDER FOR TRANSACTION OF ROUTINE BUSINESS

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

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

CALL OF THE ROLL

Mr. SCHOEPPEL. Mr. President, I suggest the absence of a quorum.

The VICE PRESIDENT. The Secretary will call the roll.

The Chief Clerk called the roll, and the following Senators answered to their names:

Barrett	Ferguson	Murray
Bennett	Gillette	Saltonstall
Bowring	Gore	Schoeppel
Bridges	Hayden	Smith, Maine
Burke	Hickenlooper	Smith, N. J.
Butler	Hill	Thye
Chavez	Holland	Williams
Crippa	Johnson, Tex.	Young
Dirksen	Knowland	
Ervin	Lehman	

Mr. CLEMENTS. I announce that the Senator from Mississippi [Mr. EASTLAND], the Senator from Louisiana [Mr.

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ELLENDER], the Senator from Tennessee [Mr. KEFAUVER], the Senator from Massachusetts [Mr. KENNEDY], the Senator from South Carolina [Mr. MAYBANK], the Senator from Arkansas [Mr. MCCLELLAN], and the Senator from Rhode Island [Mr. PASTORE] are absent on official business.

The Senator from Missouri [Mr. HENNINGS] is necessarily absent.

The VICE PRESIDENT. A quorum is not present.

Mr. KNOWLAND. Mr. President, I move that the Sergeant at Arms be directed to request the attendance of absent Senators.

The VICE PRESIDENT. The question is on agreeing to the motion of the Senator from California.

The motion was agreed to.

The VICE PRESIDENT. The Sergeant at Arms will execute the order of the Senate.

After a little delay, Mr. AIKEN, Mr. ANDERSON, Mr. BEALL, Mr. BRICKER, Mr. BUSH, Mr. BYRD, Mr. CAPEHART, Mr. CARLSON, Mr. CASE, Mr. CLEMENTS, Mr. COOPER, Mr. CORDON, Mr. DANIEL, Mr. DOUGLAS, Mr. DUFF, Mr. DWORSHAK, Mr. FLANDERS, Mr. FREAR, Mr. FULBRIGHT, Mr. GEORGE, Mr. GOLDWATER, Mr. GREEN, Mr. HENDRICKSON, Mr. HUMPHREY, Mr. IVES, Mr. JACKSON, Mr. JENNER, Mr. JOHNSON of Colorado, Mr. JOHNSTON of South Carolina, Mr. KERR, Mr. KILGORE, Mr. KUCHEL, Mr. LANGER, Mr. LENNON, Mr. LONG, Mr. MAGNUSON, Mr. MALONE, Mr. MANSFIELD, Mr. MARTIN, Mr. MCCARRAN, Mr. MCCARTHY, Mr. MILLIKIN, Mr. MONRONEY, Mr. MORSE, Mr. MUNDT, Mr. NEELY, Mr. PAYNE, Mr. POTTER, Mr. PURTELL, Mr. REYNOLDS, Mr. ROBERTSON, Mr. RUSSELL, Mr. SMATHERS, Mr. SPARKMAN, Mr. STENNIS, Mr. SYMINGTON, Mr. UPTON, Mr. WATKINS, Mr. WELKER, and Mr. WILEY entered the Chamber and answered to their names.

The VICE PRESIDENT. A quorum is present. Routine business is now in order.

EXECUTIVE COMMUNICATIONS, ETC.

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

PROPOSED SUPPLEMENTAL APPROPRIATIONS, DISTRICT OF COLUMBIA (S. DOC. NO. 145)

A communication from the President of the United States, transmitting proposed supplemental appropriations in the amount of $73,721.48 for the District of Columbia for the fiscal year 1955 and prior fiscal years (with an accompanying paper); to the Committee on Appropriations and ordered to be printed.

PROPOSED SUPPLEMENTAL APPROPRIATION FOR PAYMENT OF CLAIMS, ETC. (S. DOC. NO. 144)

A communication from the President of the United States, transmitting a proposed supplemental appropriation to pay claims for damages, audited claims, and judgments rendered against the United States, as provided by various laws, in the amount of $2,097,539, together with such amounts as may be necessary to pay indefinite interest and costs and to cover increases in rates of exchange as may be necessary to pay claims in foreign currency (with accompanying papers); to the Committee on Appropriations and ordered to be printed.

PAYMENT OF MONEY ORDERS

A letter from the Postmaster General, transmitting a draft of proposed legislation relating to the payment of money orders (with an accompanying paper); to the Committee on Post Office and Civil Service.

PROPOSED AWARD OF CONCESSION PERMIT, OLYMPIC NATIONAL PARK, WASH.

A letter from the Assistant Secretary of the Interior, transmitting, pursuant to law, a proposed award of a concession permit, Olympic National Park, Wash., for the period June 15 to September 15, 1954 (with an accompanying paper); to the Committee on Interior and Insular Affairs.

SUSPENSION OF DEPORTATION OF CERTAIN ALIENS

Three letters from the Commissioner, Immigration and Naturalization Service, Department of Justice, transmitting, pursuant to law, copies of orders suspending deportation of certain aliens, together with a statement of the facts and pertinent provisions of law as to each alien, and the reasons for ordering such suspension (with accompanying papers); to the Committee on the Judiciary.

GRANTING OF APPLICATIONS FOR PERMANENT RESIDENCE FILED BY CERTAIN ALIENS

A letter from the Commissioner, Immigration and Naturalization Service, Department of Justice, transmitting, pursuant to law, copies of orders granting the applications for permanent residence filed by certain aliens, together with a statement of the facts and pertinent provisions of law as to each alien, and the reasons for granting such applications (with accompanying papers); to the Committee on the Judiciary.

GRANTING ADMISSION INTO THE UNITED STATES OF A CERTAIN ALIEN

A letter from the Commissioner, Immigration and Naturalization Service, Department of Justice, transmitting, pursuant to law, copy of an order granting admission into the United States of Fintan Patrick Walsh (with an accompanying paper); to the Committee on the Judiciary.

TEMPORARY ADMISSION INTO THE UNITED STATES OF CERTAIN ALIENS

A letter from the Commissioner, Immigration and Naturalization Service, Department of Justice, transmitting, pursuant to law, copies of orders entered granting temporary admission into the United States of certain aliens (with accompanying papers); to the Committee on the Judiciary.

D. A. SULLIVAN AND SONS, INC., AND THOMAS F. HARNEY, JR., DOING BUSINESS AS HARNEY ENGINEERING CO. *v.* THE UNITED STATES

A letter from the Clerk, United States Court of Claims, transmitting, pursuant to Senate resolutions 152 and 165 of the 81st Congress, 1st session, and sections 1492 and 2509, of title 28, United States Code, copies of the Court's opinion and findings of fact, together with conclusions therein, entered in the case of D. A. Sullivan and Sons, Inc., and Thomas F. Harney, Jr., doing business as Harney Engineering Co., v. The United States (with an accompanying document); to the Committee on the Judiciary.

DISPOSITION OF EXECUTIVE PAPERS

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

The VICE PRESIDENT appointed Mr. CARLSON and Mr. JOHNSTON of South Carolina members of the committee on the part of the Senate.

PETITION

The VICE PRESIDENT laid before the Senate a resolution adopted by the National Federation of Business and Professional Women's Clubs, Inc., at St. Louis, Mo., favoring the enactment of legislation granting Statehood for Alaska and Hawaii, which was ordered to lie on the table.

RECOGNITION OF SOVIET RUSSIA AND HER SATELLITE NATIONS—RESOLUTION OF AMERICAN LEGION, DEPARTMENT OF WISCONSIN

Mr. JENNER. Mr. President, I present for appropriate reference, and ask unanimous consent to have printed in the RECORD, a resolution adopted by the Wisconsin Department of the American Legion, at Madison, Wis., favoring the adoption of Senate Resolution 247, to withdraw recognition of Russia and her satellite nations.

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

RECOGNITION OF SOVIET RUSSIA AND ITS SATELLITE NATIONS BE WITHDRAWN AS PROVIDED IN SENATE RESOLUTION 247

Whereas there has been introduced into the United States Senate a resolution, Senate Resolution 247, by Senators MCCARRAN and JENNER to the end that recognition be withdrawn from the Union of Soviet Socialist Republics together with the satellite nations of the Soviet Union; and

Whereas recognition was granted to this nation over the protests of the American Legion in the year 1933; and

Whereas the Soviet Union has violated many of the provisions of the pact wherein that nation was granted recognition by our beloved Republic; and

Whereas the Soviet Union has been responsible for a continued network of espionage within the United States of America; Now, therefore, be it

Resolved by the American Legion, Department of Wisconsin, in convention assembled, this 17th day of July 1954, at Madison, Wis., as follows: That the Members of the Congress from the State of Wisconsin be petitioned to collectively work to the end of the adoption and enforcement of the provisions of Senate Resolution 247, as offered by the Honorable PAT MCCARRAN and the Honorable WILLIAM E. JENNER.

PERMANENT MERCHANT MARINE ACADEMY—TELEGRAM

Mr. WILEY. Mr. President, earlier this year in this session of Congress, I introduced S. 3610, to amend section 216 (b) of the Merchant Marine Act, 1936, as amended, to provide for the maintenance of the Merchant Marine Academy, as a companion measure to H. R. 9434, which had been introduced by my associate, Representative WILLIAM VAN PELT, to accord permanent status to the Kings Point Merchant Marine Academy. This proposed legislation has the widest backing among friends of the United States merchant marine.

It has been distressing, however, to note that this proposed legislation, so

vital to our civilian economy, so indispensable to our military needs in the event of war emergency, has become stalled. A combination of adverse factors is apparently at work, both within and outside the executive branch of Government. It includes the adverse position of certain few folks in the legislative branch as well.

I earnestly hope that the executive branch will reconsider and will give a definitive green light to the Senate and House to pass this proposed legislation. And I hope that those of my associates in the Congress who oppose it will take a second look, and will revise their opinion.

I present a telegram which I received this morning from an officer of the Association of Parents and Friends of the Kings Point Academy. I ask unanimous consent that it be printed at this point in the RECORD and be thereafter appropriately referred.

There being no objection, the telegram was referred to the Committee on Interstate and Foreign Commerce, and ordered to be printed in the RECORD, as follows:

GREAT NECK, N. Y., *July 16, 1954.*

ALEXANDER WILEY,
Senate Office Building,
Washington, D. C.:

Association of Parents and Friends of Kings Point and its hundreds of members from coast to coast join your many constituents in expressing disappointments over House inactivity today on Kings Point bill. Our surveys show majorities in both Houses favor bill passage. Time runs short. Can you request White House clarification of discrepancies between attitudes of Commerce and Navy Departments toward? Such clarification offered by you for committee meetings next may prove turning point. Your tireless and effective efforts today merits full gratitude of America but only further personal and drastic action by you exerted now can assure success this session.

JOHN W. SCHERGER,
First Vice President, Association of Parents and Friends, Kings Point, N. Y.

REPORTS OF COMMITTEES

The following reports of committees were submitted:

By Mr. LANGER, from the Committee on the Judiciary, without amendment:

S. 979. A bill for the relief of Dr. James C. S. Lee (Rept. No. 1820);

S. 1123. A bill for the relief of Kosmas Vassilios Fournarakis (Rept. No. 1821);

S. 1201. A bill for the relief of Martin P. Pavlov (Rept. No. 1822);

S. 1259. A bill for the relief of Anastasia Knodylis (Rept. No. 1823);

S. 1325. A bill for the relief of Szjena Peison and David Peison (Rept. No. 1824);

S. 1558. A bill for the relief of Sultana Coka Pavlovitch (Rept. No. 1825);

S. 1888. A bill for the relief of Rica, Lucy, and Salomon Breger (Rept. No. 1826);

S. 1909. A bill for the relief of Jacob Grynberg (Rept. No. 1827);

S. 2105. A bill for the relief of Donald Hector Taylor (Rept. No. 1828);

S. 2259. A bill for the relief of Rev. Charles V. Rossini (Rept. No. 1829);

S. 2337. A bill for the relief of Jose Alvarez (Rept. No. 1830);

S. 2345. A bill for the relief of Yun Tai Miao and his wife, Chao Pei Tsang Miao (Rept. No. 1831);

S. 2433. A bill for the relief of Dr. Sylvia Siu Fan Cheng Chu and Dr. Johnson Chinsheng Chu (Rept. No. 1832);

S. 2520. A bill for the relief of Julius Maar (Rept. No. 1833);

S. 2580. A bill for the relief of Anni Marjatta Makela (nee Kirvesmaki) and her son, Markku Paivio Makela (Rept. No. 1834);

S. 2586. A bill for the relief of Leon J. de Szethofer and Blanche Hrdinova de Szethofer (Rept. No. 1835);

S. 2639. A bill for the relief of Etsuko Tamaki (Shimizu) (Rept. No. 1836);

S. 2644. A bill for the relief of Maria Louise Andreis (Rept. No. 1837);

S. 2666. A bill for the relief of Anastasia Alexiadou (Rept. No. 1838);

S. 2710. A bill for the relief of Chokichi Iraha (Rept. No. 1839);

S. 2771. A bill for the relief of Guiseppe Minardi (Rept. No. 1840);

S. 2842. A bill for the relief of Dr. Felix de Pinies (Rept. No. 1841);

S. 2893. A bill for the relief of Seraphina Papgeorgiou (Rept. No. 1842);

S. 2894. A bill for the relief of Mrs. Azniv Y. Hasserdjian (Rept. No. 1843);

S. 2967. A bill for the relief of James Ji-Tsung Woo, Margie Wanching Woo, Daniel Du-Ning Woo, and Robert Du-An Woo (Rept. No. 1844);

S. 3319. A bill for the relief of Suzanne L'Heureux (Rept. No. 1845);

H. R. 686. A bill for the relief of Mrs. Erna Gronowski (Rept. No. 1846);

H. R. 692. A bill for the relief of Nina Makeef, also known as Nina Berberova (Rept. No. 1847);

H. R. 795. A bill for the relief of Jean Hollis Vock (Rept. No. 1848);

H. R. 1337. A bill for the relief of Mrs. Franca Gatti Ohta (Rept. No. 1849);

H. R. 1462. A bill for the relief of Fotini X. Parisis (Rept. No. 1850);

H. R. 1768. A bill for the relief of Claire Louise Carey and Vincent F. Carey (Rept. No. 1851);

H. R. 1788. A bill for the relief of Wanda Luceri, also known as Sister Cecilia; Maria De Padova, also known as Sister Rosanna; Anna Santoro, also known as Sister Natalina; Valentina Ruffoni, also known as Sister Severina; Cosima Russo, also known as Sister Carmelina (Rept. No. 1852);

H. R. 2028. A bill for the relief of Mrs. Antonietta Palmieri (Rept. No. 1853);

H. R. 2188. A bill for the relief of Karoline Diekmeyer (Rept. No. 1854);

H. R. 2371. A bill for the relief of Mrs. Maria M. Broix (Rept. No. 1855);

H. R. 2403. A bill for the relief of Laszlo Varga and Nike Varga (Rept. No. 1856);

H. R. 2440. A bill for the relief of Lidija Cimze (Rept. No. 1857);

H. R. 2499. A bill for the relief of Adolfo L. Kalb, and his wife, Mrs. Eugenia G. Kalb (Rept. No. 1858);

H. R. 2619. A bill for the relief of Sister Aurelia Yanguas Teres and Sister Matilde Cuevas San Martin (Rept. No. 1859);

H. R. 2627. A bill for the relief of Cecilia Lucy Boyack (Rept. No. 1860);

H. R. 2650. A bill for the relief of Sister Anna Ettl (Rept. No. 1861);

H. R. 3017. A bill for the relief of Felix Petrover (Rept. No. 1862);

H. R. 3675. A bill for the relief of Herre van der Veen, Mrs. Marie van der Veen, Helen Winifred van der Veen, and Jan Herre van der Veen (Rept. No. 1863);

H. R. 3743. A bill for the relief of Chaim Szemaja Segal and Icek Hersz Segal (Rept. No. 1864);

H. R. 4248. A bill for the relief of Albertas Bauras (Rept. No. 1865);

H. R. 4330. A bill for the relief of Dr. Orlando Artuso and family (Rept. No. 1866);

H. R. 4813. A bill for the relief of Radu Florescu and Nicole Elizabeth Michel Florescu (Rept. No. 1867);

H. R. 5340. A bill for the relief of Tibor, Szuzsa (Suzanne), and Judith Sauer (Rept. No. 1868);

H. R. 5354. A bill for the relief of Liborio Guido Rutilio (Rept. No. 1869);

H. R. 5816. A bill for the relief of Mrs. Caridad Rosa Avila Leyva de Ernest (Rept. No. 1870);

H. R. 6026. A bill for the relief of Gertrud O. Heinz (Rept. No. 1871);

H. R. 6553. A bill for the relief of Esterina Pella Bellucci (Rept. No. 1872);

H. R. 6855. A bill for the relief of Mrs. Elisabeth Metzing Rink (Rept. No. 1873);

H. R. 6982. A bill for the relief of Maria Elizabeth Sanchez Y Moreno (Rept. No. 1874);

H. R. 7041. A bill for the relief of Waltruade Elsa Solleder (Rept. No. 1875);

H. R. 7145. A bill for the relief of Anneliese Catalino (Rept. No. 1876);

H. R. 7150. A bill for the relief of Thora June Grumbles (Rept. No. 1877);

H. R. 7152. A bill for the relief of Jozef Van den broeck (Rept. No. 1878);

H. R. 7221. A bill for the relief of Anders Taranger (Rept. No. 1879);

H. R. 7761. A bill for the relief of John Lewis Pyles, Jr. (Rept. No. 1880); and

H. R. 8239. A bill for the relief of Fung Ping Wah (also known as Reginald Ping Wah Fung) and his wife, Fung Wai-Yin Li (also known as Doris Fung) (Rept. No. 1881).

By Mr. LANGER, from the Committee on the Judiciary, with an amendment:

S. 377. A bill for the relief of the State of Oklahoma (Rept. No. 1882);

S. 547. A bill for the relief of Hava Shpak, A. A. Shpak, and Sympeha Shpak (Rept. No. 1883);

S. 1601. A bill for the relief of Jeremy Allen Clore (Rept. No. 1884);

S. 1978. A bill for the relief of Dr. Chang Ho Cho (Rept. No. 1885);

S. 2064. A bill for the relief of Aniceto Sparagna (Rept. No. 1886);

S. 2536. A bill for the relief of Ellen Henriette Buch (Rept. No. 1887);

S. 2649. A bill for the relief of Chaya Frangles (Rept. No. 1888);

S. 2709. A bill for the relief of Peter Haberl (Rept. No. 1889);

S. 2789. A bill for the relief of Gianni Bernardis (Rept. No. 1890);

S. 2791. A bill for the relief of Ernesto DeLeon (Rept. No. 1891);

S. 2885. A bill for the relief of Sandra Lea MacMullin (Rept. No. 1892);

S. 3065. A bill for the relief of Ernest Ludwig Bamford and Mrs. Nadine Bamford (Rept. No. 1893);

S. 3160. A bill for the relief of Irene Julienne Givens (Rept. No. 1894);

S. 3221. A bill for the relief of Ingeborg Otto (Rept. No. 1895);

S. 3322. A bill for the relief of Ali Hassan Waffa (Rept. No. 1896);

S. 3343. A bill for the relief of Babette Bayer Trisler (Rept. No. 1897);

S. 3424. A bill for the relief of Anneliese Hofmann (Rept. No. 1898); and

H. R. 1514. A bill for the relief of Clint Lewis (Rept. No. 1899).

By Mr. LANGER, from the Committee on the Judiciary, with amendments:

S. 1852. A bill for the relief of Juan Antonio Gorrono Lajarzabulo and Jesus Maria Ojenola Guernica (Rept. No. 1900);

S. 1873. A bill for the relief of Ursula Wilke (Rept. No. 1901);

S. 2841. A bill for the relief of Vittoria Alberghetti, Daniele Alberghetti, and Anna Maria Alberghetti (Rept. No. 1902);

S. 2925. A bill for the relief of Evantiyi Yorgiadis (Rept. No. 1903);

H. R. 5461. A bill for the relief of Wah Chang Corp. (Rept. No. 1904); and

H. R. 7886. A bill for the relief of Mrs. Cecil Norton Broy (Rept. No. 1905).

By Mr. JENNER, from the Committee on the Judiciary, without amendment:

S. 3428. A bill to authorize the Federal Government to guard strategic defense facilities against individuals believed to be disposed to commit acts of sabotage, espionage, or other subversion (Rept. No. 1818).

By Mr. JENNER, from the Committee on the Judiciary, with amendments:

H. R. 9580. A bill to revise and extend the laws relating to espionage and sabotage, and for other purposes (Rept. No. 1819).

By Mr. MILLIKIN, from the Committee on Finance, without amendment:

H. R. 8155. A bill to continue until the close of June 30, 1955, the suspension of duties and import taxes on metal scrap, and for other purposes (Rept. No. 1907); and

H. R. 8628. A bill to amend the Tariff Act of 1930 to insure that crude silicon carbide imported into the United States will continue to be exempt from duty (Rept. No. 1908).

By Mr. MILLIKIN, from the Committee on Finance, with an amendment:

H. R. 9248. A bill to amend section 308 (5) of the Tariff Act of 1930, as amended (Rept. No. 1909).

By Mr. MILLIKIN, from the Committee on Finance, with amendments:

H. R. 8041. A bill to provide benefits under the laws administered by the Veterans' Administration based upon service in the Women's Army Auxiliary Corps under certain conditions (Rept. No. 1910).

By Mr. CAPEHART, from the Committee on Banking and Currency, with an amendment:

H. R. 8152. A bill to extend to June 30, 1955, the direct home and farmhouse loan authority of the Administrator of Veterans' Affairs under title III of the Servicemen's Readjustment Act of 1944, as amended, to make additional funds available therefor, and for other purposes (Rept. No. 1911).

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

S. 1871. A bill for the relief of Antonio Fopp (Rept. No. 1912).

GEO. D. EMERY CO.—REFERENCE OF BILL TO COURT OF CLAIMS—REPORT OF A COMMITTEE

Mr. LANGER. Mr. President, from the Committee on the Judiciary, I report an original resolution, to refer the bill (S. 3730) for the relief of the Geo. D. Emery Co., a private bill, to the Court of Claims for a report, and I submit a report (No. 1906) thereon.

The VICE PRESIDENT. The report will be received, and the resolution will be placed on the calendar.

The resolution (S. Res. 285), was placed on the calendar, as follows:

Resolved, That the bill (S. 3730) entitled "A bill for the relief of the Geo. D. Emery Co.," now pending in the Senate, together with all accompanying papers, is hereby referred to the United States Court of Claims pursuant to sections 1492 and 2509 of title 28, United States Code; and said court shall proceed expeditiously with the same, in accordance with the provisions of said sections, and report to the Senate, at the earliest practicable date, giving such findings of fact and conclusions thereon as shall be sufficient to inform the Congress of the nature and character of the demand, as a claim legal or equitable, against the United States, and the amount, if any, legally or equitably due from the United States to the claimant.

HEALTH SERVICE PREPAYMENT PLAN REINSURANCE ACT—SEPARATE VIEWS (PT. 2 OF S. REPT. NO. 1798)

Mr. MURRAY. Mr. President, in accordance with the unanimous consent agreement entered into on Tuesday, July 13, 1954, I submit separate views on the bill (S. 3114) to improve the public health by encouraging more extensive use of the voluntary prepayment method in the provision of personal health services, and request that they be printed.

The VICE PRESIDENT. The separate views of the Senator from Montana will be received, and, without objection, will be printed.

ENROLLED BILL PRESENTED

The Secretary of the Senate reported that on today, July 19, 1954, he presented to the President of the United States the enrolled bill (S. 2987) to provide for the transfer of hay and pasture seeds from the Commodity Credit Corporation to Federal land-administering agencies.

BILLS AND JOINT RESOLUTION INTRODUCED

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

By Mr. COOPER:

S. 3767. A bill to authorize the issuance of a special series of stamps commemorative of the 100th anniversary of the founding of Berea College, Berea, Ky.; to the Committee on Post Office and Civil Service.

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

By Mr. YOUNG:

S. 3768. A bill authorizing the construction of flood control works on the lower Heart River in the vicinity of Mandan, N. Dak.; to the Committee on Public Works.

By Mr. McCARRAN:

S. 3769. A bill to amend section 709 of title 18, United States Code, so as to protect the name of the Federal Bureau of Investigation from commercial exploitation; to the Committee on the Judiciary.

By Mr. MARTIN:

S. 3770. A bill for the relief of Gertrud Mattigkeit; to the Committee on the Judiciary.

By Mr. JOHNSON of Texas (for himself and Mr. DANIEL):

S. 3771. A bill to convey by quitclaim deed certain land to the Brownsville Navigation District of Cameron County, Tex.; to the Committee on Armed Services.

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

By Mr. McCARTHY (by request):

S. 3772. A bill to amend the Federal Property and Administrative Services Act of 1949, as amended, to provide for the payment of appraisers', auctioneers' and brokers' fees from the proceeds of disposal of Government surplus real property, and for other purposes; and

S. 3773. A bill to authorize reciprocal fire protection agreements between departments and agencies of the United States and public or private organizations engaged in firefighting activities, and for other purposes; to the Committee on Government Operations.

By Mr. AIKEN:

S. 3774. A bill to extend the benefits of the Watershed and Flood Prevention Act to Alaska, Hawaii, and Puerto Rico; to the Committee on Agriculture and Forestry.

By Mr. KENNEDY:

S. 3775. A bill to amend the Federal Regulation of Lobbying Act; to the Committee on the Judiciary.

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

By Mr. YOUNG (for himself and Mr. MUNDT):

S. J. Res. 179. Joint resolution to authorize the Secretary of Agriculture to postpone the referendum on marketing quotas for the 1955 crop of wheat; to the Committee on Agriculture and Forestry.

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

ISSUANCE OF COMMEMORATIVE STAMP IN HONOR OF CENTENARY OF BEREA COLLEGE, BEREA, KY.

Mr. COOPER. Mr. President, I introduce for appropriate reference a bill to authorize the issuance of a commemorative stamp in honor of the centenary of Berea College, Berea, Ky.

Berea is an unusual and outstanding educational institution. It was first founded to provide the opportunity for an education to young men and women living in the mountains of Kentucky and adjacent States. In this endeavor it has succeeded admirably.

The present enrollment of Berea is approximately 1,500 students. Its students today number many from other States and foreign countries. The college charges no tuition. The only fee is that for food, lodging, and incidental expenses, running $337 per year.

A program of work is provided for students to help them finance their education. To accomplish this, Berea manages a number of flourishing business enterprises which give opportunities for employment, including a hotel, a farm, and a print shop. Each student is guaranteed a minimum of 10 hours of work per week.

Berea was conceived in the reform movements prior to the Civil War. The founder was John G. Fee, a preacher who opposed the evils of slavery. His own father denounced him for his convictions. He went to Madison County, Ky., where, in 1853, he was able to establish a church. Two years later a school was founded.

School and Society for April 21, 1951, describes Berea as "a unique example of a school which has been achieving the fundamental aims of education in our democratic society. From its very beginning, Berea was linked to the cause of freedom and to people who were of great faith and courage."

Mr. President, I would like to pay special tribute to the men of great faith and courage who have headed Berea College. During its existence, Berea has had 6 great presidents, as follows: John A Rogers, principal, 1858–69; Edward H. Fairchild, 1869–89; William B. Stewart, 1890–92; William G. Frost, 1892–1920; William J. Hutchins, 1920–39; Francis S. Hutchins, 1939 to the present.

These men, a long roster of dedicated and able teachers, and the support of devoted friends in Kentucky and throughout the Nation have made Berea College one of the great educational institutions of our country.

I ask unanimous consent to have published in the RECORD a brief chronology of Berea College, which will give to the Members of the Senate the significant events in the history of this great institution.

The VICE PRESIDENT. The bill will be received and appropriately referred; and, without objection, the chronology will be printed in the RECORD.

The bill (S. 3767) to authorize the issuance of a special series of stamps commemorative of the 100th anniversary of the founding of Berea College, Berea, Ky., introduced by Mr. COOPER was received, read twice by its title, and referred to the Committee on Post Office and Civil Service.

The chronology presented by Mr. COOPER is as follows:

LANDMARKS IN THE HISTORY OF BEREA COLLEGE

1855: Berea College founded by Rev. John G. Fee, a Kentucky abolitionist, aided by Rev. J. A. R. Rogers, John Hanson, Hon. Cassius M. Clay, and other antislavery men.

1858: Constitution written for the new school. Land for campus secured on faith.

1859: Antislavery families of Berea ordered to leave the State, owing to panicky fear arising from John Brown's raid in Virginia.

1859–65: The young college closed because of exile of its leaders.

1866: Berea College reopened with both young men and young women in attendance, both colored and white.

1873: First college class graduated, three receiving bachelor of arts degrees, one a B. B. degree.

1898: Berea College General Hospital founded. First hospital on a college campus in America.

1904: Day law passed by the Kentucky Legislature forbidding the coeducation of Negroes and whites in the same private institution. Contested by Berea College. Law upheld by the United States Supreme Court in 1908.

1906–9: Berea College raised adjustment fund of $400,000 to establish Lincoln Institute for education of Negroes.

1906: Seven hours a week of work (later 10 hours) required of each student to maintain a democratic social tone among those who did not need to earn their way through college.

1914: First dean of labor appointed to cope with the work problem created by increased enrollments.

1915: First out-of-territory rule passed: That no nonmountain student be admitted to Berea if his presence would crowd out a worthy mountain student.

1919: Second dean of labor appointed with responsibility of developing new incentives and new industries to meet increased pressure for student labor, a successful policy which resulted in worldwide recognition of the trade name Berea College Student Industries as quality product.

1950: Controversial Day law was revised by the Kentucky Legislature permitting private institutions to regulate themselves regarding coeducation of Negroes and whites.

1954: In January the first Negro student was graduated from Berea College since the Day law became effective in 1904—50 years later.

1955: Berea College celebrates its 100th anniversary.

That Berea College has kept pace with educational advances is shown by the recognitions received and the accredited status granted by such agencies as are qualified to pass judgment.

1920: Three-year diploma course in nursing approved by the State board of nurse examiners.

1924: Berea Academy accredited by the Southern Association of Colleges and Secondary Schools.

1926: Berea College accredited by the Southern Association of Colleges and Secondary Schools.

1927: Berea College accepted into membership in the Association of American Colleges.

1928: Berea College placed on the approved list of the Association of American Universities.

1930: Accepted into full membership in the American Association of University Women.

1952: The School of Nursing was temporarily accredited by the National League of Nursing Education.

CONVEYANCE OF CERTAIN LAND TO BROWNSVILLE NAVIGATION DISTRICT OF CAMERON COUNTY, TEX.

Mr. JOHNSON of Texas. Mr. President, on behalf of myself and my colleague, the junior Senator from Texas [Mr. DANIEL], I introduce for appropriate reference a bill authorizing the Secretary of the Army to reconvey, by quitclaim deed, to the Brownsville Navigation District of Cameron County, Tex., certain lands in that county.

In October, 1932, the Brownsville Navigation District conveyed to the United States Government the south tip of Padre Island and the north tip of Brazos Island. No monetary consideration was involved. Subsequently, the United States leased to Cameron County the south tip of Padre Island. This was a 5-year lease, which has been once renewed. The renewed lease expires in August of this year.

Cameron County has declared this tract of land a park area, and voted $850,000 in bonds for its development. Recreational facilities have been erected in the area. The county also has built a causeway from the mainland to the tip of Padre Island, at a cost of $2,750,000. Plans have been made to establish a number of parks on the island.

Officials of Cameron County and of Brownsville Navigation District recently were informed by the Army Engineers that the United States Government no longer needs the land deeded to it in 1932, and that the land should be declared surplus.

This bill would simply authorize the Army to deed back to the Navigation District the land which it received without cost, instead of having the land declared surplus and placed on the market.

The bill provides that if the property is not used for public park and recreational purposes in any two successive years, title to it shall revert to the United States.

The proposed action is fair and equitable. It protects the interests of all concerned. I hope that early and favorable action will be taken upon this bill.

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

The bill (S. 3771) to convey by quitclaim deed certain land to the Brownsville Navigation District of Cameron County, Tex., introduced by Mr. JOHNSON of Texas (for himself and Mr. DANIEL), was received, read twice by its title and referred to the Committee on Armed Services.

EXTENSION OF COVERAGE UNDER OLD-AGE AND SURVIVORS INSURANCE PROGRAM—AMENDMENT

Mr. MARTIN (for himself and Mr. LONG) submitted an amendment intended to be proposed by them, jointly, to the bill (H. R. 9366) to amend the Social Security Act and the Internal Revenue Code so as to extend coverage under the old-age and survivors insurance program, increase the benefits payable thereunder, preserve the insurance rights of disabled individuals, and increase the amount of earnings permitted without loss of benefits, and for other purposes, which was referred to the Committee on Finance, and ordered to be printed.

AGRICULTURAL ACT OF 1954—AMENDMENTS

Mr. AIKEN (for himself, Mr. HICKENLOOPER, Mr. WILLIAMS, Mr. SCHOEPPEL, Mr. WELKER, Mr. HOLLAND, and Mr. ANDERSON) submitted amendments intended to be proposed by them, jointly, to the bill (S. 3052) to encourage a stable, prosperous, and free agriculture, and for other purposes, which were ordered to lie on the table and to be printed.

EXECUTIVE MESSAGES REFERRED

The VICE PRESIDENT laid before the Senate messages from the President of the United States submitting several nominations, which were referred to the appropriate committees.

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

EXECUTIVE REPORTS OF COMMITTEES

The following favorable reports of nominations were submitted:

By Mr. WELKER, from the Committee on the Judiciary:

Fred M. Taylor, of Idaho, to be United States district judge for the district of Idaho.

By Mr. LANGER, from the Committee on the Judiciary:

Herbert S. Boreman, of West Virginia, to be United States district judge for the northern district of West Virginia, vice William Eli Baker, retired;

Emett C. Choate, of Florida, to be United States district judge for the southern district of Florida; and

Joseph E. Hines, of South Carolina, to be United States attorney for the western district of South Carolina, vice John C. Williams, resigned.

NOTICE OF HEARING ON NOMINATION OF LAWRENCE QUINCY MUMFORD, TO BE LIBRARIAN OF CONGRESS

Mr. JENNER. Mr. President, on behalf of the Committee on Rules and Administration, I desire to give notice that a public hearing has been scheduled for Monday, July 26, 1954, at 2 p. m., in room

457, of the Senate Office Building, upon the nomination of Lawrence Quincy Mumford, of Ohio, to be Librarian of Congress.

All persons interested in the nomination are invited to be present at the hearing.

WATER IN THE ARID WEST

Mr. BENNETT. Mr. President, even in the Senate, it pays to pause sometimes and talk of simple things.

What could be more simple—or more vital than water? As the Ancient Mariner said, "Water, water everywhere." It is always with us in the Senate. It fails to rain in one or many States, and we have a withering drought. It rains too hard in one locality in Texas, and we have a lethal flood. It rains too much over too wide an area in the northern plain States, and in Louisiana, they start "workin' on the levee."

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

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

Mr. HICKENLOOPER. I do not mean to be facetious about a very disastrous catastrophe, and while I admit that perhaps Texas has everything larger than any other State, and that it has had some terrible floods, I wish to call attention to the fact that Iowa also has had some disastrous floods which have destroyed a great deal of property.

Mr. BENNETT. I will include Iowa and every other State in which flood damage has been lethal.

I believe all of us can agree that nature can use water to create a crisis.

But our arid West suffers an unending thirst.

The challenge of this truth is always with us. It must be met and mastered, or we cannot grow, either in numbers or in productivity. "More people" means more food, more jobs, and bigger cities—and all these mean "more water."

At first, when we were few, the little mountain streams supplied our need. But by the century's turn, we had stretched to their full limit both these local water sources and our limited financial power to develop them. Then came the Federal reclamation law, and under it we have brought the waters of larger streams from greater distances, and thus sustained a second 50 years of growth.

Now we need to raise our eyes again—this time to our last resource—the highest and remotest reaches of the Rockies. The streams that drain those melting snows become the mighty Colorado, most of whose irreplaceable potential is wasted in the ocean because to harness it for use is understandably difficult and costly. But we have exhausted all the easier resources, and we have no other choice.

Fortunately, we are prepared for it. Already we have an interstate agreement and a plan with which it can be implemented. Because this plan, embodied in S. 1555, will soon be before the Senate for approval, I shall present each day another chapter of this vital story of water in the arid West.

OPPOSITION TO DIVERSION OF WATER FROM LAKE MICHIGAN

Mr. FERGUSON. Mr. President, the senior Senator from Wisconsin [Mr. WILEY] has been compelled to leave the Chamber. He had in mind offering a telegram for the RECORD, and I now ask unanimous consent that a statement by him in connection with the telegram of Vernon W. Thompson, attorney general of Wisconsin, in opposition to diversion of water from Lake Michigan, be printed in the body of the RECORD, together with the telegram referred to.

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

STATEMENT BY SENATOR WILEY

OPPOSITION TO GREAT LAKES WATER STEAL

For three decades the State of Wisconsin has been in the vanguard of the fight against what is generally known as "Chicago water steal legislation."

This legislation, which is now coming up again as H. R. 3300 from the Senate Public Works Committee, would be a blow to the Great Lakes States; a blow to good relations between the United States and Canada.

I have received a great many messages from within and outside my State expressing vigorous opposition to H. R. 3300. One such representative message is from the attorney general of Wisconsin, and I append it to this statement. It is as follows:

MADISON, WIS., *July 16, 1954.*

Hon. ALEXANDER WILEY,
Senate Office Building:

Respectfully request that you exert all possible effort to defeat H. R. 3300 which would authorize a diversion of water from Lake Michigan by the Chicago Sanitary District. For 30 years Wisconsin has led the fight to halt such unlawful diversion and has obtained a United States Supreme Court decree which protects the rights of the citizens of Wisconsin. While the diversion proposed by the pending bill is minor, it is only the camel's nose which could lead to a major and unwarranted interference with the navigable capacity of the Great Lakes. A lowering of the water level 1 inch will remove 2 million tons of shipping annually from the carrying capacity of the lake and will increase the expenditure for dredging in all lake harbors. The waters which belong to all the Great Lakes States are improperly taken when used to flush Chicago sewage down the drainage canal and to generate electric power at Lockport for the profit of the Chicago Sanitary District.

VERNON W. THOMPSON,
Attorney General of Wisconsin.

THE DROUGHT IN MISSOURI

Mr. SYMINGTON. Mr. President, reports received today from Missouri emphasize that it is time for action. Thousands of the small farmers of my State now face financial ruin as the result of the searing heat of the last month and rainfall far below normal.

Temperatures in Missouri yesterday exceeded 110, and again today are at or near 110 in many sections of the State. Pastures are burned up, and water supply for many farmers is near the vanishing point. The intensity of the heat in the last 10 days has burned the tassels and silk right out of the corn, so that there will be little or no grain.

A report from Missouri this morning, by a man who knows, sets the 1954 corn crop at 25 percent or less, pastures worse than last year, and the grasshopper plague the worst it has ever been.

Record shipments of drought-distressed cattle are being received by the stockyards in my State.

Fifteen thousand head of cattle were received at Kansas City this morning, of which 25 percent or more are cows. Some of this stock brings as little as 4 cents a pound.

With burnt out pastures and dried up water supply, the little farmer has no choice but to sell his 10 or 15 brood cows. When those cows bring as little as 4 to 6 cents a pound, or at best an average of $60 per head, this little farmer will not even have the money to pay the loan on his herd.

Mr. President, now is the time that the small farmers need help, and need it badly.

A resumption of the Government's beef-buying program for school lunches, by raising the prices on canners and cutters to 9 or 10 cents, would stabilize the entire cattle market. Such buying now would aid both the farmers who cannot hold their stock any longer, and those who will be able to wait for the fall rains.

This morning, Gov. Phil M. Donnelly held an emergency meeting of the Missouri State Drought Committee. The report from that meeting will be forwarded to President Eisenhower.

In this connection, let me point out that in the drought program in the last year, the State of Missouri invested in excess of $9 million in getting hay to the farmers of our State—a degree of State participation unequalled by any other State.

Mr. President, I ask unanimous consent to have printed at this point in the RECORD telegrams I have received from Missouri and two which I have sent to the Secretary of Agriculture.

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

WASHINGTON, D. C., *July 17, 1954.*

Hon. EZRA TAFT BENSON,
Secretary of Agriculture,
Department of Agriculture,
Washington, D. C.:

Severity of drought in Missouri justifies immediate action.

In most of Missouri drought is now as serious as at any time last year. In some sections it is much worse.

As previously reported to you, cows are selling for as low as $4 per hundredweight on Kansas City market and generally are bringing $2 less than at same time last year. Prices are as low as early September last year when market hit bottom.

Water supply dangerously low as result of searing heat of past 2 weeks. Pastures badly burned. Corn crop in some parts of State completely lost; in other areas will make only one-third. Grasshopper plague aggravating situation.

Immediate reactivation of beef buying and feed distribution programs in distressed areas vitally important if brood herds are to be saved. In beef-buying program every care should be exercised so that benefit goes to farmer in distress. Hope defects in 1953 programs on feed distribution can be corrected.

If additional authority necessary, respectfully urge request be submitted now in time for congressional action.

STUART SYMINGTON.

KANSAS CITY, MO., *July 15, 1954.*

STUART SYMINGTON,

United States Senator:

Copy of wire sending Secretary of Agriculture today: "Near 30 percent present cattle run consists cows which is high percentage, canner and cutter cows at $6 to $8.50 with shelled down to $4, and utility grades $8 to $10 represent some 90 percent of all cow sales here. Few commercial cows $10.50 to $12. All cow prices $1.0059; $2 lower than 1 year ago and as low as the lowest period last year which was early September. Many low-grade canner and cutter steers and heifers selling same range of price as cows. Desertlike temperatures up to 117° with most recent days 100° to 112° have parched pastures and causing water shortages. Rainfall here past 30 days one-seventh inch. Return from cows and other low grades of cattle about 50 percent of normal values. Area affected by severe conditions, growing rapidly, and could easily result larger run lower price. Lower-grade cows are now at lower level of prices than when Government initiated emergency cattle-buying program last year. This condition affecting entire market structure. We recommend emergency measures be taken at once."

M. J. FLYNN,

President, Kansas City Livestock Exchange.

MEXICO, MO., *July 14, 1954.*

Hon. STUART SYMINGTON,

Senate Office Building:

At an emergency meeting of the board of directors of the Mexico Chamber of Commerce held this morning, I was instructed to inform you as follows:

Within the past week soil and crop conditions have become such that drastic and prompt relief measures must be initiated to prevent an indicated economic disaster to our people.

Investigation shows that as of this date in Audrain County, there is more crop damage than at any time during the 1953 drought.

Pastures are burnt brown. There is no grass for livestock. Their water supply is being depleted. Most corn appears to be damaged beyond the state of grain production, soybeans are stunted and "fired." Local agricultural officials and experts call the condition critical.

A personal survey of the movement of cattle to the major stockyards shows that great numbers of animals are being sent to slaughter in gaunt flesh. Especially is this true of cows and their calves. Consequently, prices are being depressed to such an extent as to be ruinous to our farmers.

It is recommended that action be initiated to immediately provide at reasonable costs to local farmers such surplus feeds in Federal control as will enable the maintenance on the farms of our production of livestock and the orderly marketing of cattle in sufficient flesh for slaughter. We believe this to be in the national interest.

It is our considered opinion that unless rain in abundant quantities is immediately forthcoming, this county at least will suffer damage as greatly as in the agricultural disaster of 1934. The Weather Bureau offers no encouragement for relief.

It is hoped that action will be prompt.

Hungry livestock will not be tolerant of delay.

Sincerely,

MEXICO CHAMBER OF COMMERCE,
JACK BAKER, *President.*

JULY 9, 1954.

Hon. EZRA T. BENSON,

Secretary of Agriculture, Department of Agriculture, Washington, D. C.:

Am advised water shortage and high temperatures are resulting in unusual forced movement of livestock into Kansas City market, particularly cows, calves, and light cattle. Situation approaching serious proportions of last year. Would appreciate your consideration of emergency action.

STUART SYMINGTON,

United States Senator.

KANSAS CITY, MO., *July 8, 1954.*

STUART SYMINGTON,

United States Senator:

Recent high temperatures and low rainfall resulting large numbers cows, calves, and light cattle coming to market. Water shortage contributing to forced movement of livestock. Some fifty-five hundred cows received our market this week, about as large number as any week in June or July 1953; values on cows and other young cattle in canner and cutter flesh approaching the lows of last year. This situation can rapidly develop demoralized prices on these classes of cattle. It would seem some plans for emergency action should be under consideration.

M. J. FLYNN,

President, Kansas City Livestock Exchange.

PICKETING IN FRONT OF THE WHITE HOUSE

Mr. MORSE. Mr. President, I ask unanimous consent to have printed in the body of the RECORD at this point an article entitled "Picketing Is O. K.," written by Fred Othman, and published in the Washington Daily News of July 14, 1954.

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

PICKETING IS O. K.

(By Fred Othman)

If you want to walk in front of the White House with a sign demanding that President Eisenhower pass out free ice cream on hot days, it's all right. Picketing the President is still legal.

Just keep moving, is all, and get in no arguments with the cops.

Maybe this isn't important. And maybe it reaches to the very fundamentals of being an American. In any event there was Representative BRADY GENTRY, Democrat, of Texas, arriving in town about 18 months ago and running smack dab into the Rosenberg pickets at 1600 Pennsylvania Avenue.

All those signs demanding that the President pardon the atom spies and all those people pounding the pavements 24 hours a day struck him as a disgrace. Disgusting and also revolting, he said.

So the gentleman from Texas wrote a bill to prohibit pickets from performing on any streets adjacent to the Executive Mansion. This the House passed unanimously June 14.

Eventually the bill reached the Senate District Subcommittee, with Nebraska's new Senator, SAM REYNOLDS, in the chair, and Senator WAYNE MORSE, the Oregon Independent, sitting beside him. Representative GENTRY, a large party in horn-rimmed eyeglasses, read an eloquent statement saying pickets should not be allowed to sully the majestic symbol of a great democracy.

Came then a municipal attorney to point out that Statesman GENTRY had got the names of one of the streets wrong. Came also Chief of Police Robert V. Murray to say he was neutral. He said he could handle pickets and never had any trouble with 'em. Well, hardly ever.

Once, he said, there was this President Trujillo, of the Dominican Republic, in town and his enemies began to picket the Mayflower Hotel. Then came his friends to picket them. It kept the Chief busy for a while keeping the pros separated from the cons.

Chairman REYNOLDS said, well, sir, he once saw a mob in action in Omaha and it was a frightening experience. End of the hearings, but not of story:

Senator MORSE, the one-time law professor, delivered a little lecture. "The right of picketing is an essential part of the freedom of speech and the right of petition," he said. "There's always a risk of living in a democracy; there's always a risk in being free. And I cannot imagine a President who would deny the right of Americans to walk in an orderly fashion in front of the White House.

"The man who sits in the White House is the servant of the people. He is not our master. We have the right to petition him."

Representative GENTRY had pointed out that Congress long ago outlawed pickets at its own front door.

"We did a very cowardly thing," Senator MORSE said. "We ought to be ashamed of ourselves. That law should be repealed."

Senator REYNOLDS said he still didn't believe mobs should be allowed to form in front of the White House. Without police, he said, they might get into the grounds, upon the front porch, and into the mansion itself. "This is akin to anarchy," he said. "It is just a step from rebellion."

The professor turned Senator then recalled for the chairman's benefit a little history about people gathering with signs in colonial days, petitioning against adopting the Constitution itself. The right to picket, he said, is even older than the United States.

Senator REYNOLDS said let's have a vote. Senator MORSE said (and this was important) that he had in his pocket the proxy of Senator MATTHEW M. NEELY, Democrat, of West Virginia. The bill to end picketing of the White House lost 2 to 1—or at least was postponed indefinitely—and somehow I figure ours will be a better Nation because of it.

AMITY SPEAKS

Mr. MORSE. Mr. President, I ask unanimous consent to have printed in the body of the RECORD an article published in the Amity (Oreg.) Standard of Thursday, June 10, 1954. The article is entitled "Amity Speaks," and was written by Mr. R. L. Walker.

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

AMITY SPEAKS

(By R. L. Walker)

As late as the end of the year 1929, economically, we the people of the United States, were getting along pretty good; of course for about 15 years prior to that time, we had either been fighting World War I, or feeding a devastated Europe. However, by the end of 1929, we had caught up with our agricultural production to the extent that we all had enough to eat and some surplus.

Now what happened? The trade found themselves with a lot of commodities on hand, and a lot more than the consuming public would consume and another crop ready to harvest. So what happened? Everybody was stuck. No one could buy any commodity, for there was no place to sell it. There was no established price. The bottom fell out of everything. By that time very few people had a job, and those that did were in the same boat because their pay had been cut until there was no buying power by January 1932. Notwithstanding the fact that agriculture had cut production, what production they had was produced by the farm owners themselves without hiring any help. So what happened? They burned the corn for fuel and fed some to the hogs, which they sold when fat, as low as $1 per 100 pounds. So what about all this?

Now good folks for your information, all of that condition was brought about by that

old natural law of supply and demand, that some of you people think is all we need. Oh, yes, that was private enterprise, too. You know there is one other thing I might mention. When the farmer goes down everyone else goes down with him. As an example, I think every logging camp and lumber mill in the State was closed up, except one, and it was not doing much.

The fact that I wish to call to your attention at this time is the fact that we have a larger surplus of every kind of commodity now than we have ever had before. Therefore the only thing that is keeping us out of even a worse predicament than we were in during 1930 and 1931, is our agricultural program and support prices. But the present administration through our Department of Agriculture, and under the leadership of Secretary of Agriculture, Mr. Benson, is trying to tear down what little soundness there is left in our price-support system.

As I see this matter, unless the legislative branches of our Government do something to stabilize the agriculture of this country, we can find ourselves in bad shape. Another way to put it is like this: If the laboring or salary man is going to keep his job, buying power and well-being, likewise the business and professional man, they are not only going to be willing to pay agriculture a just price for his labor and production, but will have to find a way to do it.

I do not think it makes a lot of difference how this is done, just so it is done; and done before it is too late. I do think that agriculture should cut production on the things that we now have too much surplus of, and I do think it should be by quota, and I think that the farmer should be paid as well as the farmer pays everyone else. It takes just this to constitute a sound economy.

This is all my own opinion, and I do not think that I am wrong.

INROADS ON CIVIL LIBERTIES—LETTER TO THE EDITOR

Mr. MORSE. Mr. President, I ask unanimous consent to have printed in the body of the RECORD a very fine article which appeared in the Toledo Blade of Sunday, June 13, 1954. It is in the form of a letter to the editor of the Blade by Mr. Dan H. McCullough, and was published in the Sunday forum column of the Blade.

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

SUNDAY FORUM—LAWYER TRACES INROADS ON CIVIL LIBERTIES; SEES SOME BASIC FREEDOMS LOST, IMPAIRED

To the EDITOR OF THE BLADE:

Under the impact of two world wars, the prohibition amendment, the cold war, politically ambitious prosecutors, some cowardly judges and a few demagogs who have taken advantage of the cold war to scare hell out of everybody, the liberties of which we boast have been or are being taken away from us. Scholarly Asiatics and Europeans, as well as a substantial segment of our own population, know that the facts belie our proud boast of being a free people.

We are not concerned unless it is our ox that is gored, and so one group is unconcerned when another loses the right of free speech, or a free press. So we sanction the denial of bail to persons of whom we disapprove, or illegal search and seizure when it does not affect us.

"Send not to know for whom the bell tolls; it tolls for thee."

The verity of these words is not understood nor their applicability to the denial of civil rights. In a healthy society the protection of the civil rights of all groups is the concern of all groups, but particularly of the educated and well informed. In our country, those with the greatest stakes in the preservation of our system view with approval the denial of civil rights to those at the lower levels of our economic life. The degree of freedom of the rich and the well placed is decided each day in police courts across the land. The tap on the door at night can climb the social ladder in our country as it has in others.

Years ago Finley Peter Dunne had his Mister Dooley say "The Supreme Court follows the election returns." I didn't believe that statement until I learned what happened to the first amendment during World War I. The first amendment to the Federal Constitution spells out that—

"Congress shall make no law * * * abridging freedom of speech, or the press * * *" And section II of article I of the Ohio bill of rights says the same thing.

That was the law in 1914, but in 1919 the United States Supreme Court placed its interpretation upon the words of the first amendment when it decided the Schenk, Frohwerk, and Debs cases. Then the war scare and the Communist scare died out and by 1927 we had free speech again under the doctrine in the Whitney case. Then freedom of speech vanished again when the Federal Supreme Court upheld the conviction in the Dennis case in 1951. Maybe we will have free speech again some day, but I doubt it.

Right now the Attorney General is trying to get a wiretapping bill through the Congress, and some politicians are trying to stir people up against the fifth amendment. Without the fifth amendment you would soon have a police state, but that doesn't bother the average guy who has never had the opportunity to think things out. All he knows is that some politicians have been claiming that a few guys may escape punishment for something that they are supposed to have done. Some transparent fraud of a politician gets him stirred up and the guy wants the Constitution and the Bill of Rights repealed.

This is what the fourth amendment to the Federal Constitution says:

"The rights of the people to be secure in their persons' houses, papers, and effects, against unreasonable searches and seizures, shall not be violated, and no warrants shall issue, but upon probable cause, supported by oath or affirmation, and particularly describing the place to be searched, and the person or things to be seized."

Section 14 of article I of the Ohio bill of rights says just about the same thing. To a layman it must be quite clear that when the police officers raid a card game in a private home on the word of some informer and without a search warrant, they violate the homeowner's constitutional rights.

That was the law of Ohio a long time ago, if you are arrested by a Federal officer for a Federal offense it is still the law. In Federal court your lawyer would file a motion to suppress the evidence and it would be granted and you would go free. That is today known as the Federal rule. In only 16 of the States is that rule followed. The other States, including Ohio, follow what is known as the State rule on search and seizure.

Back in 1922 the Ohio Supreme Court decided the bootlegging cases of *Houck* v. *State* and *Rosanski* v. *State*, and these decisions led inevitably to the decision in the famous *State* v. *Lindway* case in 1946.

Lindway was suspected of complicity in some bombings which took place in Cleveland and his home was searched without a search warrant.

Lindway was a bad boy and the trial judge was anxious to convict him. He denied Lindway's motion to suppress the evidence and the Supreme Court of Ohio said:

"The immunities from compulsory self-incrimination and unreasonable searches and seizures given by Ohio constitution, article I, sections 10, 14, are not violated by the denial of application to suppress or exclude evidence obtained by unlawful search and the admission of such evidence."

Then the court went on and piously called the officer a trespasser and suggested that Lindway sue the officer when he got out of jail. The hard fact was that the evidence obtained in an illegal search was used against Lindway with the approval of the Ohio Supreme Court, and the United States Supreme Court refused to review the case.

On and after the decision in the Lindway case a home was no longer a man's castle in Ohio.

Apparently the Ohio judges did not subscribe to the words of Mr. Justice Frankfurter in his dissent in *United States* v. *Rabinowitz* in which the judge said:

"It is a fair summary of history to say that the safeguards of liberty have frequently been forged in controversies involving not very nice people. And so, while we are concerned here with a shabby defrauder, we must deal with his case in the context of what are really the great themes expressed by the fourth amendment."

This is, of course, what people will never learn. First, that the degree of freedom that an innocent man has is exactly the degree of freedom that a guilty man has; and, second, that the law of civil liberties is hammered out in cases involving such not nice people.

People also tend to forget what Tom Paine wrote:

"He that would make his own liberty secure must guard even his enemy from oppression, for if he violates this duty he establishes a precedent that will reach to himself."

Since the decision in the Lindway case in 1936 the question of search and seizure has been before our Supreme Court and the various district courts of appeals on many occasions. The ruling has always been the same: The illegal search and seizure has been approved.

The State of Colorado has the same rule as Ohio, and in *Wolf* v. *Colorado*, in 1949, the United States Supreme Court refused to reverse Wolf's conviction, although the search and seizure was illegal.

In 1952 the United States Supreme Court had this question before it in *Casey* v. *United States*. This was a Federal case and so the court ruled in favor of Casey on the question of the illegal search and seizure. The evidence having been obtained illegally, it was thrown out and Casey went free.

In *Casey* v. *United States*, which was a Federal case, the United States Supreme Court followed the Federal rule. In the Wolf case, which was a State case, the United States Supreme Court followed the State rule.

Not only can the police prosecute you in the city courts for the violation of an ordinance, but you can be prosecuted again in the common pleas court for the felony. I know that is double jeopardy, but here again the Constitution says one thing and the law another.

The fifth amendment to the United States Constitution says:

"Nor shall any person be subject for the same offense to be twice put in jeopardy of life of limb."

Section 10 of article I of the Ohio bill of rights reads in this wise:

"No person shall be twice put in jeopardy for the same offense."

This may seem pretty plain to you, and that was the law until the Supreme Court of Ohio went haywire back in 1914 in *State* v. *Rose*. The court said:

"The words 'same offense' mean same offense, not same transaction, not the same

acts, not the same circumstances or same situation."

The famous case of *Duval* v. *State* went up from Lucas County in 1924 and the supreme court affirmed the conviction of Duvall on a robbery charge, although he had previously been acquitted of a murder charge growing out of the same transaction.

The last time this question was before the Ohio Supreme Court was in 1951 in the case of *State* v. *Martin*, and the court spelled out the law:

"One act may constitute several offenses, for example under a municipal ordinance, State statute or Federal statute."

Is it fair to say that freedom of speech is no more? The moment you qualify or limit this right, it ceases to exist. It is also fair to say that not only have the express terms of the first amendment been evaded by judicial legerdemain, but that presently the prohibitions against search and seizure and double jeopardy as contained in the fourth and fifth amendments to the United States Bill of Rights as well as in sections 14 and 10 of article 1 of the Ohio bill of rights are but words and of no effect at the trial level.

DAN H. MCCULLOUGH.

PRINTING OF ADDITIONAL COPIES OF SENATE DOCUMENT 87, REVIEW OF THE UNITED NATIONS CHARTER—A COLLECTION OF DOCUMENTS

The VICE PRESIDENT laid before the Senate the amendments of the House of Representatives to the concurrent resolution (S. Con. Res. 80) to print additional copies of Senate Document 87, Review of the United Nations Charter—a Collection of Documents, which were in lines 2 and 3 strike out "for the use of the Committee on Foreign Relations one" and insert "three", and in line 6, after "Documents" insert "; one thousand copies for the use of the Committee on Foreign Relations and 2,000 copies for the Members of the House of Representatives."

Mr. JENNER. I move that the Senate concur in the amendments of the House.

The motion was agreed to.

CONVEYANCE OF CERTAIN LANDS TO CITY OF MUSKOGEE, OKLA.—RECONSIDERATION AND PASSAGE OF BILL

Mr. BUSH. Mr. President, on July 2, 1954, the Senate passed the bill (H. R. 8983) to provide for the conveyance of certain lands by the United States to the city of Muskogee, Okla. There was a mistake in the bill on page 2, line 19, where the word "bill" was used instead of the word "act." I ask unanimous consent that the vote by which the bill was ordered to a third reading, read the third time, and passed, be reconsidered. This matter has been cleared with the minority leader.

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

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

Mr. BUSH. I now offer an amendment, on page 2, line 19, to strike out the word "bill" and insert "act."

The VICE PRESIDENT. The question is on the amendment offered by the Senator from Connecticut.

The amendment was agreed to.

The amendment was ordered to be engrossed and the bill to be read a third time.

The bill was read the third time and passed.

REFERENDUM ON MARKETING QUOTAS FOR 1955 WHEAT CROP

Mr. YOUNG. Mr. President, on behalf of myself, and the Senator from South Dakota [Mr. MUNDT], I introduce for appropriate reference a joint resolution to authorize the Secretary of Agriculture to postpone the referendum on marketing quotas for the 1955 crop of wheat.

The PRESIDING OFFICER (Mrs. BOWRING in the chair). The joint resolution will be received and appropriately referred.

The joint resolution (S. J. Res. 179) to authorize the Secretary of Agriculture to postpone the referendum on marketing quotas for the 1955 crop of wheat, introduced by Mr. YOUNG (for himself and Mr. MUNDT), was received, read twice by its title, and referred to the Committee on Agriculture and Forestry.

Mr. YOUNG. Mr. President, the joint resolution would permit the Secretary of Agriculture to postpone for 1 month the wheat referendum scheduled for Friday of this week, July 23. I shall state the reason for the postponement. The wheat farmers are now required to vote on one choice, namely, whether they shall have quotas, which would mean a reduction in acreage of 34 percent and the effective price-support program, or no quotas and 50 percent of price supports. It is very uncertain at the present time what the price-support level for wheat will be next year. If no legislation is passed—and I believe in view of the delay in Congress, there is a possibility that no such legislation will be passed—in that event the Anderson act will go into effect, providing for price supports of from 75 percent to 90 percent of parity; whereas if the House version of price supports on pending legislation were adopted, wheat farmers would have 82½ percent of parity. We do not know yet what the Senate action will be.

However, since there is a delay in the Senate, and the farmers do not know what the position of the Senate will be, or what the position of the Secretary of Agriculture will be on price-support levels for wheat if no legislation is passed, I believe it is appropriate that the referendum be postponed. If there were an adverse vote, and wheat supports went to 50 percent of parity, I could think of no greater tragedy that could happen to our farm economy.

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

Mr. YOUNG. I shall be happy to yield in a moment. If no legislation were passed, the Secretary of Agriculture would have discretion to set the level of supports at from 75 to 95 percent of parity.

President Eisenhower has indicated, I believe, that he does not favor having wheat supports go all the way down to 75 percent, if the Anderson Act should go into effect. I have telegraphed the Secretary of Agriculture, Mr. Benson, asking him for his opinion on the joint resolution we are introducing, and urging him to state to the farmers, if no action should be taken in Congress on farm legislation, what price-support level they could expect under the Anderson Act, whether the price-support level would be 75 percent, 80 percent, 85 percent, or 90 percent. I think it would be very proper for the Secretary of Agriculture at this time to state what his position will be if nothing is done by Congress, and if the Anderson Act goes into effect.

I now yield to my good friend from South Dakota.

Mr. MUNDT. Mr. President, I congratulate my colleague from North Dakota on introducing the joint resolution with which I have associated myself. It seems to me that it is not right to ask the farmer to vote on something that is more or less in the category of a cat in the bag, when the farmer can not tell on what basis he should vote in the referendum. The restrictions by way of acreage allotments are becoming rather severe, and before a wheat farmer can vote intelligently in his own interest or in the national interest he must know something about the support level. He must have that information, so that he can do the necessary arithmetic in order to determine whether it is in his interest or not to vote for allotments. It is rather difficult for the farmer to cast his ballot when the situation is vague as it is, and something should be done.

I do not think that a delay of 10 days or even 2 or 3 weeks in taking the referendum will in any way work an injury on the program. By that time I believe Congress will have been able to express its desires in connection with an agricultural bill, and the farmer will then be able to vote on a definite and precise set of circumstances.

Mr. YOUNG. I thank the Senator from South Dakota whose judgment I greatly value, and especially on agricultural matters. I think the wheat farmers are perfectly willing to vote for wheat quotas, even though they are severe, but they ought to know what the alternative will be and what he will receive by way of price support if he votes approval.

I believe few people realize how severe the impact will be on the wheat farmers. If he votes approval—and I think he should—he will have to cut his acreage 34 percent. He will not be able to produce anything else on the acres which will have been withdrawn. Thus he will lose one-third of his income because of acreage reduction. On top of that, if the Secretary fixes price supports at 75 percent, which he will be privileged to do if the Anderson act goes into effect, the farmer will lose another 15 percent in income. If the modernized formula were to go into effect, which would start in 1957, he would lose another 15 percent or more of income. That is a very severe blow. No business establishment that I know of could stand such a jolt and remain solvent.

VOCATIONAL REHABILITATION AMENDMENTS OF 1954—CONFERENCE REPORT

Mr. PURTELL. Mr. President, I submit a report of the committee of conference on the disagreeing votes of the two Houses on the amendment of the House to the bill (S. 2759) 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. I ask unanimous consent for the present consideration of the report.

The PRESIDING OFFICER. The report will be read for the information of the Senate.

The legislative clerk read the report.

(For conference report, see pp. 10386–10390 of House proceedings for today.)

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

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

Mr. PURTELL. Mr. President, despite the numerous differences which existed between the Senate and House versions of the bill, the conferees succeeded in reconciling their differences so that, in my opinion, the resultant legislation should very admirably accomplish the objective of improving the Federal-State services for the physically handicapped.

I shall explain the principal provisions resulting from the action of the conferees. First, Mr. President, as the Senate well knows, there was considerable debate in the Chamber concerning the so-called pivot point or average Federal share. The bill, as it passed the Senate, provided a pivot point of 55 percent with a range of 45 percent to 65 percent for the Federal share. The bill, as amended by the House, included a pivot point of 62 percent with a range of 52 percent to 72 percent. The House conferees were very insistent on their amendment, but I am happy to state that our differences were reconciled by agreement on a 60 percent pivot point with a range of 50 percent to 70 percent for the Federal share. There is no doubt in my mind, Mr. President, that this provision will result in an improvement over the old haphazard method of allotting Federal funds, and that the provision will make it possible for the States not only to hold their base levels of support, but also to step up their programs in order to achieve the overall objectives set forth by the President.

The Senate and House versions of the bill also differed to some extent in the transition provisions for getting the program under operation of the formula provided in the bill. As the Senate will recall, that formula was patterned after the formula used in the Hospital Survey and Construction Act—the so-called Hill-Burton formula. The conferees accepted the House version in this respect. Accordingly, the bill provides that the first $23 million, which is the amount appropriated in the fiscal year 1954 for grants under the present law, of each year's appropriations for grants, shall be available exclusively for basic grants. It further provides that in case the allotment of any State for any year, as computed under the Hill-Burton formula, is less than the State's base allotment—which is an amount slightly in excess of the amount it received in Federal grants for its 1954 expenditures—the State's allotment shall be increased to the amount of its base allotment. The Senate version contained a similar provision. The Senate version also contained certain transition provisions for allocation of new money over the base allotment, namely, 100 percent Federal funds for fiscal year 1955, 80 percent for fiscal year 1956, 65 percent for 1957, 55 percent or the Hill-Burton ratio for 1958, and Hill-Burton matching for 1959 and thereafter. In the House version, upon which the conferees agreed, the new money goes out under the Hill-Burton allotment provisions. The amounts required to increase the allotments of some States to the amount of their base allotments are derived by placing a ceiling on the allotments of other States which, under the Hill-Burton allotment formula, would receive a disproportionate increase in Federal grants as compared with the percentage increase in basic grant appropriations for the allotment year over the $23 million appropriated in 1954. The maximum increase permitted is one and one-half times the percentage increase in appropriations for the year involved. In any year in which the basic grant appropriation is higher than $23 million, application of this one and one-half ceiling will always result in enough funds to bring all low-allotment States up to their base allotments and, in addition, provide funds to increase by a uniform percentage their allotments, as well as the allotments of all other States not affected by the ceiling.

This, Mr. President, is an improvement over the Senate version, since it will assure all States receiving new money over and above the base allotments that they had been receiving in the past. Under the Senate revision, particularly in the first 2 or 3 years of the transition period, some States would not have received new money over and above the base allotment. The provisions upon which the conferees agreed contain a permanent guaranty of the amount of the base allotment so long as Congress appropriates the money.

Both versions of the bill provided for extension and improvement grants. The Senate version would have made available such grants with 75 percent Federal funds the first 2 years, 50 percent the second 2 years, and 25 percent for a third 2-year period. The House version provided only for 75 percent Federal grants for 2 years on any project. The House conferees insisted on their version but finally agreed to extend such grants for a 3-year period with 75 percent Federal funds.

Both the Senate and House versions contained provisions for special project grants. It is under these grants, Mr. President, that the Secretary would be authorized to support special projects for training and for providing scholarships for individuals to be trained in the skills necessary for carrying on the rehabilitation process. As the Senate well knows, this is one of the most important provisions in the bill. We all know that there is a great shortage of trained personnel necessary for rehabilitation work. The Senate version had no restrictions within which the Secretary would have to operate in this important regard. The House, however, restricted projects for training and traineeships to the fiscal years 1955 and 1956 only, and to 12 months in the case of any individual trainee. This provision would have so seriously handicapped the Secretary that it is questionable whether anything substantial could have been accomplished in the way of training the personnel so greatly needed, if we are to achieve the President's goal of rehabilitating at least 200,000 individuals annually. I am happy to say that the House receded on its restriction of this authority to the fiscal years 1955 and 1956. The House conferees also agreed to extend the time limit to 2 years in the case of any individual pursuing any one course of study. The conferees were advised that this provision would, in no way, handicap the Secretary in carrying out the intent of these training provisions. Also, in regard to the special project grant authority, the House conferees agreed to the Senate amendment which authorized the Secretary to cooperate in assisting with the financing of a pilot demonstration rehabilitation center in the Washington metropolitan area.

Another important provision agreed to by the conferees, Mr. President, is the adoption of amendments to the Randolph-Sheppard Vending Stand Act. As the Senate will recall, an amendment was adopted on the floor to make certain that this subject would be before the conference. I am happy to say that the conferees agreed to the provision regarding the Randolph-Sheppard Act essentially as passed by the House. The present act authorizes the operation of vending stands by the blind in Federal buildings. The measure adopted by the conferees extends this authority to include Federal property, thereby opening up additional sites to this program.

Also, one of the important provisions in the Randolph-Sheppard Act amendment is one which is designed to insure that a preference is given to blind persons in the granting of permission to operate vending stands on Federal property. It provides that, first, so far as feasible, preference will be given to blind operators licensed under this program; and, second, the head of each Federal department or agency concerned shall consult with the Secretary of Health, Education, and Welfare and prescribe regulations to insure special preference. Such regulations will be subject to approval by the President. The conferees were thoroughly convinced that the property of the Federal Government should be more fully and freely utilized in expanding the vending-stand program for the blind, and that no department or agency should be permitted to refuse suitable stand locations to this blind program except where such stand would clearly conflict with the proper functioning of the department or agency.

Another important amendment to the Randolph-Sheppard Act, Mr. President, is one providing that where the State wishes to do so, it may permit the operators of the vending stands to own their equipment. Various spokesmen for the blind have been very much interested in this provision and I am happy to say that the conferees agreed to it. This privilege is, of course, provided with appropriate safeguards which will insure that if the blind operator ceases to operate his stand, the use of the location and the equipment will not be lost to the use of the blind.

I am also pleased to advise the Senate that the conferees adopted the Senate provision which establishes a special advisory council to make recommendations to the Secretary concerning special project grants. This is an important provision, Mr. President, since it will assure the Secretary of the assistant of a continuing advisory group of experts and other outstanding persons in the field of rehabilitation.

Finally, Mr. President, the conferees also agreed to a House provision which would amend the Wagner-Peyser Act to require States to provide employment counseling and placement services for handicapped persons, and provide that each State or Federal employment service office must designate at least one person to promote employment opportunities for the handicapped and provide them with counseling and placement service.

The conferees also adopted a House provision increasing the annual appropriation authorization for the President's Committee on Employment of the Physically Handicapped from $75,000 to $225,000.

These provisions which I have discussed were the major points in the agreement reached by the conferees. It is the opinion of the conferees, Mr. President, that we now have a highly workable piece of legislation and one in which both the House and the Senate may take pride in their accomplishment.

I ask for the adoption of the conference report.

Mr. HILL. Mr. President, I was a member of the committee of conference, but because I was engaged on the floor, I was unable to attend many meetings of the conference committee, although I signed the report.

The distinguished junior Senator from New York [Mr. LEHMAN] also was a member of the committee of conference, and, as I understand, signed the report.

Mr. PURTELL. That is correct.

Mr. HILL. Did the Senator from Connecticut indicate to the Senator from New York that it was his intention to have the report considered at this time? I do not know whether the Senator from Connecticut has talked to the Senator from New York about the report.

Mr. PURTELL. I did not talk with the Senator from New York, although I understand he was quite satisfied with the outcome of the conference.

As I understand, the distinguished Senator from New Jersey [Mr. SMITH] was in conversation with the Senator from New York. I believe he would state that the Senator from New York was quite satisfied with the result of the committee of conference. Perhaps he would wish to inform the Senate of his own knowledge.

Mr. SMITH of New Jersey. I urged all Senate members of the committee of conference to be present. The Senator from New York [Mr. LEHMAN] apologized for his inability to be present. I advised him in a general way of what the committee had done, and I think he was entirely in accord with the action taken.

As I think the Senator from Connecticut [Mr. PURTELL] will remember, the Senator from New York was present at the end of the conference and signed the report.

Mr. PURTELL. He was present for the final session, and he agreed to the compromise which was made at the very end. I feel confident that the Senator from New York would have no objection to the report.

Mr. HILL. As I understand, the Senator from New York was present at the final conference.

Mr. PURTELL. He was present at the final conference, and he agreed with the conclusions reached by the conferees of the Senate and the House. That is my recollection.

Mr. HILL. As I understand, the Senator from New York signed the conference report.

Mr. PURTELL. That is correct.

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

Mr. PURTELL. I am happy to yield.

Mr. SPARKMAN. May I ask if the statement on the part of the managers of the House has been printed in the RECORD?

Mr. PURTELL. It has not. It will be printed today.

Mr. SPARKMAN. May I ask the Senator from Connecticut what action was taken with reference to two amendments which I offered, and which the Senator agreed to take to conference?

Mr. PURTELL. I shall be happy to report on the amendments suggested by the Senator from Alabama.

An important provision agreed to by the conferees, Mr. President, is the adoption of amendments to the Randolph-Sheppard Vending Stand Act, in which the Senator from Alabama was particularly interested.

As the Senate will recall, an amendment was adopted on the floor of the Senate to make certain that this subject would be before the conference. I am happy to say that the conferees agreed to the provision regarding the Randolph-Sheppard Act essentially as it was passed by the House. The present act authorizes the operation of vending stands by the blind in Federal buildings. The measure adopted by the conferees extends this authority to include Federal property, thereby opening additional sites to the program.

Also, one of the important provisions in the Randolph-Sheppard Act amendment is one which is designed to insure that a preference shall be given to blind persons in the granting of permits to operate vending stands on Federal property.

I believe that is the amendment in which the Senator from Alabama was interested.

Mr. SPARKMAN. I was interested in that amendment, although I did not offer it; another Senator offered it while the bill was before the Senate.

One of my amendments related to the membership of the Advisory Council and another related to increasing the authorization for the President's Committee on Employment of the Physically Handicapped.

Mr. PURTELL. I am happy to report to the Senate, and especially to the distinguished Senator from Alabama, that the conferees adopted a House provision increasing the annual appropriation authorization for the President's Committee on Employment of the Physically Handicapped from $75,000 to $225,000.

Mr. SPARKMAN. I appreciate that action very much.

Mr. SMITH of New Jersey. With regard to the composition of the Advisory Council, the Senator from Connecticut will recall that the actual provision which had been suggested by the Senator from Alabama, with regard to having the three blind persons, if practicable, made members of the Advisory Council, was agreed to.

Mr. PURTELL. The Senator from New Jersey is correct. That provision was agreed to by the conference.

Mr. SPARKMAN. I thank the Senator.

Mr. GORE. Mr. President, will the Senator from Connecticut yield?

Mr. PURTELL. I yield to the Senator from Tennessee.

Mr. GORE. Will the distinguished Senator from Connecticut inform the Senate as to the provisions agreed to with respect to the vending stand program for the blind?

Mr. PURTELL. I tried to cover that subject before. I will attempt to elaborate on it now.

Another important provision agreed to by the conferees was the amendment relating to the Randolph-Sheppard Vending Stand Act. As the Senator may recall, an amendment was adopted on the floor of the Senate to make certain that the subject would be before the conference. I am happy to say that the conferees agreed to the provision regarding the Randolph-Sheppard Act essentially as passed by the House.

The present act authorizes the operation of vending stands by the blind in Federal buildings. The measure adopted by the conferees extends this authority to include Federal property, thereby opening up additional sites to this program. Also, one of the important provisions in the Randolph-Sheppard Act amendment is one which is designed to insure that a preference is given to blind persons in the granting of permission to operate vending stands on Federal property.

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

Mr. PURTELL. I yield to the Senator from Tennessee.

Mr. GORE. I congratulate, commend, and express my appreciation to the able

Senator for this accomplishment. I should like to make a further inquiry. Does the Senator think the provisions contained in the conference report are sufficient to give a preference to the blind operators of vending stands in a Federal building or a particular piece of Federal property over the objection of such stands by Federal employees within such building or Federal property?

Mr. PURTELL. It is the understanding of the Senator from Connecticut that it does give such preference regardless of the feelings of employees in those facilities.

Mr. GORE. I thank the Senator.

The PRESIDING OFFICER. The question is on agreeing to the conference report.

The report was agreed to.

WATERSHED PROTECTION ACT—CONFERENCE REPORT

Mr. AIKEN. Mr. President, I submit a report of the committee of conference on the disagreeing votes of the two Houses on the amendment of the Senate to the bill (H. R. 6788) to authorize the Secretary of Agriculture to cooperate with States and local agencies in the planning and carrying out of works of improvement for soil conservation, and for other purposes. I ask unanimous consent for its present consideration.

The PRESIDING OFFICER. The report will be read for the information of the Senate.

The report was read by the legislative clerk, as follows:

The committee of conference on the disagreeing votes of the two Houses on the amendment of the Senate to the bill (H. R. 6788) to authorize the Secretary of Agriculture to cooperate with States and local agencies in the planning and carrying out of works of improvement for soil conservation, and for other purposes, having met, after full and free conference, have agreed to recommend and do recommend to their respective Houses as follows:

That the House recede from its disagreement to the amendment of the Senate and agree to the same with an amendment as follows: In lieu of the matter proposed to be inserted by the Senate amendment insert the following: "That erosion, floodwater, and sediment damages in the watersheds of the rivers and streams of the United States, causing loss of life and damage to property, constitute a menace to the national welfare; and that it is the sense of Congress that the Federal Government should cooperate with States and their political subdivisions, soil or water conservation districts, flood prevention or control districts, and other local public agencies for the purpose of preventing such damages and of furthering the conservation, development, utilization, and disposal of water and thereby of preserving and protecting the Nation's land and water resources.

"SEC. 2. For the purposes of this Act, the following terms shall mean:

"The 'Secretary'—the Secretary of Agriculture of the United States.

" 'Works of improvement'—any undertaking for—

"(1) flood prevention (including structural and land-treatment measures) or

"(2) agricultural phases of the conservation, development, utilization, and disposal of water

in watershed or subwatershed areas not exceeding two hundred and fifty thousand acres and not including any single structure which provides more than five thousand acre-feet of total capacity. No appropriation shall be made for any plan for works of improvement which includes any structure which provides more than twenty-five hundred acre-feet of total capacity unless such plan has been approved by resolutions adopted by the Committee on Agriculture and Forestry of the Senate and the Committee on Agriculture of the House of Representatives, respectively. A number of such subwatersheds when they are component parts of a larger watershed may be planned together when the local sponsoring organizations so desire.

" 'Local organization'—any State, political subdivision thereof, soil or water conservation district, flood prevention or control district, or combinations thereof, or any other agency having authority under State law to carry out, maintain and operate the works of improvement.

"SEC. 3. In order to assist local organizations in preparing and carrying out plans for works of improvement, the Secretary is authorized, upon application of local organizations if such application has been submitted to, and not disapproved within 45 days by, the State agency having supervisory responsibility over programs provided for in this Act, or by the Governor if there is no State agency having such responsibility—

"(1) to conduct such investigations and surveys as may be necessary to prepare plans for works of improvement;

"(2) to make such studies as may be necessary for determining the physical and economic soundness of plans for works of improvement, including a determination as to whether benefits exceed costs;

"(3) to cooperate and enter into agreements with and to furnish financial and other assistance to local organizations: *Provided*, That, for the land-treatment measures, the Federal assistance shall not exceed the rate of assistance for similar practices under existing national programs;

"(4) to obtain the cooperation and assistance of other Federal agencies in carrying out the purposes of this section.

"SEC. 4. The Secretary shall require as a condition to providing Federal assistance for the installation of works of improvement that local organizations shall—

"(1) acquire without cost to the Federal Government such land, easements, or rights-of-way as will be needed in connection with works of improvement installed with Federal assistance;

"(2) assume such proportionate share of the cost of installing any works of improvement involving Federal assistance as may be determined by the Secretary to be equitable in consideration of anticipated benefits from such improvements: *Provided*, That no part of the construction cost for providing any capacity in structures for purposes other than flood prevention and features related thereto shall be borne by the Federal Government under the provisions of this Act;

"(3) make arrangements satisfactory to the Secretary for defraying costs of operating and maintaining such works of improvement, in accordance with regulations presented by the Secretary of Agriculture;

"(4) acquire, or provide assurance that landowners have acquired, such water rights, pursuant to State law, as may be needed in the installation and operation of the work of improvement; and

"(5) obtain agreements to carry out recommended soil conservation measures and proper farm plans from owners of not less than 50 per centum of the lands situated in the drainage area above each retention reservoir to be installed with Federal assistance.

"SEC. 5. At such time as the Secretary and the interested local organization have agreed on a plan for works of improvement, and the Secretary has determined that the benefits exceed the costs, and the local organization has met the requirements for participation in carrying out the works of improvement as set forth in section 4, the Secretary is authorized to assist such local organizations in developing specifications, in preparing contracts for construction, and to participate in the installation of such works of improvement in accordance with the plan: *Provided*, That, except as to the installation of works of improvement on Federal lands, the Secretary shall not construct or enter into any contract for the construction of any structure unless there is no local organization authorized by State law to undertake such construction or to enter into such contract, and in no event after July 1, 1956: *Provided further*, That in participating in the installation of such works of improvement the Secretary, as far as practicable and consistent with his responsibilities for administering the overall national agricultural program, shall utilize the authority conferred upon him by the provisions of this Act: *Provided further*, That, at least forty-five days (counting only days occurring during any regular or special sessions of the Congress) before such installation involving Federal assistance is commenced, the Secretary shall transmit a copy of the plan and the justification therefor to the Congress through the President: *Provided further*, That any such plan (a) which includes reclamation or irrigation works or which affects public or other lands under the jurisdiction of the Secretary of the Interior, or (b) which includes Federal assistance for floodwater detention structures, shall be submitted to the Secretary of the Interior or the Secretary of the Army, respectively, for his views and recommendations at least sixty days prior to transmission of the plan to the Congress through the President. The views and recommendations of the Secretary of the Interior, and the Secretary of the Army, if received by the Secretary of Agriculture prior to the expiration of the above sixty-day period, shall accompany the plan transmitted by the Secretary of Agriculture to the Congress through the President: *Provided further*, That, prior to any Federal participation in the works of improvement under this Act, the President shall issue such rules and regulations as he deems necessary or desirable to carry out the purposes of this Act, and to assure the coordination of the work authorized under this Act and related work of other agencies including the Department of the Interior and the Department of the Army.

"SEC. 6. The Secretary is authorized in cooperation with other Federal and with States and local agencies to make investigations and surveys of the watersheds of rivers and other waterways as a basis for the development of coordinated programs. In areas where the programs of the Secretary of Agriculture may affect public or other lands under the jurisdiction of the Secretary of the Interior, the Secretary of the Interior is authorized to cooperate with the Secretary of Agriculture in the planning and development of works or programs for such lands.

"SEC. 7. The provisions of the Act of June 22, 1936 (49 Stat. 1570), as amended and supplemented, conferring authority upon the Department of Agriculture under the direction of the Secretary of Agriculture to make preliminary examinations and surveys and to prosecute works of improvement for runoff and waterflow retardation and soil erosion prevention on the watersheds of rivers and other waterways are hereby repealed: *Provided*, That (a) the authority of the Department of Agriculture, under the direction of the Secretary, to prosecute the works of improvement for runoff and waterflow retardation and soil erosion prevention authorized to be carried out by that Department by the Act of December 22, 1944 (58 Stat. 887), as amended, and (b) the authority of the Secretary of Agriculture to undertake emergency measures for runoff retardation and

soil erosion prevention authorized to be carried out by section 7 of the Act of June 28, 1938 (52 Stat. 1215), as amended by section 216 of the Act of May 17, 1950 (64 Stat. 163), shall not be affected by the provisions of this section.

"SEC. 8. There are hereby authorized to be appropriated such sums as may be necessary to carry out the purposes of this Act, such sums to remain available until expended.

"SEC. 9. This Act may be cited as the 'Watershed Protection and Flood Prevention Act'."

And the Senate agree to the same.

GEORGE D. AIKEN,
MILTON R. YOUNG,
EDWARD J. THYE,
B. B. HICKENLOOPER,
ALLEN J. ELLENDER,
OLIN D. JOHNSTON,
SPESSARD L. HOLLAND,
Managers on the Part of the Senate.

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

The PRESIDING OFFICER. Is there objection to the request for the immediate consideration of the report?

Mr. GORE. Mr. President, reserving the right to object, let me say that a member of the minority——

The PRESIDING OFFICER. The question of the consideration of a conference report is not debatable. The report itself would be debatable.

The question now is whether there is objection to the request of the Senator from Vermont for the present consideration of the conference report.

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

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

Mr. AIKEN. Mr. President, let me say to the Senator from Tennessee that this question has been discussed with both the majority leader and the minority leader, as well as with other interested Members on his side of the aisle.

The PRESIDING OFFICER. The absence of a quorum has been suggested. The clerk will call the roll.

Mr. HOLLAND. Mr. President, if the Senator will withhold his suggestion of the absence of a quorum for a moment, I should like to make a brief statement.

Mr. GORE. I withhold it.

Mr. HOLLAND. Mr. President——

The PRESIDING OFFICER. The Chair is informed by the Parliamentarian, that under the rules the question of immediate consideration of the conference report is not debatable. Is there objection to the immediate consideration of the conference report?

Mr. HOLLAND. Mr. President, I wish to say for the information of Senators on this side of the aisle that the distinguished minority leader, the Senator from Texas [Mr. JOHNSON] questioned me about the report and asked me if it would be agreeable to bring it up at the first opportunity. He stated that he wished to have it brought up at the earliest opportunity. I suppose, therefore, that there is no reason why it should not be immediately considered.

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

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

Mr. AIKEN. Mr. President, I shall explain briefly the various points which were discussed in conference.

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

Mr. AIKEN. I yield.

Mr. GORE. My purpose in suggesting the absence of a quorum, which suggestion I later withdrew at the request of the Senator from Florida [Mr. HOLLAND], was to give Senators interested in the report an opportunity to reach the floor of the Senate. It was not for the purpose of registering any objection to the conference report. I think before the Senator's explanation is finished, Senators who are interested will have an opportunity to reach the floor.

Mr. THYE. Mr. President, I understand that a certain Senator would like to be present during the consideration of the conference report. I have a 2-minute statement to make. If the Senator from Vermont will yield to me for 2 minutes, that will permit the Senator in question to reach the floor.

The PRESIDING OFFICER. The Chair will state that, no objection having been interposed to the immediate consideration of the conference report, it is now the pending question before the Senate, and it is debatable. The Chair has recognized the Senator from Vermont. He now understands that the Senator from Minnesota desires to have the Senator from Vermont yield to him.

Mr. AIKEN. I have no objection to yielding to the Senator from Minnesota for a couple of minutes. I have no objection to the Senator from Tennessee suggesting the absence of a quorum, if he so desires, although I think many Senators who are interested in this particular conference report have already examined it.

I yield to the Senator from Minnesota with the understanding that I shall not lose the floor.

The PRESIDING OFFICER. Is there objection? The Chair hears none, and it is so ordered.

Mr. AIKEN. Mr. President——

Mr. GORE. Mr. President, if the Senator from Vermont is willing, I feel that I should suggest the absence of a quorum, in order to give Senators an opportunity to be present during the consideration of the report.

Mr. AIKEN. I have no objection to more Members of the Senate being present. I will yield to the Senator from Tennessee for the purpose of suggesting the absence of a quorum.

Mr. GORE. I thank the Senator.

Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

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

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

Mr. AIKEN. Mr. President, I shall explain as briefly as I can the points which were in conference on House bill 6788, the so-called watershed bill.

First. The conference agreed to the change made in form and punctuation by the Senate in the definition of "works of improvement," as well as to the use of "and" instead of "or" to make it clear that the definition includes drainage projects.

Second. The House bill provided that the Secretary of Agriculture must come into agreement with the Committee on Agriculture and Forestry of the Senate and the Committee on Agriculture of the House of Representatives on all watershed projects. The Senate amendment struck out this provision and provided that any dam providing a capacity of from 2,000 to 5,000 acre-feet must be approved by the Congress. The conference agreement substitutes for these provisions a requirement that before appropriations can be made for any project containing any structure providing a capacity of from 2,500 to 5,000 acre-feet, the project must be approved by resolutions adopted by the Senate and House Agriculture Committees.

Third. The House defined "local organization", as including any agency having authority under State law to "carry out flood prevention and related activities." The Senate approved a definition, which was agreed upon by the conference, changing the quoted phrase to "carry out, maintain and operate the works of improvement."

Fourth. The Senate amendment added a provision to the House bill requiring approval of the application of the local organization by the appropriate State agency, or if there were no such State agency, by the Governor. The conference agreed to a substitute provision authorizing the Secretary of Agriculture to proceed on such application unless it had been disapproved by the State agency or the Governor in the absence of any authorized agency, within 45 days after submission of the application.

Fifth. Two technical amendments of the Senate were adopted making it clear that local organizations, first, would not be required to meet all of the requirements of section 4 before assistance in planning could be given; and, second, would not necessarily be required to defray "all" operating and maintenance costs.

Sixth. The House provided that, among other conditions, local organizations would have to "furnish" without cost to the Federal Government such land, easements, or rights-of-way as would be needed in connection with installation of works of improvement before the Secretary could assist with such works of improvement. The Senate amended this provision by changing "furnish" to "acquire", and the conference agreed to the Senate amendment.

Seventh. The conference agreed to provisions of the Senate amendment requiring that, first, State water-rights laws be complied with; and, second, agreements to carry out recommended soil-conservation measures and proper farm plans be obtained from owners of not less than 50 percent of the lands in the drainage area above each retention reservoir.

Eighth. The House authorized the Secretary to construct or contract for the

construction of structures included in works of improvement and the Senate deleted such authority. The conference agreed to permit the Secretary to perform such construction or enter such contracts only in those States where local organizations do not have authority to perform such construction or enter into such contracts, and then only until July 1, 1956. The conference further authorized the Secretary to contract for installation of that part of any work which it is necessary to perform on Federal lands.

Ninth. The conference adopted a Senate provision requiring the submission of the plan to Congress to be made at least 45 session days before installation is commenced.

Tenth. The Senate provision that the President shall issue regulations to assure coordination of the work authorized by the act with the related work of other agencies was adopted.

Eleventh. The conference agreed to the 60-day period provided by the House bill—rather than the 90-day period provided by the Senate amendment—for submission of views of the Secretary of the Interior or the Secretary of the Army.

Twelfth. The Senate provision authorizing cooperation by the Secretary of the Interior in the development of works on lands under his jurisdiction was adopted.

Thirteenth. The Senate provision preserving the authority of the Secretary of Agriculture to undertake emergency measures for runoff retardation and soil-erosion prevention under the Flood Control Act of 1938 was retained.

Fourteenth. The conference changed the short title added by the Senate amendment to "Watershed Protection and Flood Prevention Act."

The PRESIDING OFFICER. The question is on agreeing to the conference report.

Mr. HOLLAND. Mr. President, I listened with interest and approval to the able statement made by the distinguished chairman of the Committee on Agriculture and Forestry, the Senator from Vermont [Mr. AIKEN], in reporting the conference agreement on H. R. 6788, the watershed bill. It is probably unnecessary to make further comment, but there are four features of the conference report that I wish to mention briefly.

The Senate will remember that the Senate bill differentiated between two sizes of projects which would be constructed under this program. The Senate passed its committee bill in a form providing that projects for 2,000 acre-feet or less might be initiated by the local districts and the Secretary of Agriculture without further reference to Congress, but that projects between 2,000 acre-feet and 5,000 acre-feet, because of their possible implications upon flood control, navigation, or reclamation projects which were downstream, must come before the Congress for authorization.

In the conference, the figures were changed slightly. In the first instance, instead of having 2,000 acre-feet as the upper limit of the structures which could be constructed without further reference to Congress, that upper limit was restated to be 2,500 acre-feet. In other words, projects up to 2,500 acre-feet do not have to be approved further or considered further by the Congress.

As to projects between 2,500 acre-feet and 5,000 acre-feet, the conference report differs from the provisions of both the Senate and House bills in that we have adopted the same machinery which the Congress adopted in the so-called lease-purchase bill. In an effort to relieve the full Congress of further details in this matter, it was decided, instead, to provide machinery under which the Senate and House committees alone would be given the power to authorize, which power would have to be affirmatively exercised before any appropriations could be made for projects coming within those sizes.

Senators will remember that in the lease-purchase bill we were so advised by the parliamentarians of the House and the Senate that it is clear that under such a provision a point of order can be made if an appropriation is proposed for a project between the 2,500 acre-feet size and the 5,000 acre-feet size, without its having first been submitted to and authorized by the appropriate committees.

Mr. MUNDT. Mr. President, will the Senator from Florida yield?

Mr. HOLLAND. I yield.

Mr. MUNDT. On another phase of the report I should like to interrogate the able Senator from Florida. He will recall that at the instance of the senior Senator from South Dakota there was written into the bill in various forms and at various stages an amendment which had the objective of making certain for the record that the conservation board of each State would have something to say about the construction of watershed projects, either in a negative way or in an affirmative way, to make sure that the Federal Government did not come into the matter without the interests of the States being protected. Will the Senator dilate, for the benefit of our colleagues, on what has been done to give assurance that the State interests will be protected?

Mr. HOLLAND. I appreciate the question, and I am glad to assure the Senator that the conference report does completely safeguard the point the Senator has made. He will remember that as passed by the Senate there was a requirment in the bill that either the appropriate State agency, if one existed, or the governor, would have to take affirmative action on a project as requested by, let us say, a local soil conservation district, before Federal aid could be given. The conference committee changed this provision so that it now provides for submission to the appropriate State agency, if one exists, and if one does not exist, for submission to the governor. Forty-five days time is given to the appropriate State agency or to the governor to act. If they act negatively, the project must not be further proceeded with, but if they act affirmatively, or do not act at all, the project can proceed and Federal aid be given. So that, as written into the conference report, the provision is that in the absence of timely negative action by the appropriate State agency, if one exists having jurisdiction over such conservation matters, or by the governor, if no such agency exists, the program may move ahead.

Mr. MUNDT. And the appropriate agency will receive official notice. It will have 45 days within which to go forward.

Mr. HOLLAND. If they desire to have 45 days they may have that long a time. It is compulsory that the program be submitted to the appropriate State agency, if one exists, and if none exists, to the governor, before the program can move ahead.

Mr. MUNDT. I believe that will meet the situation, because by the very nature of things, since this provision is in the law, every State will be watching these applications and following carefully the development of the plans and programs and areas. So it appears that 45 days should be ample time for a State to disapprove such a project if for reasons best known to itself it should so decide.

Mr. HOLLAND. I completely agree with the Senator's conclusion in that regard.

Mr. MONRONEY. Mr. President, will the Senator from Florida yield?

Mr. HOLLAND. I yield.

Mr. MONRONEY. Mr. President, as one of the coauthors of the bill, and having been interested in the matter for a number of years, I should like to congratulate the chairman of the committee and all the conferees upon arriving at what I consider to be the best possible compromise between the two Houses. Obviously, we are only on the threshold of this great opportunity to prevent floods in the upstream reaches of streams which cause 50 percent of the damage. There will be changes, undoubtedly, as we proceed with the program, but I think that by the fair way the conferees have approached the differences between the two Houses they have given us an initial blueprint which should be effective. I am particularly gratified that the State regulatory bodies will have a 45-day notice which will enable them to take action rather than to face the possibility that such projects will be killed by inaction, which might have been possible had this wise provision not been placed in the bill.

I am also glad that provision is made to take care of water retention dams and for their approval by the two committees having charge of the matter, because there will undoubtedly be topographic areas where larger retention dams above and beyond the established points will be required, and a survey of the parent committees of the Congress is certainly needed.

May I at this time express my deep appreciation for the promptness and the efforts which have gone into this bill to make it operative ahead of the time it would have been if the committee had not acted so promptly.

Mr. HOLLAND. Mr. President, I appreciate the remarks of the Senator from Oklahoma, who has been such an ardent advocate of this measure, and I am glad to say that, in my opinion, the conference report provides a good tool with which to work toward the solution of the problem.

Another recognition of State rights in this program is the fact that the conferees approved the two Senate amendments, one requiring that State water right laws be complied with, and the second requiring that for any program, as to not less than 50 percent of the land in the area affected, the property owners of the local area would have to be sold on the project and cooperating with it contractually before the project could move ahead. In both instances the Senate amendments were accepted by the House conferees, and they appear in the conference bill.

The fourth point I should like to make is that the philosophies of the two Houses, which differed as to the proper function of the Federal Government, were in some degree compromised for the immediate future. The Senate will recall that in the House bill the construction work was to be done by the Department of Agriculture, or might all have been done by the Department of Agriculture, whereas, in the Senate bill the program was purely an assistance program and the construction work had to be done by or contracted by the local agency, meaning either the district or some State agency which was clothed with the necessary power.

Having in mind the fact that in some States no appropriate State agency and no appropriate districts now exist which have adequate authority in this field, the conference report allows until June 1, 1956, to States which do not have such a setup, to create such a setup.

As soon as the law becomes operative, the philosophy of the Senate will be applicable in those States where State agency or local districts now have the authority to enter into contracts for the construction of dams. But in a case where no such authority exists, the State in question is given as long as it may need to come within the requirements of the bill, up to July 1, 1956. It may not have longer than that time.

It is hoped that States will proceed speedily to allow their districts or their State agencies to operate as quickly as possible under the spirit of the conference report, which requires the control and the initiative and the contractual power to remain in local hands, in all cases after July 1, 1956, and at once in all cases where that result is now possible.

Mr. AIKEN. Mr. President, this is one of the most important bills which will be acted on at this session of Congress. As the Senator from Oklahoma has stated, the work which it authorizes is still in the pioneer stage, but it is work which is very vital to the generations to come. It may mean the difference between being able to produce enough to sustain ourselves, and not being able to do so.

The bill does not go quite so far as some would have had it go at this time; nevertheless, it will permit the work to go forward. I do not believe there are any handicaps at all now which cannot be very easily overcome.

I move the adoption of the conference report.

The PRESIDING OFFICER. The question is on agreeing to the conference report.

The report was agreed to.

REVISION OF THE ATOMIC ENERGY ACT OF 1945

The Senate resumed the consideration of the bill (S. 3690) to amend the Atomic Energy Act of 1945, as amended, and for other purposes.

Mr. GORE. Mr. President, I suggest the absence of a quorum.

The VICE PRESIDENT. The Secretary will call the roll.

The legislative clerk proceeded to call the roll.

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

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

The question is on agreeing to the amendment offered by the Senator from Michigan [Mr. FERGUSON].

Mr. FERGUSON. Mr. President, my amendment is as follows:

On page 80, after the period in line 9, insert the following: "The authority of the Commission under this section to enter into new contracts or modify or confirm existing contracts to provide for electric utility services includes, in case such electric utility services are to be furnished to the Commission by the Tennessee Valley Authority, authority to contract with any person to furnish electric utility services to the Tennessee Valley Authority in replacement thereof."

Mr. President, in order to make this amendment clear, I think it would be well that I read the entire section to which the amendment applies. It is section 164 of the pending bill on page 79, which reads as follows:

SEC. 164. The Commission is authorized in connection with the construction or operation of the Oak Ridge, Paducah, and Portsmouth installations of the Commission, without regard to section 3679 of the Revised Statutes, as amended, to enter into new contracts or modify or confirm existing contracts to provide for electric utility services for periods not exceeding 25 years, and such contracts shall be subject to termination by the Commission upon payment of cancellation costs as provided in such contracts, and any appropriation presently or hereafter made available to the Commission shall be available for the payment of such cancellation costs. Any such cancellation payments shall be taken into consideration in determination of the rate to be charged in the event the Commission or any other agency of the Federal Government shall purchase electric utility services from the contractor subsequent to the cancellation and during the life of the original contract.

Mr. President, it has been stated by some Senators on the floor that this section does not clearly and specifically authorize the Atomic Energy Commission to make a contract with private concerns, or capitalistic concerns, as they may be called by some, for furnishing power not directly used by the Atomic Energy Commission.

In other words, the contract which has been discussed, the contract which is the concern of the amendment about which the distinguished Senator from New Mexico has spoken, is a contract by the Atomic Energy Commission with a private enterprise concern to furnish power, not directly to the Commission for use, but to be used in the TVA network of power. So some have said on the floor that this section did not authorize the making of a contract by the Atomic Energy Commission with a concern which would furnish power into the lines of the TVA.

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

Mr. FERGUSON. I yield.

Mr. ANDERSON. Does not the Senator think it would be useful to clear up the question as to which contract we are going to discuss? The Senator is not, as I understand, discussing the contracts with EEI, OVEC, or TVA, which were entered into under section 12 (d).

Mr. FERGUSON. No, not at the present moment.

Mr. ANDERSON. Is the Senator discussing the language of section 164, in the proposed bill, rather than the language of 12 (d) of the existing act?

Mr. FERGUSON. That is correct. I am discussing one section.

Mr. ANDERSON. The Senator from Michigan recognizes, I am certain, that the contract now being suggested with Dixon-Yates for which a tentative proposal has been made, is supposedly under section 12 (d), because there is no other language in the law which could cover it except 12 (d).

Mr. FERGUSON. Yes, but I propose to include in the bill language which would authorize the Dixon-Yates contract.

Mr. ANDERSON. Is the Senator proposing an amendment to section 164 which would clearly authorize the Dixon-Yates controversy?

Mr. FERGUSON. That is correct.

Mr. ANDERSON. I am certain the Senator recognizes, as many others among us do, that there is some question as to whether that can be done under the language of section 12 (d), or under the language of section 164.

Mr. FERGUSON. Yes, the question has been raised on the floor as to whether that can be done under either of these sections.

Mr. ANDERSON. The question was raised in the Atomic Energy Commission?

Mr. FERGUSON. That is correct.

Mr. ANDERSON. But the members of the Commission and of the Bureau of the Budget stated that, in their opinion, such action could not be taken without a Presidential directive.

Mr. FERGUSON. All I desired to do was to submit a clear provision, to be included in section 164, authorizing the Dixon-Yates contract.

Mr. ANDERSON. Would the Senator from Michigan feel that that would be preferable to amending the law now on the statute books? After all, it is still a question whether or not the atomic energy bill will pass both Houses of Congress. Does not the Senator think that if the contract is to be authorized, that might be done by a specific resolution to amend section 12 (d), which is now the law of the land?

Mr. FERGUSON. No; I think it should be included in this particular section.

Mr. ANDERSON. Then, if the bill should not pass, the Senator would recognize that the Dixon-Yates contract would be dead, because it would not be authorized by 12 (d).

Mr. FERGUSON. No; I do not say that. I merely say that, in my opinion, to allay the fear of any Member of the Senate that there is doubt about the right to enter into the contract, it should be made crystal clear, in words that can be understood by everyone, and interpreted in only one way, that the Dixon-Yates contract is authorized.

We do not always agree that there is a doubt when we desire to make something clear. We simply want to eliminate the possibility of a doubt in the mind of anyone. That is all I seek to do by my amendment. I am not saying now that I believe there is a doubt; in fact, I do not believe there is at the present moment. But I want to take the side of those who think there is a doubt.

Mr. ANDERSON. Then, I do not understand why we need to take all this time, if there is no doubt.

Mr. FERGUSON. I read the speech by the Senator from Kentucky [Mr. COOPER]——

Mr. ANDERSON. The Senator from Kentucky made one of the finest contributions which could have been made, because he has a doubt. The interesting point is that not only does the able Senator from Kentucky have a doubt, and I am happy to know that he has—in fact, both Senators from Kentucky have doubts, though at the moment I am referring to the speech by the junior Senator from Kentucky—but the members of the Commission themselves have a doubt.

Mr. FERGUSON. I want to resolve that doubt, so that there will be no question in their minds.

Mr. ANDERSON. Why not remove the doubt by amending the law under which it is contemplated the contract will be made, and not try to amend the pending bill? If the bill does not pass, there will still exist a doubt.

Mr. FERGUSON. The Senator from New Mexico realizes that to do that it would be necessary to throw the whole matter back into committee. We are debating a bill now before the Senate to which this amendment is relevant. Therefore, we should act on the matter which is before the Senate.

Mr. ANDERSON. But the Senator will recognize that in the committee an attempt was made to clarify the question. Language was offered in the committee which attempted to straighten out the matter one way or the other and resolve the doubt. The proposed language was rejected by a vote of 5 to 4, so far as the 9 Senate members of the joint committee were concerned, and by a similar vote on the part of the House members of the joint committee.

But there would be no objection, I feel certain, on the part of the Joint Committee on Atomic Energy to report a measure which would try to make valid that which, in the opinion of many of us, is invalid. The Congress could vote that up or down. When people appear before a legislative committee and say, "If the bill becomes law, we will use it in this fashion, and no other," and then, after the bill becomes law, they decide to use it in a quite different way, probably their actions are going to land in court.

Mr. FERGUSON. When a proposal is before a committee and the committee does not include it in the bill which it reports to the Senate, it is not an unusual procedure that a Senator should try to clarify the bill by a perfecting amendment so as to grant the authority which was challenged in the committee.

Mr. ANDERSON. I wish to assure the Senator from Michigan that I am not trying to say this is an unusual procedure. I think it is a perfectly proper procedure. I think the Senator from Michigan is right in saying there should be language in the law which provides that the contract either can or cannot be made.

Mr. FERGUSON. That is correct.

Mr. ANDERSON. My amendment would provide that the contract could not be entered into.

Mr. FERGUSON. Mine would provide that it could be entered into.

Mr. ANDERSON. I merely wanted to establish the fact clearly that what is sought to be done is to include a provision one way or the other so that there could be no misunderstanding as to whether the Dixon-Yates contract could or could not be made.

Mr. FERGUSON. I think the Senator from New Mexico has stated the issue on the amendment. My amendment would authorize the contract; the amendment offered by the Senator from New Mexico would forbid it.

I think there is no need for further debate on the amendment. Either the contract is to be authorized, or it is not to be authorized.

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

Mr. ANDERSON. Mr. President, will the Senator from Michigan yield to me, so that the Senator from Vermont may propound a question?

Mr. FERGUSON. I yield the floor.

Mr. AIKEN. I wish to ask a question of the distinguished Senator from New Mexico. I realize that the bill has been debated for several days; and from what I have heard, there is promise that it might even be debated until well into the fall. It is difficult to follow a debate of such length, so would the Senator from New Mexico save the time of the Senator from Vermont by pointing out exactly which section of the bill is responsible for creating the long, drawn-out discussion of the subject? Perhaps the Senator could do it in a few well-chosen words.

Mr. ANDERSON. There are many sections about which there is concern, but I think most of the time in recent days has been spent upon section 44, page 23 of the bill, entitled "byproduct energy."

I feel that Congress should definitely authorize the Commission to build a plant so that it may generate electric energy as electric energy, and not only as a byproduct of other operations. I feel that there is a necessity to have someone build a reactor of the size which needs to be built, and that it is too great a risk for private enterprise to undertake.

Mr. AIKEN. What is the proposal? I notice that the section provides that surplus energy may be transferred to other Government agencies, or sold to publicly or privately owned utilities or users at reasonable and nondiscriminatory prices.

Is it proposed that the so-called preference clause be inserted at this point? What is the proposal?

Mr. ANDERSON. There is a proposal to do that; but personally I have not suggested at any time the addition of a preference clause. I have grave doubt whether that is proper in this type of proposed legislation. I do not foreclose that possibility, but what I have said is that I should like to see the Government construct a plant and a larger reactor which would develop electric energy for the sake of electric energy, and not solely as a byproduct. I do not understand that this section, which we discussed in the committee, dealing with byproducts only, was a complete bar to the Government's building the type of plant I have in mind. It was only after the bill came to the floor that it became apparent to me that this was a complete bar to the Government's building its own plant.

A 200,000-kilowatt plant probably would cost a quarter of a billion dollars. It should be a type which would permit very economic results. We cannot expect to go to private electric energy group even though there are many of them and say to them, "pool your efforts, build this type of reactor, and risk your $250 million, and if it fails, you will have lost your money."

Mr. AIKEN. If the surplus power which is developed is transferred to other Government agencies, are there any other Government agencies to which authority is given to resell that power?

Mr. FERGUSON. TVA would have such authority.

Mr. AIKEN. Suppose the Government developed the power and, as suggested by the Senator from New Mexico, it had a right to sell it, would not some agency of Government have to have the specific authorization to sell the power? There could not merely be a general authority that the Government could sell it.

Mr. ANDERSON. Yes; I think the Senator from Colorado [Mr. JOHNSON] suggested the Department of the Interior should handle it. Personally, I do not subscribe to that. I believe it ought to be sold directly by the group which generated it, namely, the Atomic Energy Commission.

Mr. AIKEN. The Senator means that the Atomic Energy Commission would sell it directly to private or public bodies?

Mr. ANDERSON. In my contemplation it would be purely a test plant which

would have to be built to a sufficiently large size, and once the validity of the theory was proven by the construction of the pilot plant, then the Atomic Energy Commission should proceed to grant a license to use it. It should not operate it in my opinion, but it would have taken the risk and found out how to construct and operate it in proper fashion.

Mr. AIKEN. The Senator would not preclude the Federal Government from building a plant larger than one which would naturally be classed as an experimental plant?

Mr. ANDERSON. I am simply saying to the Senator from Vermont that there are only about two contracts that embody any possibility of developing a 60,000 kilowatt reactor, or perhaps there is only one, the contract with the Duquesne Power & Light Co. Most of those with whom I have talked say that there is no possibility that the reactor will be of any real use in determining whether the plant can be built for the development of current. It is of a size which will not permit of current being low in cost.

The Senator from Rhode Island [Mr. PASTORE], who is not present on the floor of the Senate at this time, was very anxious that in the New England States, where power even at 8 or 9 mills would be quite a blessing, there might be a chance of getting the type of reactor which would do that, rather one which would produce power at a cost of 15 or 20 mills, and then have the persons concerned say, "We are sorry, but nuclear energy is no possible commercial source of electric energy." We do not think that is true; at least, I do not. I think that if a plant with a capacity of 250,000 kilowatts or more were constructed in one of the projects organized for developing low-cost energy, the Atomic Energy Commission should perhaps take that risk, which means, of course, that the Government would be taking the risk. If it should then develop that electric current at 5, 6, 7, or 8 mills could be produced from that plant, it could proceed to license the construction of such plants in New England, or in any other part of the country where the cost of electric power is high, but not at first in those areas where hydroelectric power is available at low cost.

Mr. AIKEN. Can the Senator tell me where the Tennessee Valley Authority would come into that picture?

Mr. ANDERSON. It would not come into the picture at all. I have not been one of those who have been interested in this matter because of devotion to protecting the rights of TVA, whatever they may be. I have not been contending it is wrong to make a contract with a private company. I believe it is extremely desirable. I approved the granting of contracts to EEI and OVEC in order to be sure that we were not trying to push the Government into the electric-energy business.

Mr. AIKEN. Then does the opposition of the Senator from New Mexico to the section under discussion arise from the fact that he does not believe the Federal Government should be permanently precluded from developing atomic-energy power on a large scale?

Mr. ANDERSON. That is exactly my position.

Mr. HICKENLOOPER rose.

Mr. ANDERSON. I would appreciate any remarks the Senator from Iowa may make. I was about to say what I thought the Senator from Iowa indicated by his remarks last week, but I shall not do so, because he is well able to speak for himself. But my interest is not merely in the sale of byproduct energy. I think the time may come, and probably will come, and the possibility should not be barred by law, when the Federal Government, perhaps through the Atomic Energy Commission, may wane to see if it cannot go into the atomic-energy field for the purpose of developing electric energy, and not as a byproduct, and can do it at a cost sufficiently low so that it will be available for marketing all over the country.

Mr. AIKEN. I thank the Senator from New Mexico for setting forth his position so clearly. I should like to hear the other side of the picture from the Senator from Iowa. I freely admit that frequently the Senator from Vermont finds it possible to learn more in 20 minutes from a discussion of this kind than in a different kind of study which may last 2 weeks.

Mr. ANDERSON. I do hope the Senator from Iowa will take part in the discussion. I do not think the Senator from Iowa and I are too far apart. The bill does bar the development of electric energy as electric energy. I think the Senator from Iowa will agree with me that that is true.

Mr. AIKEN. Does the Senator from New Mexico believe it would be possible so to word the bill as to accomplish the purpose he seeks without doing violence to the probable purpose of the authors of the amendment?

Mr. ANDERSON. I think it would be possible, yes.

Mr. AIKEN. I will hope so, anyway.

Mr. HICKENLOOPER. Mr. President, will the Senator from New Mexico yield?

Mr. ANDERSON. I think the Senator from Vermont had the floor.

Mr. AIKEN. Mr. President, by unanimous consent, I should like to yield to the Senator from Iowa to explain the reasons why the proposal of the Senator from New Mexico is not acceptable to other Members of the Senate.

Mr. HICKENLOOPER. Let me say to the Senator from Vermont first that the discussion now revolves around section 44 of the proposed legislation before the Senate. As I said the other day, section 44 is not in any way involved in the commercial competitive production of power by the AEC. At that time I said, as is also stated in the report, that section 44 refers only to whatever possible incidental power might be developed in connection with the major operation of the Commission in its research and development program. I made the positive statement, and it is also made in the report, that section 44 in and of itself does not permit or authorize the Commission to engage in the commercial production of power. It was not intended for that purpose. It was only a matter of prudence, minor as it may be, which led us to provide that if in the operation of the research and development operation in the field, any such incidental power might be produced if there was any commercial value in it, the Commission could sell such power rather than let it go into the atmosphere or be destroyed. It is similar to an agency selling scrap iron when a building is being torn down. They ought to be able to sell it rather than throw it in the river. Scrap iron is an incidental result of their operations and experimentation.

There is no provision in the proposed act which affirmatively bars the Commission from building a reactor for the sole and only purpose of producing power. Section 44 does not permit it, it does not authorize it, but it is silent. What I meant to say the other day, and what I think I did say, and what I want to say at this time, is that section 44 should not be interpreted as an affirmative authorization to the Commission to build reactors for the production of power. The section refers only to the incidental byproduct which may result from its other operations.

I wish to call to the attention of the Senator from Vermont and my other colleagues to the program which the Commission is now proposing to put into effect during the next 5 years or so, which is a very substantial program looking to experimentation in the field of power.

I have here a report of the Subcommittee on Research and Development, of the Joint Committee on Atomic Energy, published in March 1954. I cannot give the exact date of publication, for it is identified only as March 1954. But the exact date could easily be ascertained.

On the first page of the report a so-called 5-year plan is shown. It indicates that $8,500,000 a year is expected to be expended on research and development on this matter, and that over a period of 5 years, 5 different types of experimental reactors are proposed to be constructed in one way or another.

One is the pressurized water reactor, which should be completed sometime in 1957, at a total cost of $85 million. Some of that money is to be supplied by the Atomic Energy Commission; and I believe it is the Duquesne Power & Light Co. that has taken on a contract to put up a substantial number of millions of dollars, in cooperation. That reactor will produce power; I think 60,000 kilowatts will be the capacity.

Manifestly, that is still in the nature of an experimental reactor, because, theoretically, atomic reactors, in order to produce, let us say, competitive power at the lowest possible cost, must have substantially above a 60,000-kilowatt capacity.

A second type of reactor, which will involve an expenditure of approximately $17 million.

Mr. ANDERSON. Madam President, will the Senator from Iowa yield at this point?

The PRESIDING OFFICER (Mrs. BOWRING in the chair). Does the Sena-

tor from Iowa yield to the Senator from New Mexico?

Mr. HICKENLOOPER. I yield.

Mr. ANDERSON. With everything the Senator from Iowa has said thus far, I find myself in agreement.

I have been saying that that Duquesne Power & Light reactor of 60,000 kilowatts was not sufficiently large to make a firm test, but would be a very satisfactory experimental plant.

What I want to ascertain is what language of the bill would, if that test is satisfactory, permit the Commission to build a reactor with a capacity of from 500,000 to 600,000 kilowatts, at a cost of from $200 million to $500 million in order to ascertain whether it is commercially feasible to do this sort of thing.

Mr. HICKENLOOPER. I am not certain there is in the bill affirmative language to permit the Commission to experiment with the production of power for sale.

Mr. BUSH. Madam President, will the Senator from Iowa yield for a question?

Mr. HICKENLOOPER. I yield.

Mr. BUSH. If such a large undertaking as the one the Senator from New Mexico suggests were in prospect, would not it be necessary to have that matter handled by way of special legislation and a special appropriation for that purpose? Such a plant would be a gigantic one. The Senator from New Mexico suggested that several hundred million dollars should be spent. It does not seem to me that blanket approval for an undertaking of that nature could very well be included in the bill, and I do not think the Senator so intended.

Mr. HICKENLOOPER. Let me call attention to section 31 of the pending bill, in chapter 4, the research chapter. Section 31 is entitled "Research Assistance," and in it the Senator will find that—

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

(1) nuclear processes;

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

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

(4)—

And this is the important item—

utilization of special nuclear material and radioactive material and processes entailed in the production of such material for all other purposes, including industrial uses.

Mr. ANDERSON. That is, again, with reference to the byproduct use.

Mr. HICKENLOOPER. I do not so interpret it.

Mr. ANDERSON. The language of paragraph (4) is, in part, "entailed in the production of such material"—that is, nuclear-energy material—"for all other purposes."

Mr. HICKENLOOPER. Yes; "for all other purposes, including industrial uses."

Mr. ANDERSON. But it has to be tied to the production of this material. It has to be a byproduct use, or at least the language might be so read.

Mr. HICKENLOOPER. I would refer the Senator from New Mexico to the word "utilization," the first word of paragraph (4) of section 31. The reference is to the utilization of these materials, including industrial uses—that is to say, as I view the matter, the Commission is authorized to join in and cooperate for industrial uses.

Mr. AIKEN. Does the Senator interpret the provision for "the production of such materials for all other purposes, including industrial uses" to mean that it might be necessary to produce on a large scale? Otherwise, it would hardly be possible to ascertain the real value of atomic energy for industrial uses."

Mr. HICKENLOOPER. Will the Senator from Vermont repeat the question, please?

Mr. AIKEN. Would the Senator from Iowa interpret paragraph (4), which relates to the "utilization of special nuclear material and radioactive material and processes entailed in the production of such material for all other purposes, including industrial uses" to mean that it might be necessary to produce on a large scale, in order to determine the possibilities for industrial uses?

Mr. HICKENLOOPER. It might well be interpreted that way.

Mr. AIKEN. With the explanation given by the Senator from Iowa, who is in charge of the bill on the floor, I should think that we might be building up a record which would, partly at least, meet the objections which have been raised by the Senator from Mexico.

Mr. HICKENLOOPER. I wish to call attention to section 32, which I believe we should discuss in connection with this matter, because it is a part of it.

Mr. ANDERSON. First, Madam President, let me interrupt for a second, if I may, to say to the Senator from Vermont that is the reason why I have not submitted an amendment to section 44. I had hoped the discussion which the able Senator from Iowa and I had the first time I spoke on the bill would be a starting point, and that we might subsequently develop it sufficiently far to constitute a legislative history and to make it possible for the Commission to do what I think it should do.

Again I say to the Senator from Iowa that the suggestion of the Senator from Connecticut [Mr. BUSH] is along the line of my thinking. I would not wish to see the Commission rush blindly into spending $300 million or $400 million on a large plant without coming to Congress again. But I should like to have it looking in that direction.

Mr. HICKENLOOPER. I think the discussion is helpful and will bring out some desirable ideas. The Senator from New Mexico is as familiar with this phase of the subject as I am. But it is the general theory—expressed in section 31, as well as in section 32 and other experimental and development sections of the bill—which lays the basis for the 5-year reactor development program. At this point in the RECORD I should like to read the five different types of activity which are encompassed in the 5-year program.

The first was the pressurized water reactor which I mentioned a moment ago, and which eventually will cost approximately $85 million, and is estimated to be completed in 1957. That is the one into which the Duquesne Light and Power Co. is putting about $35 million of its own money.

The Government will be putting up about $50 million eventually. Manifestly, that will produce very high-cost power. We know that it will not necessarily be in the competitive field.

I assume that a part of the justification for it is that it will produce a comparatively small amount—about 60,000 kilowatts, and that for experimental purposes it can be fed into a larger system, and that the high cost of that small amount of power can be leveled out or diluted in a much lower cost system.

The second type of reactor is the boiling-water reactor. That is estimated to cost somewhere around $17 million. It is an experimental reactor, not designed to produce power to be fed into powerlines, necessarily, but to show what can be done with this type of reactor. It is estimated that this will be completed in 1956.

Then there is the sodium-graphite reactor, upon which approximately $10 million is to be spent.

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

Mr. HICKENLOOPER. I yield.

Mr. ANDERSON. The Commission has a contract with North American Aviation for the sodium-graphite type of reactor, and that program is underway.

Mr. HICKENLOOPER. Yes.

Mr. ANDERSON. Again, the production of power will be extremely small. We know in advance that the cost of that electricity will be so high that it will have no practical value whatever, except to prove or disprove the theory behind it.

Mr. HICKENLOOPER. The Senator is correct. These reactors, with the exception of the pressurized water reactor, on which the Duquesne Power Co. is cooperating, are really in the nature of experimental tools in the reactor field, using various types and kinds of moderators. The sodium-graphite reactor, it is estimated, will be finished in 1955.

Then there is the homogeneous reactor, which, it is estimated, will be finished sometime between 1956 and 1958, at a cost of approximately $47 million. There is also the fast-breeder reactor, which, it is estimated, will cost approximately $40 million, and will be finished in 1958.

That is the general 5-year program, but these are in the nature of experimental reactors. I take the position—and I think the Congress contemplates—that if the Atomic Energy Commission elects eventually to construct a large-scale producing reactor which would cost $250 million, the Commission ought to lay the program before the joint committee and ought to be authorized by the

Congress to enter upon such a very substantial program of commercial production. If the Congress authorizes that kind of policy, that is all right.

However, the main job of the Atomic Energy Commission is still to look after the security of the United States and the production of weapons. That is no more important, perhaps, than humanitarian or industrial activities, but still the national security is very important, and at this moment the mission of the Atomic Energy Commission is to take care of the national security. But almost of equal importance, so far as the urgency of the situation is concerned, is the industrial and humanitarian aspect. Nevertheless, I do not think there is any more reason for the Atomic Energy Commission to go into the commercial production of power at this time than there is for the Department of Agriculture to go into the commercial production of fertilizer.

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

Mr. HICKENLOOPER. I yield.

Mr. ANDERSON. I wish to say here, in order that it may be in the RECORD, that in my judgment perhaps the best way to promote the security of the United States may be by the rapid development of peacetime uses of atomic energy, so that we can offer something to the people of the world other than the ability to blow them to pieces. The British seem to be pushing ahead of us in this field. Very likely the Russians are ahead of us in this field. Does our country want to go into southeast Asia, where we are now having trouble, and say, "We Americans would like to bring you a bomb that will shatter you tomorrow, whereas some other Nation may bring you a new source of power, the peaceful utilization of atomic energy, which will bring you peace and happiness." I believe we can accomplish more good by bringing them an instrument of peace and happiness rather than an instrument of destruction.

Mr. AIKEN. Madam President, will the Senator yield?

Mr. HICKENLOOPER. I yield.

Mr. AIKEN. I assume from the remarks of the Senator from Iowa that the wording of this bill would not permit the Atomic Energy Commission to construct a plant at a cost, we will say, of a quarter of a billion dollars in order to determine what the benefit to our heavy industries might be from the wholesale generation of electric energy from atomic energy, even though the Commission might justify the proposal before the Appropriations Committee, which it certainly would have to do. If such a proposal were brought up, it might involve weeks of debate in both Houses of Congress. The other day we passed the so-called lease-purchase bill, which contains a provision that no appropriation may be made for the particular purpose involved in that bill without authorization from the Public Works Committee, I believe. Then the proposal for a particular project could go to the Appropriations Committee for an appropriation.

If the Senator from Iowa feels that the Joint Committee on Atomic Energy should still keep its fingers tightly on this program—and I presume it should—could we not write into the pending bill a provision which would permit the appropriation to be made after clearance had been received from the Joint Committee on Atomic Energy, so as to avoid becoming involved in 2 or 3 months' debate upon the subject, if it were decided that such a program were desirable?

Mr. HICKENLOOPER. There is no question in my mind that the bill would permit the Atomic Energy Commission to build a half-billion-dollar plant if it could get the money from the Appropriations Committee. The authorization is in section 261.

Mr. AIKEN. That is the subject on which I wish the Senator's opinion.

Mr. HICKENLOOPER. I read section 261:

SEC. 261. There are hereby authorized to be appropriated such sums as may be necessary and appropriate to carry out the provisions and purposes of this act except such as may be necessary for acquisition or condemnation of real property or for plant construction or expansion. The acts appropriating such sums may appropriate specified portions thereof to be accounted for upon the certification of the Commission only. Funds appropriated to the Commission shall, if obligated by contract during the fiscal year for which appropriated, remain available for expenditure for 4 years following the expiration of the fiscal year for which appropriated.

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

Mr. HICKENLOOPER. I yield.

Mr. ANDERSON. I think the Senator from Iowa has served the purpose which the Senator from Vermont had in mind, and he certainly has served the purpose I had in mind when he stated that he believed it would be possible, under the language of the bill, to do what was suggested. I have been afraid that a point of order could be raised in connection with an appropriation item of that kind, on the ground that it was not authorized by law, and that Congress had never authorized the Atomic Energy Commission to go into the business of generating power.

Mr. HICKENLOOPER. I should like to clarify my statement.

Mr. ANDERSON. That is what I want.

Mr. HICKENLOOPER. If the Atomic Energy Commission were to say, "We are going into the commercial production of power for sale for profit," that would be quite a different thing from saying, "It is necessary, in the expansion of this program, for us to determine certain things. Theoretically a plant producing 200,000 kilowatts would be very efficient, and would fit into our industrial system. Therefore, we believe it is the duty of the Atomic Energy Commission to construct a 200,000-kilowatt plant for experimental purposes and for the determination of certain questions by a process which private capital and private groups simply cannot finance under our system."

I believe the bill would authorize such an activity, and that the Commission could proceed with such a program if it could obtain an appropriation.

Perhaps I am trying to draw a fine line. I do not believe it is the connotation of the bill as a whole that the Atomic Energy Commission shall go into the commercial competitive power field. It could go into the experimental field, the development field, as a public service, if it could obtain the money from the Congress by an appropriation. I do not know what the limit would be. I suppose there is no practical limit, except the good sense and judgment of the Appropriations Committees, plus that of the Joint Committee on Atomic Energy.

Mr. ANDERSON. I do not disagree with the Senator in his last interpretation. I do not desire to have the Atomic Energy Commission authorized to engage in the production of commercial power in order that it may sell it in the competitive field for a profit. That is not in my heart or mind at all, because I think that might be bad. However, I do want the Commission to have enough money to build whatever plants may be necessary to demonstrate practicability and cost.

Mr. HICKENLOOPER. That would be up to the Appropriations Committees.

Mr. ANDERSON. Yes. Let me say that throughout the entire atomic energy program we have been playing by ear. We have been improvising as we have been going along. The recent tests illustrated that as fully as anything could. The fact is that we authorized $2 billion for atomic research before we even knew whether the atom bomb would explode. The Congress that did it was extremely wise. Of course, if the bomb had failed to explode, every Member who had been concerned with it would have been criticized for throwing money away on a foolish venture.

We are building a plant in Ohio which will cost considerably more than a billion dollars, probably more than a billion and a half dollars. I am not so sure that we will need everything which will be in the plant when we get through building it, because it may well be that by the time it is completed a new process will have been developed, which will make it more or less unimportant. However, it was wise to start to build it, even if it should develop that a subsequent process may prove it to have been unneeded. We were in such a situation that we had to have it.

We are building a plant on the Savannah River, which was intended for one purpose, although perhaps it will be used for another purpose eventually because of changing techniques. In other words, its purpose may change after we shall have spent the money for it.

We threw away millions by rushing the work. However, the public would not have been satisfied if the work had not been rushed. Therefore I believe the Commission went ahead with it very properly.

All I want to be able to be sure of is that the Commission, if it decides to do so, can take a little bigger chance than the chances it is now taking.

The Duquesne Power & Light contract has helped so far as it goes. However, the very able Senator from Iowa, who is very familiar with the subject, has stated that it will be a high-priced oper-

ation, because of its limited size. He and I know that the answer we will get will not be the final answer. The question will be tentatively answered for us if through the experimental processes there will be subsequently developed power at a lower price. As was brought out in the recent hearings, the Atomic Energy Commission had to reactivate an old plant which it had to throw into operation, although its production cost was 20 mills, whereas another plant was producing current at 2 mills.

When we get to the point where we are pressed for power, even if the AEC has to build a reactor which will produce power at a cost of 20 mills, it would not be a great violation to put it into operation, if the erection of a substantially larger plant will make possible very cheap current all over the country.

Mr. HICKENLOOPER. I think it is essential that I read into the RECORD section 32 of the bill, which I started to read a short time ago. It clarifies the matter. It should be borne in mind that section 31 under paragraph (4) refers to industrial uses. I did not read section 31 into the RECORD. Section 32, the subsequent section, says:

> The Commission is authorized to conduct, through its own facilities, activities and studies of the types specified in section 31.

Section 31 refers to the industrial uses and activities.

Mr. ANDERSON. Section 31 authorizes the Commission to deal with private institutions and foundations, but section 32, dealing with research, says that if the Commission does not make that kind of deal, it can do the work itself. I am afraid that paragraph (4) may be a little limited in permitting the Commission to go ahead in building the type of plant I am talking about. What I am trying to say is that if the bill does carry language to let the Commission do it, why not, as the Senator from Michigan [Mr. FERGUSON] suggested, write into it language which clearly provides that the Atomic Energy Commission can build a plant to develop electric energy for that purpose and for no other purpose.

Mr. CASE. Madam President, will the Senator yield?

Mr. HICKENLOOPER. The Senator from Vermont has the floor.

Mr. AIKEN. I shall be glad to yield if I can still hold the floor. I want to say to the Senator from Iowa that I do not want the United States Government to go into the wholesale production of power from atomic energy, to be sold in the competitive field. I believe that we ought to give the Atomic Energy Commission authority to construct a plant on such a scale that the benefit of power derived from atomic energy to heavy industry can be definitely determined.

Mr. ANDERSON. That is all I want.

Mr. AIKEN. As I understand, the Senator from Iowa believes that after the Atomic Energy Commission has made justification before the Appropriations Committees, it could get the funds for that purpose. I believe the colloquy between the Senator from Iowa and the Senator from New Mexico has gone very far in clarifying the situation in one mind at least, and that is my mind, and of course, that is quite important to me.

Mr. HICKENLOOPER. I wish to make further clarification, because I think it is probably very important that the legislative history of the matter should be as complete as possible.

Section 261 of the bill reads as follows:

> There are hereby authorized to be appropriated such funds as may be necessary and appropriate to carry out the provisions and purposes of this act, except such as may be necessary for acquisition and condemnation of real property or for plant construction or expansion.

That is not necessarily directed at anything except the general attitude of the Appropriations Committees and the other committees, that the agencies of Government should not be given authority to go and condemn property and buy real estate without coming to Congress with their programs.

The language is not directed necessarily at the Atomic Energy Commission. It indicates the general policy Congress has adopted and which is applicable to all Government agencies—I should not say "all," because there may be some exceptions—that departments and agencies cannot condemn land and undertake massive major construction without submitting the matter to Congress.

Mr. AIKEN. Section 261 would not prohibit the Atomic Energy Commission from acquiring or condemning real property to an extent adequate for the construction of one experimental plant of sufficient size to determine the value of atomic-energy power to industry, would it?

Mr. HICKENLOOPER. The proposal for the acquision of additional real estate probably would have to come before the joint committee for authorization. This section was not inserted for any special reason of singling out the Atomic Energy Commission. It is an attempt to follow the general purposes expressed repeatedly by Congress so far as agencies of the Government are concerned; namely, that such matters as the substantial condemnation of land or a building program should, from time to time, be considered by Congress.

Mr. AIKEN. If the Atomic Energy Commission could not acquire or condemn any real property, how could it do anything on its own except through contract with industry?

Mr. HICKENLOOPER. As a matter of fact, at the present time the Atomic Energy Commission, I believe, owns ample property so that it could build one of those plants on its own property without any difficulty. If they want to go into some other area of the United States and construct property of this kind there——

Mr. ANDERSON. Madam President, will the Senator from Iowa yield?

Mr. HICKENLOOPER. I yield.

Mr. ANDERSON. The Senator from Iowa said he thought the Atomic Energy Commission had plenty of property. I think I would agree with him that probably the first plant ought to be built in connection with some other plant, so that the energy might be utilized by the other plant, and then, thereafter the Commission might acquire other property, because, obviously, they might desire to operate at some other place.

Mr. HICKENLOOPER. I think the Senator will agree with me that we are very much interested in the 5-year program. I do not think the Commission will program a $250-million plant until it can get some answers from the program under which they are proceeding and until the Appropriations Committee gives them the necessary money. Of course, the answers will be those resulting from the experimental development.

Mr. CASE. Madam President, will the Senator from Iowa yield?

Mr. HICKENLOOPER. I yield.

CONSTRUCTIVE USES OF ATOMIC ENERGY

Mr. CASE. I had not wanted to interrupt the continuity of the debate, which I consider to be very important in connection with the legislative history of the bill. But I am a little disturbed by the implications which I think might follow this discussion as the record now stands. I do not want this bill to forbid actual production of atomic power or to limit its production to pure research. I want it to embrace and authorize a practical demonstration production. I recall there was considerable debate on that point in connection with the authority given the Tennessee Valley Authority to engage in the production of phosphate fertilizers.

So, I wish to second what the Senator from New Mexico [Mr. ANDERSON] has said about the importance of our doing something clearly, definitely, and purposefully in developing atomic power for constructive purposes rather than for destructive purposes.

Mr. HICKENLOOPER. We are doing a vast amount of that, more than is all the rest of the world.

Mr. CASE. The Senator has proved by his eagerness to interrupt, the point I wished to make. I dare say that the Senator from Iowa does not make a speech in the State of Iowa on the subject of atomic energy without stressing that point and without saying that what the development of radioactive isotopes means for medicine or for human happiness surpasses in importance what the development of atomic energy has meant in a destructive way. The President himself, recently, in making some comment upon our atomic program, stressed the beneficial results. It is extremely important that before the bar of world public opinion it be clearly shown that what we seek is a constructive application in this field. It is a rather paradoxical thing that we want to prove the very antithesis of what we seem to have been doing. We are at a disadvantage in the cold war in the Far East today as a result of some of the unfortunate experiences in experiments with the H-bomb. We must correct that and make clear our constructive and beneficial aims.

Mr. HICKENLOOPER. The Senator is speaking now about what is probably the most overwhelming purpose of the bill. The great burden of this bill is to open atomic energy for peacetime and humanitarian purposes. That is probably the major segment of the bill. That

is the purpose for which the revision is written.

Mr. CASE. That is fine, but I do not want that purpose negatived or nullified by any provisions in the bill.

Mr. HICKENLOOPER. I do not think it is, at any place in the bill.

Mr. CASE. So, Mr. President, I raise the specific question as to whether by the language of section 261, section 32, and section 44, we have limited the development of atomic energy for constructive purposes or not.

Section 261, to which the Senator has referred, authorizes such appropriations as may be necessary appropriately to carry out the provisions and purposes of the act.

Then when we go back to section 44 we find that what is permitted by the act is the sale of by-product energy, not its production as an original or primary purpose.

Mr. HICKENLOOPER. That section refers only to energy which is produced, possibly, as an incident to certain research and development activities of the Commission. It is not intended to go to the question of mass production of energy at all. It simply provides that if in the course of the Commission's activities some energy is produced which could be used, there is no use in wasting it. In the construction of a building frequently material is left which may be sold for whatever amount of money can be obtained.

DEMONSTRATION AS WELL AS RESEARCH

Mr. CASE. That strengthens my fear that in the development of electric energy, the Commission is limited to research. Section 32 says that the Commission is authorized to conduct, through its own facilities, activities of the type provided by section 31. Section 31 in paragraph (4), provides for research and development. The question is what is covered or included by those words.

During the hearings of the joint committee on phosphate resources, held in the summer of 1938, I recall that at Knoxville, Tenn., the committee found itself in the midst of a considerable debate as to whether the phosphate fertilizer sold by the TVA was that which was produced in the course of research or whether its production was a commercial operation. There was some contention that the TVA was getting into commercial business. It was the contention of Senator Norris and the TVA authorities at the time, however that the TVA Act authorized the production of fertilizer for demonstration purposes. As a part of that demonstration program, fertilizer was distributed to a number of counties in Tennessee and other States where it could be appropriately distributed, with reasonable freight rates, to show that it could be produced and delivered at a price which farmers could afford to pay. What I fear here—and I hope I am wrong—is that the language which the Senator has been citing limits the Atomic Energy Commission to a research program or a development program in the nature of a laboratory proposition, with not even a pilot plant, much less commercial development.

Mr. HICKENLOOPER. I should like to read the language of section 11, subparagraph (2). The Senator will find it on page 8 of the act, beginning with line 18:

> q. The term "research and development" means (1) theoretical analysis, exploration, or experimentation; or (2) the extension of investigative findings and theories of a scientific or technical nature into practical application for experimental and demonstration purposes, including the experimental production and testing of models, devices, equipment, materials, and processes.

That is the technical definition of "research and development."

Mr. CASE. Would the Senator from Iowa interpret that definition to mean that the Atomic Energy Commission could build a plant of sufficient size to determine whether or not the electrical energy could be developed through the application of atomic energy or fissionable materials, in such a way as to be commercially practicable?

Mr. HICKENLOOPER. A moment ago I answered the same question, when propounded by the Senator from New Mexico [Mr. ANDERSON] and the Senator from Vermont [Mr. AIKEN]. The answer is: Yes, if the Atomic Energy Commission could obtain the money.

Mr. ANDERSON. Will the Senator from Iowa permit me to ask if the part of the report at the top of page 15 bothers him in any way. It refers to section 44, and reads:

> This section will permit the Commission to dispose of that utilizable energy it produces in the course of its own operations, but does not permit the Commission to enter the power-producing business without further congressional authorization to construct or operate such commercial facilities.

I wonder if that language means that the energy must be sold to someone else, or does it prevent the Commission from constructing a powerplant, as such, for the development of power?

Mr. HICKENLOOPER. I think certainly there was no intent, so far as I know, to have section 44 apply to any commercial activities at all. It does not refer to that subject. The report merely points out that section 44 is not intended to authorize or permit such action. The construction of large scale plants for experimentation and determination purposes, even though they might cost hundreds of millions of dollars, is authorized in other sections of the bill.

The Commission must obtain the money for such construction; it must prove its case in order to get the money. It cannot go out, willy-nilly, and build the plants.

Mr. President, I wish to say to the Senator from South Dakota that the term "research and development" does not go to the question of the size of the plant; it goes to the question of the purpose. Size is immaterial. Other things being equal, a billion kilowatt plant could be built if the Commission could get the money and if the plant were for the establishment of a certain purpose within the authority of the Atomic Energy Commission. The question of size is not involved; the question involved is that of purpose.

Mr. CASE. I thank the distinguished Senator from Iowa. Referring again to the definitions contained on page 8 of the bill, I note that clause (2) of subparagraph q. reads:

> The term "research and development" means (1) theoretical analysis, exploration, or experimentation—

That would not cover the point in which I am interested; but clause (2) might. The definition of "research and development" continues:

> or (2) the extension of investigative findings and theories of a scientific or technical nature into practical application for experimental and demonstration purposes—

I have emphasized "and demonstration purposes"—

> including the experimental production and testing of models, devices, equipment, materials, and processes.

I pose this question: Does the Senator from Iowa, who is in charge of the bill, feel that the use of the words "and demonstration purposes," taken in connection with what he has previously said, means that, whatever be the size required to provide the practical application for demonstration purposes, the Commission can engage in whatever experiments are necessary in order to demonstrate the practical application?

Mr. HICKENLOOPER. I think the answer is "Yes," if the Commission could get the money from Congress with which to do it.

POSSIBLE UTILIZATION OF PICKSTOWN

Mr. CASE. Then, I should like to ask a more specific question. In my State there is a great deal of interest in the possible development of atomic energy and in the development of standby electricity from fissionable materials to firm up the so-called secondary or dump power which will be generated on the Missouri River. I call the Senator's attention to the fact that a large part of the hydroelectric power available in that area represents so-called secondary power. The Oahe Dam, which is the largest of the dams and manifestly the largest of the reservoirs, has been estimated by the Hoover Commission to produce 52 percent of its energy in the form of secondary rather than firm power.

There has been considerable interest in the State as to how that secondary power might be firmed up. The suggestion has been repeatedly made that the firming up might well be provided by an atomic energy plant. Does the bill authorize the Commission to consider that as a possibility and to provide a plant which would firm up the secondary power of this hydroelectric project?

Mr. HICKENLOOPER. I would say no, that there is no authority to build a plant for the sole purpose of firming up power. I do not think that is a purpose of the act. If the Congress authorized the Commission to acquire property in that area, that would be a different question. As I pointed out before, the Commission can not condemn property without authorization of Congress.

Mr. CASE. Could the Commission receive property transferred by another agency of the Government?

Mr. HICKENLOOPER. Probably it could, if the Commission did not have to pay anything for it. I would not want to be too positive or dogmatic about that statement.

I am informed by the Senator from Vermont [Mr. AIKEN], who is very well versed in such questions, that it would take an act of Congress to enable one agency to acquire the property of another.

Mr. CASE. Under the provisions of the general act for the disposal of surplus property, I suggest that another agency might acquire such property. I think that before the General Services Administration sells property which is considered to be in excess of the needs of a particular agency, it can dispose of it to another agency.

Mr. HICKENLOOPER. Perhaps such property could be disposed of in that manner; I am not sure. The point I wish to make is that if the production of atomic energy is demonstrated to be within reasonable economic soundness on the basis of cost—and that is what is being attempted to be demonstrated by the 5-year program—and if the Congress is convinced that the building of a substantial atomic energy plant in a certain area to firm up the power is desirable, and if Congress authorizes the Commission to go ahead with such a project, the Commission could do so. However, the Atomic Energy Commission is not primarily an operating agency; it is a research and development agency. It is not a commercially operating agency any more than is the Department of Agriculture.

Mr. CASE. The final question which the junior Senator from South Dakota is seeking to determine is whether or not the Atomic Energy Commission would have the authority, under the provisions of the proposed act, to receive from the Corps of Army Engineers and to utilize a certain installation known as Pickstown, a body of real estate on which there are buildings ranging all the way from houses to hospitals and administrative office facilities, which were built by the Army engineers to house the engineers and the workers engaged in the construction of the Randall Dam. It happens that their work is practically completed. I have been told by the Chief of Army Engineers, General Sturgis, that he has discussed with representatives of the Atomic Energy Commission the matter of transferring such buildings and facilities to the Atomic Energy Commission when such property is declared excess to the needs of the Army engineers. It has been my thought that if those facilities were transferred, without cost, to the Atomic Energy Commission, under the general law for the disposition of surplus real estate or real property, the Atomic Energy Commission might receive them and then, possessing them, could there establish a practical demonstration project, utilizing the abundant water and hydroeelctric energy which the Government itself owns.

The Government has built the Randall Dam. That has created a reservoir which is now storing water and which is now producing hydroelectric power. The Government is in the process of building a large backbone transmission system which will link together the hydroelectric power produced by the dams at Gavin's Point, Randall Dam and Oahe Dam in South Dakota, and at Garrison Dam, in North Dakota. On that line there will be in excess of 1 billion kilowatts of generative capacity, but a large part of the production will be secondary power.

The question I seek to have answered is, Can the Atomic Energy Commission, under the provisions of this measure, receive that property at Pickstown, land and buildings, when it is excess to the needs of the Army engineers, and use it as a basis of operations for a practical demonstration plant?

Mr. HICKENLOOPER. In answer to the Senator's question I may say that I do not know. So far as this measure is concerned, I know nothing in it that will either prohibit or permit it. I do not know—because I have not looked into the question—what the rights of the interrelated agencies, including the Atomic Energy Commission, may be. I shall undertake to have that matter looked into immediately, so that I can get the answer for the Senator from South Dakota, if possible. But I would hesitate to answer his question now.

Mr. CASE. Would it be fair to assume—on the basis of the Senator's answer to the earlier question—that if other law permits a transfer to the Atomic Energy Commission of the real property I have mentioned when it is excess to the needs of the Army engineers, once it is in the possession of the Atomic Energy Commission, it would be possible for the Commission to engage in a demonstration project there, under the conditions heretofore recited?

Mr. HICKENLOOPER. The Senator from South Dakota has asked a hypothetical question, based upon certain premises. I do not have the answer to the question; but if the Atomic Energy Commission is authorized to accept that land or other convenient land in that area and if the Commission determines that it is essential or proper, in the research and development field of the Commission, to erect such a plant, and if the Atomic Energy Commission determines that that is a proper place at which to conduct research and development, and that a plant of X kilowatts—several hundred thousand kilowatts, or any figure the Senator from South Dakota might wish to use—would be required for that purpose, then I would say that if the Commission could obtain the funds from the Appropriations Committees, the Commission could build the plant.

Mr. CASE. Mr. President, I wish to express appreciation to the Senator from Iowa for the answer he has given and for his offer to obtain a further answer to the hypothetical part of the question.

I wish to say for the RECORD that here is a situation in which the Government has a tremendous amount of electrical energy which it owns and a tremendous volume of water which it owns, both of which, as I understand, are essential elements in the development of a practical plant.

Mr. HICKENLOOPER. The Senator from South Dakota understands, does he not, that the Atomic Energy Commission does practically nothing on its own, except supervision and the conducting of certain research and development activities of a minor nature?

Mr. CASE. Yes, I understand that.

Mr. HICKENLOOPER. The Commission does almost all its activity through contractors.

Mr. CASE. Yes; by contract.

Mr. HICKENLOOPER. Yes; the Commission does most of its work through contractors, and most of the operation is through contractors.

Again, I wish to say that I do not believe either the original act or this bill contemplates that the Atomic Energy Commission will go into the commercial production of atomic energy, as such. It will go into the production of large amounts of electricity only if it is essential, in the demonstration in connection with research and development, to prove certain points or to demonstrate the practicality of certain things.

Mr. CASE. In review, may I make clear that in addition to the water and the power, the Government owns about a $7 million plant there, in the form of a town, with all kinds of administrative facilities—housing, shops, schools, chapel, and hospital. The Government owns both the land and the buildings.

Mr. HICKENLOOPER. I understand that.

Mr. CASE. I wanted to add that for emphasis as I suspect that this colloquy will be studied in connection with answering that question.

Mr. THYE. Mr. President, if the Senator from Vermont will yield to me, I should like to comment on the colloquy which has taken place between the Senator from South Dakota and the Senator from Iowa.

I would say that, in the first instance, property referred to by the Senator from South Dakota would go to General Services Administration. I think the Senator from South Dakota has raised a question which needs to be explored, because here is physical property which possibly could lend itself to research in the atomic energy field. Therefore, inasmuch as I represent in part an adjoining State which would be one of the beneficiaries if such a pilot plant or research plant were developed in connection with atomic energy, to firm up the hydroelectric energy that is going into that area, I would say that a bill should be introduced in order to begin the necessary study and discussion of the matter. By means of the introduction of such a bill, we would have the necessary discussion and study of the question, so that the properties would not either be disposed of as surplus property to be sold to the highest bidder, or razed, for the purpose of clearing the land and returning it to the State in which it was located when it was acquired, before the buildings were installed.

So I am going to instruct the staff of the Small Business Committee—which already is making a study of a

possible research activity on the part of the Atomic Energy Commission in that field—to look into that matter. I would be very happy to join the Senator from South Dakota in the introduction of such a bill, in order to get the question before the appropriate congressional committees.

Mr. CASE. I certainly appreciate the statement the Senator from Minnesota [Mr. THYE] has made. As usual, he has a constructive suggestion to make in connection with the discussion.

I may say I think possibly I should obtain the answer the Senator from Iowa suggested he would get, because it is my understanding that if property is declared to be excess to the needs of any Federal agency it goes to the General Services Administration and then it can be transferred to other Federal agencies; and that the ones with a national-defense interest have first priority in claiming excess property.

So it might be that the real property in this case—meaning both the land and the building—could be so transferred. If so transferred, I seek to determine whether this bill permits the Atomic Energy Commission to go ahead with a plant there.

The PRESIDING OFFICER. The question is on agreement to the amendment offered by the Senator from Michigan [Mr. FERGUSON].

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

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk called the roll, and the following Senators answered to their names:

Aiken	Green	Mundt
Anderson	Hayden	Reynolds
Barrett	Hickenlooper	Schoeppel
Bricker	Hill	Smith, Maine
Butler	Holland	Smith, N. J.
Case	Jenner	Sparkman
Cooper	Johnson, Tex.	Stennis
Daniel	Knowland	Thye
Dworshak	Kuchel	Upton
Ervin	Mansfield	Welker
Fulbright	Martin	Wiley
Gore	Monroney	

The PRESIDING OFFICER. A quorum is not present.

Mr. BARRETT. Mr. President, I move that the Sergeant at Arms be instructed to request the attendance of the absent Senators.

The PRESIDING OFFICER. The question is on agreeing to the motion of the Senator from Wyoming.

The motion was agreed to.

The PRESIDING OFFICER. The Sergeant at Arms will execute the order of the Senate.

After a little delay, Mr. BEALL, Mr. BENNETT, Mrs. BOWRING, Mr. BRIDGES, Mr. BURKE, Mr. BUSH, Mr. BYRD, Mr. CAPEHART, Mr. CARLSON, Mr. CHAVEZ, Mr. CLEMENTS, Mr. CORDON, Mr. CRIPPA, Mr. DIRKSEN, Mr. DOUGLAS, Mr. DUFF, Mr. FERGUSON, Mr. FLANDERS, Mr. FREAR, Mr. GEORGE, Mr. GILLETTE, Mr. GOLDWATER, Mr. HENDRICKSON, Mr. HUMPHREY, Mr. IVES, Mr. JACKSON, Mr. JOHNSON of Colorado, Mr. JOHNSTON of South Carolina, Mr. KERR, Mr. KILGORE, Mr. LANGER, Mr. LEHMAN, Mr. LENNON, Mr. LONG, Mr. MAGNUSON, Mr. MALONE, Mr. MCCARRAN, Mr. MCCARTHY, Mr. MILLIKIN, Mr. MORSE, Mr. MURRAY, Mr. NEELY, Mr. PAYNE, Mr. POTTER, Mr. PURTELL, Mr. ROBERTSON, Mr. RUSSELL, Mr. SALTONSTALL, Mr. SMATHERS, Mr. SYMINGTON, Mr. WATKINS, Mr. WILLIAMS, and Mr. YOUNG entered the Chamber and answered to their names.

The PRESIDING OFFICER (Mr. PAYNE in the chair). A quorum is present.

Mr. GORE obtained the floor.

WHITE HOUSE CONFERENCE ON EDUCATION—CONFERENCE REPORT

Mr. COOPER. Mr. President, will the Senator from Tennessee yield, to permit me to submit a conference report?

Mr. GORE. Mr. President, I ask unanimous consent that I may yield for that purpose, without losing my right to the floor.

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

Mr. COOPER. Mr. President, I submit a report of the commmittee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H. R. 7601) to provide for a White House Conference on Education; and I request the immediate consideration of the report.

Mr. GORE. Mr. President, will the Senator from Kentucky yield?

Mr. COOPER. I yield.

Mr. GORE. Has the presentation of the report been cleared with the minority leader, as well as with the minority members of the committee of conference?

Mr. COOPER. It has not, although the report is a unanimous one. If the Senator from Tennessee prefers, I shall postpone my request for consideration of the report until there has been an opportunity to confer with the minority leader.

Mr. GORE. I believe that would be best. I hesitate to take the responsibility of agreeing to the request for consideration of the report at this time, in view of the fact that I have not heard from the minority leader about it.

Mr. COOPER. If the Senator from Tennessee prefers, I shall wait.

Mr. President, at this time I withdraw the report.

The PRESIDING OFFICER. The report is withdrawn.

MESSAGE FROM THE HOUSE

A message from the House of Representatives by Mr. Maurer, its reading clerk, announced that the House had passed, without amendment, the following bills and joint resolution of the Senate:

S. 1381. An act to amend the Agricultural Act of 1949;

S. 2367. An act to amend the act of June 29, 1935 (the Bankhead-Jones Act), as amended, to strengthen the conduct of research of the Department of Agriculture;

S. 2583. An act to indemnify against loss all persons whose swine were destroyed in July 1952 as a result of having been infected with or exposed to the contagious disease vesicular exanthema;

S. 2766. An act to amend section 7 (d) of the Internal Security Act of 1950, as amended;

S. 2786. An act granting the consent and approval of Congress to the Southeastern Interstate Forest Fire Protection Compact;

S. 3561. An act authorizing the Administrator of Veterans' Affairs to convey certain property to the Armory Board, State of Utah;

S. 3630. An act to permit the city of Philadelphia to further develop the Hog Island tract as an air, rail, and marine terminal by directing the Secretary of Commerce to release the city of Philadelphia from the fulfillment of certain conditions contained in the existing deed which restrict further development; and

S. J. Res. 96. Joint resolution to strengthen the foreign relations of the United States by establishing a Commission on Governmental Use of International Telecommunications.

The message also announced that the House had insisted upon its amendments to the bill (S. 3458) to authorize the long-term time charter of tankers by the Secretary of the Navy, and for other purposes, disagreed to by the Senate; agreed to the conference asked by the Senate on the disagreeing votes of the two Houses thereon, and that Mr. ARENDS, Mr. COLE of New York, Mr. SHAFER, Mr. CUNNINGHAM, Mr. VINSON, Mr. KILDAY, and Mr. RIVERS were appointed managers on the part of the House at the conference.

The message further announced that the House had severally agreed to the amendment of the Senate to the following bills of the House:

H. R. 6786. An act authorizing the Secretary of the Interior to purchase improvements or pay damages for removal of improvements located on public lands of the United States in the Palisades project area, Palisades reclamation project, Idaho;

H. R. 8983. An act to provide for the conveyance of certain lands by the United States to the city of Muskogee, Okla.; and

H. R. 9005. An act to continue the effectiveness of the act of July 17, 1953 (67 Stat. 177).

The message also announced that the House had agreed to the amendments of the Senate to the bill (H. R. 130) to amend section 1 of the act approved June 27, 1947 (61 Stat. 189).

REVISION OF THE ATOMIC ENERGY ACT OF 1946

The Senate resumed the consideration of the bill (S. 3690) to amend the Atomic Energy Act of 1946, as amended, and for other purposes.

Mr. GORE. Mr. President, I rise in opposition to the amendment submitted by the senior Senator from Michigan [Mr. FERGUSON].

The amendment proposes to legitimatize or legalize a proposed contract which many of us in this body hold to be without legal authority. In my opinion, the submission of the amendment is a concession of the doubtful legality of the proposed Dixon-Yates contract.

However, Mr. President, this question has come to have far broader implications. The attempted perversion of functions of the Atomic Energy Commission in this instance has triggered an explosion of suspicion, mistrust, and doubt which now cast their shadows over the entire atomic energy bill and the atomic energy program.

If, for the purpose of serving this particular private interest group, a provision in the Atomic Energy Law enacted for a specific purpose is stretched beyond its intent, and beyond any reasonable interpretation of its meaning, what confidence can the Senate have to justify the further vesting in the administration of such very great authority and discretionary power as is contained in the pending far-reaching bill?

I should like to make a preliminary statement regarding the amendment, and then give a detailed analysis. Throughout the debate the controversy has raged over this proposal of the administration, acting through the Atomic Energy Commission, to execute a contract with the Dixon-Yates group for the construction and operation of a steam electric generating plant for purposes unrelated to the atomic energy program. Much of the debate has consisted of charges and countercharges involving the operation of the TVA. The RECORD will show that on the first day of debate an effort was made to make the TVA an issue. On that first day the Tennessee Valley Authority, was tried, and I think, judging from the record, acquitted.

Since then the debate has been more relevant, more upon the advisability of the contract, the legality of the proposal, and the improvident characteristics of the proposal.

I believe another significant circumstance has been engendered by this attempted perversion of functions of the Atomic Energy Commission and of the law. Because of this attempt doubts have been expressed on the floor of the Senate about the licensing provision, the patent provision, and other provisions of the bill.

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

Mr. GORE. I yield.

Mr. HILL. No doubt the Senator from Tennessee will address himself to this question, but does he not believe that one of the most important aspects is the failure to permit the Atomic Energy Commission itself to go forward with the construction of some of the powerplants which are needed?

Mr. GORE. I thank the Senator for his question and his contribution. I find it paradoxical that the Ferguson amendment would authorize the Atomic Energy Commission to go into the power business not only to the extent of the Dixon-Yates contract, but to the extent of 3 million kilowatts of electricity. Were the Ferguson amendment to become law the Atomic Energy Commission could make a contract with private utilities to furnish electricity to the Atomic Energy Commission to the extent of the full amount of TVA electricity now going to the Atomic Energy Commission.

I point out to the able Senator from Alabama that by 1957 the schedule calls for the TVA to furnish to the Atomic Energy Commission more electrical energy than was used in the year 1952 by any 1 of the 48 States with the exception of the State of New York. The TVA is scheduled to furnish more electric power than was used in the year 1952 by all the industry of Illinois, all the industry of Pennsylvania, or the vast industrial development of California. The Ferguson amendment would authorize the Atomic Energy Commission to go into the power business to that extent. Why? It specifically prohibits the Atomic Energy Commission from engaging in the generation of power in commercial quantities from atomic energy. In other words, let me say to my brilliant and distinguished friend from Alabama, the amendment would state that it is all right for the Atomic Energy Commission to go into the power business so long as it is invading the TVA's territory, but if it proposes to use nuclear fission to develop commercial power, that must be prohibited. I point out that the Senator from Michigan is chairman of the Republican policy committee, and I suppose can be properly regarded as a spokesman not only for the majority party here, but for the administration.

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

Mr. GORE. I yield.

Mr. HILL. The 3 million kilowatts to which the Senator has referred represents five times the amount of power contemplated in the Dixon-Yates proposal.

Mr. GORE. The Ferguson amendment is five times as bad as the Dixon-Yates proposal.

Mr. HILL. The Senator is absolutely correct.

Mr. GORE. It has been insisted by the proponents of the Dixon-Yates contract that the TVA is seeking to expand its service area, and even that TVA has unconscionably overcharged the Atomic Energy Commission for electricity supplied for the operation of the Atomic Energy Commission's vital production facilities. A welter of confusing statistics, involving ratemaking procedures, has been introduced, and the RECORD is replete with information and misinformation about the operation of TVA. I refer to this only in a summary way. I believe, as I have said, that TVA has been completely exonerated of those charges by the RECORD of this debate. I do not wish to spend any further time at this moment in defense of TVA. Frankly, I do not think it particularly needs defense.

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

Mr. GORE. I yield.

Mr. HILL. Is it not true that the RECORD shows that the charges against TVA are absolutely unfounded and untrue?

Mr. GORE. I believe that the RECORD is clear on that point now.

I wish to say to the Senator from Alabama that I believe the genesis of the Dixon-Yates proposal was a desire on the part of the private Power Trust to attack TVA and to invade TVA's territory. I believe it is the first step toward the dismemberment of the TVA service area.

I inquire of my distinguished friend from Alabama whether he knows who made the request for this contract. The RECORD does not show that the Atomic Energy Commission made any such proposal. The RECORD does not show that the people of Memphis made such a proposal, or that the citizens of Arkansas made such a proposal. It does not show who sought the contract. Does the Senator know the genesis of it?

Mr. HILL. Not only do I not know the genesis of it, but, in the light of the fact that 3 of the 5 members of the Commission are opposed to the proposal, it seems to me entirely reasonable to conclude that the Atomic Energy Commission did not make it.

Mr. GORE. That is a reasonable presumption. Furthermore, the fact is that the Atomic Energy Commission does not want any more power at its Paducah facility. It has a contract for ample power there.

Mr. HILL. Is it not true that one of the strongest statements against the proposal is the letter which Commissioners Smyth and Zuckert wrote to the Bureau of the Budget against the proposal?

Mr. GORE. I think that is true.

Mr. HILL. I am not sure whether that letter has been read into the RECORD, but it is printed at page 958 of the printed hearings. It might be well to incorporate the letter in the RECORD at this point, if the Senator from Tennessee deems it wise to do so.

Mr. GORE. I think it might be well to read the letter. I have before me the letter which Commissioners Smyth and Zuckert wrote to the Director of the Budget. It reads:

> DEAR MR. HUGHES: On April 15, 1954, the chairman of the Atomic Energy Commission, Mr. Strauss, sent you a letter outlining an analysis of the negotiations for certain power to be furnished by Middle South Utilities, Inc., and the Southern Co.
>
> Under this proposal the Atomic Energy Commission contracting power would be used as a vehicle—

Does the Senator catch the significance of that statement?—

> The Atomic Energy Commission contracting power would be used as a vehicle—

The able Senator from Alabama was a Member of the Senate and I was a Member of the House of Representatives at the time the original act was passed and at the time the amendment was adopted on which the administration seeks to pin authority to engage in this disgraceful and scandalous contract. Did the Senator realize or suspect that the original legislation or the amendment would permit the Atomic Energy Commission to be used as a vehicle for something unrelated to the atomic energy program?

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

Mr. GORE. I yield.

Mr. HILL. I am confident there was never such a thought, and that it was never contemplated, indeed, not even dreamed of that the Atomic Energy Commission would be used as a vehicle for such a proposal as that of the Dixon-Yates group, a proposal which is made much worse by the Ferguson amendment.

Mr. GORE. I agree fully with the Senator from Alabama. There was never the slightest intimation to that effect.

Returning to the letter:

Under this proposal the Atomic Energy Commission contracting power would be used as a vehicle for the supply—

Vehicle, that is—

for the supply of 600,000 kilowatts of power in the Memphis area.

With the knowledge of the other members of the Commission, we are taking this opportunity to bring to your attention our personal view——

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

Mr. GORE. I yield.

Mr. HILL. As the Senator from Tennessee has brought out, is it not true that what the Ferguson amendment would do would be to enlarge and extend this vehicle fivefold?

Mr. GORE. The Ferguson amendment would make the Atomic Energy Commission a vehicle to go into the power business to the extent of 3 million kilowatts, provided it invaded the TVA territory.

Continuing with the letter:

With the knowledge of the other members of the Commission, we are taking this opportunity to bring to your attention our personal view that the proposed action involves the AEC in a matter remote from its responsibilities.

I digress to say that I do not believe Congress invested the Atomic Energy Commission with any responsibility whatever to furnish the city of Memphis, Tenn., with electric energy.

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

Mr. GORE. I yield.

Mr. HILL. Does not a reasonable interpretation of the word "remote" suggest that not only is it not within the realm of the jurisdiction and responsibility of the AEC, but is far removed from its responsibility?

Mr. GORE. And far removed from any reasonable interpretation of law.

In an awkward and unbusinesslike way an additional Federal agency would be concerned in the power business.

What do the Commissioners mean by "in an awkward way"? How would the Senator from Alabama interpret "awkward" in this regard? The two Commissioners say "in an awkward and unbusinesslike way."

Mr. HILL. Does the Senator believe that what they had in mind was that it was embarrassing to the Commission to be put in this kind of position? Does not the Senator believe that the Commission is being put in a position that cannot be defended or justified in any way?

Mr. GORE. I think I can agree with the Senator.

Mr. HILL. Was not that the reason for the use of the word "awkward"?

Mr. GORE. I believe the Commissions might have had that in mind.

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

Mr. GORE. I yield to the junior Senator from Alabama.

Mr. SPARKMAN. I think that is correct. When the Senator reads a little farther down in the letter he will note a particularly pertinent statement made by both Dr. Smyth and Mr. Zuckert. But to digress for a moment, there was a letter written by Mr. Murray, one of the other Commissioners.

Mr. GORE. He appeared before the joint committee and testified.

Mr. SPARKMAN. I know I have read a statement by him.

Mr. GORE. It is a very strong statement.

Mr. SPARKMAN. I do not want to anticipate, but because of the discussion which has arisen at this time with reference to the "awkward" situation, I should like to suggest that the best way I know of defining what the Commissioners meant by an "awkward" situation is to try to define the arrangement, so that the ordinary person may understand from all its ramifications what was gone through in order to arrive at this tortured position and conclusion. I believe that is what they refer to.

A little later in the letter they say:

The present proposal would create a situation whereby the AEC would be contracting for power not one kilowatt of which would be used in connection with the Commission's production activities.

I believe that does create an awkward situation.

Mr. GORE. The Senator will notice the words "in connection with."

Mr. SPARKMAN. That same phrase is used in the law. In other words, the law that gives them the right to buy power limits it to use in connection with construction or operation of their installations at those three different places. Here the two Commissioners point out the fact that not one single kilowatt of the power the AEC is ordered to go into the market and buy from a nonexistent corporation, from a nonexistent power plant, for which not even the specifications have been drawn, and in connection with which there has been no competition, would be used in accordance with what the law directed, that is, in connection with the work of the Atomic Energy Commission. Does not that really create an awkward situation?

Mr. GORE. It appears to me that it does. Does the junior Senator from Alabama, whose legal opinion and abilities are highly regarded, agree with the interpretation of the Ferguson amendment which the junior Senator from Tennessee placed upon it, namely, that it concedes the doubtful legality, if not the illegality, of the proposal?

Mr. SPARKMAN. When I heard the amendment read on the floor, when it was first offered, naturally, the first impression I had was that it was an admission that what it has been attempted to do is not legal. I simply do not see how any other interpretation could be given to it.

Mr. GORE. With reference to the Commissioners, they foresaw when they learned of the proposal that it would put the Commission in an awkward position, and it seems to me that the predicament of the Atomic Energy Commission, the predicament of the administration, and the predicament of the pending bill illustrate the fact that the Commissioners were speaking prophetically. This attempt to pervert the functions of the Atomic Energy Commission to a wrongful purpose, unrelated to its program, this stretching of a phrase far beyond any reasonable interpretation, has engendered so much doubt, so much suspicion, so much mistrust, that one Senator after another rises on the floor and asks penetrating questions about this or that provision of the bill. It illustrates the fact that if we must comb every single word of every single bill which comes to the Congress with a view of forestalling the administration from doing anything with respect to that specific item, then the consideration of a 104-page bill will require more than a few days.

Mr. SPARKMAN. If the Senator from Tennessee will yield further, I might suggest that, whereas in the beginning it was an awkward situation for the Atomic Energy Commission, it has developed into an awkward situation, it seems to me, for the administration, for the Senate in considering the bill, and for everyone connected with the proposal.

Mr. GORE. It even includes the Ways and Means Committee of the House, the Senate Finance Committee, and the conference on the tax bill. We are expecting to vote upon the conference report on the tax bill. Yet, this contract proposes to violate the tax bill which we expect to pass, because that bill will levy a tax upon every other business, upon every other corporation, upon every other man and woman with sufficient income in the United States, but not upon Dixon-Yates, who, under the terms of the contract which the Commission is directed to negotiate, would be provided with complete tax immunity. It is all right to raise taxes on the men and women working in the textile plants in the State of South Carolina at $30 or $35 a week. Lay the heavy hand of the Government on their paychecks, take some of that money; but as to Dixon-Yates; no, no. They are something special. We say to them, "We will put you in business with a Government contract, a 25-year contract, and you can make a profit, and we will reimburse you to the extent of $800,000 a year for taxes which you would rightfully owe on the profit you make."

I wonder how the Senator from South Carolina is going to react to that? Is the Senator willing to reimburse a corporation $800,000 a year for taxes, while he votes for the conference report which would lay the heavy hand of the tax collector on the men and women working in the textile plants of his State?

Mr. JOHNSTON of South Carolina. Mr. President, I think the Senator from Tennessee realizes how the Senator from South Carolina feels in regard to this matter. I could tell from the way he asked the question that he knew I would not consent to the textile workers of my State being taxed while the big boys slip out of it. It is another instance of people who have millions of dollars being able to get a few million dollars more out of this administration. That is the way it looks to me. I feel just as the Senator from Tennessee feels in regard to it, and I shall take my turn a little bit later and express to the Senate my sentiments concerning the subject.

Mr. GORE. I thank the Senator from South Carolina.

Mr. President, the able Senator from South Carolina illustrates my point. When we started this debate a few days ago we could almost count on the fingers of one hand the Members of this body who thought this an unjustifiable, inadvisable—and I will go further, and say disgraceful—contract. The junior Senator from South Carolina has now become interested in it, and he has announced to the Senate that he will speak on the subject. I hope I may include the Senator from North Carolina also.

Does not the Senator from Alabama agree that this has become an awkward situation and that the Commissioners were prophetic beyond their realization when they used that term?

Mr. SPARKMAN. I certainly do. I think it is significant that the three Commissioners, a majority of the Commission, protested strongly against it just as quickly as the idea was put before them. They did not wait until there was a debate, but just as soon as the suggestion was made, they wrote letters protesting against the contract and saying that it would place them in an awkward position, and calling attention to the fact that it was not in keeping with the law.

May I ask the Senator from Tennessee whether Dixon-Yates is a corporation yet? Has it been organized as a corporation?

Mr. GORE. That is not my understanding.

Mr. SPARKMAN. Sometime in the future they hope to organize. But, of course, the proposal has always been made. The Senator has pointed out that they will be the only private-enterprise corporation in the United States exempt from income taxes and all other Federal taxes. What does the Senator have to say about another little item which guarantees to them a 9 percent return on the equity investment? That is one of the items, is it not?

Mr. GORE. I understand that it is.

Mr. SPARKMAN. They are not only exempted from taxation, but are guaranteed a 9-percent return on the equity investment. Does not the Senator think that is a pretty generous way to deal with the taxpayers' dollars?

Mr. GORE. I will say to the Senator that if one Harry Truman, while President, had ordered an independent agency, over its objections, to sign such a contract as this, the top would have been blown off the Capitol and impeachment proceedings probably would have been filed. The scandal would have been in every headline. I think it no less scandalous because it is proposed under different circumstances.

Mr. SPARKMAN. I agree with the Senator.

Mr. GORE. It is a crooked deal.

Mr. SPARKMAN. Permit me to ask another question, and then I shall not bother the Senator further. I see the able Senator from Minnesota [Mr. HUMPHREY] is on his feet and wishes to ask a question, and I know he has given close study to this bill and that he has been troubled in mind and in spirit regarding many of the provisions found in the bill.

But, since the Senator from Tennessee during his remarks is going to discuss the Ferguson amendment, I wish to point out another thing and ask the Senator to be certain to include in his remarks some discussion of the three words "in replacement thereof."

Mr. GORE. I expect to.

Mr. SPARKMAN. He is talking about power which the TVA has furnished the Atomic Energy Commission. In the letter from two of the Commissioners of the Atomic Energy Commission, from which the Senator was reading, it is pointed out that not one single kilowatt of the Dixon-Yates power will be used in connection with the operations of the atomic energy installations; and it is my understanding that the TVA will not be relieved of one single kilowatt of the power which it is obligated to furnish the Atomic Energy Commission. If that be true, I should like to ask, How can it be in replacement thereof?

Mr. GORE. I do not believe it is in replacement. It is not related to the needs of the Atomic Energy Commission. That seems to be made perfectly plain by the letter which I shall now continue to read:

> In an awkward and unbusinesslike way an additional Federal agency would be concerned in the power business.
>
> The proposal under discussion is an outgrowth of the responsibility to the President's budget message under your letter of December 24, 1953, requesting the AEC to explore the possibility of reducing existing commitments of the TVA to the Commission.

I digress to express some wonderment about the genesis of the provision in the President's budget message. I wonder who suggested that? I do not know the answer to that question, but I notice that the letter from Mr. Hughes, as the Commissioners refer to it, bears date of December 24, 1953. I resume reading the letter of the Commissioners:

> In the course of that exploration it was determined to be unwise to disturb the AEC arrangements with TVA upon which our production schedules depend.

I might digress again to say that the Atomic Energy Commission has been able to depend and rely upon the supplying of electricity by TVA in order to meet its production schedules. I continue to read:

> Since that determination, the explorations have taken a different course.

In other words, the matter has now taken a different course from that which was recommended in the President's budget message.

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

Mr. GORE. I yield.

Mr. SPARKMAN. Before the Senator leaves that point, it is stated in the letter, as a matter of fact, that a different course has been taken. Anyone remembering the President's budget message can very well recall that the recommendation was entirely different from what it here proposed, and mention is made of it in the letter:

> The proposal under discussion is an outgrowth of the responsibility to the President's budget message under your letter of December 24, 1953, requesting the AEC to explore the possibility of reducing existing commitments of the TVA to the Commission.

Does the Dixon-Yates proposal reduce the existing commitments of the TVA to the Atomic Energy Commission by one single kilowatt?

Mr. GORE. Not at all. As a matter of fact, Commissioners Smyth and Zuckert say in the very next sentence:

> In the course of that exploration it was determined to be unwise to disturb the AEC arrangements with TVA upon which our production schedules depend.

So the contractual arrangements between the AEC and TVA have not been terminated. As a matter of fact, the representatives of the Atomic Energy Commission testified that the arrangements had been very satisfactory. It was only later that some effort was made to smear the record of the TVA. I continue to read:

> The present proposal would create a situation whereby the AEC would be contracting for power not one kilowatt of which would be used in connection with the Commission production activities. The creation of such a contractual relationship would place upon the Commission a continuing responsibility during the 25-year life of the contract for stewardship in respect to matters irrelevent to the mission of the Commission.

I digress from a reading of the letter to say that the Ferguson amendment would authorize the Commission to go into the power business for 25 years, to the extent of five times the Dixon-Yates contract. According to the Ferguson amendment, there could be another such contract at Chattanooga, another such contract at Tupelo, another such contract at Knoxville, one at Oak Ridge, another in upper East Tennessee, and one in Kentucky. I continue to read:

> It has been our observation in Government administration that arrangements which are obviously incongruous at the outset tend to become even less clear-cut because no one can foresee what contingencies may arise over a long term of years.

The Commmissioners were looking far into the future. I am not certain that they looked immediately to the floor of the United States Senate, but again they were prophetic. I continue to read:

> It has been our observation in Government administration that arrangements which are obviously incongruous at the outset tend to become even less clear-cut because no one can foresee what contingencies may arise over a long term of years. In addition, the proposed action certainly seems a reversal of the sound philosophy embodied in the community-disposal legislation recently set forward to Congress. One motivation for that legislation was the desire to eliminate responsibilities not essentially involved in the Commission's sober and exacting principal mission.

The principal mission of the Atomic Energy Commission is the development of atomic energy, not only for the purposes of national defense, but also for peacetime uses. The Atomic Energy Commission has the atom in its hands, and I think it has its hands full with the atom. Yet the Ferguson amendment would put the Commission into the power business five times in excess of the

extent proposed by the Dixon-Yates contract. The letter ends as follows:

Of course, if the President or the Congress directs the Commission to accept such a responsibility we will endeavor to discharge it fully.

I have already expressed my opinion with regard to the last sentence. I respect the members of the Atomic Energy Commission. I understand that neither of the Commissioners who signed the letter is a lawyer. That does not detract from their patriotism, but that fact may shed some light upon their interpretation of their duty.

I wish to point out to the Commission that there is a difference in the directives which the Congress and the President can give to the Commission. A directive from Congress would take the form of law—the law of the land—and this is a government of laws. A directive from the President must take its authority from delegated powers, either in the act or in the Constitution. The act gives certain specified delegated power, and thereby excludes others. In no place in the bill is the President given authority to direct the Atomic Energy Commission to take action which is of clearly doubtful legality, an action which the majority of the members of the Commission have held to be unrelated to its program and contrary to its best interests.

I should prefer to have seen the majority of the Commission either resist this usurpation of its authority, or else hand in their resignations under protest. That, however, was not a decision which I was in a position to make.

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

Mr. GORE. I yield to the junior Senator from Minnesota.

Mr. HUMPHREY. First of all, let me commend the Senator from Tennessee for his very illuminating and informative discussion of the contractual arrangements between the Atomic Energy Commission, the Tennessee Valley Authority, and the private utility under the so-called Dixon-Yates contract. The Senator has referred to the testimony of the three members of the Atomic Energy Commission who opposed the contract. He has referred to the letter of Mr. Zuckert and Mr. Smyth. Mr. Murray, a third member of the Atomic Energy Commission, expressed his disapproval in testimony before the Joint Committee on Atomic Energy. I have in mind the hearings of that committee on the particular bill now before the Senate. I call the Senator's attention to page 1004, where the distinguished Representative from California [Mr. HOLIFIELD], who, by the way, has demonstrated a clear insight into the problems, and a dedication to the public interest——

Mr. GORE. I wish to interrupt the Senator's preface to his question by joining with him in a commendation of Representative HOLIFIELD. He has done a stupendous amount of work in probing many features of the bill and program, including the proposed Dixon-Yates contract.

Mr. HUMPHREY. I feel that Representative HOLIFIELD has done an outstanding job.

In the hearings he asked Mr. Murray a question, which I shall paraphrase. He asked Mr. Murray to state his position on the pending Dixon-Yates contract. Mr. Murray replied:

Mr. HOLIFIELD, as I review these negotiations, they amount to this: That if the Atomic Energy Commission enters into a contract with the Dixon-Yates group, we would not cancel, at least at the moment—and I just heard General Nichols says so—any TVA contracts, but would be negotiating for a bulk of power that is not needed by our present or projected production facilities. In other words, the Atomic Energy Commission would be used as a vehicle to supply the expanding needs of the Memphis area.

So, as I interpret the Commissioner's statement, the Dixon-Yates contract is not one directed toward the immediate atomic energy needs or the known projected needs of the AEC, but, rather, to fulfill estimated or projected needs of the private economy in the Memphis area.

Mr. GORE. I would be glad to supply an answer to the question of the able Senator, but I believe Commissioner Murray answers it in the very next sentence of his testimony, which I shall now read:

Since our program is not advanced by these negotiations and the subsequent administration of this 25-year contract, I do not believe that it is desirable for the Atomic Energy Commission to perform a function that another agency of the Government could perhaps more logically perform.

It would be an additional burden upon the Atomic Energy Commission, whose hands, as I have said, are already full with the atom. The proposal, according to Commissioner Murray, will not advance the program of the Atomic Energy Commission.

Does that answer the Senator's question?

Mr. HUMPHREY. That answers my question. I thank the Senator.

Mr. GORE. If what the Commissioner said was accurate, will the Senator from Minnesota not concede that it would impede the progress of the Atomic Energy Commission to place the Commission in the power business, to burden it with the administration of a 25-year contract, and, if the amendment of the senior Senator from Michigan is agreed to, several more such contracts?

Mr. HUMPHREY. The junior Senator from Minnesota surely does think so.

Mr. GORE. Has it not already done so?

Mr. HUMPHREY. Undoubtedly, as illustrated by the fact of this very extended debate, the long hearings before the committee, and the confusion and division within the AEC.

Mr. GORE. And by the doubts, suspicion, and mistrust which have been aroused because of it?

Mr. HUMPHREY. It appears from what we can see that the AEC is being made an electrical brokerage outfit.

Mr. GORE. For whose benefit?

Mr. HUMPHREY. Apparently for the benefit of a handful of people who will be the recipients of a most unusual contract. We have heard many complaints in Congress about TVA, and have heard it called socialism. If I interpret the contract correctly, here we see the Government of the United States permitting a group of investors to put into a project approximately 5 percent of its cost, $5 million out of a total estimated cost of $107 million, which investment will repay to them a guaranteed profit of 9 percent upon their equity capital during the life of a 25-year contract, which will make it possible for them to finance this great investment——

Mr. GORE. With a Government guaranty.

Mr. HUMPHREY. With a Government guaranty—either to use the power or to make what might be called reparation payments in case the power is not used. I am somewhat shocked by that arrangement. I have been reading in the newspapers, and hearing speech after speech, about the tremendous cost of Government and waste in Government. I have witnessed crocodile tears being shed over the cost of the farm program and the cost of many other programs. But here we see a project which does not have a bit of the element of risk capital in it. There is in the contract more of a guaranty than death, and I was going to say more of a guaranty than taxes, but the Government even pays the taxes in this case. We are setting up a new special breed of economic "cats" the like of which we have never before seen.

I think it ill behooves an administration which has said that it cannot afford to see that the dairy farmer gets a decent price for his commodities to sponsor a project which the Government will guarantee, so to speak, for 25 years, in which the Government will pay all the taxes, in which the Government will see to it that all the investors get a return of 9 percent on their equity capital, and in which the Government will follow up the whole arangement by getting into the AEC's and the TVA's business. I will admit that the Democrats occasionally had confusion in their affairs, but ours was not organized and planned. This is the most organized and planned confusion that ever existed.

Mr. JOHNSTON of South Carolina. Mr. President, will the Senator yield?

Mr. GORE. I yield to the Senator from South Carolina.

Mr. JOHNSTON of South Carolina. The 9 percent return on investment which the Senator is referring to is the least the investors can get.

Mr. HUMPHREY. That is the minimum.

Mr. JOHNSTON of South Carolina. That is the floor which would be put under the investors to maintain for them a 9-percent return, but they could make as much above that as they could.

Mr. GORE. I may say to my distinguished colleague from South Carolina, that is price support for Dixon-Yates.

Mr. HUMPHREY. The farmers were guaranteed that they could not lose more than 10 percent. That is what 90 percent of parity means. In the Dixon-Yates proposal, the Government is telling them. "We are going to guarantee that

you make at least 9 percent, and the sky is the limit from there on."

Mr. GORE. And the Government will also pay the taxes.

Mr. HUMPHREY. It will pay the taxes. What a bonanza. First we gave away the submerged oil lands. Then there were a few raids on public lands. Now apparently we are going to start giving away plain money by guaranteeing the investors a certain amount.

It is absolutely unconscionable to think that a businesslike administration would enter into such an unbusinesslike procedure, to bring the AEC into such an activity, a commission which was created for the security of the country, and to make a political and economic vehicle out of it. The AEC has no interest whatsoever in the development of private utilities; their hand is literally being forced into this arrangement.

Mr. JOHNSTON of South Carolina. Mr. President, I should like to ask a further question: Is it not true that they have brought in the Atomic Energy Commission because they know, since it is a defense agency, that it is very popular with the people, and they believe that when they bring in the Atomic Energy Commission, no Member of Congress will dare attack the bill, but will let the bill pass because it is connected with the national defense? They have picked up, so to speak, this agency, which really is not fitted for this job. But that is done because they think no Member of Congress will dare attack the bill, inasmuch as it is connected with the national defense.

Mr. GORE. In other words, not only are they using the President of the United States, but they are wrapping the American flag around the bill.

Mr. JOHNSTON of South Carolina. Yes.

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

Mr. GORE. I yield.

Mr. HUMPHREY. It is very interesting that in the same bill, which would deny the Atomic Energy Commission the right to establish a pilot plant of proper proportions to carry on the kind of research which should be conducted in terms of low-cost electrical energy, they now are trying to attach a provision which will more or less put the Commission, by proxy, into the electrical generating business. There is a strange paradox here, and we might say it is a bit "duplicitious," because, on the one hand, the statement is made that the Atomic Energy Commission cannot engage in the production of electricity from atomic energy; but, on the other hand, the Atomic Energy Commission is, by contract, put into the production of electrical energy.

Mr. GORE. An additional paradox is that the very section of the bill upon which they seek, tenuously, to base authority for this crooked deal, was advanced on the floor of the Senate as being for the purpose of taking the Atomic Energy Commission out of the power business.

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

Mr. GORE. I yield.

Mr. HUMPHREY. I believe we should pursue further the question of the authority or lack of authority in the pending bill regarding the right or ability of the Atomic Energy Commission to develop the electric-energy power resource. As I recall, several days ago the distinguished senior Senator from Colorado was somewhat shocked when he learned, after discussion of the bill on the floor of the Senate, that the language of the bill denies the Atomic Energy Commission the right to produce power, through a main reactor plant, even for its own uses. Does the Senator from Tennessee recall that?

Mr. GORE. Yes, I do.

Mr. HUMPHREY. Yet in the same bill, by means of which we are contemplating a system of licensing to give almost exclusive or monopolistic rights to certain corporations or utilities, we deny the Atomic Energy Commission the authority even to carry on the kind of experimentation it ought to carry on in a powerplant of sufficient size to produce substantial quantities of electrical energy; and then we proceed, according to what the Senator from Tennessee has been developing, to have a contract, such as the Dixon-Yates contract, which makes the Atomic Energy Commission a participant in the production of electrical energy, without ever once having the Atomic Energy Commission directly itself produce power. Is not that correct?

Mr. GORE. In other words, according to the amendment of the Senator from Michigan, it will be fine and good for the Atomic Energy Commission to go into the power business to five times the extent of the Dixon-Yates proposals, provided it invades the TVA territory. But the bill says, in effect, "The Atomic Energy Commission shall be forbidden to develop electricity in commercial quanties from the fission or fusion of the atom."

Mr. HUMPHREY. Let me ask another question: Why is there need for the Ferguson amendment, if authority to make the Dixon-Yates contract already exists?

Mr. GORE. I believe the submission of the amendment by the distinguished senior Senator from Michigan—who, let me point out, is chairman of the Republican policy committee—amounts to a confession that the proposed contract is illegal; I place that interpretation upon it, for the RECORD.

Mr. HUMPHREY. So we see the Senator from Michigan proposing an amendment—as of last Friday, I believe—to legalize, by formal language, a contract which has been ordered by the President, through the Bureau of the Budget; and apparently contractual relationships are under way already; is that correct?

Mr. GORE. I do not believe contractual relationships have been consummated. The directive was unusual. It not only directed the Commission, over the opposition of a majority of its members, to negotiate this contract, but specified certain provisions of the contract, the first being that it must provide reimbursement for all taxes. Does not the Senator think that is most unusual?

Mr. HUMPHREY. It is not only unusual; this form of contractual arrangement seems to me to be an innovation in public policy.

Mr. GORE. A little later I shall discuss in detail the legislative intent of the section of the law upon which it is sought to pin this authority, and which now seems to be conceded to be inadequate.

Mr. HUMPHREY. Mr. President, will the Senator yield for one further observation?

Mr. GORE. I yield.

Mr. HUMPHREY. Does the Senator recall the occasion when former President Truman, in what he deemed to be the public interest in the matter of protecting the national security, seized the steel mills during the prolonged steel strike 2 or 3 years ago?

Mr. GORE. I do recall it.

Mr. HUMPHREY. Does the Senator recall that the Congress made its views very clear, as did the Supreme Court, and expressed, by resolution and by act, denial to the President of any such authority?

Mr. GORE. I do; and I was one of those who took such a position.

Mr. HUMPHREY. Does the Senator not believe, therefore, that since the precedent has been established of the Congress of the United States protecting the rights of the people and insisting that the Executive live by the Constitution and the statutory law of the land, in this instance it may be the duty of the Congress again to restrain the hand of the executive and of his departments in connection with the Dixon-Yates contract?

Mr. GORE. I thought that was the case until the submission of the Ferguson amendment. I am not so sure now but that the onus of affirmative legislation is on the proponents of the contract. I expect to discuss that question a little later. I believe that the offering of the Ferguson amendment, conceding as it does, I believe, the doubtful legality if not the admitted illegality of the proposal, constitutes a part of the legislative history which will be looked to by the courts. There are some indications that the courts will have an opportunity to look at this contract if it is consummated—which I now doubt. Therefore the offering of this amendment may have significantly changed the legislative situation. But if action on the part of the Congress is needed to stop the contract that action must be taken. I believe there is something more important involved, which I expect to discuss at some considerable length at a later date. I refer to the precedent of overriding an independent agency. This will be but a brief reference. A more exhaustive study will be necessary, but I should like to read from the case of *Humphrey's Executor* v. *United States* (295 U. S. 602). This is not prophetic.

Mr. HUMPHREY. I recall the case.

Mr. GORE. I read paragraph 4 from the syllabus

Mr. HUMPHREY. This Humphrey is neither George nor Hubert. This is another Humphrey; is it not? Was he not a member of the Federal Trade Commission?

Mr. GORE. I believe so. Reading from the syllabus:

The authority of Congress, in creating quasi-legislative or quasi-judicial agencies, to require them to act in discharge of their duties independently of executive control cannot well be doubted; and that authority includes, as an appropriate incident, power to fix the period during which they shall continue in office, and to forbid their removal except for cause in the meantime.

This is more fully spelled out on page 629. I read the following paragraph:

The fundamental necessity of maintaining each of the three general departments of Government entirely free from the control or coercive influence, direct or indirect, of either of the others, has often been stressed, and is hardly open to serious question. So much is implied in the very fact of the separation of the powers of these departments by the Constitution and in the rule which recognizes their essential coequality.

Whether the power of the President to remove an officer shall prevail over the authority of Congress to condition the power by fixing a definite term and precluding a removal except for cause, will depend upon the character of the office.

This case should be studied by all those who are interested in preserving the truly independent character of our independent agencies. I expect to address the Senate at a later date upon that subject also. I regard it as the most important single question involved in this particular issue.

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

Mr. GORE. I yield.

Mr. GOLDWATER. I ask unanimous consent to make a brief statement.

Mr. GORE. Mr. President, I ask unanimous consent that I may yield to the distinguished junior Senator from Arizona without losing my right to the floor.

The PRESIDING OFFICER. Is there objection? The Chair hears none, and the Senator from Arizona may proceed.

Mr. GOLDWATER. I shall occupy not to exceed 2 or 3 minutes.

(At this point Mr. GORE yielded to Mr. GOLDWATER, who then addressed the Senate. Mr. GOLDWATER's remarks were ordered to be transposed in the RECORD, to follow those of Mr. GORE.)

Mr. GORE. Mr. President, while the senior Senator from Delaware is on the floor, I wish to digress from the course of my remarks to call to his enlightened attention some of the peculiar features regarding the tax laws as they relate to this proposed contract.

The distinguished Senator from Delaware is one of the able and conscientious members of the Committee on Finance. He has opposed on the floor of the Senate drastic reductions in our revenue on the ground that we must borrow the money to reduce taxes.

The junior Senator from Tennessee voted for the amendment of the able Senator from Delaware. In fact, since being a Member of the Senate, the junior Senator from Tennessee has on several important occasions found his views to coincide with those of the senior Senator from Delaware.

I wish to point out to the Senator that this contract provides for complete reimbursement of this private corporation of all its taxes—local, State, and Federal. We would have to borrow to give this concern tax immunity. We would have to borrow the $800,000 a year to reimburse this corporation for what it rightfully owes in taxes under the tax laws.

Some people have sought to justify that proposal on the basis that the Government would be exempt.

Let us see where that argument leads us. If one corporation with a Government contract is entitled to reimbursement of its taxes, how can we deny reimbursement to the others, particularly if the others are national-defense contractors? The corporation under consideration would be formed for the purpose of obtaining a Government contract. After the corporation had come into existence for the purpose of obtaining a Government contract and for the purpose of being favored with a Government contract, and after it has been guaranteed an annual profit, it would be provided, at the President's direction, complete reimbursement of all the taxes that the corporation would owe.

This is not a national defense contract. It is a contract made for the purpose of furnishing electricity to the Memphis area, a normal civilian need. If a contractor unrelated to the national defense program can be so favored, then it would seem to me that a contractor contributing directly to the Nation's defense should have at least an equal if not a superior claim to such preferred treatment.

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

Mr. GORE. I yield.

Mr. WILLIAMS. I may say to the Senator from Tennessee that I agree with him to a certain extent. I do not like the idea of giving tax exemption to any group. On the other hand, I think we must be realistic on this point. The basis on which this formula was originated was that this private corporation will be competing with tax-exempt Government-owned powerplants. I think that points out the inherent danger of having a part of our economy Government operated and a part of it privately operated. A privately owned company that must pay taxes cannot compete with a Government corporation on which no taxes are levied.

Our country cannot operate half socialistic and half private enterprise.

The proper answer would be to let the TVA and all other Government-owned businesses compute tax obligations in their reports. Then we can get a real picture of whether or not they are earning money. I think the TVA or any other publicly operated organization should have to render their annual reports as if they were paying taxes. As one who believes that we should operate as much as possible through private industry, we must add on to the prices being paid by the Government an amount sufficient to enable the corporation to pay its corporation taxes. I think we would get the same end result. At the same time I want it understood that I am not necessarily endorsing this particular proposal. I would approach the solution from the other angle.

Mr. GORE. I thank the able Senator from Delaware. Again, I find myself in agreement with him in several respects. First, the distinguished Senator has said that the purpose of this tax reimbursement is to give this private corporation, for the purpose of obtaining a Government contract, the opportunity of presenting a rate structure which, in the opinion of some persons, would be comparable to the TVA rates. I would say that the basic purpose of the tax-reimbursement proposal is to make it possible for this concern to give an artificial presentation of its rates.

The Senator goes one step farther and says that the TVA should be taxed, or possibly he said it should calculate the tax in its rate. I think that is a more accurate statement. The TVA is a wholly Government-owned corporation. Therefore to tax the TVA would be for the Government to tax itself. As a matter of fact, the operations of TVA are taxed to the extent of all its net earnings. A private corporation, except Dixon-Yates, is required to pay a portion of its net profits to the Government in the form of taxes. Our taxes, as the able Senator knows, are on a graduated basis: the more a person or a corporation makes, the more tax he or it pays. In the case of TVA, all the profits, all the net earnings from its operation, belong to the Treasury of the United States.

Mr. WILLIAMS. Mr. President, will the Senator from Tennessee yield further?

Mr. GORE. I yield.

Mr. WILLIAMS. That is true, and if there is a loss, the loss belongs to the United States. Mathematically, there would be no difference to the taxpayers whether TVA paid taxes or whether it did not. But it would make a more realistic picture if the taxes were computed, because we cannot say TVA is paying taxes. There has been a great deal said throughout the country to the effect that public power is much cheaper to the consumers than is private power. That is only true because taxes are waived. If we extend it further, automobiles could be manufactured more cheaply; many other things could be manufactured more cheaply if taxes were waived. But because the taxes are not waived, we have to pay private corporations correspondingly higher prices. It takes a great amount of money to operate the United States Government, and the money comes from only one source—the American people. Whether they pay taxes in the form of corporation taxes, personal taxes, or in some other form makes very little difference. Every dime comes from the American people.

Likewise, as a part of our economy goes off the tax rolls, either as public power or in some other form, the remaining taxpayers must pick up the extra check. That is unfair.

Mr. GORE. Of course, it is idle to say that a Government agency and a private corporation are the same. They are not the same. They are not so designed. In this country we have the principle of levying a tax on corporations and persons according to their ability to pay. Whether TVA should have been created

is not the question involved here. The Tennessee Valley Authority is an accomplished fact. So, incidentally, are other Government corporations.

Lest the importance of Government agencies and Government business operations be minimized, I wish to call to the attention of the Senate the fact that the Treasury of the United States receives substantial income every year from the operations of Government enterprises. The TVA is not the only source of that income. TVA's net earnings amount to many millions of dollars every year, and the net earnings of the Government enterprises together amount to several billions of dollars a year.

So, if we eliminate the income of the Government from the enterprise in which the Government engages, we, indeed, knock a big hole in the income of the Treasury. But if we start exempting private corporations from the payment of taxes, we shall knock an even larger hole in the income of the Treasury.

I should like to inquire of the Senator from Delaware whether he would agree with the junior Senator from Tennessee that if we provide tax exemption, or if one does not like that word, if we establish the precedent of reimbursing Federal income taxes for one corporation, that might be a dangerous precedent which would lead to claims of other contractors, particularly national-defense contractors, for similar preferential treatment?

Mr. WILLIAMS. I certainly was not endorsing that principle when I was speaking.

Mr. GORE. I understand.

Mr. WILLIAMS. But I did say that we must be realistic in our approach to this problem when we speak of whether required power is to be furnished through private operations or public operations. We have got to take into consideration the fact that private-power producers have to pay taxes, and we cannot expect to get a cheaper rate from a company which is paying taxes than from a Government-owned company which does not pay taxes. I think that has to be taken into consideration.

This whole question settles down to one basic question.

Do we believe in Government ownership of our utility system or do we believe in the private-enterprise system upon which this country was established? I do not like the other approach.

Mr. GORE. I beg the Senator's pardon. They are not exactly the same. I do not wish to draw the Senator into a discussion of the contract. That was not my purpose. I wish to discuss and examine with him the principle of reimbursement of taxes. I should like to disagree with the Senator that it amounts to the same thing, because the difference in the cost of power in this case between the TVA plant and the Dixon-Yates proposal is $3,600,000 a year. If from that amount there is subtracted $800,000 of tax reimbursement, there is still $2,800,000 a year, which is more than this contract would cost the taxpayers of the Nation.

However, if the Senator from Delaware thinks I am trying to draw him into a discussion of the proposal, I assure him that I am not. I merely wished to examine with him the dangerous precedential character of tax reimbursement.

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

Mr. GORE. I yield.

Mr. WILLIAMS. I certainly am not defending the principle of tax reimbursement. I want that understood. However, I am not sure that I could go along with the figures the Senator has mentioned because there are other factors which must be taken into consideration. Whether they have been taken into consideration, I am not in a position to say at this time.

The Senator speaks of the public power feature of the TVA system. My criticism of the operation of TVA for many years has been on the basis that there is not a complete separation of the different functions of TVA.

For instance, the law provides that the TVA shall allocate so much of its operations to flood control and various other projects which are paid for with appropriations by Congress, but the TVA can reduce or raise these allocations at will and almost make their earnings statements, with regard to public power, either increase or diminish, at their discretion. I do not say that that has been done. I simply say that if a public power project or any other kind of public business is to be operated by the Government, there must be a complete separation within the organization of all public business, and regular Government business must be kept strictly out of the public power business. Let them operate on exactly the same basis as private industry.

I am one who believes that in the United States private industry can operate more efficiently than can the Federal Government, but I realize there is a different school of thinking. There are those who think the Government can operate business more efficiently than can private industry, but I must say that the Government has yet to demonstrate its ability to do so.

Mr. GORE. I would not at this moment wish to engage in a discussion of the relative merits of Government enterprise and private enterprise, except to say that, in general, I agree with the Senator's statement. In the case of TVA, I think that as between the Shawnee plant and the Joppa plant, both being of equal size, and both serving the atomic energy plant at Paducah, the TVA, in this instance, at least, has demonstrated its superiority.

I would not ask the Senator from Delaware to confirm this interpretation of his remarks; but if I may take the liberty to do so, as I paraphrase his position, it is that he does not like tax immunity, and he does not like public power either. So my friend is in quite a dilemma with respect to this contract.

Mr. WILLIAMS. The same dilemma as some of those who like public power and lower taxes for other taxpayers all at the same time.

Mr. GORE. I wish to point out to the Senator that if this precedent should be followed, then why should Senators place a tax upon their own salary? The Government pays our salaries. Why not simply give us tax reimbursement, instead of a salary increase, which some are advocating?

What about all the Government employees? Instead of granting a raise to the postal employees, why not merely give them complete immunity from taxation?

How far can we go with this? It is dangerous in its precedential character.

I am delighted to know that the senior Senator from Delaware does not endorse such a principle or such a plan.

As I started to say earlier, I am convinced that the Dixon-Yates proposal has, for its primary purpose, the dismemberment of the TVA service area, and that if such a contract is actually executed, in pursuance of the Ferguson amendment, it will constitute the opening wedge calculated to alter and destroy the concept of the TVA program as it has been developed pursuant to laws enacted by Congress.

There are those of us, however, who have from the outset of the debate, insisted that despite the importance of the proposal as an attack upon the operating efficiency of TVA, other issues are raised by the proposal which are of more far-reaching importance and which vitally affect certain well-defined principles of government as we know it today.

In the first place, we have raised the issue of the wisdom and the propriety of action on the part of the administration in directing the Atomic Energy Commission, an independent agency of Government, to enter into a contract which a majority of the Commission has publicly stated to be unwise and foreign to the purposes for which the Commission was created by the Congress.

In the second place, we have questioned the wisdom of certain of the provisions that are to be incorporated in the contract under consideration. It has been clearly established that the contract, if executed, will be without precedent in the annals of this Government, in that a number of its terms clearly constitute departures from accepted contractual procedures heretofore employed by the Government.

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

Mr. GORE. I yield.

Mr. HICKENLOOPER. The Senator from Tennessee, of course, is aware of the fact that the TVA puts the same kind of tax immunity and tax reimbursement in its contracts with AEC; so the situation would not be without precedent, because the existing TVA contracts contain the same tax-immunity provisions when they deal with the AEC.

Mr. GORE. I most respectfully disagree with my able friend, the senior Senator from Iowa. The TVA contract does not provide for similar tax reimbursement. The TVA contract has such a provision as this: It provides that in case Congress should, by law, require the TVA to increase its payments in lieu of taxes, which it makes by law to local and State communities in which it operates, then the AEC would, by operation of the same act of Congress, reimburse the TVA to that extent.

That, however, is an entirely different matter from the reimbursement of income taxes. I wish to read to the Senator a summary of decisions following World War I in which various companies with cost-plus contracts to build naval vessels and naval installations undertook to obtain reimbursement of their Federal income-tax payments. I could read a detailed analysis of a number of such cases, because there are a great many of them, but this is a summary:

Federal income and excess private taxes cannot be allowed as part of costs under Navy cost-plus contracts, even when the contracts included "taxes of all kinds, including munitions taxes," because the statute commands the contractor to pay such taxes from profits.

That is the distinction. It has been resorted to in contracts heretofore, particularly on cost-plus contracts, as to which the Government has reimbursed the Government contractor for the payment of local taxes or for the payment of excise taxes.

But this is the first instance I can find, or that the Library of Congress can find, in the history of the United States when a Government agency has put its stamp of approval upon reimbursement of income taxes. That is precedential.

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

Mr. GORE. I yield.

Mr. HICKENLOOPER. Does the Senator take the position that it is illegal to reimburse for income taxes?

Mr. GORE. I believe it is.

Mr. HICKENLOOPER. I understood that was the purport of the decision.

Mr. GORE. If the Senator will permit me to read from the Code of Federal Regulations, volume XXVI, promulgated by the Armed Forces, in compliance with and in pursuance of the laws of the United States, I read from page 189:

Among the items which shall not be included as a part of the cost of performing a contract or subcontract or considered in determining such cost are the following: * * * Federal and State income and excess-profits taxes and surtaxes.

Mr. HICKENLOOPER. Is that a regulation, or does the Senator take it that that is the law as upheld by the courts?

Mr. GORE. This is a regulation promulgated in pursuance of Federal law.

Mr. HICKENLOOPER. I was trying to draw a distinction between a term contained in a contract as a matter of agreement, on the one hand, and a condition or term in a contract which was prohibited by law, on the other. Contracts often contain a provision that no illegal action will be done or performed, or agreed to be done or performed.

Mr. GORE. I have been advised by those whom I regard as competent authorities that such a contract would be illegal, although, of course, if such a contract should be entered into, unfortunately, by the Government, the courts would finally have to decide whether it was illegal.

Mr. HICKENLOOPER. It seems to me to make the argument somewhat moot, in that if reimbursement of income taxes is in fact illegal, and it has been so established by the courts a contract could not contain such a provision. So why are we worrying about the question of reimbursement for income taxes if such a provision is illegal? Such a provision would not be contained in a contract, because I do not think the legal authorities of the Commission would permit the insertion in a contract of terms which are manifestly under the law held to be illegal. So I think we need not worry about income tax reimbursements, or having them calculated, as a matter of cost. The question of whether income taxes are reimbursable does not enter into the question. If they are illegal, such a provision will not be made part of the contract. We will not have to worry about the contract on that score.

Mr. GORE. I appreciate the contribution of the able Senator from Iowa. He is an eminent attorney from Iowa, and I recognize him as such. I was heartened during the debate day before yesterday when I heard the able Senator say—though I am not undertaking to quote him verbatim—that if he were a member of an independent commission that was ordered to perform what to him appeared to be an illegal or unconscionable act he would not do it. I applauded him. I think we must preserve that independence, and that is an attribute of character I would like to see manifested in a candidate for membership on an independent commission for whose confirmation I had to vote.

Mr. HICKENLOOPER rose.

Mr. GORE. Let me complete my answer, then I shall yield again.

Mr. HICKENLOOPER. I merely want to clear up the particular point the Senator mentioned. Then I shall be delighted to have the Senator's answer.

Mr. GORE. I hope I did not misquote the Senator or put him in a false light.

Mr. HICKENLOOPER. I merely wanted to say that if I were a member of a board I would not presume that a President of the United States would order me to do a manifestly illegal act. I would not presume that any President would do that. A President might attempt to order an individual on an independent commission to do an act which that member thought was unwise or was not a proper step in carrying out his responsibilities. I am leaving out the question of an act being illegal. I am not assuming a President would order a person to do an illegal act. But under the circumstances I have cited, if an order violated my conscience and I seriously opposed it within my own mind as being against public policy, I would not only refuse to obey it, of course, but I probably would resign the job. I think that is what should be done. As I have said, I wish to leave out of consideration the presumption that any President would order a person to do an illegal act. I will not make such a presumption.

Mr. GORE. I wish to correct my statement to the extent that it went beyond the presumption made by the Senator from Iowa.

Mr. HICKENLOOPER. The Senator was in substance correct. I am not taking him to task for quoting me incorrectly.

Mr. GORE. I thank the Senator, and I again wish to compliment him. He needs no further demonstration of my respect for him. I must disagree with the statement that this is a moot question. It is a very live question. Here is the direction of the President of the United States, as set forth in the letter of the Director of the Budget, as it appears on page 952 of the hearings:

In working out the arrangements between AEC and TVA, it is contemplated (1) that the Atomic Energy Commission will bear all local, State, and Federal taxes payable by the Government under terms of the contract.

Now let me read to my colleague the testimony of Mr. Nichols, General Manager of the AEC, as it appears on page 949 of the hearings before the joint committee, of which the distinguished Senator from Iowa is the able vice chairman. I read from Mr. Nichols' testimony:

The proposal provides for reimbursement by the AEC for all taxes, licenses, and fees—State, local, or Federal.

So it is not a moot question; it is as live as a question can ever become, and I say it is a question which is precedential in character.

Let me read from one other decision, made back in 1919. As I said earlier, vested interests have been seeking for a long time to get the privilege they are after in this case. Greed is not new.

Let me read a decision of the Government:

Tax accruals during the period of the contract shall be included in overhead, except that Federal income, Federal excess, or war-profit taxes, and Federal taxes of the same economic character shall not be included in cost.

The line is clearly drawn between a tax upon the property and a tax upon doing business—in other words, a tax upon a transaction, a tax on a percentage of the profit. That line is as clear as the aisle in this Chamber. This is the first time, so far as I have been able to determine, or so far as the agencies serving the Congress can ascertain, that an agency of the Federal Government has put its stamp of approval upon any such precedent-setting action.

Mr. HICKENLOOPER. Mr. President, if the Senator from Tennessee will yield to me—although I do not wish to labor the point—let me say that he has cited decisions which he believes to be applicable. However, I say again that if the inclusion of the provision regarding Federal income taxes is found to be illegal, under a holding of the courts, then the question is, indeed, moot because, if such a provision is illegal, it cannot then go into the contract, and therefore the provision is out.

Mr. GORE. But that is not the only feature of the proposed contract which I believe to be illegal. I think the Commission is without authority to make the contract, in the first place, but it was directed to do so by no less an authority than the President of the United States of America. So I say it is not a moot question. It is a live question, and I shall insist that the Senate take a position on it.

Mr. HICKENLOOPER. I understand there is a difference of opinion as to

whether section 164 authorizes the Commission to make such a contract. I happen to disagree with the Senator from Tennessee; I happen to believe that section 164 gives authority to the Commission to make the contract. Those of us who entertain that belief are supported by the legal division of the Atomic Energy Commission, which has given an official written opinion that the Commission has legal authority under section 164 to do so, and I accept that opinion.

Mr. GORE. I think the fact that the chairman of the Republican policy committee has submitted the pending amendment is certainly an indication of a recognition that there is a great deal of doubt about it.

Mr. ANDERSON. Mr. President, if the Senator from Tennessee will yield to me, let me say that I wonder whether the attorney gave the opinion under section 164 or whether he gave the opinion that the Commission could do so when directed to do it by the President of the United States. I think the latter is what the opinion was.

Mr. GORE. Under the circumstances, with a Presidential directive having been issued, and with the Chairman of the Commission riding herd for the contract, and with the general manager being a partisan of the contract, it seems to me that to ask the general counsel whether the Commission had such authority would be about like asking me if I have been a good boy. The answer is, "Yes."

Mr. JOHNSON of Texas. Or, if I may intervene, to ask whether Tennessee is a good State.

Mr. GORE. In response I would also say "Yes." [Laughter.]

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

Mr. GORE. I yield.

Mr. ANDERSON. I was interested in what was said about income taxes. Suppose $100 million worth of securities were marketed in contemplation of the contract, which permits full payment by the Government of Federal income taxes; and suppose thereafter the courts knocked out the provision regarding income taxes, as was suggested by the Senator from Iowa. Certainly the innocent purchasers of the securities, who when purchasing them felt the income taxes would be paid by the Federal Government, would then be placed in a sad situation, at that late date.

If there is a possibility that the courts can knock out that provision, surely the Atomic Energy Commission should remove the provision from the contract, rather than permit the provision to be in the contract at the time when the securities are offered to the public.

Mr. GORE. I would not be at all surprised to find that, before the debate is over, someone from the Commission will make such a statement.

Mr. President, let me point out that during the debate there have been some remarkable guests in the gallery. We have been favored by visits from some of the utilities tycoons and a whole battery of attorneys. I have an idea that after the distinguished Senator from Mississippi made his typical, irrefutable, hard-driving, country-judge analysis of the contract and the lack of authority for it, they got their heads together and said, "We have to get some Member of the Senate to submit an amendment to make this legal." So—well, Mr. President, perhaps I should not use the word "so"; it might indicate that the Senator was acting as their agent—but I will say that finally the Senator from Michigan submitted an amendment to make legal what was clearly an illegal contract.

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

Mr. GORE. I shall yield in a moment.

Mr. President, let me say I should not be surprised to find that, before the debate is over, they back away from this part of the contract, which I believe to be illegal. The result will be that the taxpayers of the United States will see clearly that the difference between the two proposals will not be $3,600,000 a year. Instead, then we shall be able to see clearly that we shall have to pay to this outfit a subsidy and tribute of more than $5 million a year for this electricity. That would render the contract all the more unjustifiable; and that is the purpose of this unusual and bizarre proposal, in connection with which the Bureau of the Budget—for the first time in the history of the Nation, so far as any agency of the Federal Government is concerned—has placed its stamp of approval upon the proposal for reimbursement of income taxes. The very purpose of that was to permit this combine to present an artificial rate structure, in comparison with the TVA yardstick, which has worried them no end.

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

Mr. GORE. I yield.

Mr. STENNIS. Something has been said about the opinion of the attorney for the Atomic Energy Commission, in which he held that the Commission has authority to enter into this contract, either under the terms of the present law or by force of a directive from the President of the United States. I seek information. Does the Senator from Tennessee have a written opinion, or has he seen a written opinion, from the attorney for the Atomic Energy Commission in regard to that subject matter?

Mr. GORE. I heard him testify before the joint committee that, in his opinion, section 12 (d) does give authority for this contract.

Mr. HICKENLOOPER. Mr. President, I have the opinion in my hand; I have been wating to place it in the RECORD.

Mr. STENNIS. That is the answer to my question, Mr. President. If there is a written opinion, I think we should have the benefit of it.

Mr. GORE. I shall be glad to have it printed at the conclusion of my remarks, or else to have it read into the RECORD at this point.

Mr. HICKENLOOPER. I do not wish to trespass on the time of the Senator from Tennessee by reading the entire opinion into the RECORD at this time, although I shall be glad to have the entire opinion placed in the RECORD, and I should like to read the significant sections.

Mr. GORE. Mr. President, I ask unanimous consent that I may yield to the Senator from Iowa, in order to permit him to read into the RECORD whatever portions of the opinion he wishes to read.

The PRESIDING OFFICER. Is there objection? Without objection, it is so ordered.

Mr. HICKENLOOPER. Mr. President, this is a written memorandum from William Mitchell, General Counsel of the Atomic Energy Commission, to Mr. K. D. Nichols, General Manager. It recites certain preliminary circumstances, and then it quotes section 12 (d) of the Atomic Energy Act, which is section 164 of the pending bill.

Section 12 (d) of the Atomic Energy Act, which is identical with section 164 of the bill, reads as follows:

> The Commission is authorized in connection with the construction or operation of the Oak Ridge, Paducah, and Portsmouth installations of the Commission, without regard to section 3679 of the Revised Statutes, as amended, to enter into new contracts or modify or confirm existing contracts to provide for electric utility services for periods not exceeding 25 years, and such contracts shall be subject to termination by the Commission upon payment of cancellation costs as provided in such contracts, and any appropriation presently or hereafter made available to the Commission shall be available for the payment of such cancelation costs. Any such cancellation payments shall be taken into consideration in determination of the rate to be charged in the event the Commission or any other agency of the Federal Government shall purchase electric utility services from the contractor subsequent to the cancellation and during the life of the original contract.

After quoting the statute, Mr. Mitchell says:

> This statute gives the Commission the necessary authority to make the contract in question.

Mr. ANDERSON. Does it not say "when directed by the President"?

Mr. HICKENLOOPER. No. I read it to the Senator. I shall place the entire opinion in the RECORD. The only place in the opinion where reference is made to a contract "when directed by the President" is in the next to the last paragraph:

> The increased cost to the Government of the Dixon-Yates proposal as against the Commission's present contract with TVA would be approximately $3,685,000 annually. However, if the President directs the Commission and TVA to modify their existing arrangements so as to release to TVA 600,000 kilowatts under the present contract (and we do not question the President's authority to do this), then the Commission has authority to make the best contract it can for replacement of the power thus released.

His flat statement, immediately after quoting the statute, is:

> This statute gives the Commisssion the necessary authority to make the contract in question.

The Senator may read it if he wishes. I offer the entire opinion for the RECORD.

Mr. STENNIS. I hope the entire opinion may be printed in the RECORD.

Mr. HICKENLOOPER. With the consent of the Senator from Tennessee, I ask unanimous consent to have it printed in the RECORD at this point as a part of my remarks.

Mr. GORE. I shall be glad to have it printed at this point as a part of my remarks.

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

JUNE 22, 1954.

Memorandum.
To K. D. Nichols, General Manager.
From William Mitchell, General Counsel.
Subject: Commission's authority to enter into a 25-year contract with the Dixon-Yates group to provide electrical energy.

You have asked my opinion on the question of whether or not the Commission has legal authority to enter into a 25-year contract with the Dixon-Yates group to provide electric-utility services for the Commission's plants at Paducah and Oak Ridge.

The Commission presently has a contract with TVA to supply the requirements for electric power at the AEC plant at Paducah. In December 1953, the Bureau of the Budget requested the Commission to explore the possibility of releasing 600,000 kilowatts annually to TVA under this contract and making arrangements with privately owned utilities for replacement of the electric power which would be thus released. After considering the engineering and economic factors, the Commission decided that the best arrangement would be to contract for construction of a new generating plant in the Memphis area which would tie in with the TVA system. Two offers were received, one from the Dixon-Yates group and another from Von Tresckow. Both offers were carefully analyzed and the results of these analyses were transmitted to the Bureau of the Budget. The Commission took no position on the advisability of this arrangement for replacement of the Paducah requirements, stating to the Bureau of the Budget that the question was one for higher authority to decide. However, the Commission stated to the Bureau of the Budget, that if this plan were to be adopted, the Dixon-Yates proposal appeared to be much more favorable to the Government.

The Bureau of the Budget, upon direction of the President, has now directed the Commission to make appropriate arrangements with TVA and with the Dixon-Yates group for release of 600,000 kilowatts under the present TVA contract, and construction by the Dixon-Yates group of a new generating plant at West Memphis, Ark., with a capacity of 600,000 to 650,000 kilowatts, tied into the TVA system, to meet the Commission's requirements for power at Paducah and additional requirements which have recently developed at Oak Ridge.

The question is whether, under these circumstances, the Commission has authority to make a 25-year contract with the Dixon-Yates group for this purpose.

Section 12 (d) of the Atomic Energy Act reads as follows:

"12. (d) The Atomic Energy Commission is authorized in connection with the construction or operation of the Oak Ridge, Paducah, and Portsmouth installations of the Commission, without regard to section 3679 of the Revised Statutes, as amended, to enter into new contracts or modify or confirm existing contracts to provide for electric-utility services for periods not exceeding 25 years, and such contracts shall be subject to termination by the Commission upon payment of cancellation costs as provided in such contracts, and any appropriation presently or hereafter made available to the Commission shall be available for the payment of such cancellation costs. Any such cancellation payments shall be taken into consideration in determination of the rate to be charged in the event the Commission or any other agency of the Federal Government shall purchase electric-utility services from the contractor subsequent to the cancellation and during the life of the original contract."

This statute gives the Commission the necessary authority to make the contract in question. The TVA system is an integrated unit, supplied from various plants owned by TVA, and, on occasion, by delivery from privately owned generating plants. Once electric power has been delivered to the system, it is impossible to identify the source of power which is supplied out of the system for end use. If additional generating capacity is constructed at West Memphis and fed into the TVA grid in an amount which is necessary to supply the Commission's requirements at Paducah and Oak Ridge, this can properly be said to be a contract for electric-utility services in connection with the operation of the Oak Ridge and Paducah installations of the Commission.

The increased cost to the Government of the Dixon-Yates proposal as against the Commission's present contract with TVA would be approximately $3,685,000 annually. However, if the President directs the Commission and TVA to modify their existing arrangements so as to release to TVA 600,000 kilowatts under the present contract (and we do not question the President's authority to do this), then the Commission has authority to make the best contract it can for replacement of the power thus released.

My conclusion, on the assumptions set forth above, is that the Commission would have authority under section 12 (d) of the Atomic Energy Act to make a 25-year contract with the Dixon-Yates group for the purposes indicated.

WILLIAM MITCHELL.

Mr. HICKENLOOPER. Mr. President, I should like to comment on the statement made by the Senator from New Mexico [Mr. ANDERSON], if the Senator from Tennessee will further yield.

Mr. GORE. I yield.

Mr. HICKENLOOPER. A few moments ago the Senator from New Mexico made a statement with which I thoroughly agree. He said exactly what I was attempting to say a while ago, namely, that if it is illegal to include Federal income taxes as a reimbursable item, then, of course, they will not be included in this contract, because it is against the law. A moment ago I said that I think the question of Federal income taxes is a moot question. If, in fact, the Senator from Tennessee is correct in the statement that the inclusion of Federal income taxes as a reimbursable item is illegal, it will not be in the contract.

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

Mr. GORE. I yield.

Mr. STENNIS. I should like to ask the Senator from Iowa a question.

Mr. GORE. I yield for that purpose.

Mr. STENNIS. Will the Senator from Iowa give us the date of this opinion?

Mr. HICKENLOOPER. It is dated June 22, 1954.

Mr. STENNIS. If the Senator from Tennessee will further yield, I should like to ask the Senator from Iowa a further question.

Mr. GORE. I yield for that purpose, provided I do not lose the floor.

Mr. STENNIS. The Senator from Mississippi did not exactly understand the condition stated in the concluding paragraph, to the effect—as it was understood on this side of the aisle—that if the President ordered certain power released——

Mr. HICKENLOOPER. I did not wish to take the time to read the entire opinion, on the time of the Senator from Tennessee.

Mr. GORE. I yield for that purpose, if I may do so without affecting my right to the floor.

Mr. HICKENLOOPER. The memorandum is addressed to K. D. Nichols, general manager, from William Mitchell, general counsel. The subject matter is stated as follows:

Commission's authority to enter into a 25-year contract with the Dixon-Yates group to provide electrical energy.

You have asked my opinion on the question of whether or not the Commission has legal authority to enter into a 25-year contract with the Dixon-Yates group to provide electric-utility services for the Commission's plants at Paducah and Oak Ridge.

Then he recites the general understanding about the area of the Dixon-Yates proposal. He then quotes the statute, which is section 12 (d) of the existing law, and section 164 is the bill before us. They are both identical. After quoting that statute, which says that the contract may be made in connection with the Paducah, Portsmouth, and Oak Ridge installations, he makes this statement:

This statute gives the Commission the necessary authority to make the contract in question.

He goes on with a discussion of some other matters——

Mr. GORE. Mr. President, will the Senator read the other matters?

Mr. HICKENLOOPER. Yes; I will read the rest of the memorandum. I did not wish to take the time to read it in full. I did not believe that what followed had an important bearing on the question which has been raised.

As I have stated, immediately following the quotation of the statute, Mr. Mitchell says:

This statute gives the Commission the necessary authority to make the contract in question. The TVA system is an integrated unit, supplied from various plants owned by TVA, and, on occasion, by delivery from privately owned generating plants. Once electric power has been delivered to the system, it is impossible to identify the source of power which is supplied out of the system for end use. If additional generating capacity is constructed at West Memphis and fed into the TVA grid in an amount which is necessary to supply the Commission's requirements at Paducah and Oak Ridge, this can properly be said to be a contract for electric-utility services in connection with the operation of the Oak Ridge and Paducah installations of the Commission.

The increased cost to the Government of the Dixon-Yates proposal as against the Commission's present contract with TVA would be approximately $3,685,000 annually. However, if the President directs the Commission and TVA to modify their existing arrangements so as to release to TVA 600,000 kilowatts under the present contract (and we do not question the President's authority to do this), then the Commission has authority to make the best contract it can for replacement of the power thus released.

My conclusion, on the assumptions set forth above, is that the Commission would have authority under section 12 (d) of the

Atomic Energy Act to make a 25-year contract with the Dixon-Yates group for the purposes indicated.

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

Mr. GORE. I yield.

Mr. STENNIS. If I correctly understand the opinion, it says that if the President releases 600,000 kilowatts of electricity, that will create a vacancy and make the contract legal.

Mr. HICKENLOOPER. I do not so understand it at all.

Mr. STENNIS. There had to be a shift or alteration in the situation in order to justify the legal basis for the contract.

Mr. HICKENLOOPER. I simply cannot agree with the Senator on that premise at all. The opinion is a flat statement that the statute gives the Atomic Energy Commission the authority to make this contract. Then Mr. Mitchell discusses the surrounding circumstances of the contract, but he again comes to the conclusion, at the end of the opinion, that the Commission would have authority to make the contract. He does not say anything about any "ifs," "ands," "buts," or "maybes." This is the last paragraph in the letter:

My conclusion, on the assumption set forth above, is that the Commission would have authority under section 12 (d) of the Atomic Energy Act to make a 25-year contract with the Dixon-Yates group for the purposes indicated.

Mr. STENNIS. Of course, the memorandum will speak for itself, but as I understand the statement of facts, there had to be a change in the situation with reference to existing conditions in connection with this power before the attorney could justify the legal basis for the contract. It seems the contract is dated after the order had already been made on June 16, 1954, for the consummation of this contract. It is very interesting to have the opinion in the RECORD, even at this late date, so that it may be further studied.

I thank the Senator.

Mr. COOPER. Mr. President, will the Senator yield so that I may address a question to the Senator from Iowa?

Mr. GORE. Mr. President, I ask unanimous consent that I may yield to the Senator from Kentucky for the purpose of addressing a question to the Senator from Iowa [Mr. HICKENLOOPER].

The PRESIDING OFFICER. Is there objection?

Mr. FULBRIGHT. I object.

The PRESIDING OFFICER. Objection is heard.

Mr. GORE. I yield to the Senator from Kentucky for a question.

Mr. COOPER. It would appear from a hasty reading of the memorandum that the Atomic Energy Commission could enter into the contract in question; but I should like to ask the distinguished Senator from Tennessee if there is not another step which would have to be taken in this proceeding. Even if the Atomic Energy Commission should enter this into contract with the Dixon-Yates group to produce power, would not the Senator say that before it could become effective it would require the assent of the Tennessee Valley Authority, which is just as much an independent agency as is the Atomic Energy Commission?

Mr. GORE. That independent agency is also under orders. That board was not consulted, but was ordered. I do not believe the President can legally order the Tennessee Valley Authority board of directors to relinquish their legal responsibility for the management functions of the TVA. I have not brought out that point in the debate, but I certainly think the order trespasses upon legal authority.

Mr. COOPER. Mr. President, I should like to propose a hypothetical case to the Senator from Tennessee. Suppose in this instance the TVA were not involved, but that it was a question of the Atomic Energy Commission replacing in a private power company the electrical energy it was receiving from that private power utility. Does the Senator believe that the private power company would accept the replacement unless the replacement fitted into its own plans?

Mr. GORE. And at a comparable price? No, I do not. That company would have an improvident management, if it did so.

Mr. COOPER. Does the Senator believe that a private company that would be a prime supplier of the Atomic Energy Commission would have power forced upon it?

Mr. GORE. I know of no company of which I would have that opinion.

Mr. COOPER. I ask the Senator also what view he holds as to whether there is any power in the executive branch of the Government to make this determination, and whether the executive branch has any power other than the power granted in the acts themselves?

Mr. GORE. I know of no power the Atomic Energy Commission has except delegated power. I know of no power the President of the United States has except delegated power, other than his constitutional power as Commander in Chief. This is not a national defense contract. This is a contract for furnishing power for the civilian needs of the city of Memphis. Therefore, I believe we must look to the act itself for the powers of the President. The act sets forth certain powers which the President is authorized to exercise.

By the very specification of those powers, I think other powers are necessarily excluded. I believe we must look to the act for those powers, and in looking to the act, we need to look at the legislative intent. I should like now to review for the Senate the legislation on which the general counsel seeks to pin his authority.

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

Mr. GORE. I yield.

Mr. HILL. Is not the key word in the opinion of Mr. Mitchell the word "release"? In other words, is it not true that if the Atomic Energy Commission released to the TVA an amount of power the TVA is now committed to supply to the Atomic Energy Commission, then of course the Atomic Energy Commission could make a contract for an amount of power equal to what it would use for itself in its own installations? Is that not true?

Mr. GORE. I believe that is true.

Mr. HILL. In other words, if the power were given to the TVA, then of course the Atomic Energy Commission could make a contract with Dixon-Yates, or with any other group or company, or with any other supplier of power, and get the power itself for its own installations?

Mr. GORE. I believe that is very true, and I thank the Senator from Alabama for his contribution.

Mr. HILL. If the Senator had time to examine the letter carefully I believe he would find that that is the basis of Mr. Mitchell's opinion.

Mr. GORE. It is an "iffy" opinion.

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

Mr. GORE. I yield.

Mr. HILL. Is it not true that the President, in his budget message in January, made that very suggestion, and that that was the whole idea, namely, the idea of turning back, so to speak, to TVA, certain power that TVA was obligated to furnish the Atomic Energy Commission, until the disclosure on June 17 before the joint committee?

Mr. GORE. That is correct.

Mr. HILL. It was not until the 17th of June that anyone had any idea at all that the administration was thinking in terms of directing the Atomic Energy Commission to act as broker to buy power for TVA.

Mr. GORE. I read into the RECORD a letter in which Commissioners Smyth and Zuckert commented upon the fact that that was the original explorations they made, but that it took a different turn, and that they determined they would not cancel the contracts with TVA and that TVA would not be released from any of its obligations to furnish power, because, the Commissioners said, they depended upon this power for their production schedule, and therefore the explorations took a different turn. Therefore this bizarre arrangement was finally conjured up.

Perhaps because of my experience in the other body before being honored with membership in this body, I have been more directly connected with this particular development than any other Member of the Senate.

As acting chairman of the Subcommittee on Appropriations of the House of Representatives, I conducted hearings on the request for appropriations to expand the atomic energy program to build the Paducah facility and the Savannah facility. The Atomic Energy Commission, in pursuance of that expansion, came before the committee and requested the committee to recommend appropriations for the TVA to build the Shawnee steam plant.

TVA did not come except that they were requested to do so. The initiative was out of the Atomic Energy Commission. We held hearings. The committee really had no serious reservations

about supplying the necessary appropriations. The national defense required its approval.

Subsequent to that, the Commission came back for an additional hearing, and represented to us that certain negotiations had been under way and that it had found that it could secure one-half of the power from a private concern at a rate comparable to the TVA rate. The committee approved it. The committee thought it was a fine idea.

The deal did not turn out that way, unfortunately. Commissioner Murray, who was the chief negotiator in that field—and I think he has taken responsibility therefor—testified recently how disillusioned he had been. However, the House Committee on Appropriations took it on face value and approved the request.

The request passed the Senate, and the program became law. The program was under way. Then last year the Commission came before the joint committee and said the private group was having great difficulty selling its bonds—in fact it could not sell them because there was not, in the opinion of the investors, a sufficient guarantee for cancellation damages and reimbursements. Therefore the Commission asked that the Atomic Energy law be amended. I appreciate the attention of the Members of the Senate who are here. I should like to read the proposed draft of the bill as it came to the committee from the Commission.

The Atomic Energy Commission is authorized in connection with the construction or operation of installations of the Commission, without regard to section 3679 of the Revised Statutes, as amended, to enter into new contracts or modify or confirm existing contracts to provide for electric utility service for a period not exceeding 25 years.

And then they spelled out the cancellation provision. What did the committee do? First, it held a hearing, and I wish to read a portion of the proceedings of that hearing:

Representative VAN ZANDT. Mr. Chairman, could we insert language in this bill that would make this particular type of contract subject to review by this committee?

Dr. SMYTH. Mr. VAN ZANDT, you have written in Oak Ridge, Paducah, and Portsmouth.

Who did that, Mr. President? The committee. I read the proposed draft which came to the committee. The committee did not want to grant more power than was necessary. The problem related to these particular production facilities. So the committee wrote in that the Commission was authorized to enter into these contract in connection with its production facilities at Portsmouth, Ohio, Paducah, Ky., and Oak Ridge, Tenn.

Continuing reading the testimony of Dr. Smyth:

Any further extension of those plants would certainly presumably come to this committee for general discussion and approval. It does not appear to me to be necessary or desirable to try to get specific contracts into the bill. * * * As I understand it, the way the bill is now modified, Oak Ridge, Paducah, and Portsmouth are to be inserted. Is that right?

Chairman COLE. Yes.

Representative VAN ZANDT. Then the bill as written will restrict it to Paducah, Oak Ridge, and Portsmouth?

Dr. SMYTH. That was Mr. Hinshaw's suggestion.

That was written into the law.

Let me read a portion of the draft which came from the Joint Committee on Atomic Energy:

The Atomic Energy Commission is authorized, in connection with the construction or operation of the Oak Ridge, Paducah, and Portsmouth installations of the Commission—

There it is. That is how it came to the Senate, and it came with a report accompanying it. I am setting out in detail, Mr. President, the legislative history of this proposal. It has been set out, in part, before, but I think the questions raised here, as I have indicated, have been heard by the utility tycoons who have honored us with their presence in the gallery, and by their attorneys. They, too, perchance, have come to have doubts.

Let me read a portion of the report:

The bill permits the Atomic Energy Commission to enter into contracts for periods not exceeding 25 years to purchase electrical power for the operation of these plants without regard to section 3679 of the Revised Statutes, as amended. It also would permit the AEC to provide in such contracts for cancellation charges in the event the Commission should find it necessary or desirable to terminate the contracts before the expiration of their original terms.

Reading further from the report:

This power is to be used for the operation of gaseous diffusion plants at the three sites specified.

Could anything be plainer? I doubt if we could construct or fabricate a set of circumstances more clearly establishing the manner in which the functions of this Government agency are attempted to be subverted. Let me read that sentence again:

This power is to be used for the operation of the gaseous diffusion plants at the three sites specified. The utilities cannot enter into power contracts with this limit on cancellation charges—

Why can they not enter into contracts?

since they cannot arrange financing with such a small cancellation charge guaranteed.

I continue to read:

By the arrangements which have been negotiated with the three utility companies the Commission is kept out of the utility business.

The committee report tells us that if we had adopted this amendment last year the Atomic Energy Commission would have been kept out of the utility business, and yet, with this "iffy" opinion and this bizarre directive in this unusual contract proposal, this very section of the law is to be stretched and distorted and misused so as to put the Atomic Energy Commission into the utility business.

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

Mr. GORE. I yield.

Mr. HUMPHREY. The Senator has been reviewing legislation which pertains to the contracts of the AEC with the three mentioned utilities in that particular authorization. It is clear, is it not, therefore, from the bill, H. R. 4905, that the purpose of the contract of the AEC with a utility was for the express purpose of getting electrical energy for the plant operations of the Atomic Energy Commission? That was the sole base and the sole purpose for the contract.

Mr. GORE. That is what the report says.

Mr. HUMPHREY. And it goes further and says that the purpose of these contracts was to make sure that the Atomic Energy Commission would not get into the utility business.

Mr. GORE. And that is what the bill provided.

Mr. HUMPHREY. That is what the bill which we acted on last year provided.

Mr. GORE. And that is what those who testified in favor of it said, and what those who advocated its passage on the floor of the House and of the Senate said.

Mr. HUMPHREY. Yet today we are faced with the situation that the proposed contract with the Dixon-Yates group is based upon—at least, there must be some basis for it—the House bill about which we have been talking, and yet that House bill, which became public law, states that the only purpose of the contract with the utility is to provide electrical energy for the AEC. Yet in the Dixon-Yates contract there is not one kilowatt which goes to the AEC for the purposes of the Atomic Energy Commission program.

Mr. GORE. That is what Dr. Smythe said.

Mr. HUMPHREY. Nor is it even a replacement of the normal use of electric energy. Is not that correct?

Mr. GORE. That is correct. I wish to cite the statement of the Bureau of the Budget, which was handed out to the public recently in an effort to justify the contract This is from the public release of the Bureau of the Budget on July 9, 1954. I read:

The President's decision to provide for the 1957 expansion of power consumption in the Tennessee Valley area through facilities to be constructed by private enterprise—

And so forth. It does not refer to any power for the Atomic Energy Commission. Not even the Bureau of the Budget refers to it.

Mr. HUMPHREY. In other words, what we really see here is the deep concern—in quotation marks—over the TVA. Apparently the administration decided that it would be wise or prudent, or would be good politics, to work through the AEC as a sort of middle man, or, as has been said before, a broker, so that the AEC would be a sort of "fall guy" for making a contract with the Dixon-Yates group to supply power back into the TVA—which the TVA did not even say it needed, nor had it requested it—in order to furnish power to the city of Memphis, Tenn. Is that correct?

Mr. GORE. The AEC did not request this plant. The TVA did not request this plant. The people of Tennessee did not request this contract. The people of Arkansas did not request the contract—that is, I know of no citizens' movement in Arkansas for it. There

may be a fellow down there, who is a right important tycoon in Arkansas, who requested it. We do not know who thought this up.

Mr. HUMPHREY. In other words, it did not come from the grass roots of Tennessee or Arkansas. It may have come from the bulrushes of the Potomac. Would the Senator from Tennessee feel that that might be somewhat true?

Mr. GORE. I think the able Senator would have to give some further identification of the bulrushes.

Mr. HUMPHREY. I shall let that statement stand on its own merits. If there was any voice of the people in the matter—any great demand or great outcry for more power—it did not come from around the Mississippi.

I am looking at the map in the rear of the Chamber, which shows where the Mississippi River divides Tennessee from Arkansas. The voice did not come from that area. It must have come from close to our beautiful Potomac River.

Mr. GORE. Some of these times perhaps we shall know. It will be a very interesting story as to who first thought up the idea. I doubt if the President of the United States first conceived the idea. I doubt if the Atomic Energy Commission did. I am certain the TVA did not. I think those who wanted a little free profits thought it up. Those who wanted to invade TVA territory thought it up. They devised a very clever scheme. But they have tripped their toes; they have stubbed their toes.

Mr. HUMPHREY. Would the Senator say that this is a new kind of Trojan horse, a gift which was not asked for, if this can be called a gift? Its delivery was not made under the most friendly auspices to the people of the area; nevertheless, there it is. What the Senator from Tennessee is concerned about, I assume, is, What is going to come out of the horse?

Mr. GORE. I hope it will not be this contract.

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

Mr. GORE. I yield.

Mr. ANDERSON. The Senator from Tennessee had asked earlier today about an opinion, and the opinion was produced and was finally read into the RECORD. It was dated June 22, 1954.

Some days ago I placed in the RECORD the proposal of Dixon-Yates for the construction of these facilities. That proposal was dated April 10, 1954. It refers to the proposal they made on February 25, 1954.

Does the Senator from Tennessee not think it strange that the Atomic Energy Commission had consultations with the Dixon-Yates group from sometime last fall, and certainly since February 25, and it took until June 22 for anyone to try to find out whether what they were talking about was legal or illegal?

Mr. GORE. It is a remarkable circumstance.

I wish to say to the junior Senator from Minnesota that I would have to qualify any agreement with him that this suggestion arose on the Potomac. If this device was designed or had its genesis in the bulrushes of the Potomac, then it was conceived by those who have been transplanted there from Wall Street. This is a clever design by shrewd financiers. I would not like to identify, I could not identify, the author of the plan. Maybe a great many persons got together and contributed to it. Perhaps it began with a real suggestion that the TVA be relieved. I refer to the suggestion in the budget. Perhaps someone made a suggestion earlier than the suggestion in the budget, because we have the letter of the Commissioners, referring to a letter from Mr. Hughes, the Budget Director. Maybe that is an indication. What was his background?

Mr. HUMPHREY. Would the Senator from Tennessee mind telling us about this? This is one of the most interesting mystery stories of this decade. It used to be "Button, button, who's got the button?" Now it is "Kilowatt, kilowatt, who's got the kilowatt?" Or should we say, "Contract, contract, who's got the contract?"

Mr. GORE. Should it not be "Profit, profit, who's got the profit?"

Mr. HUMPHREY. It could be.

Mr. GORE. Free profit.

Mr. HUMPHREY. At 9 percent.

Mr. GORE. A guaranteed percentage.

Mr. HUMPHREY. For 25 years.

Mr. GORE. And tax exempt.

Mr. HUMPHREY. With all taxes paid.

Mr. GORE. Is it not wonderful?

I should like to proceed with the relation of the legislative history of the proposal, which has been so badly distorted.

Mr. HUMPHREY. Before the Senator does that, let us refer back to the Ferguson amendment. Does not this appear to be somewhat of a postdated birth certificate? We are trying to ascertain when the baby arrived on the scene. There seems to be some doubt as to its legality, speaking, of course, of the contract.

Mr. GORE. I should say it is an effort to legitimatize something about which there is some question.

Mr. HUMPHREY. We are even having trouble determining its parentage. Now we are in doubt as to the date of its birth. But we can be grateful to the Senator from Michigan for having given us one point around which we can rally.

We know that as of last Friday there was an area of doubtful legality. The Senator has offered an amendment, which is a little late in arriving, it having come in on a slow freight.

Mr. GORE. The amendment of the Senator from Michigan has far-reaching effects. It not only seeks to legalize the Dixon-Yates deal, but also to authorize the Commission to make five times as many such deals.

Mr. HUMPHREY. It is a large family for which the Senator from Michigan provides. The problem we have is to find out who are the parents, and the date of arrival of the first born.

But I say that we owe the Senator from Michigan a debt of gratitude, because he has provided a kind of postdated birth certificate for the first arrival. If we can ascertain the genesis of this new development, this first born, we shall have made some progress. I am only trying to help the Senator from Tennessee, in view of this great mystery.

Mr. GORE. The Senator is providing wonderful assistance.

Mr. HUMPHREY. I am grateful to the Senator. I am merely trying to learn how all this got started. One would think that if the atom could be split, we should, at least, be able to learn who let the contract.

Mr. GORE. The TVA yardstick has been worrying some people. It has been worrying them no end. They have been hoping for the time to come when they could have in high places those who would help them destroy the TVA yardstick. They have been hoping for the time to come when they could invade the TVA territory, when they could obliterate the yardstick which has been used by persons from the Atlantic to the Pacific, from Canada to the Gulf of Mexico, to force down the exorbitant, unconscionable electric rates which the power trust would force upon the people.

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

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

Mr. GORE. I am delighted to yield.

Mr. FULBRIGHT. The Senator from Tennessee has said much about the yardstick. It was my impression that the private companies were attempting to measure up to that yardstick for the first time, and now Senators representing the TVA object to it. This is the first instance of which I am aware in which private companies have made a contract and offer, having in view the existing contract for power at Paducah, and have sought to equal, and have come very close to equaling, the yardstick. It seems to me that if a yardstick were established, then it should serve the purpose of being a goal to shoot at. If that be so, the Dixon-Yates group have hit in the bull's eye, within $282,000. Of what good is a yardstick if no use is to be made of it?

Mr. GORE. The comments of my distinguished and able colleague from Arkansas illustrate once more how badly he has misunderstood the whole proposal. His attitude has been an enigma to me.

The Senator now says that this is an instance of the private power trusts seeking to measure up to or matching the TVA yardstick. This is an instance in which they seek to destroy the TVA yardstick. They are resorting to this bizarre contract, which provides for a guaranteed profit and complete tax reimbursement, and which permits them to present an artificial rate structure. That is not meeting the TVA yardstick; that is subverting the yardstick.

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

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

Mr. ANDERSON. The Senator from Arkansas has referred to the figure $282,000, which I thought had finally been eliminated from the discussion. I think the Senator from Tennessee ought to read again from the official records of

the AEC that portion of the attorney's opinion in which the attorney said again the difference in cost will be $3,685,000.

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

Mr. GORE. Not just yet. The experts of the Budget Bureau testified the minimum difference would be $3,600,000. The experts of the Atomic Energy Commission said the minimum difference in rate would be $3,600,000 a year. The experts of the Federal Power Commission said the minimum difference would be $3,600,000 a year. And the only expert who disagrees with all those experts is the junior expert from Arkansas. [Laughter.]

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

Mr. GORE. I yield.

Mr. FULBRIGHT. I hesitated to ask a question of the Senator from Tennessee for fear I might be accused of joining in the delay of action on the bill, so I withdraw my question, because I would not want to cause a further reiteration of the inaccurate statements which have been made relative to the amount the contract will cost the country. With the Senator's permission, I shall withdraw the question, and I hope he can then proceed to the second page of his prepared statement.

Mr. GORE. I fear it would not be quite parliamentary to have a withdrawal of the statement of the Senator, which I have already answered. If the Senator would not mind, I should like to have the statement remain in the RECORD, in order that the RECORD may show that I answered the question once again. I would not want to encourage the Senator unduly to participate in the colloquy. I know he does not care to delay the Senate in the consideration of the pending measure. Neither do I. It is my desire to promote the full and adequate consideration which this problem deserves. I say to the Senator if what is proposed is an example of how the Atomic Energy Commission is to be misused in an attempt to violate the clear intent of the Congress, then we had better pause before we grant to it all these vast powers over licensing of atomic energy development, and giving patent rights to persons many of whom have some knowledge of the subject already tucked away in their safes and secret vaults.

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

Mr. GORE. I yield to the Senator from Arkansas.

Mr. FULBRIGHT. I wonder if the Senator will explain why the board of directors of the chamber of commerce of the city of Memphis, Tenn., in the State which the Senator in part represents, are in favor of proceeding with the Dixon-Yates contract, and want no further delay in the construction of the powerplant. Could the Senator explain that? He is familiar with that fact, is he not?

Mr. GORE. I had heard that such action had occurred. I am unable to explain it. Perhaps the able Senator from Arkansas is in better position to explain it than I am. I have not been having close communion with the persons who are connected with the power trusts and those who are generally identified with the leadership of the United States Chamber of Commerce.

Mr. FULBRIGHT. Oh, no; I said the Memphis Chamber of Commerce. The Senator misunderstood me. He is familiar with the city of Memphis, on the Mississippi River, is he not?

Mr. GORE. I have had some slight acquaintance with it.

Mr. FULBRIGHT. The Senator knows where the city is, and he knows it has a chamber of commerce, does he not?

Mr. GORE. I know that.

Mr. FULBRIGHT. The members of the Memphis Chamber of Commerce are interested in the industrial development and in the social, moral, economic, and political welfare of Memphis, are they not?

Mr. GORE. I am sure they are.

Mr. FULBRIGHT. They are not Communists, Socialists, or Fascists, are they?

Mr. GORE. Oh, no; I would not say that. Is the Senator suggesting guilt by association?

Mr. FULBRIGHT. No; I said they are not. They are good, loyal American citizens, are they not?

Mr. GORE. Far be it for me to say that any of my constituents are not good, loyal citizens.

Mr. FULBRIGHT. Does the Senator say I am better able to explain the actions of his own constituents than he is?

Mr. GORE. The Senator may be better able to explain the actions of that particular group of constituents.

Mr. FULBRIGHT. Are they not reputable constituents?

Mr. GORE. I am sure they are.

Mr. FULBRIGHT. I cannot understand the Senator's inability to explain their action.

Mr. GORE. I have not been talking with the persons who are interested in the contract. I have been talking with the people in the city of Memphis who are interested in keeping themselves free from the clutches of those whom they voted out of Memphis several years ago by a ratio of 16 to 1.

Mr. FULBRIGHT. That is a mystery to me. I do not know about whom the Senator from Tennessee is talking. I know so little about the internal political situation in Memphis, that I did not follow the last remark of the Senator. I do not know about whom he is talking. Who was voted out of Memphis by a ratio of 16 to 1?

Mr. GORE. The very private power trust combine which seeks now to regrab the power service area of Memphis, Tenn.

Mr. FULBRIGHT. I did not know that.

Mr. GORE. The question was submitted to referendum.

Mr. FULBRIGHT. Is that Wendell Willkie's company?

Mr. GORE. The people voted that out 16 to 1. Yet by this contract, by this misuse of the Atomic Energy Commission, by this stretching of a statute beyond any reasonable interpretation or any legislative intent, the same group seeks to use the President of the United States and the atomic energy program to return, with facilities to produce 600,000 kilowatts of electricity, at a guaranteed profit for 25 years, with complete tax immunity.

Mr. FULBRIGHT. I understand the Senator is saying, in a rather roundabout way——

Mr. GORE. I did not think my reply was in a roundabout way; I thought I was answering the Senator directly.

Mr. FULBRIGHT. He is saying that the Chamber of Commerce of the city of Memphis, Tenn., does not understand or is not interested in the industrial development of the city of Memphis.

Mr. GORE. No, the able Senator incorrectly understands me, if he so understood.

Mr. FULBRIGHT. Does the Senator from Tennessee say I did not understand him correctly?

Mr. GORE. Yes, I say so.

Mr. FULBRIGHT. Then I am mystified.

Mr. GORE. I do not impugn the motives of the Memphis Chamber of Commerce. I do not know from what office the resolution may have originated. I do not know what interests may be involved. I have not been advised as to who offered the resolution, how many were present, how large the group was. I simply am not informed on the subject about which the Senator from Arkansas seeks to catechize me.

Mr. FULBRIGHT. Mr. President, will the Senator from Tennessee yield for a question?

Mr. GORE. I yield.

Mr. FULBRIGHT. Then, I think that, for two reasons, we had better not pursue this matter: First, if the Senator from Tennessee is not acquainted with the action of the chamber of commerce of a large city in his State; and, second, if he and I do not speak the same language—because if the Senator from Tennessee was not condemning the action of that chamber of commerce, I do not speak the English language at all.

Mr. GORE. Mr. President, far be it from me to suggest that the distinguished junior Senator from Arkansas, perhaps the most highly educated Member of this body, misunderstands the English language. I was undertaking to say that I was not acquainted with the author of the resolution or the source of the resolution——

Mr. FULBRIGHT. I did not say who the author of the resolution was.

Mr. GORE. And I am not acquainted with the one who presented the resolution, how many were there, who voted for it, or what were the particular interests of those who were involved. I do not know. I only had a report that such a resolution had been passed. That is the extent of my knowledge of the matter.

I was saying that the same interests who were voted out of Memphis, by a margin of 16 to 1, were seeking to use the President of the United States and the Atomic Energy Commission in the effort to return and again grab that service area.

The Mississippi River is the dividing line between the TVA service area and the service area of the Arkansas Power

& Light Co. I have not sought to have the TVA invade the service area of the Arkansas Power & Light Co. I shall resist it, if such an effort is made. But the river can be crossed in two ways. This is an attempt of the power combine of that area to cross in the other direction, and to invade the TVA service area; and they are using the Atomic Energy Commission in that effort; and the President of the United States, I am sorry to say, is their agent in this regard.

Mr. FULBRIGHT. Mr. President, will the Senator from Tennessee yield, to permit me to make a comment?

Mr. GORE. I yield.

Mr. FULBRIGHT. Is it not a fact that for many, many years the TVA has been purchasing power from the Arkansas Power & Light Co? Is there not a crossing now, right below the site of the proposed plant, where the Arkansas Power & Light Co. sells large quantities of power to the TVA, every year?

Mr. GORE. There is an exchange of power.

Mr. FULBRIGHT. Certainly.

Mr. GORE. The relationships are very satisfactory.

Mr. FULBRIGHT. Certainly.

Mr. GORE. The TVA has satisfactory interconnections and relationships with the private utilities throughout the periphery of its service area. But that question is not the one before us.

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

Mr. GORE. I yield.

Mr. HUMPHREY. I was delighted to hear the Senator from Tennessee respond as he did to the Senator from Arkansas. It appears that the Senator from Arkansas would like to lead some of us down a primrose path into a wonderful, fantastic fairyland, because what he is talking about has no relevancy whatever to the question before us.

Is it not true that a majority of the Commission did not want the contract? Is it not true that the TVA did not request the contract? Is it not true that the electrical energy supplied by the Dixon-Yates group will not be furnished to the Atomic Energy Commission for its normal functions and activities? In other words, is it not true that the so-called yardstick our good friend, the Senator from Arkansas, was talking about was being used to measure a project which has no relevancy whatsoever to either the TVA or the Atomic Energy Commission?

Mr. GORE. I believe the answer is "yes" to all those questions.

Mr. HUMPHREY. In other words, we are hearing about how nicely the TVA and the Arkansas Power & Light Co. get along. That is good, and we are delighted.

But what really has happened is that a contract has been ordered, not to buttress the TVA, not to serve the needs of the Atomic Energy Commission; but the contract has been ordered in the name of the Atomic Energy Commission, although for none of the purposes of the Commission, and without the request of the Tennessee Valley Authority, and not for the purpose of serving the people of Memphis. How the contract can be tied up with atomic energy, I should like to know—a 25-year contract, with $5 million of equity capital, and a $107 million firm, with a 9-percent profit guaranteed on the equity capital, and with all taxes to be paid by the Federal Government. Let the RECORD show that no other utility in the United States can enjoy such a position. The Dixon-Yates group will, under the terms of the contract, be the first utility company in America to obtain such a golden bonanza. Once this Pandora's box of special privilege is opened, let me say to my friend, the Senator from Arkansas, there will be no end to it. This is a culmination of all we have ever heard regarding special privilege in the public utilities field. It makes the holding companies look like paupers.

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

Mr. GORE. I yield.

Mr. MONRONEY. Will not this contract constitute a new kind of yardstick for private utilities; and as a result, will not all private utilities expect practically the same treatment?

Mr. GORE. Yes; once one private corporation is able to enjoy the benefits of a tax-proof position, we may be very sure that all corporations will want the same treatment.

Mr. MONRONEY. Certainly; and that desire will not be confined to the utilities, but, certainly, similar requests will be received from the manufacturers of aircraft and tanks and from all other firms engaged in defense industries.

Mr. HUMPHREY. And probably also from peanut vendors.

Mr. MONRONEY. If this contract can be stretched so far and if it can be applied, in the extreme, to the absorption of income taxes—although the Dixon-Yates group is not by any stretch of the imagination serving a distinct national-defense industry, but merely is serving the commercial needs of the Memphis area—then I do not know what bulwark Congress can erect, by means of which it can say "no" to genuine national-defense contractors who then will say, "We want the same 'deal,' and we are entitled to it; we think it is the best deal that has ever been given, in all the history of the United States, to those engaged in defense activities. So we want the same arrangement."

In short, what the President of the United States has said, by way of the Dixon-Yates contract, might as well be shown in brilliant neon lights from the dome of the Capitol, so as to enable all other industries in the Nation to say to the Congress, "Give us the Dixon-Yates deal, too, because it is the best ever offered, and we want it extended to companies that have properly and well served the country."

Mr. GORE. If it is used for defense purposes, then the development the Senator from Oklahoma foresees certainly will come to pass. On the other hand, if it does not become a precedent, but if this is the only concern to whom we grant this special privilege, then consider the inequity. In that event, no matter how the storms may rage during the next 25 years, no matter how high we may raise the taxes on the average citizen or on other corporations, no matter whether we may have to reimpose the excess-profits tax, we still will say to the Dixon-Yates group, "But not on you, my dear brother. You are something very special. No taxes will be raised on you. In fact, you will not pay any taxes in the next 25 years, no matter how high may be the taxes paid by all other persons in the country."

Oh, Mr. President, the senior Senator from Iowa [Mr. HICKENLOOPER] questioned me as to the legality of it. I say that I believe it would be illegal. But I am not asking the United States Senate to declare whether it is legal or illegal. I am asking the Senate to say whether it is right or wrong, whether or not it is in the interest of the United States to establish such a precedent, by which others may receive such benefits; whether it is right or wrong to establish a special benefit for this special corporation, which was brought into existence particularly for the purpose of receiving a fat Government contract with a guaranteed, built-in profit of 9 percent and tax immunity for 25 years. I am asking the Senate to declare whether it is right or wrong.

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

Mr. GORE. I yield.

Mr. LEHMAN. Is it not a fact, also, that if we pass the bill in its present form it will be used as an entering wedge to continue to prevent the Atomic Energy Commission from producing energy derived from nuclear fission in its own facilities or in the facilities of other governmental agencies? And if that is a fact, does not that constitute a complete giveaway of this tremendous asset which has been built up and made possible only through the investment of $12 billion of the taxpayers' money?

Mr. GORE. I listened to the very able and provocative address of the Senator from New York on Saturday. He made a fine contribution to the debate.

I must say that the Dixon-Yates proposal has so shocked the junior Senator from Tennessee and other Members of this body that he and others are looking carefully into the broad discretionary powers proposed to be vested in the Atomic Energy Commission by this bill, and looking also with the greatest of doubt upon the fact that it is proposed to prohibit this agency of the Government from developing power in commercial quantities through fusion of fission. Nevertheless, the proposal by the senior Senator from Michigan is that if it develops power by orthodox means, and invades the TVA territory, that is all right. Tax immunity is all right in that case.

Mr. LEHMAN. But under the bill as it stands today, and as it has been urged for passage upon the floor of the Senate, the Atomic Energy Commission is prohibited from developing energy derived from nuclear fission.

Mr. GORE. In commercial quantities. Let me say that that is a very important qualification. The junior Senator from Tennessee does not pretend to be an expert in this field. I did gain some limited knowledge through 5 years' service on the particular subcommittee in the

House which handled the appropriation bill for the atomic-energy program.

A pilot plant to produce a small amount of energy is very useful, but it may not be very useful from a research standpoint, in developing, at an economical rate, electricity that can be competitive with or cheaper than electricity produced by present methods. Unless the Government has some agency to develop such power, I think the operation does take on the characteristics of a giveaway. If we prohibit the Government from doing it and prohibit the agencies of Government—the people's agencies—from having control of this natural resource which belongs to the people, and at the same time make it available to those who have the vast funds necessary to develop the resource, then it seems to me that it becomes exclusively available to those with huge financial resources. As I said to the junior Senator from Rhode Island [Mr. PASTORE] a few days ago, merely to say that the door is open for all to come in is not sufficient protection, either for small business or public enterprise, if the steps to that door are so high and so difficult that only a few can climb thereto.

I am not sure that we ought to direct the Atomic Energy Commission to do this work. I should like to suggest, as I did Saturday, for the consideration of the Senator from New York and other Senators, that it might be advisable to establish another governmental agency, free from some of the responsibilities and some of the leanings of certain present members of the Atomic Energy Commission, to engage in research and development of electricity by atomic means, in commercial quantities. I think it is unwise, however, to deny to the Atomic Energy Commission or any other agency of the Government the privilege of such research and development.

Does that answer the Senator's question?

Mr. LEHMAN. Yes. Mr. President, will the Senator further yield?

Mr. GORE. I yield.

Mr. LEHMAN. Assuming that the Atomic Energy Commission is not to be the exclusive governmental agency to develop energy from nuclear fission, the prohibition which is now sought to be placed on the Atomic Energy Commission, and which would prevent it from developing such power, certainly would give exclusive rights to private enterprise for private development to be conducted by extremely large or monopolistic organizations. They are the only ones which could possibly provide the capital for such development, unless the Government itself should make use of its facilities, its research work, its know-how, its experience, and its investment of $12 billion, which has been made over the past 10 or 12 years.

Mr. GORE. I think I am in substantial agreement with the Senator from New York.

In addition, this misuse of the power of the Atomic Energy Commission, and the wrongful use of the Atomic Energy Commission itself, raise serious doubts in my mind as to the wisdom of vesting of the patenting power under the proposed act. I do not wish to change any wrongful act on the part of anyone. However, we must recognize a few facts. Certain very large, very wealthy corporations have had contracts to operate the Oak Ridge facilities, the Hanford facilities, the Paducah facilities, and the Savannah facilities. In fact, the atomic-energy program is operated almost entirely under contracts with private corporations, most of them large ones.

Is it not reasonable to presume that in the conduct of this program those companies have developed an unusual amount of know-how? They have almost a monopoly upon the know-how of atomic energy. If we grant patenting privileges without proper safeguards, are we not paving the way for a huge giveaway? Are we not paving the way for the corporations on the inside to fasten their hands on the bottlenecks and thereby block the use by the people of this great natural resource?

I say again and again that if the Atomic Energy Commission is to misuse its power, or if the administration is to misuse the Atomic Energy Commission against its majority opinion, then we must pause a long time before we vest in that Commission the vast powers contained in the proposed bill.

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

Mr. GORE. I yield.

Mr. HILL. The Senator from Tennessee was a member of the House Committee on Appropriations and acting chairman of the Subcommittee on Appropriations which handled the appropriations for the Atomic Energy Commission. He knows that the people of the United States, through their Government, have in the field of atomic-energy production and research an investment of approximately $12 billion. That investment is already there.

Mr. GORE. That investment has been made by the people of the United States.

Mr. HILL. I do not criticize the private corporations for receiving their rewards or compensations or profits for whatever they may have done in connection with production and research.

Mr. GORE. The know-how they have developed has not been considered as a part of their reward, although I say that under this bill it may turn out to be their greatest reward.

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

Mr. GORE. I yield.

Mr. LEHMAN. The Senator has referred to certain facilities which are now being operated by private corporations, from which they receive compensation. Is it not a fact that those great facilities were constructed from money provided by the taxpayers of the United States?

Mr. GORE. Entirely so.

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

Mr. GORE. I yield.

Mr. HUMPHREY. If we strip this issue down to its bare facts, or expose it for what it is, I ask the Senator whether it is not fair to say that it has little or no relevancy to national defense or atomic energy, but that it is an effort to get the public utility camel under the TVA tent. In other words, this is the first opportunity the administration has had, backed up by many private utilities, to break in point blank upon the TVA and to start the process of weakening the Tennessee Valley Authority structure.

Mr. GORE. There is no question but that this is the first attempt at dismemberment of the TVA service area. The city of Memphis is the largest power market in the TVA area. As the Senator from Minnesota knows, most of the profit in the electric utility business is made through distribution of electricity in concentrated areas, and 400,000 or 500,000 people live in the city of Memphis. We have before us a proposal to reinvade the TVA territory.

There has been relative peace in that area since 1939 between the Tennessee Valley Authority and the facilities serving in the Southeast. The boundaries have been relatively stable. The TVA has not crossed the Mississippi River in one direction, and the private utilities have not crossed in the other direction. The TVA has made no major expansion of its area. In fact, it has steadily resisted expansion. I will say to the distinguished junior Senator from Minnesota that I have resisted any expansion of its area. I do not want it to expand its area. It has enough to do to take care of the service area it now has. What I have pleaded for is an expansion of its generating facilities sufficient to serve the people in the area who must depend upon the TVA, and upon TVA alone.

Since 1939, when Congress passed the act establishing this service area, there has been stability in the service area. There has been relative peace between the TVA and the surrounding utilities. There has been an interchange between TVA and the Duke Power Co. There has been a satisfactory relationship. I have heard the head of that company so testify. The Arkansas Power & Light feels the same way, as do the people in Kentucky, and in Virginia, and in Alabama, and along the Mississippi. Of course, the Senator knows that the entire gridwork of the utilities of the country has interconnections. One utility will need more power at one hour and less power at another, and there is a constant exchange back and forth.

However, under these circumstances the private utilities are seeking to declare war again—in fact, they have declared war, and this is the first major invasion. The beachhead is at Memphis.

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

Mr. GORE. I yield.

Mr. HUMPHREY. I am sure the Senator is familiar with the article written by Mr. Joseph C. Harsch, special correspondent of the Christian Science Monitor, and published in the Christian Science Monitor of July 15, 1954. If the Senator will permit me to do so, I should like to read a few lines from the article, because they fit very well into the thoughts he has just expressed.

Mr. Harsch says:

> The real issue is whether the frontiers of public power should be allowed to expand, should be stabilized, or should be broken and forced back. Private power interests have been on the defensive for more than 20 years. The areas in which they were allowed to earn profits were being contracted

by other Federal projects throughout the West.

Mr. GORE. I think the author is slightly in error. Since 1939, at any rate.

Mr. HUMPHREY. I continue to read:

Now the private power interests are attempting to go over to the offensive and regain some of their lost provinces. It is a natural and inevitable historical phenomenon. Their hope is to drive a salient back into the Tennessee Valley. The President is on their side, helping them, in effect ordering the TVA to open its frontier and permit a regiment from the opponent's camp to take up a position inside the TVA lines.

Mr. GORE. Would the Senator reread the last sentence? I want the distinguished senior Senator from Alabama to hear it.

Mr. HUMPHREY. The article states:

The President is on their side, helping them, in effect ordering the TVA to open its frontier and permit a regiment from the opponent's camp to take up a position inside the TVA lines.

The next sentence goes a little further.

The chosen method is, however, under heavy criticism in Congress (a) because competitive bidding was not employed and (b) because the Atomic Energy Commission was an obviously reluctant vehicle for bringing private power back into the Tennessee Valley.

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

Mr. GORE. I yield.

Mr. HILL. Is it not true that the testimony of Commissioner Murray of the Atomic Energy Commission, to be found on page 1006 of the hearings before the Joint Committee on Atomic Energy, absolutely confirms what the writer of the article says? In testifying before the joint committee Mr. Murray said, at page 1006:

Mr. MURRAY. Well, let me answer you a little differently. I would say it is not an act initiated by the Atomic Energy Commission.

He is referring to the Dixon-Yates proposal.

I would say it is not an act initiated by the Atomic Energy Commission. It was initiated by the administration. We all know that.

There is the testimony of a member of the Commission, confirming what the writer of the article has spelled out in more detail.

Mr. GORE. There is no question that that is the case. I should like to read from another article in the Christian Science Monitor, written by Josephine Ripley. She, too, may have been a bit prophetic in this article. She says:

It is building up with great force toward a showdown.

The article proceeds to show that the administration has, without reference to Congress, altered the Federal power policy which had been built up over a long period of years in the West, in the South, and in the East. This is the boldest attempt. This is a reinvasion of the TVA territory, which had been stabilized by an act of Congress. All this fight, the Christian Science Monitor says, is building up with great force toward a showdown.

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

Mr. GORE. I yield.

Mr. HUMPHREY. I should like to ask the Senator if he would be willing to yield to me for the purpose of making a brief statement with reference to a situation which has developed in my home State of Minnesota.

Mr. GORE. Mr. President, I ask unanimous consent that I may yield to the junior Senator from Minnesota for a brief statement such as he has described, without prejudicing my rights to the floor.

The PRESIDING OFFICER. Is there objection? The Chair hears none, and the Senator from Minnesota may proceed.

CROP DAMAGE IN MINNESOTA

Mr. HUMPHREY. Mr. President, I wish to thank the able Senator from Tennessee and also the acting majority leader [Mr. BUTLER] for permitting me to make this statement.

I hold in my hand a press dispatch, dated today, from St. Paul, Minn., stating that Gov. C. Elmer Anderson declared an emergency as west central Minnesota battled great masses of army worms which have destroyed 10 percent of the area's crops. United States Air Force and National Guard planes flew emergency supplies of insect poison into the area.

T. L. Aamodt, State entymologist, said the crop damage was estimated at 10 percent and will run into millions of dollars. However, "many millions" more were saved by fast action during the weekend, he said. "Crop loss could have been 50 percent," he said.

Governor Anderson declared the emergency in order to facilitate the movement into the area of such worm-destroying chemicals as toxaphene, DDT, and parathyon. The worms damaged small grains and flax and started moving into corn, Aamodt said.

This matter was brought to my attention as of last Saturday. I immediately got in touch with the Department of Agriculture and followed up that contact this morning to see what could be done in terms of aiding the people in the western part of the State of Minnesota who are suffering from very heavy crop losses. I am happy to report that, through the cooperation of the National Association of Chemical Manufacturers, as well as the Air Force and the National Guard, along with technicians of the Department of Agriculture, a full-scale offensive is being waged against the invasion of the army worms.

I merely wish to make this comment. I have been reading in recent weeks about the favorable crop estimates which have been made by the Department of Agriculture, and I have been reading that those crop estimates indicate that there will be an ever-growing surplus of agricultural commodities.

Mr. President, I think it is time to reevaluate the crop estimates and quit using them as a propaganda vehicle and as a propaganda technique to fight an agricultural legislative battle.

A terrible heat wave has engulfed the entire Midwest and Southwest. I should like to have the Senate know that the price of corn has sharply increased. Why? Because the ticker-tape and news dispatches over the weekend inform us that the corn crop is suffering severe damage.

I make the prediction on the floor of the Senate today—and I make it in the presence of the distinguished majority leader [Mr. KNOWLAND], who commented last Saturday on the proposed agricultural legislation—that we will be thanking God Almighty that we have a surplus of corn come next fall. The corn crop in Minnesota, in Illinois, and in other areas is already severely damaged. There is about a 4-month surplus of corn. That surplus will not be enough to tide us over. The market would not be going up today as it has been if the people in the corn market did not know we are going to be faced with a shortage.

I remind my friends that we have had 90-percent price supports on corn since 1941, and we have now only a 4-month surplus of corn. Without the price supports we might not have had that much. We are going to need the corn, Mr. President.

Egg prices jumped from 2 to 6 cents a dozen from 17 cents last week. Why? It is attributable in part to the hot weather. There is one thing that neither the Secretary of Agriculture nor the Congress nor the President can take care of, and that is the weather. When we talk about agricultural legislation I suggest that, rather than look at the political barometer, we look at the real difficulty—the weather.

In this instance I point out that the price-support program we have had is going to stand us well. I repeat, we are going to find ourselves in some areas short of small grains.

Last week I received reports from my State of an attack of rust now hitting many of our small grains. There has been higher humidity in the Midwest than there has been for years. The small grains, instead of being firm, hard, and filled with nutrition, are like a cellophane capsule, without the moisture content, the stock, and the substance which should be there.

We have no great surplus of oats or barley or rye or grain sorghums. We are going to have little or no problem of surplus in connection with those grains in those areas. If the dry weather continues, there will be a shortage of pasture. That, in turn, will take its toll upon dairy herds and dairy production.

I suggest, Mr. President, that rather than to tamper with an agriculture program which has done fairly well throughout the years, we proceed to improve it and not weaken it. I cannot help but take this opportunity to say to my distinguished friends on the other side of the aisle that, from my reading of the weekend blasts as they appeared in the Sunday morning newspapers, rather than start propaganda with regard to farm legislation, they had better talk about the Dixon-Yates contract.

I listened to the distinguished Senator from Kentucky [Mr. COOPER], who pointed out the weaknesses in the atomic energy bill. I have been reading in the newspapers that he has gone as high as the White House, at least, to one

of the President's assistants, Mr. Sherman Adams, and to the Bureau of the Budget. I wish to suggest to my good friend, the majority leader, that he join with the Senator from Kentucky in proceeding forthwith to the President's office, not to talk about scuttling the farmers, but about scuttling the Dixon-Yates contract; not to talk about lowering farm income, but about protecting the public interest in the great field of atomic energy. I am of the opinion that if he will take these steps one at a time, we will do better and will proceed with more prudent judgment.

I have noticed again and again that the continuous barrage of propaganda which this Senator feels must be met head on.

I ask unanimous consent, Mr. President, that the clipping to which I have referred, pertaining to the very serious crisis in my State, be incorporated in my remarks at this point.

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

ST. PAUL, MINN.—Gov. C. Elmer Anderson declared an emergency as west central Minnesota battled great masses of army worms that have destroyed 10 percent of the area's crops.

United States Air Force and National Guard planes flew emergency supplies of insect poison into the area.

T. L. Aamodt, State entomologist, said crop damage was estimated at 10 percent and will run into millions of dollars.

"However, many millions more were saved by fast action during the weekend, he said.

"Crop loss could have been 50 percent," he said.

Anderson declared the emergency to facilitate movement into the area of such worm-destroying chemicals as toxaphene, DDT, and parathyon.

The worms damaged small grains and flax and started moving into corn, Aamodt said.

Mr. HUMPHREY. Mr. President, I wish to make note of the fact that the Secretary of Agriculture has just indicated that he expects the price supports on the 1955 wheat crop not to drop below 80 percent. This Secretary of Agriculture is the most expensive speechmaker in the Nation's history. By the Secretary's comment, he has injected much speculation into the corn market. As every Member of this body knows, when we start talking about price supports being down to 80 percent next year, we immediately throw the market out of balance. Before any more statements like those coming from the Secretary are made, which cost the farmers millions of dollars, I suggest that the Secretary commune with the weatherman. If he will do that, it may help.

Mr. GORE. Some moments ago, I had undertaken to show that by the history of section 12 (d), Congress had not intended to grant authority for the Atomic Energy Commission to go generally into the power business. I shall read from a letter which is contained in the report of the Joint Committee on Atomic Energy which accompanied the bill (H. R. 4905). The letter was written by Representative STERLING COLE, Chairman of the Joint Committee on Atomic Energy, and was addressed to Mr. Jerome K. Kuykendall, Chairman of the Federal Power Commission. I read as follows:

I enclose a proposed revision of H. R. 4905. This bill provides authority for the Atomic Energy Commission to enter into long-term power contracts for the gaseous diffusion plants at Oak Ridge, Tenn., Paducah, Ky., and Portsmouth, Ohio, and to pay cancellation charges under these contracts from currently available funds and future appropriations.

Mr. President, that is a description of the bill by the chairman of the committee. The Chairman of the Federal Power Commission replied, in part, as follows:

DEAR CONGRESSMAN COLE: Your letter of June 11, 1953, states that it would be most helpful to the Joint Committee on Atomic Energy if the Federal Power Commission could give its assurance that the cancellation provisions in the Atomic Energy Commission's long-term contracts for the production of electricity for the gaseous diffusion plants at Oak Ridge, Tenn., Paducah, Ky., and Portsmouth, Ohio, are fair to both the Government and to the power companies. Pursuant to this request, the Commission has carefully reviewed the cancellation provisions in the contracts of the Atomic Energy Commission with Ohio Valley Electric Corp., Electrical Energy, Inc., and Tennessee Valley Authority.

Thus it will be seen that in every instance the committee report refers to the grant of authority as relating specifically to the three facilities.

The bill came to the Senate. On July 6 it was called on the consent calendar.

I should appreciate the attention of the distinguished and able majority leader, for whom I have high respect and fond and friendly regard.

I am trying to show that this section of the act, the amendment which was adopted last year, has been stretched beyond the intent of Congress and beyond any reasonable interpretation. Prior to the time when the majority leader came into the Chamber, I had cited the testimony of the Atomic Energy Commission before the joint committee.

The fact is that when their draft was brought to the committee, it did not specify those three production plants, but the committee had them specify the places and the facilities where this authority was to be used.

I have just read from the report. I had already read from other parts of the report.

The attention of the Senator from California is so valuable that I wish to read briefly from the report:

This power is to be used for the operation of the gaseous diffusion plants at the three sites specified.

I read further the purpose of the provision:

The utilities cannot enter into power contracts with this limit on cancellation charges, since they cannot arrange financing with such a small cancellation charge.

That was the purpose of the bill. It came up on the consent calendar. As the Senate knows, I serve as a member of the minority calendar committee. The bill was called up on July 6, 1953. I was interested in it, because it involved a contract with the TVA. I had been instrumental in the House in the passage of an appropriation making it available. I had some doubts about the bill, and I asked that it go over for another week. In other words, I entered an objection.

At the same time, the junior Senator from Oregon [Mr. MORSE] entered certain objections and asked certain questions. Action on the bill was postponed.

I obtained the committee reports and made a study. The bill came up again on July 9, but on July 8, the previous day, the senior Senator from Iowa [Mr. HICKENLOOPER] inserted in the RECORD certain answers to the questions which the junior Senator from Oregon had asked. Those answers may be found on page 8464 of the unbound CONGRESSIONAL RECORD of July 9. Again the purpose of the amendment was made plain.

On July 9, 1953, the bill was called up. I wish to refer each of my colleagues to the colloquy which took place on the Senate floor in connection with the passage of the bill.

It is interesting to note that two of the questions which had been propounded by the junior Senator from Oregon were as follows:

First. Do the contemplated contracts with the private utilities provide for a recapture of the facility? If not, why not?

Second. Why is it that the contracts do not provide for an option on the part of the Government to resale of the power canceled?

In propounding these questions, the junior Senator from Oregon sought to inquire why, in the event of cancellation of the contracts by the AEC, the Commission should not be allowed to mitigate the canceled power by offering to find an alternate market for it, or, in the alternative, to take over control of the plants at their then unamortized cost.

In the answer provided for these two questions, the proponents of the legislation tried to make it clear that any such eventualities as proposed by the Senator from Oregon would have the effect of placing the Atomic Energy Commission in the power business. The senior Senator from Iowa, in discussing these questions during the colloquy on July 9, stated specifically that the purpose of providing for a cancellation payment in lieu of a recapture clause or resale authority was to take the Atomic Energy Commission out of the electric sales business.

I submit, Mr. President, that if Public Law 137 was enacted so as to authorize the AEC to enter into contracts for procurement of its power needs "without going into the power business," that purpose is most certainly being subverted when it is now insisted that the very same act constitutes authority for the AEC to go into the power business.

I believe that the junior Senator from Oregon [Mr. MORSE] performed a distinct public service when he propounded certain questions about that pending legislation. The Senator from Oregon had no desire to impede the progress of the AEC program. He promptly withdrew his objection to the bill as did the

junior Senator from Tennessee, as a result of the legislative record made on passage of the bill, a record which we felt clearly limited the authority contained in the bill to those contracts essential to fulfill the power requirements of the Atomic Energy commission.

In his closing remarks in connection with the passage of that bill the junior Senator from Oregon made his position clear. I should like to quote from his remarks for the information of the Senate. He stated:

I raised the questions I did last Monday, resulting in this bill's being brought up by motion rather than on a call of the Consent Calendar, because we now have in the RECORD a legislative history which I think is very much needed in connection with legislation of this kind.

Here is a piece of legislation—Mr. President, mark you well what I say—which will be used for precedental purposes in the future. I was aware of that last Monday, and I wanted the record to be clear as the Senator from Iowa has made it, so that in the future, principles which were followed in this case will be clearly understood.

When the Senator from Oregon stated that the enactment of that legislation, in the absence of a clear legislative record, might be used for purposes not intended by the Congress, he was surely being even more prophetic than he realized. Despite the efforts of the junior Senator from Oregon and others to establish a clear legislative record limiting the authority contained in the act, it is now asserted that this same authority may be used as a vehicle for the purpose of imposing the power philosophy of the President, or of others, on the people of the Tennessee Valley.

I submit, Mr. President, that if the intent of the Congress in the passage of an act, as reflected by the legislative history of subsection 12 (d) can be clearly ignored by the Executive, the Congress has no alternative other than to specify in the terms of the legislation itself the exact limitations of the authority conferred.

I thought we had done so. I hold in my hand the CONGRESSIONAL RECORD, volume 99, part 6, and I read from page 8339 a statement by the vice chairman of the Joint Committee on Atomic Energy, the senior Senator from Iowa [Mr. HICKENLOOPER], as follows:

Mr. HICKENLOOPER. * * * It is a matter of protecting the original capital investment, and also of protecting the Atomic Energy Commission. The advantage in the main, as I see it, is that it obviates the necessity of the AEC from assuming the risk, first, of either having to use all the power that is produced, or of having to go out on its own to find customers for it. It takes the AEC out of the electric sales business and transfers that responsibility to private groups.

I have discussed this matter with the Senator from Oregon. He is present and, of course, he can speak for himself. I am sure he told me that he feels satisfied at the moment with the explanations which have been given, and has withdrawn his objection to consideration of the bill at this time, as did the Senator from Tennessee.

Mr. BRICKER. Mr. President, will the Senator from Iowa yield?

Mr. HICKENLOOPER. I yield to the Senator from Ohio.

Mr. BRICKER. It also saves an investment by the Federal Government of approximately a billion dollars in plant construction, does it not?

Mr. HICKENLOOPER. It transfers the plant investment of $1 billion from the Government to two private enterprises and TVA. The three outfits jointly have assumed the capital investment risk. The survey showed that there would probably be a balance of some amount involved; but the Atomic Energy Commission would be relieved of the responsibility of making a large capital investment and the responsibility of disposing of the power. If they use the power for 10 years, as they probably will, they can at the end of the 10 years cancel the contracts, with no liability under any circumstances.

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

Mr. HICKENLOOPER. I yield.

Mr. BRICKER. Merely for the purpose of the record, after the study by the Joint Committee on Atomic Energy, the Senate members of that committee concurred in the recommendation for approval of the contract and joined in the introduction of the bill. Is that correct?

Mr. HICKENLOOPER. Yes. I am quite certain the statement I am making is factually correct, although it is late and the staff of the committee did not know this bill was to come up tonight, and so they are not here with all the statistical data we should have, but I am certain there was no vote against the bill on the part of any member who was present; and, while there might have been 2 or 3 absentees and the Joint Committee on Atomic Energy may not have been polled, I can give the Senate the assurance that after full consideration by that committee there was no objection and there was universal approval.

Mr. BRICKER. I thank the Senator.

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

Mr. HICKENLOOPER. I yield.

Mr. ANDERSON. I fully agree with the statement just now made by the Senator.

Mr. HICKENLOOPER. I thank the Senator, who is very much interested, and who I may say is a very attentive member of the Joint Committee on Atomic Energy.

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

Mr. HICKENLOOPER. I yield to the Senator from Tennessee.

Mr. GORE. At the time the AEC expansion program was inaugurated it was my privilege to conduct the hearings of the House Appropriations Committee. At that time we went into the contract very thoroughly. A number of people asked, "Why does not the Atomic Energy Commission build its own powerplants?" Other people asked, "Why must they contract with TVA for powerplants? Why do they not contract entirely with a private utility? Others asked, "Why not contract with TVA entirely?"

The Atomic Energy Commission, as the able Senator has so well said, employed outside experts to make a thorough study. They came in with a recommendation that the power load be supplied by a combination of TVA and the private concerns already named. The Atomic Energy Commission alleged, properly, that it was not a power-producing agency, that a utility system would be better equipped to construct and to operate, and in the event of a termination of the program, which is the subject of the pending legislation, those utility systems would be in a better position to use and dispose of the power. As I understand the pending bill, the immediate question has to do with the problem of financing the construction of the huge steam plants. Is that not correct?

Mr. HICKENLOOPER. Yes.

Mr. President, I wish to reread the last portion, for the purpose of emphasis:

Mr. GORE. * * * As I understand the pending bill, the immediate question has to do with the problem of financing the construction of the huge steam plants. Is that not correct?

Mr. HICKENLOOPER. Yes. I may say that in the absence of legislation of the nature of the bill the Senate is now considering, it is impossible, without the cancellation-damage contracts, to get the capital financing for these companies, because the hazard in building the plants is so great. The AEC might elect to cancel, let us say, immediately upon completion of the plant, but before any electricity is developed. At that time the AEC would have a right to say, "We have changed our minds; we do not want it." So, without cancellation-damage contracts, which at that point are substantial, but which diminish year by year for the next 10 years until they completely exhaust themselves, private companies will not undertake the work because the hazard then becomes too great. There is no sale for such an amount of electricity at the present time in that area, and they are not going to take a chance on a market being developed for it.

Mr. GORE. So I understood from studies that have been made since the bill was called on the Consent Calendar on Monday. I am now fully prepared to withdraw my objection and, moreover, to join in support of the bill.

Mr. HICKENLOOPER. The Senator from Tennessee has been very cooperative and very helpful, and I certainly appreciate his attitude. Under no circumstances do I want this bill to be passed with any substantial doubt in the mind of any Senator.

I digress, Mr. President, to say that, after all the legislative history I have cited, there was no room for doubt in the mind of anyone. Seldom have I seen an instance in which we have exercised such meticulous care, both in the committee and on the floor of the Senate, to fix definitely and specifically the meaning of the amendment as it proceeded through the legislative process.

I read further from the debate:

I want all Senators to be assured that good business practices have been followed by the AEC, and that the Commission has had only one thing in mind; namely, to get the best bill for the atomic energy program. They would ask for money to construct their own powerplants, if they were convinced that that course was better for the program, but they believe that the plan now proposed is better than one which would require them to furnish the capital investment. They consider that they are coming out with really an advantage. I want everyone to be satisfied of that.

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

Mr. HICKENLOOPER. I yield to the Senator from Louisiana.

Mr. ELLENDER. Could we not conclude that the enactment of the pending bill would be an inducement to private enterprise to furnish the electricity needed, rather than have the Congress vote for the construction of steam plants, as has been done in the past for TVA?

Mr. HICKENLOOPER. Yes, that is correct.

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

Mr. HICKENLOOPER. I yield to the Senator from Oregon.

Mr. MORSE. I desire to say, as I said yesterday on the floor of the Senate, that I appreciate the cooperation the Senator from Iowa has extended to me.

Mr. HICKENLOOPER. The Senator from Oregon is fully entitled to it.

Mr. MORSE. The Senator from Iowa has been very kind about this matter. I do not always get that kind of cooperation from my colleagues, but the Senator from Iowa always accords it to me.

I raised the questions I did last Monday, resulting in this bill's being brought up by motion rather than on a call of the Consent Calendar, because we now have in the RECORD a legislative history which I think is very much needed in connection with legislation of this kind.

Mr. President, as I said a moment ago, I know of no other instance in which such great care was taken to determine the meaning and to specify the meaning of an amendment.

Let me also observe that I know no instance, in my 16 years of experience in the Congress, in which the intent of Congress has been so violated and the clear meaning of a statute so misconstrued as in the instant case.

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

Mr. GORE. I yield.

Mr. HILL. The Senator from Tennessee has given us the history of this particular provision. Does he find anywhere, any place—in the hearings, in the committee report, or in the CONGRESSIONAL RECORD—one iota of evidence to indicate that any contract such as the Dixon-Yates proposal would be attempted?

Mr. GORE. The answer is "No"; but the case is worse than that. It is specifically set out in instance after instance—in the committee hearings, in the committee report, in the debate on the floor of the House of Representatives, in the debate on the floor of the Senate—that the authority is limited to these specified installations. Mr. President, in the construction of a statute, it is obvious that consideration must be given to what is excluded, when specification is resorted to. So I say not only is authority to do this lacking, but in instance after instance there is a specific delegation of the authority for these three facilities.

Mr. HILL. Mr. President, will the Senator from Tennessee yield again?

Mr. GORE. I yield.

Mr. HILL. In other words, as we say, this authority is nailed down and absolutely fixed to electrical energy for those three installations, and not for any other purpose; is not that correct?

Mr. GORE. Let me reread from page 2 of the report:

> The power is to be used for the operation of the gaseous diffusion plants at the three sites specified.

On every page except the last one—I see no particular reference on it—but on 4 of its 5 pages, the report spells out and specifies the limited nature of the authority granted by the amendment.

Mr. MONRONEY. Mr. President, will the Senator from Tennessee yield again to me?

Mr. GORE. I yield.

Mr. MONRONEY. Is it not a fact that the powerful three little words, "in connection with," constitute the small thread of alleged legal logic that must be twisted and distorted in order to find even a figment by which to justify using the Atomic Energy Commission as a dummy in this TVA power deal, this making of the TVA a captive customer of the Dixon-Yates group, through using to that end the dummy corporate setup or dummy corporate authority of the Atomic Energy Commission?

Mr. GORE. I agree with the Senator. I believe I used a partially incorrect analogy earlier in the day. I compared the general counsel of the Atomic Energy Commission to myself. I think I should have turned the comparison around. After the President of the United States had issued an order, after the Chairman of the Commission had become a partisan to this deal, and the general manager was obviously working hand in glove with the interests which desired it, to ask the general counsel of the Atomic Energy Commission to give a ruling as to whether this contract was legal under the Atomic Energy Act would be about like asking my 6-year-old son if he had a good daddy, when I was standing very near by. I had said it would be like asking me if I had a good boy. I think the coercion shows up more clearly when the illustration is turned around.

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

Mr. GORE. I yield.

Mr. MONRONEY. The junior Senator from Tennessee is extremely well informed, and is ably expressing himself in this case. Does he not think it is a bit strange that after the General Manager of the Atomic Energy Commission, the Budget Bureau, and all concerned had apparently accepted the order, had saluted and determined to obey the command, then they cast about to find a legal way to make this contract to supply TVA commercial users in the Memphis area? As shown in the testimony before the Joint Committee on Atomic Energy, on the 16th of June, the legal opinion, which was read today on the floor of the Senate, and which is supposed to contain legal justification for the contract, was dated June 22, if I heard correctly. So the contract was put in line, the details were arranged, the Atomic Energy Commission was directed by the Budget Bureau, and the TVA was directed by the Budget Bureau, some 6 days before the legal authority seemed important enough to be put down in black and white.

Mr. GORE. Then they asked the General Counsel, after they had done this, "Can you find authority to do it?" He wrote an "iffy" opinion even then.

Mr. MONRONEY. That is correct. Apparently he relied on the three little words "in connection with." They seem to cover the universe.

Mr. GORE. Perhaps there was a telephone connection between the points.

Mr. MONRONEY. Perhaps that is what the "connection" means.

Mr. GORE. The point I have been laboring to make tonight, however, is that if the Atomic Energy Commission is so to misuse its power, or if the Commission is to be so misused, against its will in this collateral matter, then the Congress must give deliberate consideration to every word and every line in a 104-page bill.

By this bill we are asked to grant vast powers, vast discretionary authority; yet we are seeing right before our eyes a disgraceful misuse of that power.

Mr. MONRONEY. Can the junior Senator from Tennessee tell the junior Senator from Oklahoma how we can protect and assure the people of this great country that the language in any legislation we write will not be stretched and the telephone on the desk at the Atomic Energy Commission, geared to the Executive Office of the President, allowed to supersede the law, or that the law will not be used in the manner which is not consistent with its concise language and the clear and concise history of the section of the act on which reliance is placed? I can think of nothing in the English language clearer than that portion of the committee report, and the debate on the floor of the Senate which the junior Senator from Tennessee has just read, interpreting the section on which the general counsel for the Atomic Energy Commission relies for his authority. If the general counsel had read the report and the debate, I do not believe he could have found a single figment of justification for arriving at the strained conclusion which he reached, namely, that the authority now exists.

Mr. GORE. Even in finding that the authority now exists, he predicates the opinion upon a circumstance which is nonexistent.

Let me say to my able friend, the distinguished junior Senator from Oklahoma, that democracy cannot function well in an aura of doubt and suspicion. So we are faced with the misuse of power, the distortion of power, and the granting of special privilege beyond the intent of Congress. It raises doubts and suspicions which make the working of democracy difficult indeed. I say that unless there is confidence on the part of the Congress in the executive branch of the Government, the job of legislating, as the Senator pointed out in his able address, becomes minutely burdensome indeed. Also, we must resort to restrictions upon executive agencies which would hamper their efficiency.

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

Mr. MONRONEY. May I conclude with one further thought?

Mr. GORE. I yield.

Mr. MONRONEY. Strained and difficult to understand, because of language stretching, as I find the alleged authority to be, even stranger is the new principle of tax absorption in connection with the Federal income tax. The opinion from the distinguished general counsel of the Atomic Energy Commission—at least, the portions I heard read by the distinguished Vice Chairman of the Joint Committee on Atomic Energy—still did not spell out in any way where that authority stems from. I wonder whether, in that process of stretching of language, we have now found a way by which Government departments can relieve persons with whom they contract of the burden of the Federal income tax. Such authority has not heretofore existed, to my knowledge, in the Defense Department or any other department of the Govern-

ment. I did not know it existed even in the Atomic Energy Commission.

Mr. GORE. I had an exchange with the able senior Senator from Iowa over the question of whether such a contract would be legal or illegal. In the opinion of the junior Senator from Tennessee it would be an illegal provision in the contract, and therefore would render the entire contract invalid. But whether it is legal or illegal is not the question. I submit that the question is whether it is right or wrong. Is it right to tax every business in the State of Oklahoma, every corporation, and even the little people who make incomes as low as $30 a week, and then reimburse Dixon-Yates $800,000 a year in taxes which it rightfully owes, under the operation of this contract?

Mr. MONRONEY. I certainly agree with the distinguished junior Senator from Tennessee that this is special treatment for one corporation out of thousands, and is certainly not in keeping with the intent of Congress. I also wonder whether any agency of Government, independent or otherwise, has the authority clearly to circumvent the right of Congress to levy taxes, a right which must remain solely in the Congress.

Mr. GORE. I think a constitutional question is raised as well as a statutory question.

Mr. MONRONEY. That is what I was thinking. I was wondering where we would finally land if runaway agencies had the right to say who is to be taxed, and who does not have to pay taxes.

Mr. GORE. If the President of the United States can pick up the telephone and call an independent agency of Government and say, "This particular corporation is my friend," or "This corporation is not my friend," or for some reason or other, say, "I want you to make a contract to reimburse this corporation for all its taxes," I say that is a deplorable precedent, if it serves for precedential purposes, because it will lead to vast and undesired consequences. If it is not followed by extension of the same privilege to other business corporations and persons, then it is preferential treatment which should not be endorsed by the Senate.

Mr. President, the question of overriding the decision of an independent agency and dictating a course of action contrary to its will has been raised. This is a most important issue in the controversy, as I see it. Despite the contentions of a majority of the Commission that the proposed contract is improvident, the Commissioners apparently feel they are compelled to proceed with negotiations in view of the fact that the President, through the Bureau of the Budget, has directed them so to do. I submit that the independence and integrity of this vital independent agency of the Government are at stake. I propose to discuss briefly the character and the status of the so-called independent agencies of our Government.

One has but to examine a chart of the organization of our Government to realize that these independent agencies have, over the years, come to occupy a most important position in the execution of the accepted functions of the Federal Government. Generally speaking, under the Constitution, Congress is charged with the responsibility of enacting laws and the Executive is charged with the execution of them. Cabinet posts have been created for the purpose of carrying out the detailed execution of the laws, under the direct supervision and subject to the will of the Chief Executive. But it was found advisable at an early date to create these independent agencies whose exact technical and legal status is somewhat difficult of specific description.

Mr. HILL. Mr. President, will the Senator from Tennessee yield for a question?

Mr. GORE. I yield.

Mr. HILL. A little while ago the Senator referred to capital investment. I wonder if he has any idea who are the financiers behind the Dixon-Yates proposal, what bank, or what group of banks, what investment bankers, are proposing to finance the proposal? Does the Senator have any idea as to that?

Mr. GORE. I do not. I had understood that when the von Tresckow group came forward to submit a proposal, it was required to detail its financial sponsors and supporters, to submit the names of its engineers, and to establish its competency. But all such questions regarding Dixon-Yates seem to have been taken for granted. I cannot answer the Senator's question.

Mr. HILL. Is it true that so far as the von Tresckow group is concerned, it not only appeared before the Joint Committee on Atomic Energy, but also before a subcommittee of the Judiciary Committee, and there gave all relevant and detailed facts as to how their proposal would be financed, who their bankers would be, who were the financiers, who were the attorneys who would pass on the question of bonds? They gave the whole story of their financial set-up. Does not the Senator think the Senate is entitled to know who is financially behind the Dixon-Yates proposal? Who are the underwriters of it; who are going to handle the bonds? Is it some big financial house in New York, or some group of investment bankers, or a single investment house? Who is behind the proposal?

Mr. GORE. Many questions can be asked, and many have been asked, but few have been answered.

Since the Senator has brought about a digression from my discussion of independent agencies and their importance, I should like to comment upon the exclusive character of the contract.

The Bureau of the Budget issued a statement in which it attempted to minimize the charge which the junior Senator from Tennessee and other Senators have made, that the proposal is not a competitive proposition; that the contract is tailor-made; that one concern and one only could meet specifications. I think that is true, despite the explanation of the Bureau of the Budget. I should be glad to supply the reasons why I consider it to be true.

The data sheet supplied by the Atomic Energy Commission to concerns desiring to submit proposals in this regard can be found on page 7004 of the CONGRESSIONAL RECORD of June 1, 1954.

I learned a few days prior to that date that the Atomic Energy Commission had prepared and furnished this data sheet to the von Tresckow group. I did not learn that through the von Tresckow group; I learned it independently. I telephoned Mr. Cook, in the Atomic Energy Commission, and asked if a data sheet and specifications for the proposal had been prepared. He said the data sheet had been prepared and was in mimeograph form. I asked him to send me a copy of it, which he did. I have it before me.

I have also before me the statement of the Bureau of the Budget, which reads, in part, as follows:

> There was ample opportunity for interested parties to come forth with proposals to supply the Government's needs.

Obviously, I could have made a proposal. The senior Senator from Alabama could have made a proposal. So there was ample opportunity for all interested parties to come forth with proposals to supply the Government's needs.

I read further:

> Prior to the transmission of the budget message—

Listen to this. Maybe this sheds a little light on the genesis of the proposal—

> Prior to the transmission of the budget message discussions had been held with private utility groups presently supplying power to the Atomic Energy Commission and with representatives of other private utilities.

Ah, Mr. President, that may give us a little clue. The first time I learned of this proposal was when I read that part of the President's budget message which made reference to relieving TVA of a part of its responsibility to AEC, but we see from the Budget Bureau that it had been discussed long before the budget message. With whom had it been discussed?

With private utility groups presently supplying power to the Atomic Energy Commission and with representatives of other private utilities.

I read further:

> Although the Government issued no formal invitations for bids for these additional power needs, the statement in the President's budget message received wide publicity in the general press and trade publications and was a matter of public record, particularly in the Tennessee Valley area.
>
> The question that bidding was restricted is entirely without foundation.

I wish to point out that that which is now proposed, as the senior Senator from Alabama knows, is not that which was contained in the President's budget message. The Dixon-Yates contract is something else.

Coming back to the sentence in the statement of the Budget Director, I read:

> There was ample opportunity for interested parties to come forth with proposals to supply the Government's needs.

The question is not whether there was ample opportunity for them to come forth with proposals. The question is whether they could come forth on an equal competitive basis. To that question, the answer is: "No." The data sheet and specifications are all that are

needed to prove that. Let me read from page 7416 of the RECORD of June 1, 1954. We find that the data sheet, in paragraph 2 (f), calls for—

Delivery to TVA for the account of AEC at points near or at Memphis, Tenn., for use in the Memphis area by TVA as a replacement of energy being delivered by TVA to the Paducah gaseous diffusion plant.

So it is to be delivered at Memphis. Whoever comes forth with a proposal to meet the Government's needs must come forth with a proposal to supply power at Memphis, for use at Memphis, or in the Memphis area.

What other qualifications must the bidder have, or must be submitted? We find this requirement:

2. (d) Dependable backup to permit year-round operation at 600,000 kilowatts to provide for a shutdown for normal maintenance operations.

Who has that backup?

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

Mr. GORE. I yield.

Mr. HILL. As the power business is a monopoly business, only one concern could have that backup, and that would be the concern operating in that particular territory. Is not that true?

Mr. GORE. Of course it is true. So, in the light of that qualification, let me read this statement of the Director of the Bureau of the Budget, a statement which is noteworthy subterfuge:

There was ample opportunity for interested parties to come forth with proposals to supply the Government's needs.

Ample opportunity. Everybody come. Come on, boys, and submit your proposals.

But what did they have to have? What did they have to bring with them? Not merely a proposal. They had to bring with them the capacity to back up 600,000 kilowatts of electricity for the Memphis area. Who could qualify? One, and only one.

Mr. President, this deal is tailormade for one concern, and one concern only. I referred to this data sheet on the floor of the Senate on April 22, and I stated then that if the deal were consummated on this basis, it would be an exclusive contract, tailormade for one concern, and one concern only.

I warned the administration then that if it went through with this deal it would be an oft-told story. It is being told a few times now. If the administration persists in its action, I shall personally be responsible for telling the story in every State of the Union, in all its gory details.

Let me specify another provision. This is section 2 (e):

Excess generating capacity may be used by supplier for sale to others or for own use when not needed by AEC provided reasonable credit accrues to AEC.

Who has the capacity for using energy in that area? I could come forward with a proposal, but how could I use the excess power? I have no franchise to sell power in the State of Arkansas or in the State of Mississippi. Who has it? Only the combines operating in that area.

Oh, yes, the Director of the Budget says to the American people, in a deliberate attempt to mislead them, in a deliberate attempt to cover up this deal, that there was ample opportunity for interested parties to come forth with proposals to supply the Government's needs; but the Government required them to come forth with that which was possessed by one outfit, and one alone.

I repeat: This statement is unworthy of a man holding the high position of Director of the Bureau of the Budget of the United States of America.

It is exclusive and tailormade for one, and one only.

I never took the trouble to examine in detail the proposals of the Von Tresckow group. I said from the beginning that neither that group nor any other group could successfully compete, according to these specifications. They did not have the requirements. Only one concern had them. Whom was this deal discussed with? The answer to that question may shed some light on why this is exclusive, and why it is tailormade. It may reveal the genesis of the proposition.

Many Members have inquired on the floor of the Senate, and a number of Senators have inquired of me personally and privately, where this deal came from. Let me read:

Prior to the transmission of the budget message, discussion had been held with the private utility groups presently supplying power to the Atomic Energy Commission, and with representatives of other private utilities.

Did they discuss it with all those who were free to come forth with proposals? Who drafted this data sheet? Who drew up these specifications? I suppose the group who were in the discussion.

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

Mr. GORE. I yield.

Mr. HILL. Does not the Senator believe that if we could ascertain who is to finance this proposal, who the underwriters are, who the financers are, what banks are behind it, what investment house or houses are behind it, that might throw light upon the genesis of the proposal?

Mr. GORE. I think that would shed much light, but not all the light. I think it will be necessary to start with a certain bank in New York City, and then go to a certain power lobbyist's office. Then we shall have to move to the Budget Bureau.

There are a number of places which might furnish us some interesting information; and if after next November there is a turnover in the control of this body, which the junior Senator from Tennessee anticipates, I shall submit for the consideration of the Senate an inquiry into the genesis of the proposal and of those who are involved in it.

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

Mr. GORE. I yield to the Senator from Alabama.

Mr. HILL. The Senator does not think that the office of that power lobby would be far from the Capitol, does he?

Mr. GORE. Oh, I think representatives of the power lobby have been infesting the Capital for quite a while.

(At this point Mr. GORE yielded to Mr. SALTONSTALL to present a conference report, which appears elsewhere in the RECORD under the appropriate headline.)

Mr. GORE. Mr. President, a few moments ago I started to discuss the implication of the overriding of the judgment of an independent agency. Under the Constitution, the Congress is charged with the responsibility of enacting the laws, and the Executive with their execution. Cabinet posts have been created for the purpose of carrying out the detailed execution of the law, under the direct supervision of and subject to the will of the Chief Executive. But it was found advisable at an early date to create independent agencies, whose exact technical and legal status is somewhat difficult of specific definition.

They are generally of two types. We have what may be classified as our regulatory commissions, which perform quasi-judicial functions. Included in this category are such agencies as the Federal Communications Commission, Securities and Exchange Commission, Federal Trade Commission, and the Interstate Commerce Commission.

A second type of independent agency includes those that are specifically created by the Congress for the administration of a specific Government program, in accordance with the directives set forth by the Congress in the act creating each of the individual agencies. In this category we find such important agencies as the Veterans' Administration, the Tennessee Valley Authority, the Atomic Energy Commission, the Housing and Home Finance Agency, and the Small Business Administration.

It is interesting to note that none of these independent agencies are made specifically subordinate to any of the Executive departments of the Government which are headed by a Cabinet officer.

I do not say that these independent agencies are completely independent of supervision by the Executive. It is true, however, that the degree of detailed supervision by the Executive varies as among the individual agencies. Their directors, or the members of the Executive Board or Commission, as the case may be, are appointed by the President, with the advice and consent of the Senate.

The courts have generally held that in seeking to ascertain the extent of the Executive's authority to direct the activities of a particular agency, resort must be had to the specific terms of the act creating the agency, and especially to those provisions of the act which deal with the authority of the President to remove the principal officials charged with administration of the agency's functions.

Under this criterion, it is perhaps appropriate to examine the provisions of the Atomic Energy Act of 1946 with specific emphasis on those provisions dealing with the appointment of members of the Commission and the authority of the President to remove them.

The Atomic Energy Act of 1946 provides for the appointment of the members of the Atomic Energy Commission by the President, with the advice and consent of the Senate. But the members do not serve merely at the will of the Executive. Their tenure is fixed by law. The act specifically provides that the President can remove a member of the Commission only for "inefficiency, neglect of duty or malfeasance of office."

The act does provide that the President shall direct the Commission with respect to certain of its activities. Largely, these provisions deal with the military aspects of the atomic energy program. The law instructs the President to direct the Commission to deliver atomic weapons to the Armed Forces to the extent and for such uses as he deems necessary for national security. But I find no provision in the act, Mr. President, which authorizes the President to substitute his judgment for that of the Commission in a matter involving the administrative management of the agency; nor do I find any provision in the act which authorizes the President to direct the Commission to engage in transactions which are foreign to the atomic energy program, or to use the authority conferred on the Commission as a vehicle for the accomplishment of some so-called desirable objective.

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

Mr. GORE. I yield.

Mr. MONRONEY. I appreciate especially the point the junior Senator from Tennessee is making, in that the act is specific in stating that in case of disagreement within the Atomic Energy Commission or between the Commission and the military advisory group dealing with atomic weapons, an appeal can be taken to the President, to obtain his advice.

Under the rule of law which I have often heard stated in both Houses of Congress, in spelling out this specific power is it not clearly indicated that it is the only power in this field which Congress had in mind giving the President, in respect to obtaining his advice and consent?

Mr. GORE. Yes, for the general rule of construction, as I understand it, is that by enumerating certain powers, all others are excluded.

Mr. MONRONEY. Exactly. Therefore, if Congress had intended that, in addition to the power to settle disagreements between members of the Commission or between the Commission and the military, the President, or his Bureau of the Budget, acting for him, could direct the Atomic Energy Commission in regard to such extraneous matters as the purchase of power, as a broker for a private utility company, in the interest of TVA, would not the act then have specified that the President was to advise the Atomic Energy Commission on matters affecting the procurement of electricity or that the President would have the right to advise the Commission that it could acquire electricity for other agencies of the Government, if the President so advised?

Mr. GORE. I believe the answer must be in the affirmative.

Mr. MONRONEY. So, under the old rule of exclusion, by specifically referring to the President's right in that case, as a matter of law the act indicates that Congress did not expect the President to have other rights in connection with interfering with this independent agency; is not that correct?

Mr. GORE. Yes. The junior Senator from Oklahoma made a very eloquent speech on this point, last week. It is not within my capacity to discuss this question as ably as he did. However, I assure him that my feeling about it is just as strong as his.

Mr. MONRONEY. Let me say to my distinguished friend that, bad as this contract may be, and even with all the favoritism it may involve, and dangerous as is the precedent it might set in the matter of absorption of Federal income taxes, the principle of destruction of the independence of independent Government agencies, as exemplified by this ill-conceived and ill-advised contract, seems to me to be paramount in connection with this issue. In other words, if the Atomic Energy Commission can be directed for these purposes, although the act contains language delimiting its powers in almost every way, then, once violation of the independent status of the Atomic Energy Commission has been established by this precedent, any President in the future may wilfully direct or order the Atomic Energy Commission to do this or to do that. Thus, instead of having an independent Commission, which Congress provided for, and instead of having the outstanding advice, consideration, and judgment of Commissioners of experience in atomic-energy matters, we may have employees of the Bureau of the Budget, with little or no experience in this important field, assuming to direct the Atomic Energy Commission to do things which a majority of the Commission would not like to have done.

Mr. GORE. I remember the debate on the passage of the original Atomic Energy Act. Congress realized that a very great responsibility was being placed upon the Commission. For that reason, Congress created an independent Commission. Congress did not choose to place this vast responsibility in the hands of one man. The debate included many suggestions, including one from the Director for a commission of larger membership. Finally, it was concluded that a commission of five would be established.

I remember that during the debate it was suggested that 1 member might come from the industrial field; 1 from the scientific field; another member might have a very different background or interest—with the result that, in the overall view, the Commission would be better safeguarded by having a membership of 5 rather than to have only 1 person in charge.

On the other hand, if the Commission can be overruled, if the majority decisions of the Commission are to be rendered meaningless, will not the very purpose of the act have been defeated?

Mr. MONRONEY. It certainly would seem to me to be true that it has been defeated, and that this measure will restore one-man rule in a manner which is indirect and is unreachable by Congress itself—under the pattern for which the contract establishes a precedent.

Let me say I have read the history of the act. Congress expected the Commission to be independent and to use its power to grant licenses and to develop the new atomic-energy age. The history of the act does not lead me to believe that Congress meant to have the Atomic Energy Commission be a captive agency. From reading the very carefully prepared provisions of the original act and also from reading the various provisions of the pending bill, and in view of the fact that the Joint Committee on Atomic Energy is given the power to command the services of any agency of the Government, including the FBI, in doing the work with which the joint committee is charged—and it is charged to do that, not by the Senate's rules or by the rules of the House of Representatives, but by statutory law—in determining whether the provisions of the act are being faithfully carried out by the Atomic Energy Commission, it seems to me to be obvious that Congress intended the Commission to be entirely independent, and not to be a captive agency in any way, shape, or form.

Mr. GORE. Furthermore, the powers conferred upon the joint committee are only in connection with the atomic-energy program.

Mr. MONRONEY. That is correct.

However, if the Commission is to leave its moorings and is to engage in acts of largess to other Government agencies—regardless of whether they wish such treatment—or if the Commission can proceed on a contractual basis, using for authority, in that connection, the famous three little words "in connection with," then the power of the Congress or the power of the joint committee to delimit the activities of the Commission will no longer exist.

In my opinion, the important point is that the Atomic Energy Commission is either an independent commission, per se, or it is a part of the President's official family. If it had been intended to make it a part of the regular executive establishment, I think it would have been placed under a Cabinet officer. It would have been made a subsidiary of a previously existing Government department. If it were not intended to be independent, but were intended to be subservient to the executive department, and incorporated as a branch under some Cabinet office, would it not be very strange for the Congress to surround its activities and the activities of the executive with the unusual powers of the Joint Committee on Atomic Energy, as described last week by the distinguished vice chairman of the Joint Committee on Atomic Energy?

In other words, a Government agency cannot be both fish and fowl. If it is an independent agency, the inspection, investigation, and surveillance of an independent agency is quite in line with the theory of an independent agency acting largely as an arm of the Congress. Certainly we are not writing into our relations with the normal branches of Government, under Cabinet positions,

the same kind of surveillance we exercise with respect to the Atomic Energy Commission under the Atomic Energy Act.

Mr. GORE. I believe that Congress can be presumed to have intended to do what it did. We did not vest in the Department of Commerce authority and management functions with respect to the atomic-energy program. The Congress created by law an Atomic Energy Commission, and vested in that Commission management functions, the determination of policy, and responsibility for the execution of the law and the administration of the program, with certain specific responsibilities delegated to the President. I have previously made reference to them.

Now, however, we find that the law is being disregarded, and that the integrity and independence of this most vital agency in the free world are being subverted. As I have said—and I say again—that is the most important issue involved in this unfortunate directive to the Commission to negotiate the Dixon-Yates contract.

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

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

Mr. GORE. I yield.

Mr. MONRONEY. I quite agree with the distinguished Senator that anything which would raise suspicion, doubt, and fear on the part of the public that this agency was not following the clearly defined channel of legislative authority would tend to weaken America in the atomic-energy race. It would tend to create doubt as to the wisdom of the activities of the Atomic Energy Commission, and of all the other agencies of the Government. Because of its supersecret nature, which is necessary in order that it may operate in such a manner as to conceal from prying eyes our innermost atomic secrets, when there is doubt as to whether the law is being followed to the letter, page, chapter, and verse, or whether the authority is being exercised with scrupulous care, we are saddling the Atomic Energy Commission, in the world race for atomic supremacy, with added burdens which will far outweigh any value in a direction given to it by the Budget Bureau or the President, in an indirect and roundabout effort to invade the territory of the TVA. I think the invasion of the TVA area, important though it be, is one of the very minor aspects of this whole question. I agree that such a directive sacrifices the concept of an independent agency. The doubt and suspicion which must run against the Atomic Energy Commission as a result of the law stretching in connection with this bill are of far greater importance than the contract itself or the invasion of the TVA territory.

Mr. GORE. First, the impediment to the progress of the atomic-energy program, to which the distinguished Senator made reference, is indeed important.

The Commissioners have testified that the proposed contract would not be helpful to the Atomic Energy Commission, but rather that the making of the contract and the administration of the contract for the next 25 years would be an impediment. In view of the vast importance of the atomic-energy program, both for national defense and for civilian use, does the Senator think the United States Congress should approve the dumping of this contract upon the Commission against its will, thereby impeding the development of the program?

The Commission, after due deliberation, concluded that the Dixon-Yates proposal was completely foreign to the mission and responsibility of the Commission, and that it was of doubtful legality and contrary to the public interest. In effect, the Commission has been overruled, as I have said, by a letter signed by the Director of the Bureau of the Budget directing it, at the instigation of the President, to proceed with negotiations notwithstanding reservations by its members as to the propriety and legality of the transaction.

There are those who contend that the President has every right—and indeed the duty—to overrule the members of the Atomic Energy Commission when he differs with their views. On Friday of last week the junior Senator from Arkansas [Mr. FULBRIGHT] referred to what he considered a parallel situation, in which it is alleged that the President did, in fact, exercise such authority, without question from the Congress. He referred to the instance in which the President of the United States directed the Commission to proceed with the development of the hydrogen bomb despite certain reservations about the wisdom of the project on the part of some individual members of the Commission. The RECORD conclusively shows, however, that the President did not overrule the Commission in this matter, and did not instruct the Commission against its will. I read from page 790 of the hearings:

> Representative HOLIFIELD. I will also suggest an occasion in the determination of whether the H-bomb program should be pursued when the Commission voted 3 to 2 against pursuing it, and the President made the decision that you might go ahead and make it—that you should go ahead and make it; is that true?
>
> Dr. SMYTH. May I correct that, Mr. HOLIFIELD?
>
> Representative HOLIFIELD. Yes, please do.
>
> Dr. SMYTH. The Commission never voted 3 to 2. The Commission voted unanimously that this decision should be made by the President; that it involved so many different facets of the Government and was of such far-ranging importance that the Commission voted unanimously to send a paper to the President which suggested the various facets of the problem.
>
> There were appended to that paper suggestions from the various Commissioners as to what might be the appropriate answer to this general question, but the Commission always recognized that the President should make the decision as to whether or not the H-bomb work should go forward.

I submit, Mr. President, that even though the President did, upon reference by members of the Commission, direct the Commission to pursue a certain course of action in this instance, it should be kept in mind that in so doing he was directing it to engage in a program of vital importance to our national security and which involves the military aspects of the atomic energy program, in which the President is instructed to direct the Commission by the Atomic Energy Act.

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

Mr. GORE. I yield.

Mr. LEHMAN. The reference to the President of this very important issue, the hydrogen bomb, by the Atomic Energy Commission was made, as I understand, on the initiative of the Atomic Energy Commission, and was a voluntary action, not in any way a decision which was imposed upon them against their will by the President of the United States.

Mr. GORE. That is true, with this additional important fact, namely, that it was in a field in which the act specifically delegates authority to the President of the United States.

Mr. LEHMAN. Because it is a weapon.

Mr. GORE. That is correct.

Mr. LEHMAN. As I understand—and I wish the Senator would correct me if I am not correct in my understanding—the law has given the President the right to make decisions with regard to weapons which are constructed or planned by the Atomic Energy Commission.

Mr. GORE. The law confers upon the President powers to direct the Commission in certain phases regarding the military features of the atomic energy program.

Mr. LEHMAN. That is specifically set forth in the statute.

Mr. GORE. That is correct. According to the rule of interpretation, the specified parts have the effect of excluding the parts not specified.

Mr. LEHMAN. I thank the Senator.

Mr. GORE. I appreciate the contribution made by the able Senator from New York.

That is a far different situation from that in which we find the President of the United States directing the members of the Commission to enter into a contract for the purchase of electric power, not for its own use, but for the use of some other agency of the United States Government, for an entirely different purpose.

If such a condition is allowed to go unchallenged by Congress, and if such an act remains unchallenged, then grave consequences may result. If the decision of an independent agency can be overruled on a question involving details of the management of a program which it has been directed to promote and empowered and made responsible to promote, as in this instance, it may be argued that the Executive has the same authority with respect to all the other agencies of Government. If Congress should have allowed this to go unchallenged—and of course it is being challenged on the floor of the Senate—we may be sure that other independent agencies would have been aware of the failure of Congress to defend and to protect against this invasion of the autonomy and integrity and independence of the Atomic Energy Commission.

I do not believe that anyone would seriously contend that the decisions of one of our regulatory agencies could or should be superseded by a telephone call from a member of the White House staff. I hope no such assertion will ever be made. However, unless this be challenged, then it might well be made. If the pending bill is enacted, the Atomic Energy Commission will itself take on many of the aspects of our regulatory commissions, such as the FPC. It will sit in judgment on applications for licenses and, in general, will be charged with supervision of the development by private enterprise of the atomic energy potential.

I say, Mr. President, that this Commission is vital, not only to our national security, but that it will play an increasingly important role in the development of an atomic economy. The Congress has a responsibility to make it clear beyond all doubt that in exercising their judgment on matters placed before them, the members of this Commission shall be free and independent so that they may reach their decisions on the basis of the facts as they may be developed.

I must insist, then, that section 164 is not sufficiently broad to authorize the execution of the proposed contract; nor is it sufficiently broad to give to the President the power to order the Commission, contrary to its will, to enter into a contract unrelated to its program, of doubtful illegality, and improvident in character.

If such power is asserted, then the Congress must meet that challenge.

During the course of this debate a number of things have been pointed out. Many more will need to be discussed.

Among other things, it has been pointed out that under this contract the Government would undertake to reimburse the contractor for all taxes incurred—State, local, and Federal—including income tax assessed on the profits of the contractor. Such a provision cannot be justified in any contract, whether it involves the generation of electricity or any other subject. Such a principle, if established, would be clearly contrary to the basic premise of private enterprise, which has been so vigorously defended on the floor of the Senate. Thirdly, those of us who oppose this proposal have insisted that the Atomic Energy Commission lacks statutory authority under the provisions of the Atomic Energy Act of 1946, as carried forward in section 164 of the pending bill, to execute the contract in question.

With introduction of the issue of legality of the contract, the debate has now taken a somewhat surprising turn. Subsection 12 (d) of the Atomic Energy Act of 1946 was added to the act during the first session of this Congress for the specific purpose of authorizing the Atomic Energy Commission to execute three contracts for the procurement of electric power to be used in its facilities at Oak Ridge, Tenn., Paducah, Ky., and Portsmouth, Ohio.

I have referred to the legislative history of this provision, and I have shown that the legislative intent was clear, namely, to limit the authority granted to the three specified plants.

Now the senior Senator from Michigan [Mr. FERGUSON] has offered an amendment, and with the offering of that amendment the question of legality, in the opinion of the junior Senator from Tennessee, has taken on a new meaning, and has taken a surprising turn. It appeared clear to me, as I have stated today, and to many of my colleagues, that this provision of the law could not reasonably be interpreted as authorizing the execution of the proposed contract without doing violence to the intent of Congress as reflected by the legislative history of the act, to which I have referred in detail.

On the other hand, proponents of the Dixon-Yates contract insisted vigorously that existing legislation provided ample statutory authority for the execution of the contract. In so doing, they have argued that the power to be produced from the Dixon-Yates plant would be in connection with the operation of AEC's installation at Paducah, Ky., and perhaps at Oak Ridge, Tenn. Such a position was clearly untenable in the light of the record established during the hearings before the Joint Committee on Atomic Energy and during the debate on the floor of the Senate. Stripped of all camouflage, such a contention is reduced to nothing more than an assertion that procurement of power for use by TVA amounts to one and the same thing, as the procurement of power for use by AEC.

I am constrained to believe, Mr. President, that some of our colleagues who initially held a contrary view, are now convinced of the force and logic of our arguments and have recognized the inescapable fact that section 164 of the pending bill, in the form in which it was reported by the committee, is insufficient for the purposes for which the administration sought to use it—insufficient, in other words, to give legal authority to the contract.

On July 16, the senior Senator from Michigan introduced an amendment which has been made the pending business before the Senate. The Ferguson amendment clearly can have no purpose other than to provide statutory authority for the action which the administration has already directed. I do not concede that enactment of the Ferguson amendment would fully authorize consummation of the Dixon-Yates proposal which purports to authorize AEC to enter into contracts for something called "replacement power." I am not sure I understand just what that is. Certainly, the phrase is ambiguous, and I presume that the proponents of the amendment will clarify it during the course of the debate.

Nevertheless, I think it a valid assumption that the amendment has, for its purpose, a statutory authorization for the execution of the contract. In view of this fact, the Senate might well, in my opinion, pause to consider the implications of its introduction.

As I have previously indicated, the introduction of the Ferguson amendment constitutes an admission on the part of those sponsoring it that reenactment of section 164, in its present form, would fall short of the required authorization. I think it reasonable to presume that the decision to introduce such an amendment was made pursuant to discussion by the majority policy committee, though, of course, I have no direct knowledge of any position formally taken by that group or by the Senators who participated in any discussion which may have taken place.

Mr. MONRONEY. Mr. President, will the Senator from Tennesse yield?

Mr. GORE. I yield.

Mr. MONRONEY. Is the amendment to which the Senator has referred the one which is numbered 7-16-54-E?

Mr. GORE. I believe that is correct.

Mr. MONRONEY. It reads as follows:

On page 80, after the period in line 9, insert the following:

"The authority of the Commission under this section to enter into new contracts or modify or confirm existing contracts to provide for electric utility services includes, in case such electric utility services are to be furnished to the Commission by the Tennessee Valley Authority, authority to contract with any person to furnish electric utility services to the Tennessee Valley Authority in replacement thereof."

Mr. GORE. That is correct.

Mr. MONRONEY. Would not this amendment, which proposes to legalize the Dixon-Yates contract, apply, then, entirely around the perimeter of the Tennessee Valley area? The exclusive and lucrative contract and the precedent proposed to be set for the West Memphis bonanza would allow a complete group of little bonanzas completely to surround the TVA, because anyone who supplies electric ultility services to the TVA could receive this replacement advantage with no taxes? So it is entirely a new concept.

I grant it would give legal authority, but it seems to me to be as wide open as all outdoors. Can the Senator give me any idea of how much replacement authority this amendment, if agreed to, would open up? We are talking about 600,000 kilowatts which will cost $107 million on a 5-percent capital investment. Is it capable of being expanded? Can the Senator give us any idea of what the Ferguson amendment will do in the way of helping promoters of other companies? Surely, they are not going to lock the door and throw away the key on such an investment opportunity as this. Others will want to get in on the operation as well.

Mr. GORE. Others already plan to get in on the operation. In fact, as I have previously stated, this is the first move to dismember the TVA service area and to destroy it as an integrated operating utility.

The Senator inquires as to what extent the Ferguson amendment would authorize the Atomic Energy Commission to get into the power business. The TVA is now furnishing to the Atomic Energy Commission approximately 3 million kilowatts of electricity. The proposed Dixon-Yates contract is for 600,000 kilowatts. So the Senator will see that he was slightly in error in referring to the possibility of a few more small bonanzas. They could make four more such Dixon-Yates contracts. Incidentally, one concern has already selected its site. It proposes to move into East Tennessee and build a plant on the Holston

River, near Kingsport, to partake of another contract with the Atomic Energy Commission. If this example is followed—and the amendment of the senior Senator from Michigan would authorize it and approve it—then the TVA could be invaded with a plant the size of the Dixon-Yates plant from five different directions.

Mr. MONRONEY. While I respect the TVA and feel that its operation has been a great success and has served our defense needs well, I am not as conscious of the vast importance of the TVA maintaining its territorial integrity as are the good citizens of Tennessee. Of necessity I must approach it, as I know the distinguished junior Senator from Tennessee, who is so familiar with the entire operation of TVA, approaches it, not only from the standpoint of the danger of disintegration of the operation, but also the grave danger to the body politic, to the taxpayers. If the pending bill is bad, then, if I correctly understand the junior Senator from Tennessee, the energy replacement might run as high as 3 million kilowatts, if the plan should be developed as full blossom, and instead of having an annual loss of some $3,600,000, with four other such projects it could pyramid the losses to $12 million or $15 million a year.

Mr. GORE. Yes; and if there is tax reimbursement of $800,000 a year for Dixon-Yates, there could be tax reimbursement or tax immunity, if the 5 plants are included, which would be so great that we would have to borrow the money to give them tax reimbursement.

Mr. MONRONEY. I appreciate having the Senator's views on that point. I wonder if the Senator can tell me about the tax privileges of the companies which have contracted with the Atomic Energy Commission and have done such a spectacular job in developing the atomic energy idea from the very beginning—companies which took hold of it when it was merely in a nebulous stage in the brains of scientists and developed the atomic bomb to the proportions to which it has been developed and improved, and the hydrogen bomb, and the gaseous diffusions which have been referred to. Have these companies which have done such a spectacular job in nurturing and developing this energy until we are thinking about applying it to civilian uses, had a tax exemption on their contracts with the Atomic Energy Commission?

Mr. GORE. I know of no one—no corporation, business, or person—with sufficient income to meet the tax schedules, thereby incurring liability, who is given tax immunity. This is an innovation.

Mr. MONRONEY. So no tax privileges were given to the corporations which have served so well in this field, and have taken certain risks in building up personnel and operating organizations, have achieved some gains through technical know-how, which I am sure will serve them well in the years to come. But, after all, they were dealing in prime defense projects, and were working on one thing, and one thing alone. On the other hand, this contract provides for an extraordinary tax concession, plus a guaranty in case of cancellation. Incidentally, do the companies operating the atomic-energy plants have guaranties in case of cancellation? I do not mean the utility companies which supply the power; I am speaking about the big corporations, which have operated the plants for the Atomic Energy Commission.

Mr. GORE. I am not acquainted with the details of the cancellation provisions of the contract. I think it is reasonable to presume, though, that they have safeguarded their interests with proper provisions in the contracts.

Mr. MONRONEY. They perhaps did, but I rather doubt that the cancellation privileges are so lucrative as they are in this case, which makes me wonder how liberal we can become with the taxpayers' money in underwriting a 9-percent return on a 5-percent capital stock investment, together with guaranteed cancellation rights, and the like.

I can see more hazard in the investment of time and energy in the manufacture of atomic energy by the private contractors who have gone into the business, in fact, I can see more hazard in loss of investment to tank manufacturers or aircraft manufacturers, than I can see danger of loss to the Dixon-Yates group.

After all, electrical energy is like sugar in a grocery store. There is always a demand for it. Particularly, it is being used more and more in the Memphis area. The industrial load there is growing; the commercial load is growing. Yet, despite all the benefits which will be bound to accrue from a generating plant going into that area, one would think that this was something useful for only a specific, narrow field of our defense. If there is a power shortage in the area, the Dixon-Yates group actually will take very little loss, because they will receive so much in the way of tax absorption and protection against Federal income tax, and also the big cancellation fee which is provided.

Mr. GORE. Does the Senator know of any instance in which there is less risk involved than in a contract such as this?

Mr. MONRONEY. I cannot figure it out, because the power can be carried in any direction. It can be carried north, south, east, and west, to markets in the West Memphis area. If the company wants to install a 600,000-kilowatt power generator, I think it should have the right to do so. I would not be critical even if they wanted to write it off in 5 years, as is done by defense plants or aircraft plants, and others. But I do not believe the Atomic Energy Commission would be their sole customer. In fact, the Atomic Energy Commission would not be a customer at all; it would be only a dummy. The customer would be the TVA, which is a captive customer in this matter.

If we are going to say to the Dixon-Yates group, "You can get all this for building such a commonplace facility as a 600,000-kilowatt generating plant," are we going to say "No" to those who are really doing something unusual, exceptional, of a limited, narrow range in our defense activities?

Mr. GORE. I wanted to show the Senator from Oklahoma how the Budget Bureau meets itself coming back. In its statement to the press, on page 1, it refers to the possible difficulty of marketing surplus power in the Memphis area; but on another page it says that the load is growing, and there will be no difficulty in marketing surplus power in that area.

Mr. MONRONEY. I am glad the Senator from Tennessee has mentioned that, because it seemed incongruous to me that in one place in the letter of the Budget Bureau it spoke about the inadvisability of putting up more generating plants around the Paducah area. I can readily see that too much capacity might be built there. But the people who put up the plant there did not get tax exemptions, or benefits of that kind, as they undertook to oversupply that particular area.

Then when the Dixon-Yates group are allowed to select their own area and build their own plant, which would have the greatest possible utilization in the future for their own needs to supply power to their own companies, the Arkansas Power & Light Co. and associated companies, which have rapidly growing loads, and which wire up to the REA's, and other facilities, the group can pick an economy-sized package—economy sized to the Dixon-Yates people—and locate their plant where I think they want it.

Can the Senator from Tennessee tell me: Did the Atomic Energy Commission locate the plant at West Memphis? Is there any strategic reason of national defense why someone should have put the pin in the West Memphis area and have said, "This bit of made land"—which is washed over by the floods of the Mississippi—"is the best place for our defense needs," and for strategic reasons the plant should be located here?

Mr. GORE. I should be glad to read the statement of Mr. Nichols, General Manager of the Atomic Energy Commission, in this regard, which appears on page 971 of the hearings.

In regard to the President's message at the time we were then considering actually building a plant.

The Atomic Energy Commission actually was considering building a plant at Paducah.

In other words, we were dealing with EEI, and Mr. McAfee, and the suggestion at that time was that a plant be built right at or near the site of the Paducah plant.

The EEI is Electric Energy, Inc., the combine which built the plant at Paducah.

In that case it would have been releasing TVA from a commitment.

Subsequent study from an engineering point of view, and cost point of view, indicated that the best deal for the Government would be to locate the plant in a sound engineering area.

Exactly why it would cost less to build a plant on the alluvial soil in West Memphis than to build a plant at Paducah, I do not know. From what engineering point of view he was discussing or considering, I do not know. It could have been from the standpoint of value costs. It could not have been from the stand-

point of the site where the Atomic Energy Commission needed power. The Atomic Energy Commission has no plant at Memphis. It could not have been because there were engineering advantages—physical engineering advantages—at West Memphis which were not present at the Paducah site. I think we will have to go further to find the reasons. In other words, we would take the engineering solution which was in the best interests of the Government. What was the engineering problem he was discussing? I do not believe he was talking about an engineering problem, as I understand engineering.

The power combine wanted to get a corner on the Memphis service area. Why did they want to lay claim to the Memphis service area if the TVA service area is to be dismembered? Because, as the Senator knows, the most profitable power market is the concentrated power market. Memphis is a very large city. It is a very prosperous city, and a very fast-growing one. There was a very profitable, prosperous service area, and they wanted to lay claim to it. Then the growth in the TVA service area is enormous. The growing demand for electricity in the TVA service area has now reached approximately 750,000 kilowatts a year, 150,000 more a year than the plant under discussion would provide.

The Budget Bureau has stated it would be very bad for the TVA to build the plant near Memphis, because the TVA may have a surplus of power which it will not be able to market; therefore, it would be a dangerous investment for the Government. But, on another page, the Budget Bureau states that the reason for locating the Dixon-Yates plant near Memphis is that there is a growing demand for electric power in that area, that it will be an easy market, and there will be no danger of having surplus power.

What does the Senator think of that kind of reasoning? The Bureau of the Budget has been guilty of gross subterfuge and reprehensible attempts to mislead the American people in order to cloak this disgraceful deal with respectability. It is unworthy of the Bureau of the Budget.

I desire now to call to the attention of the senior Senator from Alabama a provision in the proposed contract to which I do not believe attention has been directed thus far in the debate. I refer to the testimony of General Nichols, and also to the provision in the directive by which it is made possible, if the proposal goes through, to dump the surplus power onto the TVA at higher rates still. Is the able Senator from Alabama aware of that? Let me read to him from page 949 of the testimony of General Nichols:

> Any capacity not absorbed by the sponsors after the 3-year notice period may be assigned by the Government to another governmental agency at a price to be approved by the Federal Power Commission.

Does not the able Senator see the implications of that? This contract, improvident as it is, may not by any means be a ceiling on what this outfit may get. Suppose the Atomic Energy Commission does conclude it does not need this power—as in fact it does not need it—and thereby the contract between the private outfit and the AEC is terminated. Then—and listen to this—

> Any capacity not absorbed by the sponsors—

That is, if there was power they did not want, power they could not sell within their own service area, what do they do with it?—

> may be assigned by the Government to another governmental agency—

Now, what other governmental agency is there to take electric power? The TVA—

> at a price to be approved by the Federal Power Commission.

And if this precedent for the action of the President of the United States stands, who will be used as an agent of the power trust in this instance? The Federal Power Commission, by giving to it the power to fix a different rate than that which was charged by the TVA. Does the Senator from Alabama see the implications there?

Mr. HILL. And at this time no one could know what the cost to the TVA might be.

Mr. GORE. That is punctuated by the fact that General Nichols testified, as appears on the same page, that this outfit has already said that they did not want to sell to TVA at the rates for which they propose to sell to AEC. So we are put on notice. I do not believe that particular point has been brought out in the debate before.

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

Mr. GORE. I yield to the Senator from Alabama.

Mr. HILL. I am quite certain that this is the first time that provision in the contract has been analyzed and explored on the floor of the Senate.

Mr. GORE. I acknowledge it would be a devious procedure for the Atomic Energy Commission to make the contract which it is directed to make, for power which it does not need, and then sometime later—3 years, 1 year, or whatever number of years later—decide to cancel the contract because it no longer needed the power. It did not need it in the first place. I concede it would be a devious procedure to cancel the contract and then have the power assigned to the TVA at a rate fixed by some other agency. But I submit to the senior Senator from Alabama that this whole transaction is devious. That would be no more devious than the genesis and the consummation of the proposed contract.

(At this point Mr. GORE yielded to Mr. KUCHEL, who addressed the Senate on the subject of the Colorado River storage project. On request of Mr. KUCHEL, and by unanimous consent, his remarks were ordered to be printed in the RECORD following Mr. GORE's speech, where they appear under the appropriate heading.)

Mr. GORE. At any rate, it now becomes obvious, in the light of the offering of the Ferguson amendment, that in the absence of affirmative action by the Congress, the authority to proceed further with the Dixon-Yates contract will be even more doubtful. Indeed, I think it is clear that the proposal would be illegal. In other words, unless the Ferguson amendment is adopted, and unless the pending bill, modified to include the Ferguson amendment, is finally passed by the Congress, I do not believe there can be such a contract with the Dixon-Yates group.

Heretofore during the debate we have sought to convince our colleagues that the course of action advocated by the administration lacked congressional authorization. The admissions incident to the offering of the Ferguson amendment have operated to shift the burden of proof and the burden of action. On the proponents of this contract now rests the responsibility of demonstrating affirmatively to the Congress that the proposal is in the best interests of the United States, and that authority for the execution of this contract is essential to enable the Atomic Energy Commission to discharge the heavy responsibilities placed upon it by the pending bill. Thus the issue is now before the Congress in proper form.

In enacting the Atomic Energy Act of 1946 the Congress sought to vest in the Atomic Energy Commission such statutory authority as might be required by it to implement the atomic-energy program. Thereafter, in 1953, the Commission reported to the Congress that its contracting authority as contained in the act was not sufficiently broad to authorize the execution of contracts which were essential for the efficient operation of the Commission's production facilities. Upon the presentation of its case by the Commission, Congress speedily gave its consent. I am confident that Congress will always so respond upon presentation of facts justifying any proposal.

We are dealing here with a vital program, and with one of the most sensitive independent agencies of our Government. The Commission should be granted such authority as may be necessary to carry out its program—no more and no less.

For my part I eagerly await the affirmative presentation by the sponsors of the Ferguson amendment of the facts and purposes which justify this request for a further expansion of the Commission's authority to execute contracts. I am eager to receive factual information as to how the execution of the Dixon-Yates contract will facilitate the progress of the atomic-energy program in the quest for a successful formula by which the enormous potential of the atom may be made more readily available for our defense and to promote our economic prosperity. I shall be a most interested listener to such explanation as may be offered as to how a new philosophy of contracting authority embracing guaranteed profits, with little or no risk, and reimbursement of taxes, will enhance the traditional concept of private enterprise.

Thus the issue is before the United States Senate.

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

Mr. GORE. I yield.

Mr. MONRONEY. If the Ferguson amendment should be adopted—and I believe the distinguished Senator has a

copy of it before him—the operation of the "double-play technique," from the Budget Bureau to the Atomic Energy Commission to the TVA, could, of course, be expanded to the west coast as well, could it not?

Mr. GORE. I see no reason why it could not.

Mr. MONRONEY. Do not projects in the Grand Coulee area supply vast quantities of electrical energy to the Atomic Energy Commission—or some quantity?

Mr. GORE. That is true.

Mr. MONRONEY. This opens a new field, because obviously if we act on the theory of replacement of power, almost anywhere in that area, if some energetic and ambitious utility holding company wished to have a new generating plant underwritten on the same terms, the Ferguson amendment would open the door by legitimatizing the transaction without any test of need or use by the Atomic Energy Commission for the power, but merely on the theory of the replacement of power which is being used.

Mr. GORE. I think I would have to disagree with the Senator's interpretation of the Ferguson amendment. The Ferguson amendment specifies so-called replacement of power. I still do not quite understand what is meant by that term, but the Ferguson amendment calls for replacement of power furnished by the TVA.

If the precedents of the Dixon-Yates contract were to stand without the Ferguson amendment, if it should finally be proved to be a legal contract under section 12 (d) of the law, then I believe that what the Senator envisions would be possible. The Ferguson amendment reads as follows:

The authority of the Commission under this section to enter into new contracts or modify or confirm existing contracts to provide for electric utility services includes, in case such electric utility services are to be furnished to the Commission by the Tennessee Valley Authority, authority to contract with any person to furnish electric utility services to the Tennessee Valley Authority in replacement thereof.

Mr. MONRONEY. Mr. President, I understand what the Senator means. I had given my copy of the amendment to the junior Senator from Tennessee and did not have it before me. I understand that it would be limited by the Ferguson amendment. However, a precedent would be set which could be expanded, and undoubtedly would be expanded if the principle were legitimatized by the adoption of the Ferguson amendment, so that other areas could find this questionable connection between the Atomic Energy Commission and a dummy contracting party, and it could be used in the Far West as well.

Mr. GORE. I believe that is correct. However, the Ferguson amendment, as is plain from a reading of it, specifies that the Commission has the authority to contract with private utilities so long and only so long as they pipe power into the TVA area. Thus again we observe the discrimination. Under the Ferguson amendment it is not permitted in other areas, but it is all right for a private utility to invade the TVA area. The Commission is denied authority to generate electricity in commercial quantities by use of atomic energy, but it is all right if it wants to make contracts such as the Dixon-Yates contract with private utilities to invade TVA areas. Thus we see the philosophy and the effect of the proposed amendment. I do not believe that the amendment should be adopted.

I welcome its being offered, however, because I contend that its mere offering concedes the doubtful legality of the proposed contract. It concedes that there is not sufficient authority or at least that it is doubtful that there is sufficient authority in section 12 (d) for this proposed contract. For that reason I welcome the amendment.

If we must fight the issue on whether or not the private companies are going to dismember the TVA, we might as well fight them on the basis of 5 Dixon-Yates contracts instead of only 1 because then the Nation can see the broad outline of this attack to destroy the integrated quality of the TVA.

Of course, no proposal is yet made to sell the production facilities of the TVA—and that may never come—but when it is destroyed as an integrated operating utility with a sufficient grid network, then it is destroyed as an instrument which we have known all these years to be so successful.

Mr. President, I wish to read, not for the purpose of taking time, but because I believe it to be pertinent, an article which appeared in the Christian Science Monitor of July 15, 1954, to which some reference has already been made.

The article was written by Mr. Joseph C. Harsch and reads as follows:

WASHINGTON.—President Eisenhower is having trouble, and is likely to have a great deal more before he is finished, with TVA.

But it probably is not much easier for him than for the layman in such matters to understand all the fast and complex ramifications of an issue which cuts across not only partisan political lines in Congress but also across ideological and doctrinal lines as well, and is now building up in Washington into the most warmly fought domestic issue of the Eisenhower administration.

The immediate question is whether the President is within his authority in ordering the Atomic Energy Commission to become the instrument for reviving private electrical power activity in what might be called the existing domain of the Tennessee Valley Authority.

The President grasped the issue on June 17 when he instructed the Bureau of the Budget to instruct the AEC to conclude as rapidly as possible a contract with a chosen private power group to build a steam powerplant to feed electric power into TVA's grid of powerlines.

The official purpose of the move is budget economy. More electric power is needed in the TVA area. Everyone seems to be agreed on that. TVA wanted to provide it by building more TVA owned and operated plants. But this would have put a charge on the budget for the capital costs. The President's alternative solution to the problem is to have AEC sign a contract under which a private power company will build a plant by borrowing most of the capital needed, using the contract as security for the loans.

To call the problem a dilemma within a paradox is probably to be guilty of attempted oversimplification.

The President himself has referred to TVA both as "creeping socialism" and as a "historical fact." He has promised to restrain TVA, but also to preserve it.

Opponents on the specific issue of the contract have tended to state their arguments in doctrinal or ideological terms. However, there are many inconsistencies. For example, Senator J. W. FULBRIGHT, Democrat of Arkansas, usually has been regarded as one of the liberal or even New Deal members of the Democratic Party. But Senator FULBRIGHT is standing stanchly behind the President on this issue. His position is not unrelated to the fact that the private power plant contemplated by the President will be located in the State of Arkansas. Geography as well as doctrine is involved.

New Englanders, whatever their doctrinal views, tend to side with the President, because the construction of the private plant is expected to raise the price of electric power in the TVA area and thus narrow the present gap between TVA and New England power rates. Cheap TVA power undoubtedly has been a magnet attracting industries to the TVA area.

Conversely, many a private industrial interest is lined up with TVA because TVA does provide cheaper electric power.

The selection of the Dixon-Yates group of private power interests to build the proposed new plant is defended on the ground of private enterprise. However, private enterprise normally implies the free operation of the competitive system. The Dixon-Yates group was selected without competitive bidding. It was picked as a "chosen instrument." The General Accounting Office has raised questions about the wisdom and propriety of this form of selection.

The administration's attitude toward TVA is surrounded by paradox. When seeking a solution of Arab-Israel troubles in Palestine TVA was held up as a mighty example of what might be done, and the United States Government prepared a TVA-type plan for the development of the Jordan River. TVA may be creeping socialism at home, but it is considered an excellent export commodity for Arabs and Israel.

Behind all this is, of course, one basic politico-economic fact. TVA has built a public electric power doman in the Tennessee Valley and the opportunity for making private profit out of electric energy has largely been excluded from that domain.

The real issue is whether the frontiers of public power should be allowed to expand, should be stabilized, or should be broken and forced back. Private-power interests have been on the defensive for more than 20 years. The areas in which they were allowed to earn profits were being contracted by TVA and by other Federal projects throughout the West.

Now the private-power interests are attempting to go over to the offensive and regain some of their lost provinces. It is a natural and inevitable historical phenomenon. Their hope is to drive a salient back into the Tennessee Valley.

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

Mr. GORE. I shall be very glad to yield to the distinguished Senator from Alabama.

Mr. SPARKMAN. I note with interest the statement that the private-power interests want to regain some of their lost provinces—as if that territory had been taken away from the private-power interests.

Mr. GORE. And could be properly regarded as a province.

Mr. SPARKMAN. Yes; and that they, and they alone, have a right to serve it. But let me ask the Senator if this is not true: The Senator from Tennessee was a Member of the House of Representatives in 1939 when the bill was con-

sidered which divided the territory between TVA and the private-power companies in the TVA area generally.

Mr. GORE. That was my first year in Congress, and I voted for the bill.

Mr. SPARKMAN. As a matter of fact, I sponsored the bill in the House. The then Senator from Nebraska, Mr. Norris, sponsored it in the Senate. Long and thorough hearings were held. I am sure the Senator from Tennessee well recalls what happened. A witness for the bill and the principal proponents of the proposed legislation was none other than Mr. Wendell Willkie, who was president of the Commonwealth & Southern Co., the holding company for the power companies in that area. Does the Senator recall that.

Mr. GORE. I do, indeed.

Mr. SPARKMAN. It was the representative of the private power companies who urged that this division be made in order, as Mr. Willkie put it, that there might be peace in the valley. Prior to that time there were in some places—not in a great many, because the problem had been worked out peacefully—in some areas and municipalities competing distribution systems. It was thought advisable by all concerned, and certainly by Mr. Willkie himself, that there should be worked out a plan to insure against those competing distribution systems in the respective areas.

So it was that he proposed this plan which was written into law, and, under the law, an understanding was had as to what territory the private companies would serve thereafter and what territory the TVA would serve.

I am sure the Senator from Tennessee remembers that only last year in the hearings before the Senate Appropriations Committee a spokesman for the Southern Co. referred to the agreement under the act of 1939 and to the fact that since that date the agreement had been meticulously observed by both sides. The Senator from Tennessee was present when that statement was made.

Mr. GORE. I recall it.

Mr. SPARKMAN. I am certain he remembers it quite well.

Mr. GORE. Then why is there the charge that TVA, like an octopus, is trying to spread its vicious tentacles all over the Nation?

Mr. SPARKMAN. I am glad the Senator is bringing out that point, because it seems to me there is a great misunderstanding. Many expressions have been heard on the floor of the Senate about the TVA trying to expand. As a matter of fact, for the past 15 years the TVA has not expanded its province, if one may use that term. It has not expanded its territory one single mile.

Many areas in the general area, in my own State of Alabama, for instance, back in the early days, wanted to get TVA service, but they could not, because the act of 1939 drew the line. If the Senator will go back to that act, he will find that, so far as Alabama is concerned, every county which is served by the TVA is named in the act. There are only 12 counties and two additional municipalities in my State.

There is a limited number of counties in Mississippi, perhaps 15 or 20; something like that. All of the State of Tennessee is included, with the exception of the litle corner up in the northeastern part of the State.

All of that territory was embodied in the transfer of properties made at that time, and was provided for in the division of territory between the two different forces.

In view of that fact, does the Senator think it is a fair and reasonable statement to imply that provinces were taken away from the private power companies, and that they have a right to try to recover those provinces?

Mr. GORE. I do not. I do not believe the area can properly be regarded as a province of any group, either previously or in the future. I know that many demands are made upon TVA to extend its lines into additional territory. The TVA has resisted those demands. I have resisted them. I know of not a single instance in which I have urged the TVA to expand its territory. Upon many occasions, on the contrary, I have indicated to the TVA that I did not wish to see the territory of its service area expanded.

So the use of the words "expansion of TVA," when they take on the meaning of a geographical expansion of the service area, is entirely erroneous. This expansion which TVA has sought, and which I have advocated, is the same kind of expansion as has taken place in the case of Duke Power Co., Georgia Power Co., Alabama Power Co., Mississippi Power Co., Arkansas Power Co., Virginia Power Co., Niagara Power Co., and every utility in the United States. What is that expansion? It is growth—the addition of generating capacity within its own service area to meet the needs of its service area.

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

Mr. GORE. I yield.

Mr. SPARKMAN. What the Senator from Tennessee says is absolutely correct. The growth calls for expansion of service. That takes place not only as the population may grow or as industry may grow, but even as additional appliances are put into the individual homes, greater use is made of electricity.

As a matter of fact, is it not true that whereas many persons have thought of the yardstick as being something simply to measure the cost of power—what the cost should be as it is generated—Mr. Lilienthal has said, in his book regarding the TVA, that the real purpose of the yardstick is to get the people to use more electricity, and by the additional use of the electricity, to drive down the cost per unit of manufacture of the power, and that therein lay the real purpose of the yardstick?

Mr. GORE. That brings up the subject of the power policy of the TVA, which was written into the basic act, namely, a mass use; and a low rate makes for mass use.

Mr. SPARKMAN. A low rate made possible by mass use.

Mr. GORE. Or a mass use made possible by low rates.

Mr. SPARKMAN. The two go together.

Mr. GORE. The same principle is applied successfully in the automobile industry.

Mr. SPARKMAN. I know it is true in Alabama, and I am certain it is true in the other areas, that the very principle as advanced by the TVA has been followed by some small private-power companies, who have followed a similar policy, and therefore, we have seen, I dare say, in the Southeast, in the area around TVA, a greater stepup in the use of electricity, perhaps, than in any other section of the United States.

Mr. GORE. Has not that principle benefited particularly all the surrounding area, and generally all of the United States, also?

Mr. SPARKMAN. Certainly, it has; and in our own areas we have seen the rates of private companies come down as the use of power went up.

Mr. GORE. And the power companies have made more money.

Mr. SPARKMAN. They have made more money. I referred a few moments ago to the act of 1939, which was advocated by Mr. Willkie. I recall quite well those hearings, which were held before the House Committee on Military Affairs, of which I was a member, that committee having had jurisdiction, as the Senator may recall, of legislation pertaining to the TVA, because of its defense aspects.

I recall what happened to the value of stock in the Alabama Power Co. at that time. The Alabama Power Co. was a good company, doing a good job throughout the State of Alabama as a whole, but still operating under the more or less restrictive practices under which every private power company operated prior to the demonstration of the true yardstick of TVA.

Mr. GORE. In other words, one could get power if he was not more than four blocks from the nearest consumer.

Mr. SPARKMAN. Yes, and under similar conditions. But at that time stock in the Alabama Power Co. was being sold for about 50 cents on the dollar. After peace came to the valley, as Mr. Willkie expressed it, the value of the stock rose steadily until within, I should say, a year's time it was selling for 100 cents on the dollar, and even more.

I have mentioned that as an illustration of the point which the able Senator from Tennessee has just made. As a matter of fact, the private power companies themselves profited, as did the people living in that area.

Mr. GORE. The Senator from Alabama certainly challenges me in his reference to Mr. Willkie's statement that peace had come to the valley. Certainly peace between the TVA and the surrounding utilities has prevailed since the passage of the act of 1939 until now, when the private utilities are attempting to establish a beachhead in the TVA service area.

Mr. KNOWLAND. Mr. President, will the Senator from Tennessee yield at that point, without the Senator's losing his right to the floor?

Mr. GORE. I yield.

Mr. KNOWLAND. I am not constrained to make a point of order, but normally the Senator would be governed by the rules; and the Senator who has the floor can yield only for a question.

I could quite understand the delaying tactics last week, because there were absent certain Senators whom it was desired to have present to vote, but I think it is very apparent that there is in progress, whether it be called a filibuster or merely delaying tactics, an effort to prevent the Senate from voting on this amendment.

I had hoped that the liberal wing of the Democratic Party would not engage in a filibuster to prevent the Senate of the United States from functioning, but I must say, in all fairness, that I intend to ask that the rules be strictly enforced hereafter, and that Senators who have the floor may yield only for a question.

Mr. GORE. Mr. President, the observation by the distinguished majority leader requires some limited comment. The junior Senator from Tennessee was present in the Chamber at 3 minutes past 10 this morning, ready to address the Senate on the subject of the Ferguson amendment. I sat here until 1:20 this afternoon, while colloquy and debate occurred on the other side of the aisle. Finally, at 1:20, I obtained the floor and proceeded to make my first speech on the pending bill in opposition to the Ferguson amendment. I have not yet completed my first address on this amendment, because it is a very far-reaching provision. It is broader than the Dixon-Yates contract. It proposes to put the Atomic Energy Commission into the power business to the extent of five times the amount of power conplated in the Dixon-Yates contract. I should like to inform the Senator that if this misuse of power, this distortion of the authority granted to the Atomic Energy Commission, in a collateral matter, this misusing of the Atomic Energy Commission for a wrong purpose, a purpose unrelated to its program, is an example of what we can expect in the administration of the atomic-energy program, then there are many provisions in the bill which will require extended consideration.

I have not addressed myself to the licensing provisions, which I think are very important. I have not yet discussed the provisions in the bill by which patents for profits can be handed out to the companies that have been, by contract, on the inside of the operation of this program.

It is not my purpose to conduct a filibuster. That is beyond my capacity to manage singlehandedly. I do expect to seek, in a parliamentary way, an opportunity to discuss the very far-reaching provisions of the bill, and the fact that the administration has sought to misuse the Atomic Energy Commission as a vehicle to drive the private power trust back into the TVA service area. I think that requires additional discussion and additional examination, because the proposal has triggered an explosion of mistrust and of suspicion that clouds the whole program.

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

Mr. GORE. I yield to the Senator from California for a question.

Mr. KNOWLAND. Does the Senator not know that there is also a great deal of additional important proposed legislation which will not be taken up, obviously, until the pending bill is disposed of? Does the Senator not also know that the consideration of the bill will be continued until the Senate has had an opportunity to vote it up or down? I am sure the Senator from Tennessee thoroughly understands that the bill is not going to be laid aside for any other proposed legislation.

Mr. GORE. The junior Senator from Tennessee is quite well aware of the important legislation which is pending. The junior Senator from Tennessee is not aware of any pending legislation, or any legislation with which this Congress has dealt, which approaches the pending bill in importance. Here is the most important bill with which this Congress will deal, and the majority leader seems bent upon haste.

Why was there not some haste when we spent 5 weeks on the Bricker amendment? Why was there not some haste when we were meeting 3 days a week? Why was there not some haste when we were adjourning at 3:30 in the afternoon, with practically nothing to do? Why must there be haste now, when the Dixon-Yates deal is under examination? I shall yield for a further question if the Senator desires to comment in the form of a question.

Mr. KNOWLAND. The Senator knows, does he not, that, as compared with any other session of the Congress in recent years, the Senate has met practically daily throughout the session? The workload had been spread throughout the entire session. The distinguished Senator himself, when he indicated last week that some of the Senators were necessarily absent from the city and wanted to be present to vote, gave what the majority leader thought was a very clear indication that he would be prepared to vote come Monday of this week. I may have misunderstood the distinguished Senator, but I certainly had no reason to believe that the liberal wing of the Democratic Party would engage in a filibuster which would prevent the Senate of the United States from coming to a vote on any of the amendments.

Mr. GORE. The able majority leader for the second time has identified the junior Senator from Tennessee with the liberal wing of the minority party. I think I might be called a switch-hitter. I will hit from the right side of the plate when I like that position, and from the other side of the plate when I like that position. I do not wish to be typed as a liberal or a conservative, or as belonging to any wing. I am a Member of the United States Senate, and I take my position as I see it. I swing at the ball as I see it.

I am not advised as to the plans of the majority leader with respect to this bill or other bills, but I must say I do not see that any great harm is going to be done if the Congress adjourns on August 15 instead of July 31. The American people are not too concerned about 2 weeks' time. Our constituents may be glad to see us, but they will be just as glad to see us on August 15 as they will be to see us on August 1. So far as I am concerned, I expect to seek whatever time is necessary adequately to discuss the provisions of the bill; and the deal that is sought to be consummated requires a more careful examination of the bill than would otherwise be the case.

Mr. SPARKMAN. Mr. President, will the Senator from Tennessee yield for a question?

Mr. GORE. I yield to the Senator from Alabama for a question.

Mr. SPARKMAN. A short time ago the Senator from Tennessee was discussing the matter of expansion of power within the TVA area. The Senator has already explained that the expansion was necessary to meet the normal growth of the community, but is it not true that the greater part of the required expansion came as a result of power being requisitioned by the Atomic Energy Commission, until, within another year, 2 years, or 3 years, about 55 to 60 percent of all the power generated by the TVA will be used by the Atomic Energy Commission?

Mr. GORE. That is true. That is particularly true also of other national defense establishments. Much has been made by critics of the fact that, whereas once the power produced in the valley was predominantly hydroelectric, and a minority steam, now we are tending toward a majority of the power being produced by means of steam plant generation. The specific reason for the production of that kind of generation has been the demands at Oak Ridge and Paducah, and the other national defense establishments in that area.

Mr. KNOWLAND. Mr. President, will the Senator from Tennessee yield for a question?

Mr. GORE. I yield to the Senator from California.

Mr. KNOWLAND. If I am not mistaken, and the Senator may correct me if I am, did I not understand him to say, when I suggested that a filibuster was in operation, that the time spent on the bill was not particularly great, and that we had had, during other and earlier days of the session, perhaps a light workload? Would the Senator be interested in my placing in the RECORD a comparison between this session and prior sessions of the Congress, and the amount of time consumed by both sides of the aisle during debate on the bill, and up to the time of the obvious filibuster which is in operation to prevent the Senate voting on even a single amendment?

Mr. GORE. Mr. President, I ask unanimous consent that I may yield to the distinguished senior Senator from California [Mr. KNOWLAND], for the purpose of enabling him to request unanimous consent for the insertion in the RECORD of whatever material he desires to have inserted, and to have that done without prejudicing my right to the floor.

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

Mr. KNOWLAND. Mr. President, I ask unanimous consent to have printed in the RECORD, at the conclusion of this colloquy, data on the legislative activity from the start of the session through June 30, and also a memorandum on the number of pages and the number of lines of the CONGRESSIONAL RECORD used to date by the debate on the proposed revision of the Atomic Energy Act of 1946.

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

Data on legislative activity from start of session through June 30—Senate

	83d Cong. 2d sess.	83d Cong. 1st sess.	82d Cong. 2d sess.	82d Cong. 1st sess.	81st Cong. 2d sess.	81st Cong. 1st sess.
Date session began	Jan. 6, 1954	Jan. 3, 1953	Jan. 8, 1952	Jan. 3, 1951	Jan. 3, 1950	Jan. 3, 1949
Days in session	114	80	86	80	101	88
Time in session:						
Hours	630	424	444	431	591	523
Minutes	39	9	19	26	6	34
CONGRESSIONAL RECORD:						
Pages of proceedings	5,354	3,795	3,479	3,679	4,569	4,173
Appendix						
Public bills enacted into law	53	19	44	10	38	34
Private bills enacted into law	105	23	136	20	67	21
Bills in conference	3	1				
Bills through conference	5					
Measures passed, total	839	296	479	331	352	406
Senate bills	365	139	199	125	136	169
House bills	332	61	180	91	121	129
Senate joint resolutions	14	6	5	6	7	15
House joint resolutions	12	4	17	7	7	14
Senate concurrent resolutions	19	9	14	13	11	18
House concurrent resolutions	19	8	4	8	11	7
Simple resolutions	78	69	60	81	59	54
Measures reported, total	[1] 927	[1] 366	[1] 615	[1] 418	[1] 599	[1] 475
Senate bills	423	172	249	175	245	209
House bills	347	68	240	121	245	152
Senate joint resolutions	20	10	14	9	8	17
House joint resolutions	8	5	13	9	9	15
Senate concurrent resolutions	17	11	15	13	15	20
House concurrent resolutions	12	8	3	9	8	7
Simple resolutions	100	92	81	82	69	55
Special reports	13	13	16	16	19	16
Conference reports						
Reported measures not acted on	[2] 124	[2] 48	[2] 160	[2] 75	[2] 313	[2] 55
Measures introduced, total	1,292	2,247	1,087	1,833	1,088	2,236
Bills	1,089	2,020	918	1,579	917	1,974
Joint resolutions	59	81	47	74	47	98
Concurrent resolutions	39	30	26	32	26	42
Simple resolutions	105	116	96	148	98	122
Quorum calls	132	94	81	108	203	194
Yea-and-nay votes	82	29	53	48	115	103
Bills vetoed	4		2	1		
Vetoes overridden						

[1] These figures on measures reported include all placed on calendar or acted on by Senate even if there was no accompanying report. A total of 641 reports has been filed in the Senate; a total of 602 has been filed in the House.
[2] This figure does not agree with the total difference between bills reported and bills passed, because resolutions and bills placed on the House Calendar without having been formally reported were not included in figures of measures reported to the House; the difference in the case of Senate figures is due to uncounted bills "laid on the table" or "indefinitely postponed." Reported measures not acted on include measures reported during 1st session.

Revision of Atomic Energy Act of 1946, pages in Congressional Record (lines)

	Republicans	Democrats
Tuesday, July 13:		
Time in session: 11 to 8:38 p. m.		
10		
38 pages	*Lines* 1,832	*Lines* 1,128
Wednesday, July 14:		
Time in session: 12 to 7:50 p. m.		
26		
85 pages	258	4,986
Thursday, July 15:		
Time in session: 10 to 10:14 p. m.		
55		
112 pages	3,686	9,393
Friday, July 16:		
Time in session: 10 to 9:11 p. m.		
39		
70 pages	3,760	8,047
Saturday, July 17:		
Time in session: 10 to 6:47 p. m.		
21		
80 pages	58	3,363
Total	9,594	26,917

Mr. KNOWLAND. Mr. President, I wish to thank the Senator from Tennessee.

Mr. GORE. Mr. President, I thank the Senator from California.

Mr. SPARKMAN. Mr. President, will the Senator from Tennessee yield for a question?

Mr. GORE. Yes, as soon as I make this brief statement:

Mr. President, I have certainly been glad to yield to the majority leader, to enable him to insert in the RECORD whatever material he desires to have inserted. I hope it will show the 5 weeks spent on the Bricker amendment. I am not sure it will show the number of days on which we did nothing, and the number of days when we had practically nothing but the Consent Calendar. I know, as the majority leader has said, that that is rather typical of every session, not only of the Senate, but also of the House of Representatives. We persist in acting like schoolboys—loafing during the first part of the session, and then cramming for the final examination.

But here is the most important piece of proposed legislation to come before this session, and it involves issues of national and of international importance. I do not think it should be unduly rushed.

Mr. President, I yield now to the Senator from Alabama, for a question.

Mr. SPARKMAN. Mr. President, I wonder whether the Senator from Tennessee can distinguish between the debate on the so-called Bricker amendment—which, according to the Senator's statement, required 5 weeks—and the debate on the pending bill, which now has been going on for 1 week, has it not? It began last Monday, did it not?

Mr. GORE. No; I believe it began last Tuesday.

Mr. SPARKMAN. Perhaps it did begin on last Tuesday. So the discussion has been going on for 1 week; and we who wish to speak on the bill are charged with conducting a filibuster. However, the Bricker amendment debate lasted for 5 weeks, when the majority leader very ably was trying to kill it or stop it. Yet did the Senator from Tennessee ever hear the majority leader refer to the 5 weeks of debate of the Bricker amendment as a filibuster?

Mr. GORE. I do not recall that he did.

I should like to point out that, as I recall, the only debate we had on the pending bill on Tuesday—and the majority leader can correct me if I am in error—was a statement of about 15 or 20 minutes duration, late in the evening on Tuesday. So we really have not had a week's debate on this bill; we are yet 1 day short of a week, I believe. Late on Tuesday evening, the junior Senator from New Mexico [Mr. ANDERSON] made a short statement, in order to place certain material in the RECORD; that is my recollection.

But be that as it may, the debate on this bill has not been extended—not as extended as I think it should be.

As a matter of fact, when the distinguished majority leader asked me to yield, I had about concluded the speech I had expected to make today against the amendment of the senior Senator from Michigan. If there is no objection on the part of any Senator, I shall now proceed to summarize that speech; and then I shall suggest the absence of a quorum.

Mr. President, the amendment submitted by the senior Senator from Michigan [Mr. FERGUSON] is a concession to the doubtful legality of the Dixon-Yates contract. The amendment concedes, I believe, that section 12 (d) of the act does not contain sufficient authority for the contract.

Mr. President, why does the senior Senator from Michigan think the amendment is necessary? I would rather have him explain it himself. In a speech earlier in the day he gave his reasons, which the RECORD will show; and he listed specifically that the reason why he was submitting the amendment was the doubt that had been raised as to the legality, as to the authority contained in this section of the act. However, his amendment would do far more than quiet the doubt as to the extent of the authority of this section, for his amendment would authorize the Atomic Energy Commission to go into the power business to the extent of 3 million kilowatts a year. Let all Senators read his amendment, Mr. President. So, not only would one Dixon-Yates contract be authorized by the amendment, but 5 times that much would be authorized, if the amendment were adopted.

Mr. President, why do I object to the proposed procedure? First, because the order of the President overrides a majority decision of the Atomic Energy Commission to the contrary; and that overriding requires the making of an improvident contract of at least doubtful legality, for a purpose unrelated to the Atomic Energy Commission's program, and for a purpose which would serve to profit unduly a specially privileged group.

Second, it shocks and does violence to the confidence of Congress and the intent of Congress—by stretching a statute far beyond its intended meaning and far beyond the reasonable interpretation of the legal language.

Third, it proposes an unprecedented contract which would give complete reimbursement of all taxes. If that were used as a precedent, it would lead to disastrous consequences to the Treasury, and to favoritism to corporations. If it were not followed as a precedent, it would result in inequitable treatment and unfair privilege to this one corporation, selected from all corporations.

Fourth, it would violate the "peace in the valley" to which the junior Senator from Alabama [Mr. SPARKMAN] has referred, abrogating agreements reached between the Tennessee Valley Authority and the utilities in the area by establishing, with Government subsidy, a beachhead of the private power trust in the Tennessee Valley. I say that this example has triggered an explosion of distrust, doubt, and suspicion which requires meticulous examination of the other vast power proposed to be conferred by the bill.

Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The Chief Clerk proceeded to call the roll.

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

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

During the delivery of Mr. GORE's speech,

Mr. GOLDWATER. Mr. President, on July 17, in discussing this controversial subject, the junior Senator from Oregon [Mr. MORSE], during the course of his remarks, made the statement:

> There is no public power yardstick in the pending bill. In fact, sometimes I wonder what kind of stick is in this bill.

He was referring to the yardstick which we hear discussed so much in the course of this debate. He further stated that he was an admirer of Bobby Jones as a golfer, but he said also:

> I am not blind to the fact, however, that he is also a director of one of the great power companies, the Southern Co., and I also know that it is a major member of the Dixon-Yates combine.

The Senator from Oregon went on to say that he wondered "if what we are doing is substituting the golf stick for the public power yardstick."

Mr. President, being a devotee of golf myself, I had occasion yesterday to measure a golf stick, a putter. It is 36 inches long. It is a true yardstick. It contains all the inches that are prescribed by the Bureau of Standards. However, the power yardstick we have been hearing about is a phony yardstick. It is only 18 inches long. I am sure that any golfer in the country would like to use a TVA yardstick, because his drives would measure twice as long.

I do not know what the junior Senator from Oregon was driving at in that particular statement. I think it might be one of three things. However, I seriously doubt, in fact, I refuse to believe, that he would impugn the character of one of the greatest sportsmen of this era, Bobby Jones, by inferring that possibly Bobby Jones' association with the President might have resulted in the situation of this contract.

I likewise refuse to believe that the Senator from Oregon would impugn the character of the President of the United States by suggesting that the President would take advantage of the friendship of such a great sportsman as Bobby Jones.

Third—and this is the one that I should like to think the Senator from Oregon was driving at—is the fact that the President plays golf.

That is not unusual. We have had Presidents in our time who have hunted, we have had Presidents who have been yachtsmen, and we have had Presidents who have played some poker. We have likewise had some Senators who have engaged in some extracurricular activities when they have had the time for them.

Some of us play golf, some like boating or yachting, some enjoy hunting, and some enjoy raising show horses or black angus cattle.

If the remarks of the junior Senator from Oregon were directed to the fact that the President plays golf for recreation, he is echoing a criticism of the CIO, and I would just like to suggest that those who live in glass houses should not cast stones. Very few Senators and very few Representatives—and certainly it is true of the occupant of the White House—find it possible to complete their daily chores in 8 hours. We do not get overtime pay for working 12 hours or 18 hours, and sometimes 24 hours a day. We get the stipend that is outlined by law, but no overtime. The members of the CIO collect overtime after 8 hours of work. They play golf, too. I am glad they do, because millions of Americans play golf and enjoy it.

If that is what the junior Senator from Oregon was directing his remarks at, he was in error, because the President certainly is entitled to some spare time to spend with his family and in pursuit of the recreation he enjoys.

Mr. President, I am not surprised that the suggestion of a phony yardstick should come from the members of the New Deal. In the past 20 years they have given us a phony peace; they have given us a phony dollar, which is worth a little more than 50 cents; they have given us a phony farm plan that does not work, and they have certainly given us a lot of phony characters around the city of Washington. Now they want to substitute a phony 18-inch yardstick for the real thing, and are trying to show that its use has resulted in lower power costs to the people of America. That is not true.

Mr. President, I ask unanimous consent to have included, as a part of my remarks, a statement which I have prepared showing, among other things, a bigger reduction in the cost of electricity before the development of TVA and Bonneville.

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

STATEMENT BY SENATOR GOLDWATER

Back in 1892 when the electric-power industry was in its infancy, the average selling price was 22 cents per kilowatt-hour. By 1912 this average price had been reduced to 9.1 cents per kilowatt-hour, a reduction of 60 percent in this 20-year period.

In 1912 the average rate per kilowatt-hour for 100 kilowatt-hours per month was 8 cents. In 1932 the average rate for 100 kilowatt-hours per month was 4.6 cents per kilowatt-hour, a reduction of 42½ percent. In 1952 the average rate was 3.7 cents for 100 kilowatt-hours per month, or a reduction in the 20-year period of 19.6 percent. For 250 kilowatt-hours per month the average rate in 1912 was 7.8 cents per kilowatt-hour and in 1932 it was 3.8 cents per kilowatt-hour, a reduction of 51.3 percent. In 1952 the average rate was 2.8 cents per kilowatt-hour, a reduction of 26.3 percent.

In 1953 the average domestic customer in the United States used 2,350 kilowatt-hours, so his average requirements would lie between the 100 kilowatt-hours per month and the 250 kilowatt-hours per month. In other words, for the 20-year period prior to the advent of TVA and the great public power expansion, the decrease in rates for those using 100 kilowatt-hours per month was 42½ percent, and the following 20-year period, in which public power has shown its greatest growth, the decrease was 19.6 percent. For the domestic customer using 250 kilowatt-hours per month, in the 20-year period prior to the public power expansion, the decrease in rate was 51.3 percent as against 26.3 percent for the 20-year period in which public power showed most rapid expansion.

In 1932 the Federal tax against the utility companies amounted to 3 percent of their gross revenue. In 1952 the Federal tax amounted to 14 percent of the gross revenue. In other words, in this latter 20-year period the taxes against the privately financed electric industry have increased 11 cents out of each gross dollar of revenue, or 367 percent, a tax which governmentally owned and operated electric utilities avoid.

In addition to this, labor, fuel, and a good many other costs have approximately doubled in the last few years. And still the electric companies continue to reduce their rates for electric service.

The expansion of governmentally owned electric facilities has not been responsible for the reduction in rates. Technological development, which has been accomplished entirely by free enterprise, has resulted in the rate reductions. On this the governmentally developed electric systems have taken a free ride. At a matter of fact, Government activity in the electric power field has no doubt held up the average rate for electricity over the country rather than contributing to the reduction. There is no doubt but that Federal developments in this

field have materially increased taxes and the electric industry is one of the heaviest taxed of all industries. A Federal development, and other segments of Government in the electric power industry, dodge taxes on initial development and operating revenues, and shift the tax burden to taxpaying free enterprise operations.

When it is considered that every $1 increase in taxes requires more than $2 of additional revenue, it can readily be seen that the tremendous increase in Federal taxes has had a material influence on the rates that must be charged by private enterprise undertakings. The privately financed utility companies could have done a better job than they have done in reducing rates if they had not had to face the tremendous tax increase which the public power boys succeed in dodging.

The technological advancement has resulted in reducing generation, transmission, and distribution costs and has provided new devices, inventions, etc., which have materially increased the use of power which in turn contributes to the reduction in rates. As an example, when Edison first started his plant, it took approximately 10 pounds of coal to produce 1 kilowatt-hour. Modern plants today use about three-fourths of a pound. In the beginning power could only be transmitted from 2 to 3 miles, which required construction of numerous small generating plants. Today it can be transmitted at high voltage for hundreds of miles. This permits the construction of great central station plants. The tremendous number of new devices which have been developed permit the increase in use of electric power. The refrigerators, the ranges, television, radios, air conditioners, and any number of devices used around the home have contributed to the increase in use. No one could have used very much electricity just for lighting, even in a large residence. The research and manufacture of these items and improvements in generation and transmission have been accomplished by the manufacturers and by the private electric industry. They are the ones who have contributed, not the Government, and therefore they are the ones who have been responsible for the tremendous increase in the use of electricity and for the reduction in rates.

One reason that governmentally operated facilities may distribute power at a lesser cost is because they dodge taxes, and because they have available cheaper interest—and at times no interest, such as TVA—on money required to develop the facilities.

I keep hearing the public power advocates refer to utility companies as monopolies. They are not monopolies, as those making such references well know. They cannot restrain trade and they cannot raise or lower prices at will. They are natural single suppliers. The only true monopolies are the unregulated Government power operations, of which TVA is the largest. Since these public power advocates know that the privately financed utility is highly regulated and therefore not a monopoly, the only reason I can see for them referring to private industry as a monopoly is because of public prejudice against monopolies, and by making such references they hope to prejudice the public against the privately financed operations.

Mr. GOLDWATER. Mr. President, I ask unanimous consent to have printed in the RECORD at this point a table entitled "Residential Electricity and Cost of Living," published in the Statistical Bulletin for 1952, published by the Edison Electric Institute.

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

TABLE 47.—*Cost trends of electric light and power construction* [1] *by geographic divisions*

[1911 equals 100]

Date	North Atlantic	South Atlantic	North Central	South Central	Plateau	Pacific	Date	North Atlantic	South Atlantic	North Central	South Central	Plateau	Pacific
1912	104	104	104	104	104	104	Jan. 1, 1937	213	220	209	208	206	204
1913	102	105	102	102	102	102	July 1, 1937	230	235	224	224	225	221
1914	102	103	100	100	100	100	Jan. 1, 1938	226	232	222	221	221	218
1915	106	106	105	107	103	103	July 1, 1938	222	228	216	216	216	214
1916	132	130	129	130	128	127	Jan. 1, 1939	224	232	219	218	218	216
1917	160	159	154	157	155	156	July 1, 1939	225	233	218	218	219	215
1918	192	184	178	183	183	178	Jan. 1, 1940	232	237	222	223	223	219
Jan. 1, 1919	202	197	184	188	187	182	July 1, 1940	231	236	221	224	222	218
Jan. 1, 1920	208	206	189	193	189	194	Jan. 1, 1941	233	243	222	227	223	219
Jan. 1, 1921	221	221	210	216	209	214	July 1, 1941	242	256	232	239	232	231
Jan. 1, 1923	189	191	179	182	179	178	Jan. 1, 1942	248	262	235	245	234	235
Jan. 1, 1924	201	204	193	193	192	187	July 1, 1942	248	267	238	246	236	242
Jan. 1, 1925	201	202	194	189	191	185	Jan. 1, 1943	250	267	238	247	236	242
Jan. 1, 1926	197	201	190	184	190	180	July 1, 1943	252	268	239	247	236	243
Jan. 1, 1927	193	200	187	182	186	181	Jan. 1, 1944	251	268	239	248	235	245
Jan. 1, 1928	192	199	186	183	185	180	July 1, 1944	249	267	237	247	233	241
July 1, 1928	192	198	186	186	185	179	Jan. 1, 1945	251	268	238	248	238	242
Jan. 1, 1929	195	203	189	189	188	182	July 1, 1945	259	273	243	251	241	244
July 1, 1929	206	216	199	199	198	192	Jan. 1, 1946	266	275	245	251	244	244
Jan. 1, 1930	204	215	199	197	197	191	July 1, 1946	303	314	280	288	282	283
July 1, 1930	188	201	184	185	181	176	Jan. 1, 1947	327	336	299	310	300	300
Jan. 1, 1931	191	200	188	186	183	178	July 1, 1947	351	362	324	336	329	332
July 1, 1931	188	195	187	183	181	175	Jan. 1, 1948	357	375	333	344	334	339
Jan. 1, 1932	182	188	186	179	177	172	July 1, 1948	377	401	351	365	355	359
July 1, 1932	176	180	174	171	171	163	Jan. 1, 1949	401	430	375	391	378	383
Jan. 1, 1933	170	177	172	169	169	161	July 1, 1949	400	422	374	390	378	380
July 1, 1933	177	187	179	179	179	170	Jan. 1, 1950	399	422	374	390	376	379
Jan. 1, 1934	186	197	187	187	188	178	July 1, 1950	409	430	382	398	386	389
July 1, 1934	200	206	195	195	196	189	Jan. 1, 1951	462	482	436	448	436	440
Jan. 1, 1935	200	206	195	198	196	189	July 1, 1951	468	490	443	454	443	450
July 1, 1935	199	206	194	193	195	192	Jan. 1, 1952	472	494	446	458	447	454
Jan. 1, 1936	204	211	199	199	198	196	July 1, 1952	480	504	456	465	454	451
July 1, 1936	205	212	199	201	198	197	Jan. 1, 1953	481	506	458	468	460	469

[1] Index numbers shown are a composite of over 50 material and labor items included in the Handy Index service of construction cost indexes.

Source: Handy-Whitman Index of Public Utility Construction Costs. Published by courtesy of Whitman, Requardt & Associates, Baltimore 2, Md.

TABLE 48.—*Cost of living* [1] *in large cities—now and prewar*

[Index numbers: 1935-39=100]

Date	All items	Electricity	Gas and electricity	Electricity, fuel and refrigeration	Food	Apparel
December 1952 (interim adjustment)	190.7	93.1	99.6	149.9	229.9	201.1
December 1951 (interim adjustment)	189.1	91.3	97.5	144.9	232.2	206.8
December 1950 (interim adjustment)	178.8	90.4	96.8	142.8	216.3	195.5
December 1949	167.5	90.3	97.2	139.7		
December 1948	171.4	90.0	95.3	137.8		
December 1947	167.0	89.0	92.6	127.8		
December 1946	153.3	88.9	92.0	115.5		
August 1945 (V-J Day)	129.3	93.3	95.2	111.4		
August 1939 (month before war)	98.6	96.0	99.0	97.5	93.5	100.3

[1] Now titled "Consumers Price Index for Moderate-Income Families for Large Cities Combined."

Source: U. S. Bureau of Labor Statistics.

TABLE 49.—*Residential electricity and cost of living, 1906–52*

Year	Average revenue for all residential kilowatt-hour used	Average rate per kilowatt-hour based on average of typical bills in cities,[1] price per kilowatt-hour for monthly use of—			U. S. Bureau of Labor Statistics index numbers based on 1935–39=100 [2]			
					Electricity		Cost of living [3]	
		25 kilowatt-hour	100 kilowatt-hour	250 kilowatt-hour	On Dec. 15	Year's average	On Dec. 15	Year's average
	Cents	*Cents*	*Cents*	*Cents*				
1952	2.77	5.0	3.6	2.7	93.1	92.0	190.7	189.8
1951	2.81	5.0	3.6	2.7	91.3	91.2	189.1	185.6
1950	2.88	5.0	3.6	2.7	90.4	90.4	178.8	171.9
1949	2.95	5.0	3.6	2.7	90.3	90.1	167.5	169.1
1948	3.01	5.0	3.7	2.8	90.0	89.4	171.4	171.2
1947	3.09	5.0	3.6	2.7	89.0	88.7	167.0	159.2
1946	3.22	4.9	3.6	2.7	88.9	89.4	153.3	139.2
1945	3.41	5.1	3.7	2.7	92.0	93.1	129.9	128.4
1944	3.51	5.3	3.8	2.8	93.7	93.6	127.0	125.5
1943	3.60	5.3	3.8	2.8	93.8	93.9	124.4	123.6
1942	3.67	5.3	3.8	2.8	94.0	94.0	120.4	116.5
1941	3.73	5.4	3.8	2.8	94.0	94.5	110.5	105.2
1940	3.84	5.4	3.8	2.8	94.9	95.2	100.7	100.2
1939	4.00	5.4	3.9	2.8	95.8	96.2	99.6	99.4
1938	4.14	5.6	4.0	2.9	97.3	97.7	100.2	100.8
1937	4.30	5.7	4.0	2.9	98.4	99.1	103.0	102.7
1936	4.67	5.8	4.1	3.0	101.0	101.3	99.8	99.1
1935	5.01	6.0	4.2	3.2	102.3	104.2	-------	98.1
1934	5.33	6.2	4.4	3.7	-------	-------	-------	95.7
1933	5.52	6.3	4.5	3.8	-------	-------	-------	92.4
1932	5.60	6.6	4.6	3.8	-------	-------	-------	97.6
1931	5.78	6.7	4.6	3.8	-------	-------	-------	108.7
1930	6.03	6.7	5.0	4.3	-------	-------	-------	119.4
1929	6.33	6.7	5.0	4.3	-------	-------	-------	122.5
1928	6.63	6.8	5.2	4.5	-------	-------	-------	122.6
1927	6.82	7.0	5.4	4.9	-------	-------	-------	124.0
1926	7.00	7.2	5.4	5.0	-------	-------	-------	126.4
1925	7.30	7.3	5.6	5.1	-------	-------	-------	125.4
1924	7.20	7.4	5.7	5.2	-------	-------	-------	122.2
1923	7.20	7.5	5.8	5.4	-------	-------	-------	121.9
1922	7.38	7.6	6.1	5.7	-------	-------	-------	119.7
1921	7.39	7.8	6.1	5.7	-------	-------	-------	127.7
1920	7.45	8.0	6.3	5.8	-------	-------	-------	143.3
1919	7.70	7.7	6.0	5.6	-------	-------	-------	123.8
1918	8.27	7.6	6.1	5.6	-------	-------	-------	107.5
1917	7.52	7.5	6.0	5.7	-------	-------	-------	91.6
1916	7.60	7.6	6.2	5.9	-------	-------	-------	77.9
1915	8.00	8.3	6.9	6.5	-------	-------	-------	72.5
1914	8.30	8.8	7.6	7.3	-------	-------	-------	81.8
1913	8.70	8.9	7.7	7.4	-------	-------	-------	70.7
1912	9.10	9.1	8.0	7.8	-------	-------	-------	-------
1911	9.43	9.5	8.5	8.3	-------	-------	-------	-------
1910	9.62	9.7	8.7	8.5	-------	-------	-------	-------
1909	9.84	10.1	9.2	8.8	-------	-------	-------	-------
1908	10.1	10.1	9.4	9.0	-------	-------	-------	-------
1907	10.5	10.5	9.7	9.3	-------	-------	-------	-------
1906	11.2	10.6	9.9	9.5	-------	-------	-------	-------

[1] As determined by the Federal Power Commission in its electric rate surveys since 1936 and according to the study of W. G. Vincent, vice president and executive engineer, Pacific Gas & Electric Co. for earlier years. (See EEI Bulletin, June 1936, p. 224.)

The Federal Power Commission's figures cover rate schedules as of Dec. 31 in all cities with populations of 50,000 or more. Mr. Vincent's figures represent the weighted (by population) average bills for domestic electric service in the 51 cities represented in the U. S. Bureau of Labor Statistics cost of living data.

[2] "Index numbers" are percentages of the average of the 5 years 1935 to 1939, inclusive. A new series has been prepared by the U. S. Bureau of Labor Statistics based on the average of the 3 years 1947 to 1949, inclusive. For a description of the components and characteristics of this index, see the February 1953, Monthly Labor Review of the Bureau of Labor Statistics. The "Consumers' Price Index for Moderate-Income Families" is sometimes called the "cost of living index."

[3] The Consumers' Price Index measures the changes in prices of a standard budget of commonly purchased goods and services. Electricity is one of these components. Thus, the index does not reflect the overall effect of the increased use of electricity by residential customers—for which see "Average revenue for all residential kilowatt-hours used," col. 2 of this table; also, see tables 32, 33, and 48 of this bulletin.

Mr. GORE. Mr. President, I ask unanimous consent that the speech of the Senator from Arizona be printed at the end of my remarks.

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

SERIOUS ISSUES INVOLVED IN COLORADO RIVER STORAGE PROJECT

During the delivery of Mr. GORE's speech,

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

Mr. GORE. I yield to the Senator from California for a question.

Mr. KUCHEL. I wonder whether the Senator will yield with the understanding that he will not lose the floor, so that I may make a very short statement, with the understanding that my comments will appear at the conclusion of his speech.

Mr. GORE. In order to accommodate the junior Senator from California, I ask unanimous consent that I may yield to him for the purpose of his making a brief statement, without prejudicing the right of the junior Senator from Tennessee to the floor.

The PRESIDING OFFICER. Is there objection? The Chair hears none, and it is so ordered.

Mr. KUCHEL. Mr. President, on Saturday, last, my friend the senior Senator from Utah [Mr. WATKINS], made some comments directed to the measures introduced in the House and the Senate, providing for the development of the upper Colorado River Basin.

Mr. President, some 2 weeks ago a series of hearings was concluded in a Subcommittee of the Senate Committee on Interior and Insular Affairs, on S. 1555 authorizing the Colorado River storage project and participating projects. As a member of the committee, but not as a member of the subcommittee conducting the hearing, I attended the subcommittee sessions and participated in the various discussions.

I may say that the bill which contemplates the development of that area by the construction of various reservoirs—running in number, I believe, from 13 to a considerably higher potential group, still would need to run the gamut of the full Senate committee, before any such measure would come to the Senate and before the Senate could act upon it. So I make the point that it is impossible for me, or indeed, any Senator to state accurately and exactly what the Colorado River storage project bill actually is until final action on it by the full Senate Committee on Interior and Insular Affairs.

However, in discussing the proposed legislation, which my friend, the senior Senator from Utah [Mr. WATKINS], supports generally, he has suggested that the Sierra Club in California is guilty of sending out "vicious" propaganda against any type of development in that area by the Federal Government.

I wish very respectfully to say that the Senator is mistaken. I deny that that is the true situation; and I wish affirmatively to state, Mr. President, that in my judgment those in my State and elsewhere who are raising serious questions and objections with respect to the Upper Colorado River Basin bill in all its ramifications deserve to have their questions and their recommendations given careful study.

The Sierra Club is located in San Francisco. It is an honorable and unselfish organization. Its position with respect to this entire controversy is reflected, in part, in the remarks of the senior Senator from Utah [Mr. WATKINS], as they appear in the CONGRESSIONAL RECORD for Saturday, July 17, 1954:

> From time to time our national park system has been threatened with schemes for dams and other inappropriate developments within the boundaries of areas dedicated for the enjoyment of all Americans. Today the Bureau of Reclamation has plans, big plans, to drown Dinosaur National Monument with two dams that would inundate its mighty canyons for a hundred miles.
>
> This plan is the most serious and determined effort we have ever seen by a Government agency to appropriate unnecessarily a unit of the national parks system to make it a part of a huge irrigation, power, and flood-control project.

Here are serious charges which deserve the serious attention of the Congress and, indeed, of the country. They deserve more, Mr. President, than being discussed as vicious. They are either correct or incorrect, but for the purposes of these remarks of mine today, I urge only that they were made in good faith. They need to be answered in the same fashion.

Mr. President, on Wednesday, July 7, there was published in the San Francisco Chronicle an editorial which voices some objections along the same lines as those of the Sierra Club. I ask unani-

mous consent that the editorial from that estimable newspaper be printed at this point in the RECORD as a part of my remarks.

The PRESIDING OFFICER (Mr. GOLDWATER in the chair). Is there objection?

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

THE CASE AGAINST ECHO PARK DAM

It is the conviction of this newspaper's David Perlman, based on a firsthand study of the terrain as well as the points at issue, that Dinosaur National Monument ought to be preserved in its present scenic splendor.

He reports that it represents "a magnificent and irreplaceable heritage of the earth's primeval splendor," and pleads against its destruction or alteration in any way. Thus, he agrees with the Sierra Club and with numerous other conservationist groups that are vigorously opposing the Interior Department's proposal to put a $175 million dam on the Echo Park site—where the resulting reservoir would drown many of the natural wonders of this unique area.

It has been argued with considerable force that the purpose of the Echo Park Dam could be better and more cheaply served by dams and powerplants erected elsewhere in the upper Colorado Basin. Spokesmen for the Interior Department have waved aside all such arguments as unsound, but their offhand blanket rejections appear to need examination.

They have asserted, for instance, that alternate dam sites would entail losses of water by evaporation "sufficient to supply a city the size of Denver." Then, by degrees, they receded from this estimate—from 200,000 acre-feet, to 100,000, to 75,000 to 25,000.

Such findings serve to confirm us in the belief we expressed some months ago in opposing the project: It needs careful, thorough reexamination.

Our concern is not only that the Interior Department, in its headlong rush to build a dam at Echo Park, may be perpetrating a colossal blunder in which national wealth and natural beauty may alike be squandered.

There is also the fear that the Echo Park Dam may set a dangerous precedent, pointing the way for storage reservoirs and hydroelectric plants in such hitherto untouchable national beauty spots as Yosemite or Glacier or Grand Canyon National Parks.

The reclamation bill that embraces the Echo Park project is currently under consideration by both Houses of the Congress. Public opposition to the project, to be effective, must make itself known to Members of the Congress at once.

Mr. KUCHEL. Mr. President, it so happens that some time ago the State of Arizona, whose able junior Senator is presently presiding over the Senate, filed a lawsuit against the State of California. The basic issues raised in Arizona against California relate to water and the rights to water as between those two great commonwealths. On Saturday, when my friend, the senior Senator from Utah [Mr. WATKINS] was discussing this matter, he said, in part:

The California defendants in the case of Arizona against California, now before the Supreme Court, have moved to join as necessary and indispensable parties the States of Colorado, New Mexico, Utah, and Wyoming. This is a suit brought against California interests by Arizona, in 1952, and concerns the use of Colorado River water in the lower basin.

And, further, my friend, the able senior Senator from Utah, said:

I may say that the filing of the motion with the Supreme Court on July 15 of this year is an indication on the part of the State of California, which is the principal defendant in that case, that it will do all it can to defeat the project to put to beneficial consumptive use of the waters of the upper Colorado River. If it had been planned deliberately, it could not have come at a more timely occasion to help defeat the project authorization by the present Congress. If the State of California is not opposed to the project and is not seeking to defeat it, it could have waited at least until Congress adjourned before filing its motion with the Supreme Court to include these particular upper-basin States.

Mr. President, it is true that the Attorney General of California on July 15 made a motion in the United States Supreme Court to have included as parties defendant the States of the upper Colorado River Basin. It is also true, as you, Mr. President, will recall, that after Arizona filed the action against California, the United States Government intervened and made its position known in the lawsuit. The sovereign commonwealth of Nevada then asked and received permission to become a party to the controversy. Now the State of California has, Mr. President, requested, by appropriate motion, that the upper Colorado Basin States likewise be made parties to the action.

It is also true, Mr. President, that representatives of the State government and of political subdivisions of California are fearful and genuinely apprehensive of much that is involved in the proposed legislation. They have raised questions of the utmost seriousness respecting California's rights to water of the Colorado River. They have a right in this country of ours to raise those questions. Indeed, Mr. President, they have a duty to raise them.

Mr. President, is it my view, here on the floor of the Senate, to urge that that position of the government of California is in entire good faith. I want this RECORD to indicate clearly the reasons which prompted the State of California to ask the Supreme Court to bring in as parties defendant these additional States. Therefore, I now ask unanimous consent to have included at this point in the RECORD, as part of my remarks, portions of the motion on the part of California to join, as parties defendant, the States of Colorado, New Mexico, Utah, and Wyoming; and to include the portion of the same motion entitled "Exhibit A—Summary of the Controversy," which applies directly to the motion made by the State of California.

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

IN THE SUPREME COURT OF THE UNITED STATES—OCTOBER TERM, 1953

State of Arizona, complainant, *v.* State of California, Palo Verde Irrigation District, Imperial Irrigation District, Coachella Valley County Water District, Metropolitan Water District of Southern California, City of Los Angeles, Calif., City of San Diego, Calif., and County of San Diego, Calif., defendants; United States of America, intervener; State of Nevada, intervener.

MOTION TO JOIN, AS PARTIES, THE STATES OF COLORADO, NEW MEXICO, UTAH AND WYOMING

To the Honorable, the Chief Justice, and the Associate Justices of the Supreme Court of the United States:

Defendants State of California, Palo Verde Irrigation District, Imperial District, Coachella Valley County Water District, the Metropolitan Water District of Southern California, the city of Los Angeles, the city of San Diego and county of San Diego, by their duly authorized attorneys, respectfully move this court to order the joinder of the States of Colorado, New Mexico, Utah, and Wyoming as additional parties to this action, and that, in furtherance of said order, a summons be issued to said States through their respective governors and attorneys general, directing them to appear as parties to this action at a time to be fixed in said summons, and that the court direct that all pleadings filed herein be served on said officials.

This motion is made upon the grounds that each of said States is a necessary and indispenable party to this action, for the following reasons:

I

The four absent States of Colorado, New Mexico, Utah, and Wyoming are parties to the Colorado River compact. Nevada sought leave to intervene in this case as a party to the compact, and her motion was granted. The meaning and effect of the Colorado River compact are in controversy in the present case. No decree determining the meaning and effect of that compact, considered as a contract, can be fully effective in the absence of the other four parties to it. The principal issues of interpretation of the Colorado River compact affecting the four absent States are stated in defendants' exhibit A, summary of the controversy, appended hereto and incorporated by reference as a part of this allegation as though here fully set out.

II

Two of the absent States, New Mexico and Utah, have a dual interest with respect to the rights and obligations of parties to the Colorado River compact, being States of the upper division (a status which they share with Colorado and Wyoming), as well as States which are in part within the lower basin (in common with Arizona, California, and Nevada). Nevada sought leave to intervene not only as a party to the compact but as an indispensable party to this action in her capacity as a lower basin State, and her motion was granted. The absent States of New Mexico and Utah, similarly to Nevada, are indispensable parties to the full resolution of the controversy among the States of the lower basin. As States lying in part within the lower basin, Utah and New Mexico participate in undetermined amounts in the right to beneficial consumptive use of a common fund of water available for use in the lower basin under the Colorado River compact. No decree determining the rights of the present parties to this proceeding can be fully effective without the presence, as parties, of the other States having the right to participate in the use of said common fund of water.

III

The four absent States, in like manner as Nevada and Arizona, are named as third party beneficiaries of the statutory compact between the United States and California evidenced by the Boulder Canyon Project Act and the California Limitation Act. The meaning and effect of that statutory compact are in controversy in the present cause. No decree determining the rights and obligations of the United States and California as principals, and of Nevada and Arizona as 2 of the third-party beneficiaries of said statutory compact, can be fully

effective in the absence of the other 4 beneficiaries. The principal issues of interpretation of that statutory compact which affect the four absent States are stated in defendants' exhibit A, Summary of the Controversy, appended hereto and incorporated by reference as a part of this allegation as though here fully set out.

IV

The United States asserts claims "as against the parties to this cause," which are independent of, and adverse to, rights derived from or controlled by the Colorado River compact. These claims of the United States affect all States in the Colorado River Basin, not merely the States of Arizona, California, and Nevada. The absent States of Colorado, New Mexico, Utah, and Wyoming are necessary and indispensable to the determination of these claims of the United States and of the effect thereof upon each of the seven States. The principal issues which arise from the claims of the United States and require the presence of all seven States are stated in exhibit A, Summary of the Controversy, appended hereto and incorporated by reference as a part hereof as though here fully set out.

V

This motion is based upon the records, files, and pleadings herein.

EXHIBIT A

SUMMARY OF THE CONTROVERSY

I. THE QUANTITIES OF WATER IN CONTROVERSY

The United States seeks to quiet title to rights to the use of water, consumptive and otherwise, "as against the parties to this cause," for Federal purposes, in unstated amounts.

Arizona seeks to quiet title to the beneficial consumptive use of 3,800,000 acre-feet per annum of the waters of the Colorado River System (measured by "man-made depletion of the virgin flow of the main stream") and to enjoin California's right to permanently use any water in excess of approximately 3,800,000 acre-feet per annum (measured by diversions less returns to the river), that being the effect of (1) reducing 4,400,000 acre-feet of III (a) water by reservoir losses, and (2) denying California any permanent right to use excess or surplus waters.

California asserts a right to the beneficial consumptive use in California of 5,362,000 acre-feet per annum of the waters of the Colorado River system (measured by diversions less returns to the river) under contracts with the United States, comprising 4,400,000 acre-feet of the waters apportioned by article III (a) of the Colorado River compact and 962,000 acre-feet per annum of the excess or surplus waters unapportioned by the compact, including in such excess or surplus the increase of use permitted to the Lower Basin by article III (b) of the compact.

Nevada seeks to quiet title to 539,100 acre-feet per annum (measured in part by both methods) of the beneficial consumptive uses apportioned by article III (a) of the Colorado River compact, and to not less than a total of 900,000 acre-feet from all classes of water.

As the States differ in their definition of beneficial consumptive use, their claims require restatement in terms of a common denominator in order to evaluate their effects. Thus:

The quantity to which Arizona seeks to quiet title, 3,800,000 acre-feet per annum, measured by the method she urges, "depletion of the virgin flow of the main stream occasioned by the activities of man," is equivalent to more than 5,000,000 acre-feet measured by consumption at the site of use, or "diversions less returns to the river," the standard established by the Boulder Canyon Project Act and asserted by California. The difference is due primarily to the fact that under Arizona's interpretation, the compact deals with the virgin flow in the main stream only and that the use of water salvaged by man is not charged as a beneficial consumptive use, whereas under California's interpretation the Compact deals with the waters of the entire river system and such salvage is so charged.

Conversely, the aggregate of the California contracts, 5,362,000 acre-feet per annum, measured by diversions less returns to the river, is equivalent to only about 4,500,000 acre-feet measured by man-made depletion (without charge for salvage water). If Arizona's prayer should be granted, California's rights would be reduced to about 3,800,000 acre-feet per annum, measured by "diversions less returns to the river," or to about 3,000,000 acre-feet measured in terms of "depletion of the virgin flow of the main stream."

The impact of Nevada's claims on those of the other States is not readily evaluated.

II. ULTIMATE ISSUES

The ultimate issues, in the sense of the results sought by each party, may be grouped as follows:

The United States

Does the United States have rights, "as against the parties to this cause, to the use of water in the Colorado River and its tributaries" in the following categories?

1. For consumptive use of all projects in the lower basin, which it asserts independently of any rights claimed by the States in which such projects are located;

2. To fulfill its obligations arising from international treaties and conventions; but this involves, with respect to the burden of the Mexican Water Treaty, the obligations as between the States of the upper division and the States of the lower division under articles III (c) and III (d) of the Colorado River Compact, and involves also the effect of the so-called escape clause of article 10 of that treaty, which allows reduction in the guaranteed deliveries to Mexico, in the event of extraordinary drought, in the same proportion as consumptive uses in the United States are reduced, "consumptive uses" being defined in article 1 of the treaty;

3. To fulfill all its contracts for the delivery of water and electric power, i .e., with or in Arizona, California, and Nevada; but it alleges that the water available is not sufficient to satisfy all these obligations;

4. To fulfill the Government's obligations to Indians and Indian tribes; but this involves not only the questions of the magnitude and priorities of these claims but the questions of whether or not they are chargeable under the Colorado River Compact to the basin and State in which such uses are made, what the obligation of the upper division States may be to release water for use by Indians in the lower basin, and what rights the United States may have to withhold water in reservoirs in the upper basin for use by Indians in both basins;

5. To protect its interests in fish and wildlife, flood control and navigation; but such rights as it may have for these purposes may require the impounding and release of water from reservoirs in both basins, and not merely reservoirs bordering or within Arizona and California, and again involves the question of accounting under the compact; and

6. For use of the National Park Service, Bureau of Land Management, and Forest Service; but if the United States has claims "as against the parties to this cause" for these functions, such claims apply to all the waters of the Colorado River System in both basins.

The adjudication of these claims of the United States requires consideration and resolution of: Questions of fact, referred to later; the power of the United States to impound and dispose of water independently of rights derived from the States; the extent of its obligations under treaties and contracts; the impact and effect of its treaties upon rights of domestic water users; how its claims to the use of water shall be measured; the location, magnitude and priorities of Indian claims, and claims for other alleged Federal purposes; the extent to which its rights and obligations are controlled by the Colorado River Compact; and the extent to which its claims may be exercised in futuro in derogation of intervening rights and uses.

Arizona

Is Arizona entitled to a decree:

(1) Quieting title to 2,800,000 acre-feet per annum of the beneficial consumptive uses apportioned to the lower basin by article III (a) of the Colorado River Compact, substantially all to be taken from the main stream, and measured in terms of manmade depletion of the virgin flow of the main stream?

(2) Quieting title to all of the 1 million acre-feet per annum by which the lower basin is permitted to "increase its use" by article III (b) of the Colorado River Compact (notwithstanding the decision of this Court in *Arizona* v. *California et al.*, 292 U. S. 341 (1934)), to the exclusion of the other States of the lower basin, all to be taken from the waters flowing in the Gila River, and to be measured in terms of manmade depletion of the virgin flow of the main stream?

(3) Reducing California's right to the uses apportioned by article III (a) of the Colorado River Compact to approximately 3,800,000 acre-feet per annum, in consequence of reservoir losses?

(4) Enjoining California's right to receive and permanently use under its Government contracts 962,000 acre-feet per annum, or any part thereof, in excess of 4,400,000 acre-feet ber annum?

The determination of Arizona's claims involves: The questions of fact, later referred to; the standing of Arizona to seek a declaratory decree quieting title to a "block" of water for projects not yet constructed or authorized (about 1,600,000 acre-feet per annum of the 2,800,000 claimed from the main stream); the source of title to Arizona's claims to 2,800,000 acre-feet of III (a) water and 1 million acre-feet of III (b) water; the status of the uses on the Gila; the measurement of uses thereof and of the main stream; whether Arizona's status is that of a party to the Colorado River Compact or that of a third party beneficiary of the statutory compact between the United States and California, and if so, whether Arizona is bound by the interpretations placed thereon by the principal parties thereto in its formulation and administration; and the validity and effect of Arizona's water delivery contract with the United States.

Most of the questions posed by Arizona's claims revolve around the issue of whether the Gila River shall be treated as a part of the Colorado River system for all purposes, or shall receive special treatment in respect of (1) the identification of uses thereon with the waters referred to in artice III (b); (2) the corollary exemption of "rights which may now exist" on the Gila from any charge under article III (a); and (3) the devaluation of the charge for beneficial consumptive uses from the quantity which is in fact consumed on the Gila (alleged by California to be about 2 million acre-feet per annum) to the lesser quantity represented by the resulting depletion in the virgin flow of the main stream (alleged by Arizona to be about 1 million acre-feet per annum).

California

Are the contracts between the United States and the defendant public agencies of California for the storage and delivery of water valid and enforceable? Inasmuch as these contracts are, in terms, for permanent

service, but subject to the Colorado River compact, the Boulder Canyon Project Act and the California Limitation Act, the issue is whether these enactments, considered together as a statutory compact established by reciprocal legislation, authorize and permit the Secretary of the Interior to presently contract for the storage and delivery for permanent beneficial consumptive use in California of 4,400,000 acre-feet per annum of the waters apportioned by article III (a) of the Colorado River compact plus one-half of the excess or surplus waters unapportioned by the compact, including in such excess or surplus the "increase of use" permitted to the lower basin by article III (b) of the compact. The aggregate of these contracted quantities, subject to physical availability of the amounts of excess or surplus waters, which vary from year to year, is 5,362,000 acre-feet per annum.

The determination of California's claims involves the questions of fact, later referred to; the extent to which rights have vested in both the United States and California under the statutory compact; whether Arizona is estopped by her previous conduct from asserting her present position; whether the limitation is net of reservoir losses; how California's uses shall be measured; whether California is chargeable with the use of salvaged water; the effect of California's appropriations, in their relation to the expressions "rights which may now exist" and "present perfected rights" in the compact and Project Act; the definition of the Project Act term "excess or surplus waters unapportioned by" the Colorado River compact; the availability of such waters for permanent service; the intent of Congress with respect to the waters referred to in article III (b); and the relation between California's contracts and the later agreements which the Secretary of the Interior has entered into with others.

Nevada

Is Nevada entitled to a decree:

1. Quieting title to 539,100 acre-feet per annum of the beneficial consumptive uses apportioned to the lower basin by article III (a) of the Colorado River compact?

2. Reserving for a future agreement the disposition of the use of the 1 million acre-feet referred to in article III (b) of the Colorado River compact, and preserving to Nevada an equitable share thereof?

3. Assuring Nevada the ultimate beneficial consumptive use of not less than 900,000 acre-feet per annum, from all classes of water?

The determination of Nevada's claims requires the consideration and resolution of the questions of fact later referred to; the questions of interpretation previously mentioned; the question of whether Nevada's share of III (a) waters has been determined or limited to 300,000 acre-feet per annum; whether, as to stored waters, Nevada may claim any quantity in excess of her contracts with the United States; and the source of title to her claims to 539,100 acre-feet per annum of III (a) water and not less than 900,000 acre-feet per annum from all sources.

Interests of other States

There remains the question whether the the claims of the United States, Arizona, California, and Nevada can be effectively determined without concurrently determining the rights and obligations of Utah and New Mexico with respect to the waters of the lower basin, and the rights and obligations of those States and Colorado and Wyoming with respect to other waters of the Colorado River system, to the extent that they are affected by the issues in controversy here.

In more detail, these ultimate issues depend upon the resolution of the following questions of fact and of the interpretation of the Colorado River compact, the Boulder Canyon Project Act, the statutory compact between the United States and California, and the Mexican Water Treaty.

III. FACTUAL ISSUES

There are substantial issues of fact, raised by the pleadings to date. These include, but are not limited to, determination of:

1. The investments and obligations undertaken by the parties in the construction of works and in the performance of their contracts with the United States, and the investments and obligations undertaken by the United States in reliance upon such contracts;

2. The location, magnitude, and priorities of the water rights necessary to enable the United States to perform its obligations to Indians and Indian tribes pursuant to article VII of the compact;

3. The requirements of the United States for (a) flood control, (b) navigation, (c) fish and wildlife, and (d) the other claims which it makes;

4. The quantities of water physically available for beneficial consumptive use in the lower basin, assuming full use by the upper basin of its compact apportionment, full regulation of the supply available to the lower basin, and full performance of the Mexican Water Treaty;

5. The uses, present and potential, on the main stream and on each tributary, determined as of the place of use, as California contends is the proper method, and the effect of those uses in terms of man-made depletion of the virgin flow of the main steam, as Arizona contends is the proper method;

6. The quantities of water salvaged by the activities of man, on the main stream and on the tributaries;

7. Reservoir losses, present and potential, gross and net;

8. Appropriative rights, priorities, and uses thereunder, on the main stream and tributaries;

9. The extent and place of use of "rights which may now exist" and which under article III (a) of the compact, are to be charged as uses of water apportioned by article III (a), and of "rights which may now exist" in California, within the meaning of section 4 (a) of the project act; and

10. The extent and place of use of "present perfected rights" protected by article VIII of the compact and directed by the Boulder Canyon Project Act to be satisfied in the operation and management of the project.

IV. THE ISSUES OF INTERPRETATION OF THE COLORADO RIVER COMPACT, THE BOULDER CANYON PROJECT ACT, THE STATUTORY COMPACT, AND THE MEXICAN WATER TREATY

Questions relating primarily to article III (a) of the Colorado River compact include the following: Whether the Colorado River compact deals only with the main stream or treats with Colorado River system waters wherever they may be found; whether the uses apportioned by article III (a) to the lower basin are to be taken only from "water present in the main stream and flowing at Lee Ferry," as Arizona contends, or from the tributaries as well, as California and Nevada contend; whether the 7,500,000 acre-feet referred to in article III (a) is related to the 75 million acre-feet referred to in article III (d), as Arizona contends, or whether the latter figure includes excess or surplus waters unapportioned by the compact, as California contends; by what process Arizona claims to have acquired an apportionment of 2,800,000 acre-feet of III (a) water, to be taken from the main stream; whether the apportionment of 7,500,000 acre-feet per annum is a statement of a maximum, or of an average, and, if the latter, over what period of years; the definition and measurement of "beneficial consumptive use"; the accounting for water added to and withdrawn from storage on the main stream and tributaries; whether the use of water salvaged by man on the main stream and tributaries is to be charged under the compact; the definition of "rights which may now exist," which are to be included in charges to water apportioned by article III (a) and their magnitude on the main stream and tributaries; the date to which this last expression refers; whether, in the absence of a compact among the lower basin States, the division of water among them is to be affected by appropriative rights, i. e., rights which may now exist; whether Indian rights, and other Federal claims to consumptive use, are included within that expression and are to be charged under the compact; whether reservoir losses are chargeable as beneficial consumptive uses, and if so, their classification under the compact and their relation to other uses.

Questions relating primarily to article III (b) of the Colorado River compact include the following: The questions relating to the definition of "beneficial consumptive use" and "per annum" previously stated in connection with article III (a); whether the "increase of use" permitted to the lower basin by article III (b) is an apportionment in perpetuity as in article III (a), as Arizona contends, or a license to acquire rights by appropriation and contracts under the Project Act in excess or surplus waters unapportioned by the compact, as California contends; whether this right to increased use is identified solely with the water found flowing in the Gila River, as Arizona contends, or is identified with the first 1 million acre-feet of increased use (above 7,500,000) per annum throughout the lower basin, as California and Nevada contend; whether this right is available to all five States of the lower basin, or to Arizona alone, as she contends (notwithstanding the decision of this Court in *Arizona* v. *California et al.* (292 U. S. 341 (1934))); the status of uses in New Mexico on the Gila; the status of uses on other tributaries; and to what degree reservoir losses are chargeable to this increase of use. Reference to the relation of the Mexican Treaty burden to the uses under article III (b) appears below in connection with article III (c).

Questions relating primarily to article III (c) of the Colorado River compact include the following: Whether the waters to be supplied Mexico are "apportioned" thereby (this bears upon the determination of the meaning of the expression "excess or surplus waters unapportioned by" the Colorado River compact, appearing in the Boulder Canyon Project Act, infra); whether, if the quantities in excess of those specified in articles III (a) and III (b) are insufficient to supply the deliveries to Mexico, the burden, with respect to the lower basin, falls first upon the uses referred to in article III (b), as California contends, or upon those referred to in article III (a), as Arizona contends; and the relation of the escape clause in article 10 of the treaty, which permits reduction in deliveries to Mexico in case of extraordinary drought in proportion to the reduction in consumptive uses in the United States. The relation of article III (c) to articles III (d) and III (a), with respect to the obligations of the upper division States, is referred to below in connection with article III (d).

Questions relating primarily to article III (d) of the Colorado River compact include the following: As a corollary to one of the questions stated with reference to article III (a), whether the 75 million acre-feet referred to in article III (d) is related to the 7,500,000 acre-feet apportioned by article III (a) to the lower basin, or whether the 75 million acre-feet include excess or surplus waters available for delivery to Mexico or use in the lower basin; the resulting effect on the obligation of the States of the upper division stated in article III (c) to furnish additional water to meet the deficiency if surplus above the quantities specified in

articles III (a) and III (b) is insufficient to supply Mexico; and whether the lower basin is entitled to demand release of this 75 million acre-feet notwithstanding the consequent inability of the upper basin to make beneficial consumptive use of 7,500,000 acre-feet per annum.

Questions relating primarily to article III (e) of the Colorado River compact include the following: Whether, if excess or surplus waters are appropriated (or contracted for) in the lower basin, their release from storage in the upper basin may be required; whether, if Indian uses are not subject to the Colorado River compact, the United States may require release of water from reservoirs in the upper basin to satisfy them, in addition to the water which the States of the upper division are required to release in performance of articles III (c) and III (d) of the compact; so also with respect to the other Federal claims asserted by the United States "as against the parties to this cause," for use of water in the lower basin.

Questions relating primarily to articles III (f) and III (g) of the Colorado River compact include the following: Whether the provisions in these articles with reference to a compact to be made after October 1, 1963, are permissive or mandatory; whether, in the light of the statutory compact, these provisions preclude the acquisition of rights in excess or surplus waters by appropriation and by contract with the United States in the interim, subject only to further apportionment as between basins by such a future compact; and whether, in the event of competing interstate claims to such excess or surplus waters, in the absence of a compact apportioning them, priority of appropriation, including contracts with the United States, controls.

Questions relating to article VII of the Colorado River compact include the following: Whether uses by Indians are subject to the Colorado River compact; whether Indian uses are chargeable under the compact to the basin and the State in which they are situate; if not, whether they are prior and superior to the apportionments made by the compact, or are in competition with appropriations of others which are subject to the compact; the location, magnitude, and asserted priority of Indian claims; their effect upon the quantities available to non-Indian users under articles III (a), III (b), etc., their effect on the distribution of the Mexican Treaty burden; and their effect on the obligations of the States of the upper division under articles III (c) and III (d).

Questions relating primarily to article VIII of the Colorado River compact include the following: The date to which the expression "present perfected rights" relates, i. e., 1922, 1929, or some other date; the definition of said terms; whether such definition is to be determined under the law of the State under which the right arose; whether the assurance against impairment extends to quality as well as quantity; the extent of these rights in each State; their relation to the expression "rights which may now exist," as used in article III (a) of the compact and section 4 (a) of the Project Act; and the impact of reservoir losses when present "perfected rights" attach to, and are satisfied from stored waters, pursuant to the direction in article VIII.

Questions relating primarily to the Boulder Canyon Project Act and the resulting statutory compact between the United States and California include the following: Whether the alternative consent given in the Project Act to a 7-State or 6-State compact became final on June 25, 1929, in establishing the latter; whether Arizona could, or did, effectively ratify a 7-State compact thereafter; if so, whether the statutory compact authorized by the Project Act as a corollary to a 6-State compact remains in effect; if it does, whether Arizona can claim the benefits of both; whether the statutory compact authorized contracts to be made with the California defendants for the permanent service (in addition to 4,400,000 acre-feet of III (a) waters) of one-half of the excess or surplus waters unapportioned by the compact for use in California; whether it included therein the waters referred to in article III (b), or precluded California from use of such waters; whether the "excess or surplus," of which California may use one-half, is to be reckoned before or after deduction of the quantity required to be delivered to Mexico; the effect on California's right to "excess or surplus" of a future compact apportioning such waters; whether the limitation "for use in California" is net of reservoir losses, or is subject to further reduction in consequence of such losses; whether the definition of consumptive uses applicable to California is applicable to Arizona, and vice versa; whether California is free to make use of salvaged waters without charge under the compact or the Limitation Act; the effect of California's appropriations; the meaning and effect of the reference to "rights which may now exist" in section 4 (a) of the Project Act; the extent of California's "present perfected rights" as referred to in section 6 of the Project Act; whether by the Project Act, or otherwise, the shares of Nevada or Arizona in the waters of the Colorado River system have been determined; and the construction and effect of the water delivery contracts held by those States.

Mr. KUCHEL. Mr. President, some who appeared at the hearings before the subcommittee endeavored to indicate their apprehension as to to the economic feasibility of the project. Because I want Senators to have in mind the argument which has been made by some witnesses who appeared before the committee. I ask unanimous consent to have printed at this point in the RECORD, also as a part of my remarks, a news story entitled "Colorado River Project Subsidy Dangers Told," which was published in the Los Angeles Times of July 15, 1954, being this is in great part, a reference to a statement by Mr. Samuel B. Morris, general manager and chief engineer of the Los Angeles Department of Water and Power.

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

COLORADO RIVER PROJECT SUBSIDY DANGERS TOLD

Federal handouts amounting to $7,520 an acre for farmlands in the upper Colorado River storage project have been pointed out to the Senate committee holding hearings on the controversial reclamation plan, it was announced here yesterday by the Colorado River Association.

The new figure on the magnitude of concealed subsidies involved in the project bill was included in a statement presented to the Senate Interior and Insular Affairs Committee by Samuel B. Morris, general manager and chief engineer of the Los Angeles Department of Water and Power, the association said.

Morris is one of the southern California public utility authorities who are opposing the bill because it presents a serious threat to the Colorado River water and power supplies of this area.

"Taxpayers of the United States will have to pay $782,393,000 for interest charges alone on just one of the so-called participating projects included in Senate bill 1555," Morris' report showed. He referred specifically to the proposed Shiprock irrigation project, in New Mexico, as a glaring example of the sin of concealed subsidies.

The United States Reclamation Bureau plans to spend $178,825,000 of Federal funds to build an irrigation system to serve the project area which contains only 104,000 acres. By putting off until the year 2020 the start of any substantial repayments of the construction cost, the compound interest charges at 2½ percent over the long period of years add up to the $782,393,000 figures cited, Morris said.

Morris said the process of filling proposed reservoirs in the upper portions of the Colorado River with 37 million acre-feet of water would take possibly 15 years. In that time the power output at Hoover Dam and other downstream plants might be reduced to 60 percent of normal. This would have a direct effect on power supplies for southern California and would also be reflected in impaired financial operations of Hoover Dam, now the outstanding example of a soundly financed Federal powerplant, Morris added.

Another objection, Morris said, is the refusal to take into account the probable effect of atomic energy on future power costs. Under the terms of the bill, power rates at Glen Canyon powerplant are set artificially high and its earnings are counted on to subsidize irrigation.

"This planned continuance of high power charges for 80 years in spite of the probable reduction in cost of power through atomic energy or other inventions seems indefensible because there may be no market for power at those rates," Morris said.

Mr. KUCHEL. I make no prepared argument today against any specific piece of legislation on this subject; none is before us. I make this statement merely by way of respectful reply to the comments on Saturday of my colleague from Utah.

Mr. President, I have conceived my responsibilities, during the time I have been a Member of the Senate, to be both to the people of the United States and to the people of the State of California.

It seems to me I have a right to say, speaking for the people of California, that that which is theirs by law or by agreement ought to remain theirs under the law or the agreement and it is my duty to see that their rights are respected. By the same token, speaking as a Member of the United States Senate, I want every State in the American Union to receive that to which it is justly entitled; and I wish to participate, along with my fellow Senators, in building up the economy and the resources of the United States, and in approving—in those instances where they can be found to be feasible and fair and in the public interest—projects which the Government of the United States can approve, and in the building of which it can participate. That is the basis upon which I ask Senators to listen to the arguments pro and con with respect to the legislation upon which my friend from Utah [Mr. WATKINS] commented Saturday, and upon which I wish briefly to comment today.

I wish to make no argument on this occasion against the legislation to which my friend from Utah has previously adverted, but I do wish to keep the record straight. It was not upon the basis of any "vicious" desire to defeat any legislation in the present session of the Congress that the State of California asked the Supreme Court, by way of a motion, to bring in other parties to a law-

suit. I hope that in any future discussions we may have on the floor or in committee regarding this particular legislation, those of us from all the States which are involved in this controversy may be given credit among ourselves and by other Members of the Senate for acting in good faith, not alone in the best interests of our respective States, but also in the best interests of our country.

Mr. President, I appreciate the courtesy of the Senator from Tennessee in yielding to me, and I now yield back the floor.

NATIONAL ADVISORY COMMITTEE ON EDUCATION — CONFERENCE REPORT

Mr. COOPER. Mr. President, I submit a report of the committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H. R. 7434) to establish a National Advisory Committee on Education. I ask unanimous consent to the present consideration of the report.

The PRESIDING OFFICER. The report will be read for the information of the Senate.

The legislative clerk read the report.

(For conference report, see House proceedings of today.)

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

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

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

Mr. COOPER. I yield.

Mr. GORE. I take it that the Senator has not discussed this matter with the minority leader.

Mr. COOPER. I have been informed by the distinguished senior Senator from Alabama [Mr. HILL], who was one of the conferees, that he consulted with the minority leader and that it is perfectly in order to consider the conference report at this time.

Mr. HILL. As the Senator from Kentucky has stated, I was one of the members of the conference committee which agreed on the report the Senator from Kentucky is asking the Senate to consider at this time. The Senator from Montana [Mr. MURRAY] was the other minority member of the conferees appointed on the part of the Senate. We both signed the report. We also advised distinguished minority leader, the Senator from Texas [Mr. JOHNSON] of the report. He has no objection to them. Certainly we have no objection to them.

Mr. COOPER. I thank the Senator from Alabama.

The PRESIDING OFFICER. The question is on agreeing to the conference report.

The report was agreed to.

WHITE HOUSE CONFERENCE ON EDUCATION — CONFERENCE REPORT

Mr. COOPER. Mr. President, I submit a report of the committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H. R. 7601) to provide for a White House Conference on Education. I ask unanimous consent for the present consideration of the report.

The PRESIDING OFFICER. The report will be read for the information of the Senate.

The legislative clerk read the report.

(For conference report, see House proceedings of today.)

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

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

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

Mr. COOPER. I yield.

Mr. HILL. I believe the Senator from Kentucky will agree that the Senate conferees came out pretty well on these conference reports. I wonder whether the Senator would make a very brief statement relating to what was done in conference and how well the Senate conferees fared.

Mr. COOPER. On the conference report now before the Senate, the purpose of which is to provide for a White House Conference on Education, the conference agreed upon an authorization of a million dollars for that purpose. Previously the House had refused to make such an authorization. I believe the authorization adds a great deal to the bill.

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

Mr. COOPER. I yield.

Mr. HILL. It was the Senate that added the authorization. Is that correct?

Mr. COOPER. That is correct.

Mr. HILL. It was thought by the Senate that for the Conference to be successful it would be necessary to make such an authorization. Is that correct?

Mr. COOPER. We thought so. Without it, we thought the Conference would not be held, and that the bill would have very little meaning. Now we believe that the States will hold conferences and that they will present their findings to the White House in a national conference.

The PRESIDING OFFICER. The question is on agreeing to the conference report.

The report was agreed to.

COOPERATIVE RESEARCH IN EDUCATION—CONFERENCE REPORT

Mr. COOPER. Mr. President, I submit a report of the committee of conference on the disagreeing votes of the two Houses on the amendment of the Senate to the bill (H. R. 9040) to authorize cooperative research in education. I ask unanimous consent for the present consideration of the report.

The PRESIDING OFFICER. The report will be read for the information of the Senate.

The legislative clerk read the report.

(For conference report, see House proceedings of today.)

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

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

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

Mr. COOPER. I yield.

Mr. HILL. Will the Senator make a brief statement about this conference report, and indicate how well the conferees on the part of the Senate fared in connection with this conference report?

Mr. COOPER. Although I do not consider these three bills to be major bills, I should state that in each instance after the conference the result was a much better bill. The conference report now under consideration authorizes cooperative research in education. It would establish a group consisting of nine persons to advise with the Secretary of Health, Education, and Welfare on national programs affecting education. The conference report bill would authorize the Department of Health, Education, and Welfare to enter into agreements with various bodies for research on technical problems, which is something that has not been done thus far. I believe the three measures will enable the Department of Health, Education, and Welfare to establish a much broader program in the field of education. I cannot say what the immediate results will be, but at least it is the beginning of a program which should have results of consequence in this field.

Mr. SMITH of New Jersey. Mr. President, will the Senator yield for a brief remark from me, as chairman of the Committee on Labor and Public Welfare?

Mr. COOPER. I yield.

Mr. SMITH of New Jersey. As chairman of the Committee on Labor and Public Welfare, I wish to express my appreciation for the work of the entire committee in connection with these bills, particularly the work done by the subcommittee under the chairmanship of the distinguished Senator from Kentucky [Mr. COOPER].

We went into the studies very carefully, and they were worked on with the Department of Health, Education, and Welfare. All the bills were recommended unanimously by our committee. Then when they were passed by the Senate and went to conference with the House, the conferees quickly arrived at an agreement on these bills. So I express my compliments to the chairman of the committee and my appreciation of the fact that the bills are being passed this year.

The PRESIDING OFFICER. The question is on agreeing to the conference report.

The report was agreed to.

CONSTRUCTION OF NAVAL VESSELS—CONFERENCE REPORT

Mr. SALTONSTALL. Mr. President, I submit a report of the committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H. R. 8571) to authorize the construction of naval vessels, and for other purposes. I ask unanimous consent for the present consideration of the report.

The PRESIDING OFFICER. The report will be read for the information of the Senate.

The Chief Clerk read the report.

(For conference report, see House proceedings of today.)

The PRESIDING OFFICER (Mr. BARRETT in the chair). Is there objection to the present consideration of the report?

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

Mr. SALTONSTALL. Mr. President, Members of the Senate may recall that H. R. 8571 authorized the construction of approximately 14,000 tons of naval vessels in the mine warfare and patrol categories. It also increased the appropriation authorization provided for in the basic Naval Construction Act of 1950 from $350 million to $500 million.

The Senate amended the bill by reducing the appropriation increase from $500 million to $450 million. The House agreed to Senate changes.

The Senate also amended the bill by inserting the following language:

To the extent that any ships authorized under this act are constructed in private shipyards, such contracts shall be awarded to the lowest competitive bidder insofar as national security requirements will permit and such award is practical.

The House conferees strongly held to the position that such language, by implication, set aside or amended the Armed Forces Procurement Act of 1947 and the so-called Vinson-Trammell Act.

The Senate conferees felt that it was quite clearly not the intent of the Senate language to amend or set aside existing law, and for that reason added to the Senate amendment language which specified that contracts authorized under the act should not be inconsistent with either the Armed Services Procurement Act of 1947 or the Vinson-Trammell Act.

In effect, therefore, the Senate language remains as it was with the following phrase added at the end of the sentence: "and is not inconsistent with the provisions of the Armed Services Procurement Act of 1947 or the Act of March 27, 1934 (ch. 95, 48 Stat. 503), as amended."

With that amendment added, the House accepted the Senate language, and the conference report was unanimously adopted.

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

Mr. SALTONSTALL. I yield.

Mr. HILL. What is the effect of the admendment dealing with the Procurement Act?

Mr. SALTONSTALL. The Senator from Delaware [Mr. WILLIAMS] offered and there was agreed to an amendment providing for the acceptance of the lowest competitive bid, which we agreed to take to conference and insist upon if it was practical. The amendment which the conferees agreed upon provides that bidding shall be consistent with the Vinson-Trammell Act, which, as we know, is the Naval Procurement Act.

Mr. HILL. Does that mean there does not have to be competitive bidding?

Mr. SALTONSTALL. There is competitive bidding, but the Vinson-Trammell Act allows 16 exceptions to the provision for letting the contract to the lowest competitive bidder, after certain decisions are made that a straight competitive bid would be impracticable.

Mr. HILL. When the Senator states that 16 exceptions are made, does he mean there are 16 different phases of a contract?

Mr. SALTONSTALL. No; there are 16 different situations, any one of which might arise to make it difficult to have straight competive bidding. The original law was the act of 1935, which was prepared with a great deal of care by Representative Vinson, who was at that time Chairman of the Committee on Naval Affairs of the House.

Mr. HILL. Will the Senator advise us as to one of the 16 exceptions, merely as an illustration?

Mr. SALTONSTALL. The clearest example would be a contract involving the construction of a new type ship which had never been built before, or a new naval airplane of a type never built before.

Mr. HILL. The new ship might have certain features which had never been embodied in other ships, such as different engines, or new armament, or a difference in the construction of the deck. In other words, the construction might be in the nature of a somewhat new enterprise. Is that correct?

Mr. SALTONSTALL. That is correct.

Mr. HILL. I thank the Senator.

The PRESIDING OFFICER. The question is on agreeing to the conference report.

The report was agreed to.

AMENDMENT OF FEDERAL REGULATION OF LOBBYING ACT

Mr. KENNEDY. Mr. President, I ask unanimous consent to introduce for appropriate reference a bill to revise and strengthen the present Federal regulation of the Lobbying Act.

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

The bill (S. 3775) to amend the Federal Regulation of Lobbying Act, introduced by Mr. KENNEDY, was received, read twice by its title, and referred to the Committee on the Judiciary.

Mr. KENNEDY. Mr. President, on June 7, 1954, the United States Supreme Court in a split decision upheld the constitutionality of the present Lobbying Act. But it did so only with some difficulty, requiring a majority opinion which narrowly interpreted or "rewrote" many provisions of the act, and a minority opinion which strongly criticized the language or constitutionality of other provisions. Upon the announcement of this decision, as they had done many times previously, the Nation's press and other expert observers insisted that the present Regulation of Lobbying Act be drastically revised. It is, of course, impossible to give this problem the attention it deserves in the closing hectic days of Congress; but I am introducing this bill at this time in the hope that it will receive thorough analysis and criticism from experts and all concerned before the 84th Congress convenes.

The bill which I have introduced today represents the work of many committee, governmental, and private specialists over a period of time prior to the Court decision, and in addition has attempted to meet the objections raised by the opinion of the Supreme Court. Recommendations of the House Select Committee on Lobbying were also helpful.

This bill contains the following major improvements:

First. Enforcement: A copy of all registration and reporting documents would go to the Attorney General, who is charged with the responsibility for the enforcement of the act. The use of more precise terms, the expansion of such definitions as "legislative agent" and extension of the terms of the act to make certain that it is not evaded by those at whom it is aimed, will, I hope, facilitate its enforcement and thereby augment its significance on the national legislative scene.

Second. Constitutionality: Items of dubious constitutionality, including those which had to be stretched by the Supreme Court in order to prevent infringement of free speech, and those which the Supreme Court had to "rewrite," according to some, in order to make sufficiently clear to meet the standards of certainty, have been eliminated or rewritten under this bill. The coverage of "indirect" lobbying is omitted; the prohibition of any lobbying either after a conviction or prior to registration is omitted; radio and TV stations are added to newspapers and regularly published periodicals under the exemption clause; and other provisions seek to remove constitutional objections to the law and thus facilitate its administration.

Third. Contingent fees: This bill seeks for the first time to prohibit contingent fee lobbying contracts, whereby the compensation of lobbyists is dependent upon their "success" in securing the passage or defeat of particular measures. This practice, which is a serious reflection upon the legislative process and those who seek to influence it, is already outlawed under the lobby control laws of many States; and such a provision was recommended by the Buchanan committee and others.

Fourth. Draftsmanship: This bill attempts to meet criticisms of the language of the old law by rewriting it in what, in my opinion, is clear, more comprehensive, more consistent, better integrated, more practical and more up-to-date terminology. Those definitions which have been termed "loose" are made clearer and more concise, and other definitions have been added in order to clarify the intent of the law. Reporting or coverage requirements concerning the amount of contributions or expenditures under the act are set at levels which balance practicality with adequacy of coverage. The word "regulation" is removed from the title, to reemphasize the point that no stigma should be attached to those registering under the act. Internal conflicts and confusion have been eliminated.

I have introduced this bill at this time in the hope that before Congress meets again it will receive the careful consideration and constructive criticism of other Members of Congress and the public. Certainly if we are to be worthy of the

trust confided in us, we must make certain that we neither impair the right of petition nor permit abuses and undisclosed pressures to interfere with the legislative process.

I am glad that the Senator from Oklahoma is on the floor, because he played a major part in writing the provisions of this act into the Reorganization Act of 1946.

Mr. MONRONEY. I wish to compliment the junior Senator from Massachusetts for his diligence and effort to place the proposed act before the country for study. In writing the Reorganization Act we recognized the difficulty of defining lobbying activities and activities associated with lobbying, particularly when it is necessary to connect up efforts for hire, so to speak, to influence legislation in Congress with a penalty clause which would carry an enforcement provision under which a jail term could be imposed for failure to register or to file reports. Therefore, I am delighted to note the thoroughness and energy with which the junior Senator from Massachusetts has endeavored to meet and correct this need.

It will certainly be very helpful to have the bill before the country to permit ample discussion and to project hearings when the 84th session of Congress opens.

One of the defects of the Lobbying Act was due to the fact that it was made a part of the Reorganization Act, which embodied approximately 34 reforms of a somewhat major nature, and to have complete and exhaustive testimony on that one phase was not possible within the limited time which was available, and therefore Congress passed it largely in the hope that it would be refined.

The act has been on the books since 1946. Certainly in that period of time, and now with the decision of the Supreme Court as a guidepost as to what provisions might be incorporated in it to make such a law effective, the introduction of the bill by the junior Senator from Massachusetts will prove to be a very distinct advantage. Particularly is it necessary, in connection with big lobbying activities, not to prevent the activities themselves, but to identify the sources and pressures, and the sources of the amounts of money which are spent in influencing proposed legislation. The public should have the truth. We have a right to expect the truth to be forthcoming. In that way I believe we can have a successful identification and a placing of certain limits on excessive lobbying or excessive pressures on Congress.

Mr. KENNEDY. I am grateful to the Senator from Oklahoma particularly because he was a coauthor of the Reorganization Act. I am aware what a difficult problem Congress was confronted with in 1946. The 8 years of experience we have had with the act and the recent Supreme Court decision may well assert their influence on the Subcommittee on Reorganization of the Committee on Government Operations when it considers this entire problem.

As the Senator has suggested, the problem of coordinating lobbying regulations with a desire to preserve the right of citizens to petition Congress is a very difficult and delicate operation. I believe that the 8 years of experience we have had under that section of the Reorganization Act since 1946 should prove beneficial in considering it at the beginning of the next Congress.

ADDITIONAL REPORTS OF A COMMITTEE

The following additional reports of a committee were submitted:

By Mr. LANGER, from the Committee on the Judiciary, without amendment:

S. 1061. A bill for the relief of Norman F George (Rept. No. 1914);

S. 3305. A bill to authorize payment of certain war claims, including payment of certain claims arising out of the sequestration by the Imperial Japanese Government of credits of members of the military and naval forces of the United States and other United States nationals in the Philippines (Rept. No. 1915);

H. R. 1975. A bill to amend section 2201 of title 28, United States Code, to extend the Federal Declaratory Judgments Act to the Territory of Alaska (Rept. No. 1916);

H. R. 1976. A bill to amend title 28, United States Code, to permit the registration of judgments in or from the District Court for the Territory of Alaska (Rept. No. 1917);

H. R. 3557. A bill for the relief of Capt. Walter C. Wolf (Rept. No. 1918);

H. R. 3757. A bill for the relief of Dorothy Kilmer Nickerson (Rept. No. 1919);

H. R. 7140. A bill for the relief of Robert A. Duval (Rept. No. 1920); and

H. R. 7411. A bill for the relief of Mrs. Esterlee Hutzler Weinhoeppel (Rept. No. 1921).

By Mr. LANGER, from the Committee on the Judiciary, with an amendment:

S. 417. A bill conferring jurisdiction upon the United States District Court for the District of New Mexico to hear, determine, and render judgment upon certain claims arising as a result of the construction by the United States of Elephant Butte Dam on the Rio Grande (Rept. No. 1922);

S. 1737. A bill for the relief of certain former employees of the Inland Waterways Corporation (Rept. No. 1923);

S. 3166. A bill for the relief of the city of Sandpoint, Idaho (Rept. No. 1924);

S. 3214. A bill for the relief of Mrs. Marie Monchen (Rept. No. 1925);

S. 3293. A bill for the relief of Lt. P. B. Sampson (Rept. No. 1926);

H. R. 1370. A bill for the relief of Guy H. Davant (Rept. No. 1927);

H. R. 2032. A bill for the relief of Clarence D. Newland (Rept. No. 1928);

H. R. 3222. A bill for the relief of Martin Luther Johnson (Rept. No. 1929);

H. R. 4474. A bill for the relief of Frederick Joseph Buttaccio and others (Rept. No. 1930); and

H. R. 4638. A bill for the relief of David W. Wallace (Rept. No. 1931).

By Mr. LANGER, from the Committee on the Judiciary, with amendments:

S. 2496. A bill for the relief of Harvey Schwartz (Rept. No. 1932);

S. 3436. A bill for the relief of Laurie Dea Holley (Rept. No. 1913);

H. R. 1665. A bill for the relief of Carl Piowaty and W. J. Piowaty (Rept. No. 1933); and

H. R. 7413. A bill for the relief of Harold J. Davis (Rept. No. 1934).

By Mr. WILEY, from the Committee on the Judiciary, without amendment:

S. 2559. A bill to amend title 17, United States Code, entitled "Copyrights" (Rept. No. 1936);

H. R. 5420. A bill to amend section 161, title 35, United States Code, relating to the patenting of plants (Rept. No. 1937); and

H. R. 6280. A bill to extend temporarily the rights of priority of nationals of Japan and certain nationals of Germany with respect to applications for patents (Rept. No. 1938).

TOM HELLANDER CO., SUPERIOR, NEBR.—REFERENCE OF SENATE BILL 1613 TO COURT OF CLAIMS—ADDITIONAL REPORT OF A COMMITTEE

Mr. LANGER. Mr. President, from the Committee on the Judiciary, I report an original resolution to refer the bill (S. 1613) for the relief of Tom Hellander Co., Superior Nebr., to the Court of Claims, and I submit a report (No. 1935) thereon.

The PRESIDING OFFICER. The report will be received, and the resolution will be placed on the calendar.

The resolution (S. Res. 286) was placed on the calendar, as follows:

Resolved, That the bill (S. 1613) entitled "A bill for the relief of the Tom Hellander Co., Superior, Nebr.", now pending in the Senate, together with all accompanying papers, is hereby referred to the United States Court of Claims pursuant to sections 1492 and 2509 of title 28, United States Code; and said court shall proceed expeditiously with the same, in accordance with the provisions of said sections, and report to the Senate, at the earliest practicable date, giving such findings of fact and conclusions thereon as shall be sufficient to inform the Congress of the nature and character of the demand, as a claim legal or equitable, against the United States, and the amount, if any, legally or equitably due from the United States to the claimant.

REVISION OF THE ATOMIC ENERGY ACT OF 1946

The Senate resumed the consideration of the bill (S. 3690) to amend the Atomic Energy Act of 1946, as amended, and for other purposes.

Mr. SPARKMAN. Mr. President, a few days ago I had the privilege of speaking briefly on the bill, but when the majority leader was ready to recess the Senate I stated that I had not been able to cover all the subjects I wanted to cover. There are in the bill many things which require very careful consideration by the Senate. I think it is unfortunate that early in the consideration of the bill the misconception gained some headway that the only subject concerned in the bill was the Dixon-Yates contract. There are many other subjects. There is the patent section, the one with respect to licenses, the one relating to international agreements, the question of monopoly, and other questions. All of them ought to be explored. I hope before consideration of the bill is concluded they will be explored.

Mr. President, I have said in the discussion so far, and I know the able Senator from Tennessee has said many times in the course of his discussion, that whereas the TVA was involved, it was not involved in the primary question. In fact, in setting forth the different matters of concern, the Senator from Tennessee listed TVA as the third consideration.

I believe all of us who have been discussing the bill have been in agreement

that the first consideration is the manner in which an independent agency of the Government of the United States has been dealt with by being ordered directly by the President of the United States to enter into a contract which a majority of the Commissioners of that independent agency did not want to enter into. They expressed themselves as not wanting to enter into the purchase of power which was not to be used by the Atomic Energy Commission and not to be used as is provided in the law in connection with the construction or operation of the installations of the Atomic Energy Commission at either of the three places designated.

I wish to emphasize the importance of that attitude. The question of the TVA has been brought in. Of course, TVA is involved because it is made more or less the innocent bystander in the matter.

The order of the President directed that power be bought from a company, not yet incorporated, not yet organized, but one that it is anticipated will be organized. After it is organized, it is to build a powerplant, and AEC would buy power from that powerplant and TVA would distribute that power, not to the TVA, not to the Atomic Energy Commission, but to the people of Tennessee.

Even the Ferguson amendment, which is the pending question, provides that the power contract may be entered into for the purpose of buying power to replace power supplied by the TVA to the Atomic Energy Commission. However, there is something in the Dixon-Yates contract to which I wish to call attention; that is, it does not replace 1 single kilowatt of power supplied by the TVA to the Atomic Energy Commission.

Three Commissioners—a majority of the Commission—two of them in a letter to the Director of the Budget and the third in testimony before the joint committee, stated that the contract did not change the status, and that the power to be generated was not to be used in connection with the operation of the Atomic Energy Commission, although the only authority given by law is for the use of such power in connection with the AEC. All three Commissioners stated that it would not be used in connection with the operations of the Atomic Energy Commission, and they said that the President was directing the Commission to go far afield of its functions and to do things that Congress never intended it should do.

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

Mr. SPARKMAN. I will yield only for a question.

Mr. MONRONEY. Could the Senator advise the Senate as to who located the plant in West Memphis? What I am concerned about is whether there was open bidding and whether it was a well-advertised negotiated bid, whether those who were to supply this power from private sources were under any limitation as to where the plant would be built, what the terms of the proposed deal were, whether there was any kind of competitive bidding, and whether the Government had the right to determine in these negotiations where the plant was to be located. Did the Atomic Energy Commission, as the prime mover in this contract, have anything to say as to where the plant was to be located?

Mr. SPARKMAN. I am glad the Senator from Oklahoma asked me that question. In my opinion, not only was there no open bidding or competition, but there was not even any open information. The first notice, so far as I know, that Congress had that anything such as this was pending was when the President delivered his message to Congress—I believe it was his budget message—in which he said that in dealing with the problems of TVA it was hoped that some plan could be devised whereby TVA would be relieved of supplying—I think his message said—some half million kilowatts of power to the Atomic Energy Commission.

When that statement was made in the budget message, I remember a newspaperman asked me what I thought about it. I said, "Naturally it sounds good to hear the President talk about relieving the TVA of having to serve so much power to the Atomic Energy Commission, because if that is what they are actually to do it will give us relief. However," I said, "I would rather wait and see the plan that is submitted."

When the plan was submitted, it apparently not only was a surprise to a great many people, but it was a surprise apparently to the Atomic Energy Commission.

I call attention to the fact that two of the Commissioners addressed a letter to the Director of the Budget. They are Dr. Smyth and Mr. Zuckert. As I recall, the letter was written in April 1954. In that letter they made reference to a letter of December 24, 1953, which the Director of the Budget had written, in which he had requested the Atomic Energy Commission to explore the possibility of reducing existing commitments of the TVA to the Commission. They explored that possibility. It was on April 16, 1954, that the two Commissioners wrote to the Director of the Budget, and they made a very strong objection to the proposal. First of all, they stated, in substance, that they had not been able to find another plan which was better than the plan they had with TVA; therefore, it was their recommendation that they continue the arrangement they had with the TVA. In a later letter a new proposal was made, and that was that the Atomic Energy Commission contract for power. Apparently, that is the letter in which it was first proposed that the Commission enter into the contract with Dixon-Yates, the company to be, for power, because they make a very significant statement. I shall quote from the letter, and I should like the Senator from Oklahoma to listen to it, because it is a very significant statement. Let me first, read the sentence bearing out my former statement. They say they had made the exploration which was requested. I read:

> In the course of the exploration, it was determined to be unwise to disturb the arrangements on which our production schedules depend. Since that determination the explorations have taken a different course.

Listen to this:

> The present proposal would create a situation whereby the Atomic Energy Commission would be contracting for power not 1 kilowatt of which would be used in connection with the Commission's production activities.

It is significant, I think, that they use the phrase "in connection with," because that same phrase is used in the law which gives the Atomic Energy Commission the authority to buy power to be used in connection with the construction and operation of its installations in the three areas named. The Commissioners point out that not 1 kilowatt of this power would be so used. They might have gone further and pointed out that not 1 single kilowatt would have been taken under the commitments which the TVA had to supply power to the Atomic Energy Commission. Therefore, any statement to the effect that this carries out the President's promise in his budget message to reduce the amount of the commitment of the TVA to supply power to the Atomic Energy Commission simply does not comport with the facts, because the TVA's commitment to deliver power to the Atomic Energy Commission remains undiminished by a single kilowatt.

I desire to say a further word with reference to the power arrangements in the TVA area. I live in that area, and I wish to emphasize again that the TVA is not the primary consideration in this matter at all, but is brought in more or less as an innocent bystander. Many persons have referred from time to time to the expansion of power in the TVA. I believe very few persons understand that of all the power generated in the TVA some 55 percent, in another year or so, will be going to the Atomic Energy Commission, and a great part of the remainder will go to defense installations and defense-related installations.

At the beginning of World War II, practically all the aluminum manufactured in the United States was manufactured in the Tennessee Valley by the Aluminum Co. of America. It was not until shortly before our entry into World War II that we began to expand our aluminum production. If I remember correctly, in 1940 the production of aluminum in this country was 300 million pounds a year. The first company that went into the manufacture of aluminum, besides the Aluminum Co. of America, was the Reynolds Metals Co. That company expanded, and production went up to 600 million pounds, then 1.2 billion pounds, and then on beyond that. Aluminum is now manufactured in a good many sections of the country, but still a great part of the aluminum industry is centered in the Tennessee Valley.

Mr. ANDERSON. Mr. President, will the Senator from Alabama yield for a question?

Mr. SPARKMAN. I yield for a question.

Mr. ANDERSON. Many persons have expressed the thought that TVA may draw industry away from other areas. Did it draw industry away from any other area?

Mr. SPARKMAN. Not at all. As a matter of fact, Alcoa was already there. It was there before the TVA was ever established. It simply expanded as the demand for aluminum expanded.

The Reynolds Metals Co. went there because power was available at that particular time. That was before we entered into the war. Later on the industry expanded in the Pacific Northwest, and still later in Arkansas, and later in Texas, and in numerous other places where power was available. It expanded as the demand for aluminum became greater.

But, certainly, there is no other industry, or, certainly, there are few, if any, other industries more closely connected with the national defense and national security than is the aluminum industry. In addition to that is the tremendous engineering development in Tennessee. I do not know what prompted industries to locate there. The Government owned a great reservation where a military camp had been established, and industries require an enormous amount of power. There is located at my home town the guided missile research center of the Army, and there are other installations closely associated with the national security which use a great amount of that power.

So, Mr. President, when we speak of the great expansion of development, it has come about very largely because of the demands of our defense set-up for the additional supply of power.

When we speak of expansion on a geographic basis, I believe everyone should be aware of the fact that since the act of 1939 TVA has not expanded a single mile.

I remember the TVA legislation quite well. I was the sponsor of it. I was a Member of the House of Representatives at that time. I was on the Military Affairs Committee which had jurisdiction over all legislation pertaining to TVA, and I sponsored the measure.

The principal witness and proponent of the measure was Mr. Wendell Willkie, who was president of the Commonwealth & Southern Co., which owned the Tennessee Power Co., the Mississippi Power Co., and other companies. He argued for the proposed legislation, and it was passed very much as he asked for it, to allow the sale of TVA power to all the State of Tennessee except a small corner in the northeastern part, and to a certain section in northern Alabama. There were 12 counties, plus two cities near Birmingham, which had built their own transmission lines which could get TVA power. Those counties and the cities of Tarrant and Bessemer were named in the law. The same is true of certain counties in Mississippi.

We voted $5½ million worth of bonds with which to purchase the necessary properties.

From that time until this, the TVA has not expanded a single mile, nor have any of the private power companies serving in the area which it was decided by the act should be served by the TVA.

Only last year, in testifying before the Committee on Appropriations, a representative of the utilities in that area made a rather significant statement when referring to the agreement under the act of 1939. He said that since that date both sides have meticulously observed the agreement. That is true.

Our area grows. I do not know that it grows any faster than any other area in the United States. Every area in the United States develops. It is entitled to have normal development. As normal development occurs, naturally the power demand grows with it. Certainly we are entitled in our area to have a sufficient amount of power to meet the normal growth. The growth has been normal. It has not been as a result of the siphoning of any industry from other parts of the country. Even the President of the United States has been quoted as saying something to the effect that industry has been siphoned from New England into the Tennessee Valley area.

But the facts will show that not a single New England industry has moved into the TVA area since the establishment of the TVA about 20 years ago. The development simply has not worked out in that way. The development which has taken place has not been something unusual. It is a development which has occurred in every other area of the United States where power was available. Such development may be expected in the future in every section of the United States where those things which are necessary to promote industrial development may be found.

Mr. President, I wish to speak a little about some of the features of the Dixon-Yates contract. The able Senator from Oklahoma a while ago asked me if there was any open competition. I stated that not only was there no open competition, but that there was not even any open knowledge or information. As we go further and further into the question, I think we learn more and more that certainly will not stand the light of day.

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

Mr. SPARKMAN. I yield for a question only.

Mr. FULBRIGHT. I certainly hope the Senator will discuss the Dixon-Yates contract, because we are all very curious to hear about it. Nothing has been said about it so far.

Mr. SPARKMAN. If the Senator's statement is in the form of a question, I will say to the able Senator from Arkansas that I certainly think the Dixon-Yates contract ought to be discussed over and over, until the people of the country see it in the light of day and understand the great—I should like to use the word "fraud," but I will not say "fraud," but the terrible mistake which was about to be perpetrated upon the people of the Nation.

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

Mr. SPARKMAN. I yield for a question.

Mr. FULBRIGHT. Which version is the Senator going to discuss? The TVA estimate, the AEC estimate——

Mr. SPARKMAN. I do not care.

Mr. FULBRIGHT. The Senator yielded for a question. I wanted to ask him a question. Which version does the Senator intend to discuss? The TVA version, the AEC version, or the facts as presented by Mr. Nichols in the committee hearing, which I presented the other day?

Mr. SPARKMAN. Is the Senator's question whether I accept the TVA version, the AEC version, or the Fulbright version?

Mr. FULBRIGHT. That is the question.

Mr. SPARKMAN. It does not matter to me which version we accept. Each is as bad as the other. As a matter of fact, I am willing to take the version of the Budget Bureau. I believe a figure was given by the Budget Bureau, certainly by the Atomic Energy Commission itself. The Atomic Energy Commission made an estimate.

I doubt seriously that anyone could question the version made by the Atomic Energy Commission. But even if we took the Fulbright version, which, in my opinion, leaves out of consideration many very important factors, I do not think the contract could stand when the light of day was turned upon it, so far as the interests of the American taxpayers are concerned.

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

Mr. SPARKMAN. I yield.

Mr. FULBRIGHT. Does the Senator mean that the $282,000 is too big a price to pay for the contract, if that is the price?

Mr. SPARKMAN. I do not admit that that is the price, but I should say that even that, coupled with many of the other provisions, would be too big a price. For instance, the Senator from Arkansas has not even mentioned many of the other factors, such as the guaranty against loss, the guaranty of a net return on the earnings, exemption from taxation, and a cancellation indemnity, which may run, according to the very able and distinguished Senator from New Mexico, who certainly has given great study to the question—more than I have, and I imagine more than has the Senator from Arkansas—as high as $40 million. If I correctly recall, the Senator from New Mexico said that the indemnity on cancellation might run as high as $40 million.

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

Mr. SPARKMAN. I yield.

Mr. FULBRIGHT. In fact, the last statement, about the cancellation, is the only point the Senator from New Mexico made in which there is much or in which there is any truth. The other statement was quite in error. There is no guaranty of 90 percent.

Mr. SPARKMAN. I did not say 90 percent.

Mr. FULBRIGHT. Nine percent. There is no guaranty of 9 percent at all.

Mr. SPARKMAN. On the equity.

Mr. FULBRIGHT. Certainly not. It is only in ideal conditions that it would be 9 percent.

Mr. SPARKMAN. Oh, I realize there is an "if" in the provision that if the cost runs above the estimate. But if the cost comes out in accordance with the estimate which has been made, then there is a return of 9 percent on the equity investment. That is all I mean.

Mr. FULBRIGHT. If the Senator will yield further, that is very different from saying there is a guaranty in any event. The only "if" with respect to large dividends depends upon large earnings. If there are no earnings, there are no dividends. If there are earnings, there will be. That is different from a guaranty.

How the Senator can say, if there is a guaranty, that I intended to say if it was earned on this basis, it will be 9 percent, I cannot imagine. Those are two conflicting diametrically opposed concepts.

Mr. SPARKMAN. I certainly do not want the Senator from Arkansas to put words in my mouth. I did not say it in just that way. I said that if the cost comes out according to the estimate that has been made——

Mr. FULBRIGHT. Correct.

Mr. SPARKMAN. My understanding is that the cost as agreed to in the contract is——

Mr. FULBRIGHT. It is an estimate.

Mr. SPARKMAN. I cannot say it is agreed to by Dixon-Yates, because there is no Dixon-Yates, but by representatives of the company which hopes to be. My understanding is that that is the figure they would use in going before the Securities and Exchange Commission to be allowed to market the securities. If those estimates are correct, then they would be given a return of 9 percent on the equity.

Mr. FULBRIGHT. Did not the Senator say just prior to that that there was a guaranty of 9 percent?

Mr. SPARKMAN. I said that, and then I said that would be the return, provided the estimates which they have submitted are adhered to and are not exceeded.

Mr. FULBRIGHT. I have just one other point. I do not want to reiterate——

Mr. SPARKMAN. I yield for a question, please.

Mr. FULBRIGHT. I desire to ask a question, Mr. President.

Has not the Senator also misled the Senate with regard to the $40 million? That also is a maximum penalty in case the market for electricity in this area collapses, and nobody wants the power. Then the maximum would be $40 million, which no person really anticipates. That is the extreme case of complete collapse; is it not?

Mr. SPARKMAN. Yes.

Mr. FULBRIGHT. Is not that true?

Mr. SPARKMAN. Yes; I suppose it would be fair to say that it might run up to that figure.

Mr. FULBRIGHT. That is correct.

Mr. SPARKMAN. I was quoting the Senator from New Mexico.

Mr. FULBRIGHT. If the Senator will yield, I wanted to make that point, because the Senator from New Mexico previously made the flat statement——

Mr. SPARKMAN. I certainly did not intend to say that there would be $40 million. I said in the event of cancellation there might be indemnity of as much as $40 million.

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

Mr. SPARKMAN. I yield.

Mr. FULBRIGHT. The Senator is doing a great service in clarfying the misinformation left in the RECORD by the Senator from New Mexico on that point.

Mr. SPARKMAN. I am glad the Senator from Arkansas is in such a friendly, give-and-take frame of mind tonight and admits that the Dixon-Yates contract has at least one weakness, and that is the $40 million contingent——

Mr. FULBRIGHT. Oh, no.

Mr. SPARKMAN. Questions only. Questions only.

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

Mr. SPARKMAN. I yield for a question.

Mr. FULBRIGHT. The Senator does not really think I admitted that was a weakness, does he?

Mr. SPARKMAN. I thought that is what the Senator from Arkansas said a few moments ago.

Mr. FULBRIGHT. No; it is a fact.

Mr. SPARKMAN. It is a fact.

Mr. FULBRIGHT. It is not a weakness. I did not say it was a weakness.

Mr. SPARKMAN. I hope the Senator will read in the RECORD his remarks of a little while ago.

Mr. FULBRIGHT. If I said "weakness," I was mistaken. I certainly did not intend to say it was a weakness.

Mr. SPARKMAN. What the Senator said amounted to a statement on his part that that was the one point I had made that had substance to it.

Mr. FULBRIGHT. Oh, no; that had any accuracy or truth in it at all.

Mr. ANDERSON. Mr. President, will the Senator from Arkansas yield for a question?

Mr. FULBRIGHT. Yes.

Mr. SPARKMAN. Mr. President, I have the floor. I yield for a question only.

Mr. ANDERSON. Does the Senator realize that if we could produce the prepared copy and it indicated that there might be termination costs running as high as $40 million, it would not actually be too bad a misstatement, would it?

Mr. SPARKMAN. As a matter of fact, I must have been terribly in error a while ago, because I understood the Senator from Arkansas clearly to say that was one bad part of this contract, one criticism that had substance. That is certainly the way I understood the Senator's remarks.

Mr. ANDERSON. Mr. President, will the Senator from Alabama yield to me for a question?

Mr. SPARKMAN. Yes.

Mr. ANDERSON. If the Senator will direct his attention to page 949 of the hearings, he will read:

> The total maximum cost of cancellation to the Government, assuming the plant is idle—in other words, you don't use it at all—anybody—from the date of notice of cancellation is estimated at $40 million, plus fair and reasonable expenses payable to third parties.

Mr. SPARKMAN Yes; that appears at the bottom of page 949. I should like to suggest to the Senator from Arkansas that he read that part of the hearings. I had read that statement.

Mr. FULBRIGHT. Mr. President, will the Senator from Alabama yied for a question?

Mr. SPARKMAN. In a moment. I had heard the very able discussion by the Senator from New Mexico a couple of days ago. By the way, in that connection, I should like to say for the RECORD that many people seem to think this debate has been running a long time. Do my colleagues realize that this is only the fifth day of the debate? The debate on the Bricker amendment ran for 5 weeks, and during that time I never heard the charge of filibuster made. Yet this debate has been going on for less than 5 days, with many other matters disposed of during that time. For instance, today the Senate met at 10 o'clock a. m. Yet it was not until nearly 1:30 p. m. that any Senator had a chance to say a single word on the bill, which is of such tremendous importance to the United States.

Mr. FULBRIGHT. Will the Senator yield?

Mr. SPARKMAN. I yield for a question.

Mr. FULBRIGHT. I have two questions. The first question is on the last point the Senator made. Does not the Senator realize that whether or not a discussion is called a filibuster sometimes depends on how much reiteration there is in a discussion? The Senator has noticed that, has he not?

Mr. SPARKMAN. No; I do not think that is the gage of whether a debate is a filibuster at all. For instance, I have spoken for about an hour on the bill prior to this occasion. A couple of days ago I was speaking—I believe it was Friday evening—when the majority leader came to me and asked me if I would mind letting him make a motion to recess. I told him I would not mind, but I stated at that time that there were some other matters in the proposed legislation I wanted very badly to discuss. No; I think the question of whether debate is a filibuster depends very largely on whether individual Senators discuss the measure before them in the manner in which each one feels for himself it ought to be discussed. I happen to know that several Senators have prepared addresses they desire to make and have been waiting for several days to discuss the bill. No doubt one or two other Senators could have completed their statements today had it not been for the fact that from 10 o'clock to about 1:30, a period of almost 3½ hours, the time was taken up with extraneous matters.

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

Mr. SPARKMAN. Yes, for a question.

Mr. FULBRIGHT. The Senator knows I am not criticizing the debate as a filibuster, does he not?

Mr. SPARKMAN. I know that. I was not directing my remarks to the Senator from Arkansas. Before the Senator from Arkansas came on the floor this evening—I suppose it was while he was at dinner—our very genial, able, and forceful majority leader made the suggestion that a filibuster was in progress.

I may say to the Senator from Arkansas that one reason why I was so guarded when he asked me to yield, and stated I would yield for a question only, was that the majority leader had suggested that if Senators did not observe the rules he might call them to order, and I wanted to be certain I am protected.

Mr. President, I may say, in that connection, that every time I yield I shall yield only for a question. I want to be protected in that. The Senator to whom I yield will be held to asking a question, so that I shall not have the floor taken away from me.

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

Mr. SPARKMAN. I yield for a question.

Mr. FULBRIGHT. Does the Senator recognize any difference between a statement which alleges or states that the cancellation clause in the proposed contract provides for a maximum or no more than $40 million, under the most adverse conditions, and a statement that it provides for a $40 million payment in case of cancellation? Does the Senator see any difference in the two statements?

Mr. SPARKMAN. I do not know from what the Senator draws his contrast, because I do not know where the two statements were made. I said the proposal provided for as much as $40 million indemnity. That is the term I used; and it does.

Mr. FULBRIGHT. Does not the Senator know that the Senator from New Mexico stated in his original speech, and in his colloquy with me, that the contract provides for a $40 million payment in case of cancellation, and he referred to an analogous provision which he said was in a contract with the EEI at Paducah, which contract he said provided for a $40 million penalty payment in case of cancellation.

Mr. SPARKMAN. I am not going to pass judgment on the statement of the Senator from New Mexico.

Mr. FULBRIGHT. The Senator was here, was he not?

Mr. SPARKMAN. I was here when the Senator from New Mexico made his statement and I understood fully what he was saying. I am certain that if the Senator from Arkansas will check the RECORD, he will find that the Senator from New Mexico used the term "a maximum." Of course, we all know, when we speak of an indemnity being provided, that that does not mean the full amount. For instance, a man might carry $50,000 insurance on his automobile against bodily injury to someone else. We do not always take pains to say that is the maximum the insurance company will pay; we simply say he has $50,000 insurance. The company may not be called upon to pay all of that at all.

Mr. FULBRIGHT. The Senator from Alabama is trying to say that in that discussion he and the Senator from New Mexico were not very precise in the way they discussed the question.

Mr. SPARKMAN. I certainly do not intend to say that.

Mr. FULBRIGHT. Is that not what he did say?

Mr. SPARKMAN. I had no difficulty in understanding what the Senator from New Mexico was saying. I certainly feel that all 94 of the other Senators understood. If the Senator from Arkansas failed to understand, I am sorry. I would suggest that hereafter the Senator from New Mexico spell it out down to the last comma, dot, and crossing of the "t," so the Senator from Arkansas will be able to understand correctly.

Mr. FULBRIGHT. Do the Senator from New Mexico and the Senator from Alabama have some special language they use?

Mr. SPARKMAN. Not at all. Even though the Senator from Arkansas may not have understood the remarks when the Senator from New Mexico was speaking, I think if he went back to the RECORD, he would understand.

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

Mr. SPARKMAN. I yield for a question.

Mr. ANDERSON. Does the Senator from Alabama recognize that under the proposal of Dixon-Yates, which is not formalized into a contract, for the first 3 years the total charge could be $8,775,000?

Mr. SPARKMAN. I am willing to accept those figures as accurate. I do not have the exact figures before me, but I have seen some statement to that effect, although I do not remember the exact amount at the present time.

Mr. ANDERSON. Does the Senator from Alabama have any reason to doubt that the termination provision, which was set forth as item 7, reads:

7. Termination:

(a) After commencement of full-scale operation, termination will be allowed on 3 years' notice, during which period assignment may be made to another governmental agency, at contract rates, including all taxes and other adjustments.

Does the Senator from Alabama recognize that that provision states it can be assigned only to another governmental agency?

Mr. SPARKMAN. Yes. In fact, I was about to discuss some of the provisions of the contract, when the Senator from Arkansas started quizzing me.

Mr. ANDERSON. Did not the Senator from Arkansas suggest that we should be specific?

Mr. SPARKMAN. Yes; very specific.

Mr. ANDERSON. Does not the Senator from Alabama think that, under the challenge of the able Senator from Arkansas, this would be a good time to be specific?

Mr. SPARKMAN. I think that now, when the Senator from Arkansas is sitting here, we should be quite specific.

Mr. ANDERSON. Then does the Senator from Alabama realize that if the cancellation notice is confined to 3 years, the maximum cost per annum will be $8,775,000; and does not the Senator from Alabama believe we should also include the figure for the cost in the fourth year, which would be $7,314,000? Does not the Senator from Alabama think that should be added to it?

Mr. SPARKMAN. Yes; it would have to be added to it.

Mr. ANDERSON. Under the termination provisions, does the Senator from Alabama recognize that clause (b) of the proposed contract says that "In any event" the seller will absorb capacity in the amount of at least 100,000 kilowatts in each year, "absorbing associated proportions of costs"? Does not the Senator from Alabama think that should be taken into consideration, and also that specific figures for that should be given?

Mr. SPARKMAN. I certainly do; and I have prepared a statement dealing with those very costs, and I had just started to give them when the Senator from Arkansas stated that he wanted additional information.

Mr. ANDERSON. Does the Senator from Alabama feel that, having calculated the cancellation cost for a period of 4 years, we should also state for the RECORD the maximum cancellation cost in the fifth year, when the annual charge would be $5,853,000? Does he believe that figure has been carefully calculated on the basis discussed by the Atomic Energy Commission; and does he further believe that, being a proper figure, it should be taken into consideration?

Mr. SPARKMAN. I certainly do. I think we must do so if we are to understand the contract and the contingencies.

Mr. ANDERSON. Mr. President, will the Senator from Alabama yield further?

Mr. SPARKMAN. I yield for a question only.

Mr. ANDERSON. Does the Senator from Alabama believe that then we should pass to the cost for the 6th year and, in the interest of being specific, we should note the amount, namely, $4,392,000 for that year?

Mr. SPARKMAN. If that is the figure that has been estimated for the Atomic Energy Commission, I think we certainly should state it.

Mr. ANDERSON. And does the Senator from Alabama think we should omit stating the figure for the following year, which is $2,931,000?

Mr. SPARKMAN. We cannot afford to leave out the figure for any year of the life of the contract.

Mr. ANDERSON. Then am I correct in assuming that we should also state the figure for the eighth year, which is $1,470,000?

Mr. SPARKMAN. By all means it should be stated.

Mr. ANDERSON. Then, as the Senator from Alabama figures these amounts, as I have stated them, do I correctly understand that the total comes to $48,285,000?

Mr. SPARKMAN. That is precisely correct.

Mr. ANDERSON. And, inasmuch as the Senator from Alabama agrees that I have figured correctly thus far, does the Senator from Alabama think we should state for the RECORD that, under provision 7 (d), we find that—

In event buyer relinquishes right to capacity after termination, base capacity charge (including adjustments) will be thereafter reduced $1,500,000; proportionally in case of partial reductions.

And does the Senator think we should also state that it could apply to 5 years; and does not the Senator from Alabama feel it would be only fair to deduct the $7,500,000, for 5 years, from the $48,285,000, so we would come out with a figure slightly in excess of $40,000,000?

Mr. SPARKMAN. Yes, and that would bring it down to the figure originally given by the Senator from New Mexico.

Mr. ANDERSON. Would not the Senator from Alabama think that would be definitely specific, for the purposes of the Senator from Arkansas?

Mr. SPARKMAN. It seems to me to be a perfectly accurate mathematical calculation.

Mr. ANDERSON. I thank the Senator from Alabama.

Mr. ERVIN. Mr. President, will the Senator from Alabama yield to me?

Mr. SPARKMAN. I am glad to yield to the distinguished Senator from North Carolina, formerly my colleague in the House of Representatives.

Mr. ERVIN. While we are talking about figures, let me inquire whether I correctly assume that the taxpayers of the United States have already advanced $1,800,000,000 to the TVA?

Mr. SPARKMAN. Let me say to the Senator from North Carolina that I will not vouch for the exact figure, but I assume that is approximately correct for the overall development of the TVA.

Of course, if the Senator from North Carolina wishes to go into a discussion of that, we might compare the cost of TVA with the cost of some of the reclamation projects. Furthermore, we might go into the fact that the TVA has been making a return of approximately $4,500,000 a year to the Treasury of the United States, on the part of the TVA that was put to power use.

Furthermore, under the TVA's own amortization rate, as set by Congress, in 40 years' time, the TVA will repay all the money invested in power.

Mr. ERVIN. I am interested only in the figures.

Mr. SPARKMAN. Yes.

Mr. ERVIN. As I understand, the TVA has repaid, out of the $1,800,000,000, the sum of approximately $111 million.

Mr. SPARKMAN. That may be correct; yes. It has been running at about 4½ percent a year, as I understand; and in 40 years' time the TVA will repay all the money that has been put in it for the purpose of developing power. That is true.

Mr. FULBRIGHT. Mr. President, will the Senator from Alabama yield at this point?

Mr. SPARKMAN. I yield.

Mr. FULBRIGHT. Will the TVA also repay all the money it milks out of the Atomic Energy Commission, through overcharges?

Mr. SPARKMAN. Mr. President, if there is any charge that has been made on this floor during the debate that is completely without foundation in fact, it is the charge or suggestion or insinuation that the TVA has overcharged the Atomic Energy Commission. The facts we have put into the RECORD, as submitted at the hearings, completely negate such an insinuation.

Furthermore, when this charge was first made, four of the Commissioners protested, and said they had investigated the situation ever since December 1953—I believe that was the date; and they had come up with the proposal—let me say to the Senator from Arkansas, for I am afraid he has not been here all the time, and he may have missed that information——

Mr. FULBRIGHT. Mr. President, while the Senator is looking for the figure, will he yield again to me?

Mr. SPARKMAN. I yield for a question, only.

Mr. FULBRIGHT. Has not Mr. Nichols, the General Manager of the Atomic Energy Commission, stated, according to the memorandum I placed in the RECORD, that according to his calculations the Atomic Energy Commission is being overcharged $3 million a year?

Mr. SPARKMAN. I do not know what Mr. Nichols may have stated——

Mr. ANDERSON. Mr. President, at this point will the Senator from Alabama yield to me?

Mr. SPARKMAN. I yield for a question.

Mr. ANDERSON. Does not the Senator from Alabama recall that the statement by Mr. Nichols, the General Manager of the Atomic Energy Commission, was that if the charge continued at the present rate, which is now based upon coal at about 18 cents, and if coal finally dropped to 15½ cents, and if TVA did not reduce its rates, it would then be overcharging at a certain rate—far in the future, but it was not a statement that TVA was currently overcharging at the rate of $3 million a year, was it?

Mr. SPARKMAN. I think the Senator from New Mexico is correct. However, I shall not discuss these details.

I do recall that in connection with one statement he made, the Senator from Arkansas placed in the RECORD two different tables, one showing a price for coal of 19 cents per million B. t. u.'s, and another showing a price of 15 or 15½ cents.

Mr. ANDERSON. It was 15½ cents; was it not?

Mr. SPARKMAN. Yes.

Of course, if the cost figures are shifted—if 19 cents is used as the basis for one table, and if 15½ cents is used as the basis for another table—different figures will be obtained. I have noted that discrepancy. Whether it was included in the statement of Mr. Nichols, I do not know.

But I do know that when a majority of the Atomic Energy Commission—an agency that Congress said should be an independent agency, but an agency which, as a result of the Presidential order, becomes simply a vehicle, according to its own statement, and an instrument by which to do something the President wants done, that has no connection whatsoever with the operations of the Commission, and the Commissioners said so—that when the Commission was asked to do that, a majority of the Commissioners said that was asking them to do something they had no business doing.

In answer to the insinuation made by the Senator from Arkansas, namely, that TVA was overcharging the Atomic Energy Commission for its power, I wish to say that two of the Commissioners, Dr. Smith and Mr. Zuckert, in their letter said that following the receipt of the letter of December 24, 1953, requesting the AEC to explore the possibility of reducing the existing commitments of TVA to the Commission, they made that exploration, but it was determined to be unwise to disturb the AEC's arrangements with TVA, upon which the Commission's production schedules depend. I am not willing to say that a majority of the Atomic Energy Commission would sit there, being overcharged by TVA, and decide, after the President had asked them to explore the possibility of getting power somewhere else, that, "We ought to continue to buy power from TVA under the arrangement we have." I do not believe those men are so indifferent to the oath of office they took as to allow the Atomic Energy Commission to be overcharged, and yet say, "We have decided that it would be unwise to change."

Mr. ANDERSON and Mr. FULBRIGHT addressed the Chair.

The PRESIDING OFFICER. Does the Senator from Alabama yield; and if so, to whom?

Mr. SPARKMAN. I yield first to the Senator from New Mexico, and then I shall be glad to yield to the Senator from Arkansas.

Mr. ANDERSON. Does the Senator remember, in connections with the question of overcharge, that while he was in the Chamber I read into the RECORD the testimony from page 1036, where it was pointed out that for the first 3 months of this year TVA was charging at a rate such that the Atomic Energy Commission could say, "We bought this power at 4.86;" and does not the Senator recall that Mr. Nichols, who has just been quoted, testified that power was bought from the private companies at 5.08?

Mr. SPARKMAN. Yes; I remember that quite well.

Mr. ANDERSON. Does the Senator feel that if 4.86 is an overcharge, 5.08 is robbery?

Mr. SPARKMAN. Frankly, I do not think either one was an overcharge.

Mr. ANDERSON. Neither do I. Let me ask the Senator if he remembers that further on Mr. Nichols testified that when everything was running according to their contracts—not guesswork—the price would favor TVA by a margin of about 10 percent?

Mr. SPARKMAN. Yes.

Mr. ANDERSON. Does that sound like overcharging?

Mr. SPARKMAN. I cannot see how anybody could say that was overcharging. I believe, if I recall correctly, that the Senator from New Mexico stated that that was the statement of Mr. Nichols himself.

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

Mr. SPARKMAN. I yield.

Mr. ANDERSON. Does not the Senator recognize that that page, page 1036 of the hearings, shows Mr. Nichols as giving the testimony? So it had to be testimony from Mr. Nichols himself.

Mr. SPARKMAN. Yes. Mr. Nichols testified that the power from TVA was cheaper.

There is one thing that many persons overlook. I will not say that this is really not a proper part of the discussion, because I think everything that bears upon the subject is a proper part. However, after all, it does not have any great bearing upon this particular contract, except that the Senator from Arkansas [Mr. FULBRIGHT] injected it into the debate; and since it has been injected, one thing that should be remembered is that when the Atomic Energy Commission asked the TVA for a certain amount of power at Paducah the TVA was not able immediately to furnish all that power. It must be understood that the Atomic Energy Commission has virtually the power of requisition. It is not actually that, but there is a responsibility on the TVA to give priority in supplying power to Federal agencies, as there ought to be. In fact, the act of Congress so specified. I think it ought to be that way. So the Atomic Energy Commission virtually has the right to requisition power from TVA, and when it notified TVA that it wanted a certain quantity of power at Paducah, the TVA was not able immediately to furnish all that power, even when coupled with the production of power at Joppa and Shawnee—the EEI group. What TVA had to do was to go out and buy power wherever it could get it. It bought power from the Arkansas Light & Power Co., probably from the private utility operating in Kentucky, and from other private utilities. It bought power in blocks, wherever it could get it, but that power was sold to the Atomic Energy Commission, or transmitted to the Atomic Energy Commission, at exactly the price which TVA had to pay for it.

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

Mr. SPARKMAN. In a moment. Let me finish this thought.

With respect to the power which TVA is under a firm contract to supply to the Atomic Energy Commission, the TVA has supplied it at the price specified at all times. When it went out to buy power, it told the Atomic Energy Commission the arrangements under which it would have to be done. That is the reason why the price varies from quarter to quarter, because there is thrown into the stream the power which the TVA must buy on the fringes, at whatever price it has to pay for the power. If only the power which the TVA had contracted to sell were involved, the charge would be uniform, if I correctly understand.

I now yield to the Senator from Arkansas for a question.

Mr. FULBRIGHT. Does not the Senator know that for many years—I think since TVA began—it has bought power from outside the TVA?

Mr. SPARKMAN. Yes. There has been an interchange.

Mr. FULBRIGHT. Does not the Senator also know that the figures which I introduced into the RECORD the other day, which were taken from the Federal Power Commission records, show that the TVA charged approximately 70 percent more for the interim power it sold to the Atomic Energy Commission at Paducah than the average it paid for all the bought power from outside its system? The Senator does not challenge the accuracy of those figures, does he?

Mr. SPARKMAN. The figures stated by the Senator from Arkansas mean nothing. It is like trying to compare a dozen oranges with one hundred sheep. They do not compare.

Mr. FULBRIGHT. Does not the Senator——

Mr. SPARKMAN. Just a moment.

Mr. FULBRIGHT. I cannot follow the Senator unless he will yield for a question.

Mr. SPARKMAN. It depends upon the type of power that is obtained. Some of the power bought by the TVA is dumped power. Some of it is firm power. The Senator talks about the average paid for all that power. The TVA might buy from a private company a great block of dumped power which it would transmit to the Reynolds Metals Co., which could use it on a dumped-power basis. Certainly it is not fair to run that in as a part of the average price paid for all power, and compare it with the price of firm power, which it had to supply to the Atomic Energy Commission. The two cannot be compared in any such manner.

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

Mr. SPARKMAN. That is the unfortunate——

Mr. FULBRIGHT. Will the Senator yield for a question?

Mr. SPARKMAN. I shall be glad to yield in just a moment.

That is the unfortunate part about the tables used by the Senator from Arkansas and placed in the RECORD by him. I am surprised that he was taken in by them, if he really was. I am surprised that he should put them into the RECORD expecting other Members of the Senate to be taken in by them. Anyone who knows anything about power, anyone who knows the difference between firm power and dumped power, and who knows the difference in power demands by various industries and various lines of activity, would know from looking at those tables that they represent no showing at all.

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

Mr. SPARKMAN. I yield.

Mr. FULBRIGHT. Is the Senator trying to leave the impression—perhaps I am wrong—that there is a difference between a kilowatt which is produced in Kentucky and one which is produced in Alabama, or that one cannot compare a kilowatt from one source with a kilowatt from another, any more than he could compare an orange with an apple? Is that what the Senator is trying to say?

Mr. SPARKMAN. No.

Mr. FULBRIGHT. Do kilowatts differ in degree or character?

Mr. SPARKMAN. No.

Mr. FULBRIGHT. Do they differ in any respect?

Mr. SPARKMAN. Yes.

Mr. FULBRIGHT. Will the Senator describe the difference between a kilowatt manufactured in a Kentucky plant and one manufactured in a plant in Florida or Alabama?

Mr. SPARKMAN. There, again, the Senator is trying to impose limitations which do not exist. The great difference is between firm power and secondary power.

Mr. FULBRIGHT. I did not ask the Senator that.

Mr. SPARKMAN. The great difference is between firm power and secondary power, both with respect to the quantities in which they are bought and the quantities in which they are produced.

Mr. FULBRIGHT. I did not ask the Senator about firm power and secondary power.

Mr. SPARKMAN. I know the Senator did not. That is the reason I tried to get him back on the track.

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

Mr. SPARKMAN. I yield for a question.

Mr. ANDERSON. Does not the Senator from Alabama recognize that the TVA has made available to anyone who is curious for the truth the circumstances of delivery of power under its contract, which brought about the rates quoted by the Senator from Arkansas?

Mr. SPARKMAN. There has been some discussion about it. I am not sure whether the entire statement has been placed in the RECORD or not.

Mr. ANDERSON. I do not think it has. Would the Senator from Alabama believe me if I said that included in those figures are the figures for power from the old Wilson Dam, which was forced back into operation because of the requirements of the Government for this power for its purposes, and that the rate, therefore, jumped to more than 20 mills?

Mr. SPARKMAN. Let me correct the Senator. I do not believe he means Wilson Dam. I think he means the steam plant at Wilson Dam. Yes, that is true. The Senator will remember that back in 1939 and 1940, when the TVA bought out the power companies of the Tennessee Electric Power Co., that company had quite a number of steam plants. So they went into the TVA system. Practically every one of those steam plants is antiquated. However, they are being maintained, because there comes a time when it is necessary to pour that power into the stream. When that is done, the cost of generating power goes up sharply That is what happens when it becomes necessary to meet the unusual demands of the Atomic Energy Commission.

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

Mr. SPARKMAN. I yield for a question.

Mr. FULBRIGHT. That power has special application for the AEC, I take it. However, before I sit down——

Mr. SPARKMAN. Not necessarily. It depends on whether or not——

Mr. FULBRIGHT. They have first call on high-priced power, in other words.

Mr. SPARKMAN. Not at all. It depends on whether or not that is over and above the contract the TVA had to meet the supply of power. In other words, it is whether it is extra power. Even in that case they have said, "We must put

into operation the steam plant, for instance, at Wilson Dam." That would mean high-priced power.

Mr. FULBRIGHT. Mr. President, will the Senator yield for a question? Then I shall desist. I shall desist from further questioning because I know the Senator from New Mexico is much more agreeable to the Senator from Alabama. However, before I sit down——

Mr. SPARKMAN. No, no. Let me disabuse the Senator's mind, before he goes any further, because I know of no one on the floor who is more pleasant or agreeable than the able Senator from Arkansas.

Mr. FULBRIGHT. I mean the questions of the Senator from New Mexico are more agreeable to the Senator from Alabama.

Mr. SPARKMAN. Oh, no. I am glad to have the Senator from Arkansas propound his questions. I am glad to set him straight on many things about which he has been apparently laboring under a false impression.

Mr. FULBRIGHT. I would appreciate it if the Senator would let me propound one more question.

I am sure that there is a great deal of confusion about the difference between watts, and I want to get the RECORD clear. Will the Senator describe—I know he is a great authority on electricity—what is meant by a watt, and how it comes into being and how it gets around. What is a watt? How fast does it move. How long does it take a watt to go from Paducah to Memphis, Tenn.? What is an ampere, for example?

Mr. SPARKMAN. Back in high school and in college I studied those things in physics. I am sure the Senator from Arkansas did likewise. He probably remembers just as well as I do what is meant by those terms. I do not believe it is necessary to answer those questions. They are elementary questions, which I do not believe the average Senator or the average person needs to have defined. I know, although I am not an authority on power, that there is a great difference between what we call dump power and what we call firm power. I know that there is a great deal of difference in the cost of power generated at a modern, up-to-date steam plant like the one at New Johnsonville, for instance, which was built only 3 or 4 years ago——

Mr. FULBRIGHT. I know; I voted for it.

Mr. SPARKMAN. For which the Senator from Arkansas voted.

Mr. FULBRIGHT. That is correct.

Mr. SPARKMAN. There is a great deal of difference between that power and the power generated at an old, inefficient plant, like the one at Muscle Shoals, which was built in 1918. I think the Senator from Arkansas will admit that he believes there is a difference in the cost of power generated at the two plants.

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

Mr. SPARKMAN. For a question; yes.

Mr. FULBRIGHT. To introduce the question, let me say that I did not ask the Senator about the cost. I asked him about the difference between——

Mr. SPARKMAN. The Senator from Arkansas asked me an elementary question.

Mr. FULBRIGHT. The Senator said a moment ago that there was no comparison between the kilowatts bought in one place and the kilowatts bought in another place; that they were different; that it was impossible to compare them. Is it not a fact that they are exactly identical in character? Is it not true that the difference goes to the cost of production, but otherwise they are all the same?

Mr. SPARKMAN. It is the same power, and it goes with the same surge, and it travels at the same rate over the same distance.

Mr. FULBRIGHT. That is what I wanted the Senator to admit.

Mr. SPARKMAN. The characteristics are exactly the same.

Mr. FULBRIGHT. That is what I wanted the Senator from Alabama to admit.

Mr. SPARKMAN. But one costs more than the other.

Mr. FULBRIGHT. That is correct.

Mr. SPARKMAN. Or one may be more valuable because much comes at one time when the demand is not so great. It depends upon whether the power is necessary to meet the demand and whether it is ready at all times, 24 hours a day.

Mr. FULBRIGHT. Does not the Senator believe it is very interesting that for some reason or other these kilowatts or watts or amperes or volts, which are all the same——

Mr. SPARKMAN. I believe it is necessary to multiply one by the other.

Mr. FULBRIGHT. It always happens that the Atomic Energy Commission is charged a higher rate than is charged to Memphis, Tenn., for the identical watt. Is that not a matter of interest to the Senator from Alabama?

Mr. SPARKMAN. It is a matter of interest that the Senator from Arkansas should try to draw any such comparison, because many factors enter into the charge for power. There is the efficiency of generation, for instance. There is the question of whether it comes at a time when there is a surplus of power, or whether it is firm or demand power that is available at all times. Certainly there is a difference. I am sure the Senator from Arkansas recognizes that there is a difference between the power that is furnished to me to light my home and the power that is furnished to the machine shop down the street to run machines.

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

Mr. SPARKMAN. I yield for a question.

Mr. ANDERSON. Does not the Senator recall that we have in our Government a General Accounting Office?

Mr. SPARKMAN. Yes.

Mr. ANDERSON. Does the Senator from Alabama know that every bill the TVA renders to the Atomic Energy Commission is audited by the General Accounting Office?

Mr. SPARKMAN. I assume that is the case because the General Accounting Office audits the accounts of the Atomic Energy Commission.

Mr. ANDERSON. If the Senator from Arkansas has evidence of an overcharge, does not the Senator from Alabama believe that the place to suggest that there is an overcharge is the General Accounting Office?

Mr. SPARKMAN. Of course, it is hard for me to believe that the Senator from Arkansas could really be sincere in his statement that there have been overcharges. The Senator from Arkansas knows that if there was a real overcharge he would immediately go to the General Accounting Office. He is so much concerned about the welfare of the people of the country that he would go there immediately.

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

Mr. SPARKMAN. I yield.

Mr. FULBRIGHT. Does not the Senator from Alabama know that the very day I received my information I brought it to the floor of the Senate?

Mr. SPARKMAN. I am talking about going to the General Accounting Office.

Mr. FULBRIGHT. But I announced on the floor that I had received the information only within the last hour, and the very industrious Senator from New Mexico [Mr. ANDERSON] immediately submitted it to the Atomic Energy Commission and asked the Commission, "Is what the Senator from Arkansas said true?" I do not know why he should doubt my word. It only illustrates the deterioration in our relations, that he should immediately submit a formal questionnaire to the Atomic Energy Commission, which he put into the RECORD, and in reply to which the Atomic Energy Commission confirmed what I had said, that that was the latest information; and in their statement they said that either the Atomic Energy Commisson is being overcharged or the estimate for the Fulton plant was in error, and that TVA could not be charging the Atomic Energy Commission what they are charging and producing power at Fulton at the very low price that was estimated. Somewhere something is wrong. There is no question about it.

Mr. SPARKMAN. It is rather difficult for me to understand it when Congress has twice refused to appropriate funds for a Fulton plant. There is no Fulton plant.

Mr. FULBRIGHT. I refer to the estimates submitted by the TVA.

Mr. SPARKMAN. In the event power was supplied from that plant?

Mr. FULBRIGHT. I am sure the Senator from Alabama has been following the discussion on the floor. He knows that TVA has made an estimate that they could save $5½ million as compared to the cost of Dixon-Yates power.

Mr. SPARKMAN. Yes; the Atomic Energy Commission figured out that it would be about $2 million.

Mr. FULBRIGHT. $282,000.

Mr. SPARKMAN. I believe the Senator from Arkansas made that calculation.

Mr. FULBRIGHT. The Bureau of the Budget and the Atomic Energy Com-

mission made the calculation, and the Senator from Arkansas agreed with them.

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

Mr. SPARKMAN. I yield for a question.

Mr. ANDERSON. Does the Senator from Alabama recognize that in the material which I put into the RECORD on this direct question the Atomic Energy Commission admitted that it was not the Bureau of the Budget figures that had been used, but material that they had supplied to the Bureau of the Budget and which the Bureau of the Budget had taken blindly, and that all of it was taken by the AEC to prove the case?

Mr. SPARKMAN. I am glad the Senator from New Mexico has recalled the point.

Mr. ANDERSON. Does not the Senator recognize the fact that the question of costs was argued time after time, and after it had been exposed and the $282,000 figure had been challenged, the AEC withdrew the first report and submitted the second report, which showed a wholly different figure of approximately $3 million?

Mr. SPARKMAN. I am glad the Senator recalls those figures, because I stated a few minutes ago that my understanding was that the figure finally given by the Atomic Energy Commission was something like $3 million a year.

Mr. KNOWLAND. Mr. President, will the Senator from Alabama yield for a unanimous-consent request?

Mr. SPARKMAN. I yield for that purpose.

ORDER FOR RECESS

Mr. KNOWLAND. Mr. President, I ask unanimous consent that when the Senate complete its labors this evening it stand in recess until 10 o'clock tomorrow morning.

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

REVISION OF THE ATOMIC ENERGY ACT OF 1946

The Senate resumed the consideration of the bill (S. 3690) to amend the Atomic Energy Act of 1946, as amended, and for other purposes.

Mr. SPARKMAN. Mr. President, a while ago, I had started to discuss some of the items of the Dixon-Yates contract. I had written out my remarks for the sake of saving time. Some of the matters have already been covered in the questioning by the able and distinguished Senator from New Mexico, but I wish to invite the Senate's attention to some of the points involved.

Among the many boobytraps in the proposed Atomic Energy Commission-Dixon-Yates contract is one possible development which has not as yet been discussed. A letter under date of April 10, 1954, signed by Mr. E. H. Dixon, president of the Middle South Utilities, and Mr. J. M. Barry, chairman of the executive committee of the Southern Co., was sent to the Atomic Energy Commission, attention of Gen. K. D. Nichols, General Manager. The concluding paragraph of the letter reads as follows:

> The attached appendix sets forth an outline of additional matters in our proposal, including the more important provisions which will be embodied in a contract growing out of it. We are ready to negotiate a definitive contract at your early convenience.

On page 5 of the appendix referred to, under paragraph (7), entitled, "Termination," subparagraphs (a) and (b), the following language occurs:

> (a) After commencement on full-scale operation, termination will be allowed on 3 years' notice, during which period assignment may be made to another governmental agency, at contract rates, including all taxes and other adjustments.
>
> (b) Upon termination, seller shall be entitled to and will absorb capacity at least as rapidly as load growth will permit, but in any event in the amount of at least 100,000 kilowatts in each year, absorbing associated proportions of costs. Buyer may assign any balance to another governmental agency at an increase price to be approved by FPC, such price to include recognition of any increased costs then encountered or foreseen by seller. To extent such capacity is not used by buyer or assignee, buyer will reimburse seller for pro rata proportion of base capacity charge, as adjusted, and taxes.

Note that in subparagraph (a), after the new plant starts full-scale operation, the Dixon-Yates group grants to the Atomic Energy Commission: first, the right to give a 3-year termination notice; and second, the Atomic Energy Commission is given the right during the 3-year termination notice period to assign to "another Government agency, at contract rates, including all taxes and other adjustments."

Now we turn to subparagraph (b). After the 3-year notice period has expired, several privileges and obligations are in order.

First. Dixon-Yates shall be entitled to and will absorb capacity as rapidly as load growth will permit. This could allow Dixon-Yates to absorb, for its own use, the complete capacity of its plant, 600,000 kilowatts, in the fourth year of its full-scale operation, with Atomic Energy Commission concurrence.

Second. But, in any event, it will absorb 100,000 kilowatts in the fourth year and 100,000 kilowatts a year for 5 successive years. This formula permits legally complete recapture of plant capacity in one fell swoop, immediately after the end of the 3-year notice period—or gradual absorption of capacity from the fourth to the ninth year by Dixon-Yates.

Third. During this absorption period, of from 1 to 6 years, the Atomic Energy Commission is permitted to assign the unabsorbed capacity to another Government agency, obviously the TVA, as no other Government agency could use such residue, but not at contract prices, "at an increased price to be approved by the FPC."

Mr. ANDERSON. Mr. President, will the Senator from Alabama yield for a question?

Mr. SPARKMAN. I yield for a question.

Mr. ANDERSON. Does the Senator see any reason why the Government should be guaranteeing this contract? If there were to be a tranfer, it would be done at an increased price to be settled by another Government agency.

Mr. SPARKMAN. I fail to see any reason for it whatsoever.

Mr. ANDERSON. Are not the lots all alike?

Mr. SPARKMAN. Yes. The Senator from Arkansas did not hear that. It would give them the right to transfer to another Government agency at an increased price to be approved by the Federal Power Commission, and in setting the increased price it must "include recognition of any increased costs then encountered or 'foreseen'" by Dixon-Yates. This is an amazing provision, in view of the fact that the "other conditions" clause on page 3 of the appendix would allow additional increases authorized by the Arkansas Public Utilities Commission, as well as any increase coming under the vague clause "other conditions."

The increased costs encountered are foreseen by whom? By Dixon-Yates.

It is hard for me to believe that the distinguished Senator from Arkansas could possibly have read that provision and not have found some cause to object to it.

This means, in effect, that TVA can be put in the position of building a $9 million transmission line from the Dixon-Yates terminal to its distributive area, use the 600,000 kilowatt capacity for 3 years, and then have a gun placed to its head through legal right to withdraw the 600,000 kilowatts unless TVA agrees to pay the increased rates allowed under the wide-open clauses noted heretofore in the contract.

Surrender to the threat would force the costs of the TVA and its customers upward, and would destroy the TVA yardstick on rates.

Once the TVA yardstick is padded upward and destroyed, the private utilities throughout the South would reap millions of dollars out of the pockets of electric energy users.

It may be argued that such a development is unlikely, and that it would involve another collusive agreement on the part of the Atomic Energy Commission and Dixon-Yates.

The answer to that is that the contract makes it possible legally. The policy of the administration is anti-TVA, and I believe the independence of the Atomic Energy Commissioners is no longer to be relied on—when they are directed by the President to carry out his policy. This is evident from the testimony given before the Joint Committee on Atomic Energy, which, in my opinion, shows a lack of courage to object to a clear violation of the language and legislative history pertaining to section 12 (d) of the Atomic Energy Act of 1946, as amended.

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

Mr. SPARKMAN. I yield to the distinguished vice chairman for a question only.

Mr. HICKENLOOPER. I wish to ask the Senator from Alabama about the distinction between the watts which will

flow through the line from either Dixon-Yates or from TVA. I wish to ask the Senator whether there is not a distinction in the Senator's mind and in the minds of those who support his contention between the watts which would flow from TVA and those which would flow from Dixon-Yates under the proposed contract.

I wonder if the Senator does not agree with me that the watts which flow from TVA will be a white power, because of the Government's subsidy which surrounds them, and that those from Dixon-Yates, because they are generated by private enterprise, under the American private enterprise system, may be tinged with color and odium. So perhaps the watts can be distinguished when they flow through the system.

I am simply wondering about the purity of the watts, on one side of the argument, and the coloration of the watts, on the other side, one being generated with a Government subsidy, and the other being generated by the free private enterprise system, which has made this country great.

Mr. SPARKMAN. There had been a discussion of the difference between the watts a little earlier in the evening, but it was not drawn quite on this basis. It is hard for me to believe that the distinguished Senator from Iowa can say that one watt is subsidized, and the other is not; or that he can say that any of the watts which would be produced under the proposal of the nonexistent Dixon-Yates Co., for the purchase of power from a nonexistent plant, would not be subsidized, or that it would represent private enterprise in the manner which we usually understand.

I think of private enterprise as being something which competes on an equal basis with other concerns engaged in the same type of business.

Here is a proposal made by a so-called private company; and, of course, the company would be organized as a private company, but that is about as far as it would get. There is no risk involved. The Government would underwrite the whole proposal. The Government would guarantee it.

The Senator from Arkansas [Mr. FULBRIGHT] differed with me a while ago in the use of the term "guarantee," so I shall not use it. But the proposal includes in it a suggestion or a provision that the return on the equity shall be 9 percent.

There is an exemption, or a virtual exemption, if not an actual exemption, from the payment of taxes. How in the world anyone can say that that represents private enterprise, I do not understand.

Furthermore, Dixon-Yates did not compete for this contract; someone merely reached out and gave it to them, with no competition whatsoever. I cannot follow the able Senator from Iowa when he refers to that as being private enterprise. Certainly, if it is Government help, if it is a Federal subsidy that changes the complex of the watt as it goes through the distribution system, I certainly think there would be no difference in the color as between the two.

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

Mr. SPARKMAN. I yield for a question.

Mr. HICKENLOOPER. I do not wish to prejudice the Senator's right to the floor. The Senator says there is no competition. Yes, there has been competition. There have been at least two offers in this matter. Only one of them is practical or sound or privately competitive. The other is purely a brokerage proposition, in which the Government assumes all the risk.

I am now laying the premise for my question, in order to protect the Senator in his right to the floor.

The Dixon-Yates proposition is not entirely protected by the Government. The facts do not so show. At the end of 25 years, there still will be $31 million worth of obligations against an obsolete plant—and it will be obsolete at the end of 25 years. The Senator himself acknowledged only a moment ago in his argument that the TVA still, occasionally, in an emergency, uses old, obsolete plants. But in this discussion it has been admitted, time and again, that the obsolete plants are very high-cost plants, only emergency plants, plants to be used only in time of exceptional need.

At the end of 25 years, the so-called windfall plant will have $31 million worth of obligations against it, and it will be obsolete. It will not be a plant completely protected or completely guaranteed by the Government.

The connotation with respect to that matter, which has crept through this debate, is utterly wrong. I think it is wrong to give to the people of the United States the impression that this windfall plant is guaranteed by the Government. The facts do not bear that out.

My question is, Does not the Senator think so?

Mr. SPARKMAN. I am glad the Senator has brought that point out, and I am also glad that he has expressed it in the form of a question.

Mr. HICKENLOOPER. I thought I was obligated to.

Mr. SPARKMAN. I think the Senator has amply protected me, because he said in the beginning that he was laying the predicate for a question with which he would end his statement.

Certainly I would not wish to leave the impression that the plant would be fully paid for at the end of 25 years. The Senator is correct. There would be an unpaid balance of about $31 million, to give a figure offhand.

Mr. HICKENLOOPER. If I may ask the Senator another question, does he not realize that at the end of 25 years there will remain approximately $25 million of bonds on the plant still unpaid, plus $5½ million equity capital invested, which will not be recouped or returned to the investor? That amounts to between $30½ million and $31 million still obligated against the plant, which cost, in its original building, $107 million. It would be an obsolete plant, with 20 years of service——

Mr. SPARKMAN. Twenty-five years.

Mr. HICKENLOOPER. Twenty-five years. By any yardstick of obsolescence in the public utility business, it is very doubtful whether it would be worth anywhere near $31 million, unless a great deal more money had been put into it by the company, without Government reimbursement, to keep the plant in any reasonable state of modern production.

Mr. SPARKMAN. I go along with most of what the Senator from Iowa has said. I certainly would not have wanted to create the impression that the plant would be fully paid for in 25 years. It will not be. But in 25 years it would have enjoyed a tax exemption status, which, if I understand the figures correctly, would amount to more than the $31 million unfinished payment on the plant.

Mr. HICKENLOOPER. Will the Senator kindly repeat that statement?

Mr. SPARKMAN. It would have enjoyed a tax benefit or tax exemption status which would have amounted to more than $1,500,000 a year for 25 years, if I understand the figures correctly.

Mr. HICKENLOOPER. Mr. President, will the Senator yield for another question ?

Mr. SPARKMAN. I yield.

Mr. HICKENLOOPER. I wish to ask the Senator if the measurement does not include more than taxes. It measures the so-called $3 million to $3½ million more a year which the AEC would pay for electricity under the Dixon-Yates proposal than on the estimated cost—not the proposal to furnish, but the estimated cost which TVA sets up.

But under the TVA plan, the Government would have to put up $107 million right now in investment, and would be in possession all the time.

Under the Dixon-Yates contract, the excess cost over the 25-year period would be $90 million. So the cost would be approximately $20 million less under the Dixon-Yates proposal over a 25-year period than under the TVA proposal.

Mr. SPARKMAN. Of course, one thing which should be remembered is that in the first place, at the end of 25 years the plant would belong to the Government. In this case the Dixon-Yates Co. will continue to own it.

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

Mr. SPARKMAN. No. If the Senator will permit me, I do not want him to think I am overlooking a very important fact which he brought out in his statement. That is, if, of course, in 25 years the plant will have run down greatly. I would not be willing to say it would be obsolete.

Mr. HICKENLOOPER. Still, there would be $31 million worth of obligations against it. The property would not be free and clear.

Mr. SPARKMAN. I have accepted the statement of the able Senator from Iowa, but the Senator from New Mexico seems to be somewhat in doubt as to the derivation of the figure of $31 million. I can understand the figure of $5 million equity capital. Of course, that equity capital would still be there, but it would be earning a 9-percent dividend.

Mr. HICKENLOOPER. Will the Senator yield for another question?

Mr. SPARKMAN. Yes.

Mr. HICKENLOOPER. The way we arrived at the figure of $31 million is that at the end of 25 years, under the proposal, there will still be 24.6 percent of the bond issue unpaid. Only 75.4 percent of the outstanding bond issue will have been amortized and paid at the end of 25 years, leaving 24.6 percent unpaid, which is a charge against the property, and leaving the $5½ million worth of the original invested equity capital in there, and that makes somewhere in the neighborhood of $31 million, roughly, which is a charge against the capital assets of the plant.

Mr. SPARKMAN. I wonder if the Senator from Iowa can tell me where the 24.6-percent figure appears in the hearings. May I ask the Senator from Iowa if that appears in the hearings?

Mr. HICKENLOOPER. It is contained in the general proposal. It is the plan for the funding and the financing.

Mr. SPARKMAN. I was wondering if that was brought out in the hearings.

Mr. HICKENLOOPER. I shall try to locate it.

Mr. SPARKMAN. I have before me a copy of the general proposal which the Senator from New Mexico handed me, and if the figure is in that proposal, I should like to have it pointed out.

While that is being looked up, let me say, with reference to the question of having an obsolete plant, that the plant at Muscle Shoals to which I referred was built in 1918. It is 36 years old. Yet the TVA uses it, when it has to. Production in that plant is high priced; the Senator from Iowa is correct in that statement. But, remember, remarkable changes have taken place since 1918. The Alabama Power Co. has a great steam plant at Gorgas, Ala. I do not remember when the plant was built, but it must have been about 25 years ago. However, it has some of the most modern equipment available today. That plant has been kept up to date; it is one of our best plants, and is running full time as a part of the generating equipment of the Alabama Power Co. The mere fact that a plant is 25 years old does not mean it is not worth anything. I certainly would not like to leave that impression tonight. My guess is the plant would be worth $31 million, considering that there was an equity investment of $5½ million.

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

Mr. SPARKMAN. I will if I may get that information from the Senator from Iowa.

Mr. HICKENLOOPER. I should like to ask the Senator if he is aware of the fact that in the Bureau of the Budget analysis and finding on the proposal of the Dixon-Yates group, on page 5 of that analysis, under paragraph 5, the Bureau of the Budget stated:

> In addition, the plant is not completely amortized at the end of the 25-year contract. There is 24.6 percent of the debt not retired at the end of 25 years.

So the rate under the proposal does not provide for completely amortizing the plant over the 25-year period. That is the governmental source for the analysis of the figures which I quoted the Senator. In addition, there is no question about the $5½ million equity capital being still in there.

Mr. SPARKMAN. I understand that. As I understand, that is comprised of stock. While he is giving that information, I wonder if the Senator will help me further by telling me where in the hearings that question is discussed.

Mr. HICKENLOOPER. I have asked the staff to look it up. I am not sure that this part of the Budget Bureau's finding was inserted in the hearings. It is, however, the authentic report of the Budget Bureau. It may appear in the hearings, but I cannot assure the Senator at this moment that it does.

Mr. SPARKMAN. I thank the Senator from Iowa for giving us that information. It seems to me that somewhere in the hearings those facts would have been discussed, whether that very memorandum was inserted or not. It seems to me that facts relating to that phase of the question would have been included in the record, and if the Senator or his staff find later in the evening or tomorrow that it was discussed in the hearings, I hope he will let us know. Of course, the Senator from Iowa realizes that I have not had access to that information, and I assume that is true of the average Member of the Senate.

Mr. HICKENLOOPER. I do not know about the Senator from Alabama, but Representative JONAS of North Carolina released the report to the press, and the Senator from New Mexico [Mr. ANDERSON] saw fit to use the report in quotations and discussion with the Senator from Arkansas. I am quite sure it is an authentic release by the Bureau of the Budget.

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

Mr. SPARKMAN. I yield for a question.

Mr. ANDERSON. Does the Senator recognize that the first set of figures, supposedly Budget Bureau figures, ended up not being Budget Bureau figures? Therefore, some of us wonder whether these are Budget Bureau figures. They came from the Atomic Energy Commission. Nobody is sure who is back of them, who analyzed them, or where they came from.

Mr. SPARKMAN. I am glad to have that suggestion. I was about to say that Representative JONAS sent us a copy, but that is not correct. However, I remember briefly seeing a copy of it.

I may say first to the distinguished Senator from Iowa that I think there is something in what the Senator from New Mexico has said, not only about these figures, but about so much pertaining to the proposal. It is hard to find where each part of the information originated, and who it is that has been pushing this part or that part of the proposal. The whole proposal to me seems unusual, and it seems to misuse an independent agency, and particularly the most sensitive of all independent agencies, the Atomic Energy Commission, as an errand boy to buy power for somebody else to use, not a single kilowatt of which will ever be used in connection with the operations of the Atomic Energy Commission. That is what the Commissioners themselves say. The proposal seems to me very unusual. Then, too, as we try to explore the matter and try to find out where different parts of the information come from, we cannot find out.

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

Mr. SPARKMAN. I yield for a question.

Mr. HICKENLOOPER. With reference to the document from which I just read, and which was introduced by Representative JONAS, is the Senator from Alabama aware that authenticity has been officially given to it on the floor of the Senate by the Senator from New Mexico? I should like to read the preliminary statement by the Senator from New Mexico when he authenticated this document and introduced the whole document into the RECORD at page 10381 on July 13, 1954. In his authentication and introduction of this document into the RECORD, he said:

> I hold in my hand a copy of the report, originating from the Bureau of the Budget, which Representative JONAS released. On page 3 of the section of this report entitled "Detailed Analysis of the Middle South-Southern Proposal" I am struck by the similarity of the figures presented which show identically the same breakdown, as I mentioned a few minutes ago, as was given by Mr. Nichols, General Manager of the Atomic Energy Commission, before the joint committee fully 3½ weeks ago. From a very detailed analysis, it gives a difference in cost of $3,685,000 more to the Government if it accepts the Dixon-Yates proposal than the cost estimated by TVA for doing the same job at the Fulton steam-plant site.
>
> I ask unanimous consent that this document be inserted in the RECORD at this point.

It was so included. It is the document I quoted; and it has, I believe, at least a stamp of accepted authenticity. So I was not quoting anything that had not been introduced in the RECORD by the Senator from New Mexico; and from his statement I assumed that he assumed it to be an actual release from the Bureau of the Budget, as originally made public by Representative JONAS.

Mr. SPARKMAN. Let me say to the Senator from Iowa that I do not make a great to-do about the $25 million or $24.6 million or whatever it may be, because I am quite certain that some of the bonds will not have been retired. But the point is that the firm will own a going concern, a fine powerplant, which, with the use of ordinary maintenance and upkeep, I am certain will be fairly well up to date at the end of that time, and not obsolete, as some would have us believe.

Mr. MONRONEY. Mr. President, will the Senator from Alabama yield?

The PRESIDING OFFICER (Mr. BEALL in the chair). Does the Senator from Alabama yield to the Senator from Oklahoma?

Mr. SPARKMAN. I yield for a question.

Mr. MONRONEY. Does the Senator also believe that some of the $5,500,000 of equity capital, enjoying the strangest and most unusual tax advantages of any securities in the United States, might

not pass on to other buyers, in connection with the sale and exchange of securities? In other words, there would be a guaranteed profit of 9 percent, and no income tax would have to be paid by the corporation. So perhaps the owners of the original equity stock might find it advantageous to sell it at a distinct gain, so that whatever of the $5,500,000 equity capital was outstanding at the end of 25 years would probably have changed hands several times.

Mr. SPARKMAN. That is possible; but I am of the opinion that if I held any of that stock, I would hold on to it, because it will be most unusual stock, occupying a favored position on the part of the taxpayers, and having a 9 percent return guaranteed. Perhaps I should not use the term "guarantee," for the Senator from Arkansas objected to it, earlier in the evening—but, at least, a projected return of 9 percent, let us say, and one almost certain to be realized. If I bought such stock, I would wish to keep it.

Of course, it will be remembered that a year or so ago, the Government engaged in the fiasco of issuing 3¼ percent bonds, which hit the market with a thud. Someone told me a few years ago, they were selling at 109. I do not know how many times those bonds may have been transferred since their issuance, but certainly someone made plenty of money on them. Again, I feel that if I had any of those bonds, I would hold on to them, because since that time the administration has eased the money market. The other day I read that the Government is borrowing more money, on tax-anticipation certificates, I believe; of course they are short-term loans. But the Government is finally talking about reducing the interest rate.

So it is rather hard to speculate as to what would happen to good stock like that, just as it is hard to speculate as to what would happen to the 3¼ percent Government bonds that were issued a year ago.

Mr. ANDERSON. Mr. President, will the Senator from Alabama yield for a question?

Mr. SPARKMAN. I yield for a question only.

Mr. ANDERSON. Does not the Senator from Alabama think that after the statements made here about watts, amperes, and volts, a simple statement made by members of the staff would be helpful to an understanding; and, if so, would the Senator from Alabama object to my reading it now, so as to have in the RECORD a "watts what," insofar as we are concerned, namely, that watts are not flow, but amperes are flow; and that volts times amperes equal watts.

Mr. SPARKMAN. That is correct. A watt is a measure of quantity, a volt is a measure of power, and an ampere is a measure of flow.

Mr. ANDERSON. Amperage is current; voltage is pressure; and amperage times voltage equals wattage, which is work done.

Mr. SPARKMAN. That is correct. In fact, I think I could pass a test on the physics lesson the Senator from Arkansas tried to give me a little while ago.

Mr. ANDERSON. Mr. President, will the Senator from Alabama yield for another question?

Mr. SPARKMAN. I yield for a question.

Mr. ANDERSON. Does the Senator from Alabama think I could have passed it?

Mr. SPARKMAN. Certainly. In fact, I think the Senator from New Mexico has passed it now.

Mr. President, I never did finish reading about some of the provisions of the Dixon-Yates contract we were talking about.

Surrender to the threat would force the costs of the TVA and its customers upward, and would destroy the TVA yardstick on rates.

Once the TVA yardstick is padded upward and destroyed, the private utilities throughout the South would reap millions of dollars out of the pockets of electric energy users.

It may be argued that such a development is unlikely, and that is would involve another collusive agreement on the part of the Atomic Energy Commission and Dixon-Yates.

The answer to that is that the contract makes it possible legally. The policy of the administration is anti-TVA, and I believe the independence of the Atomic Energy Commissioners is no longer to be relied upon—when they are directed by the President to carry out his policy. This is evident by the testimony given before the Joint Committee on Atomic Energy, which, in my opinion, shows a lack of courage to object to a clear violation of the language and legislative history pertaining to section 12 (d) of the Atomic Energy Act of 1946, as amended.

Mr. President, let me remind the Senate again that three of the Commissioners did object. It is true that in the final sentence of their letter they said that of course if the President insisted on this, they would go through with it. The able Senator from Tennessee touched on that point earlier, when he pointed out that neither one of the Commissioners, insofar as he knew, was a lawyer, and that probably they did not understand just what the implication was or what the conflict was as between such a statement and their oath to carry out the objective and purpose for which the Commission—an independent agency—had been created.

Mr. MONRONEY. Mr. President, will the distinguished Senator from Alabama yield to me for a question?

Mr. SPARKMAN. I yield for a question.

Mr. MONRONEY. Does the distinguished Senator from Alabama know of any place in the act under which the Atomic Energy Commission is operating where there is any provision for such dictation to the Commissioners or an admonition that the Commissioners are to follow such direction on the part of the Executive?

Mr. SPARKMAN. No; not at all. As a matter of fact, it was the intent of Congress—and the Senator from Oklahoma knows it; he was in Congress at the time when the Atomic Energy Act was passed; at that time he was a Member of the House. I was a Member of Congress at that time, too; I was a member of the committee that had this measure under its jurisdiction. The Senator from Oklahoma and I recall that the congressional intent was that the Atomic Energy Commission should be an independent agency, free from direction from anyone, except insofar as the Commission was required by law to carry out certain functions and certain duties.

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

Mr. SPARKMAN. I yield.

Mr. MONRONEY. If it had been even remotely the intention of the Congress that this program should be directed by the President, as the holding of the general counsel for the Atomic Energy Commission seems to imply, or the statement that the Atomic Energy Commissioners would salute and obey if directed by the President to do this or that, would not the Congress, careful of its duty in this new field, have specifically spelled out Presidential powers? Would it not have provided that the President should be an ex officio member of the Atomic Energy Commission, or would not Congress have put it under the National Security Council, or one of the many other agencies over which the President exercises power?

Mr. SPARKMAN. Or one of the regular executive departments.

Mr. MONRONEY. But when it is placed in an independent agency, and placed under such close supervision and surveillance as was described by the distinguished vice chairman of the Joint Committee on Atomic Energy the other day, that is certainly indicative of the intention of Congress. It was not meant to be a puppet on the end of a telephone line.

Mr. SPARKMAN. I agree with what the able Senator from Oklahoma has said. For example, if the President of the United States were to direct an order to the Interstate Commerce Commission that it must decide a certain issue in a certain way, everyone would condemn such action. We would immediately say it was silly to think of such a thing. Of course it is. The President would not do it. Yet the Atomic Energy Commission was intended to be the same type of agency, so far as independence is concerned, as is the Interstate Commerce Commission.

The President would never say to the Commissioners of the Interstate Commerce Commission, "You shall do thus and so, even though it is not in your field of operations." To issue a directive of this sort to the Atomic Commission is just as far afield, so far as legal right or logic of governmental operations is concerned, as would be an order to the Interstate Commerce Commission to decide a certain issue in a certain way.

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

Mr. SPARKMAN. I yield for a question.

Mr. MONRONEY. Is it not a fact that one of the few cases in the courts dealing with the power of independent commissions involves the effort of the late President Franklin D. Roosevelt to re-

move from office a member of the Federal Trade Commission?

Mr. SPARKMAN. Yes.

Mr. MONRONEY. After hearing all the evidence the court said that it was not within the power of the President to remove at will, or to enforce in any way his control over the Federal Trade Commission. The Senator is no doubt familiar with that case.

Mr. SPARKMAN. I am.

Let me point out another case which holds to the same effect, although it involved something else. I refer to the case of the TVA, when President Franklin D. Roosevelt tried to remove the Chairman of the TVA. There was one ground on which he could remove him, and that was contumacy. There had to be specific grounds for removal. The President could not remove him at will. That was the holding of the Supreme Court.

I am sure the Senator from Oklahoma and other Senators in the Chamber will recall the one time when President Truman made a decision in the case of atomic weapons. His action is often referred to as having overriden the board of the Atomic Energy Commission. That decision related to the production of the hydrogen bomb. We have seen reference to it in the newspapers many times. It is said that a majority of the Commission were opposed to producing the hydrogen bomb, but that President Truman overrode the Commission. I am sure the Senator from Oklahoma will recall that in that case members of the Commission voted unanimously to ask the President to step in and decide the question for them. That was not a case of the President handing down an order and saying, "Regardless of what you think, I say that you are to do thus and so." Instead the members of the Commission asked the President to come in and decide the question for them. However, in this case the President said to the Commission, "Even though a majority of you are opposed to it, you will do this," which is clearly outside the field for which the Atomic Energy Commission was established.

Mr. MONRONEY. Mr. President, will the Senator yield for one further question?

Mr. SPARKMAN. I yield.

Mr. MONRONEY. Is it not a fact that in the case in which the President was asked to make the decision by request of members of the Atomic Energy Commission, the decision was made in accordance with a specific provision in the Atomic Energy Act? In case of disputes over atomic weapons, the decision can go to the President.

Mr. SPARKMAN. Yes. In that case the Commissioners voted unanimously to refer the decision to the President, so his intervention was requested.

This procedure is indicated, not only by a legal provision, but by Commission intent; and as proof of my charge I invite attention to a letter dated April 15, 1954, addressed to Joseph M. Dodge, Director, Bureau of the Budget, and signed by Lewis Strauss, Chairman of the Atomic Energy Commission. On page 2, paragraph 4, under the heading, "Cancellation Is Provided as Follows:", subparagraph (a) reads:

"(a) For TVA to continue to receive and AEC to pay for power at the contract rates during a 3-year notice period. This period should be sufficient to permit TVA to make other arrangements for the meeting of the requirements of the Memphis area.

It is obvious that when the 3-year notice period is announced, TVA is put on notice "to make other arrangements for meeting the requirements of the Memphis area."

What other arrangements could TVA make? Could it come to Congress, during this anti-public-power administration, and obtain an authorization for the originally contemplated Fulton steam plant? Would TVA not be told that it had better negotiate a definitive contract with Dixon-Yates?

This is the boobytrap designed for TVA by cunning legal minds. Afraid to come out in the open and make a frontal attack, they have resorted to devious and tricky methods to accomplish their end.

Their end is to prevent TVA from building the Fulton plant; use the credit and administrative devices of the Government to subsidize a favorite private utility; pad upward the TVA yardstick rate; and thereby extort from the pockets of the American people many hundreds of millions of dollars annually for the benefit of private utility groups operating under monopoly franchises.

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

Mr. SPARKMAN. Let me say this, first: There has been a great deal of interrogation and interpolation during the time I have been reading this statement. I therefore ask unanimous consent that there be printed at this point in the RECORD the statement in its entirety.

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

DIXON-YATES CONTRACT CONTAINS A "BOOBY TRAP" FOR TVA

Among the many booby traps in the proposed Atomic Energy Commission-Dixon-Yates contract, is one possible development which has not as yet been discussed.

A letter under date of April 10, 1954, signed by Mr. E. H. Dixon, president of the Middle South Utilities and Mr. J. M. Barry, chairman of the executive committee of the Southern Co., was sent to the Atomic Energy Commision, attention: Gen. K. D. Nichols, general manager. The concluding paragraph of the letter reads as follows:

"The attached appendix sets forth an outline of additional matters in our proposal, including the more important provisions which will be embodied in a contract growing out of it. We are ready to negotiate a definitive contract at your early convenience."

On page 5 of the appendix referred to, under paragraph (7), entitled "Termination," subparagraphs (a) and (b), the following language occurs:

"(a) After commencement of full-scale operation, termination will be allowed on 3 years' notice, during which period assignment may be made to another Government agency, at contract rates, including all taxes and other adjustments.

"(b) Upon termination seller shall be entitled to and will absorb capacity at least as rapidly as load growth will permit, but in any event in the amount of at least 100,000 kilowatts in each year, absorbing associated proportions of costs. Buyer may assign any balance to another governmental agency at an increased price to be approved by FPC, such price to include recognition of any increased costs then encountered or foreseen by seller. To extent such capacity is not used by buyer or assignee, buyer will reimburse seller for pro rata proportion of base capacity charge, as adjusted, and taxes."

Note that in subparagraph (a), that after the new plant starts full-scale operation, the Dixon-Yates group grants to the Atomic Energy Commission (1) the right to give a 3-year termination notice; and (2) the Atomic Energy Commission is given the right during the 3-year-termination-notice period to assign to "another Government agency, at contract rates, including all taxes and other adjustments."

Now, we turn to subparagraph (b). After the 3-year-termination-notice period has expired, several privileges and obligations are in order.

1. Dixon-Yates "shall be entitled to and will absorb capacity as rapidly as load growth will permit"; this could allow Dixon-Yates to absorb, for its own use, the complete capacity of its plant (600,000 kilowatts) in the fourth year of its full-scale operation, with Atomic Energy Commission concurrence.

2. "But in any event," it will absorb 100,000 kilowatts in the fourth year and 100,000 kilowatts per year for 5 successive years. This formula permits legally, complete recapture of plant capacity in one fell swoop, immediately after the end of the 3-year notice period—or gradual absorption of capacity from the fourth to the ninth year by Dixon-Yates.

3. During this absorption period, of from 1 to 6 years, the Atomic Energy Commission is permitted to assign the unabsorbed capacity to another Government agency (obviously the TVA, as no other Government agency could use such residue), but not at contract prices—"at an increased price to be approved by the FPC." The FPC, in setting this increased price, must "include recognition of any increased costs then encountered or 'foreseen'" by Dixon-Yates. This is an amazing provision, in view of the fact that "other conditions" clause on page No. 3 of the appendix would allow additional increases, authorized by the Arkansas Public Utilities Commission, as well as any increase coming under the vague clause "other conditions."

This means, in effect, TVA can be put in the position of building a nine-million-dollar-transmission line from the Dixon-Yates terminal to its distributive area; use the 600,000 kilowatts capacity for 3 years, and then have a gun placed to its head through legal right to withdraw the 600,000 kilowatts, unless TVA would agree to pay the increased rates allowed under the wide open clauses noted heretofore in the contract.

Surrender to the threat would force the costs of the TVA and its customers upward, and would destroy the TVA yardstick on rates.

Once the TVA yardstick is padded upward and destroyed, the private utilities throughout the South would reap millions of dollars out of the pockets of electric-energy users.

It may be argued that such a development is unlikely, and that it would involve another collusive agreement on the part of the Atomic Energy Commission and Dixon-Yates.

The answer to that is that the contract makes it possible legally. The policy of the administration is anti-TVA, and I believe the independence of the Atomic Energy Commissioners is no longer to be relied on—when they are directed by the President to carry out his policy. This is evident by the testimony given before the Joint Committee on Atomic Energy, which, in my opinion, shows

a lack of courage to object to a clear violation of the language and legislative history pertaining to section 12 (d) of the Atomic Energy Act of 1946, as amended.

This procedure is indicated not only by legal provision but by Commission intent; and as proof of my charge I call your attention to a letter dated April 15, 1954, addressed to Joseph M. Dodge, Director, Bureau of the Budget, and signed by Lewis L. Strauss, Chairman of the Atomic Energy Commission. On page 2, paragraph (4), under the heading "Cancellation is provided as follows:", subparagraph (a):

"(a) For TVA to continue to receive and AEC to pay for power at the contract rates during a 3-year notice period. This period should be sufficient to permit TVA to make other arrangements for the meeting of the requirements of the Memphis area."

It is obvious that when the 3-year notice period is announced TVA is put on notice "to make other arrangements for meeting the requirements of the Memphis area."

What arrangements could TVA make? Could TVA come to Congress during this antipublic-power administration, and obtain authorization for the originally contemplated Fulton steam plant? Would TVA not be told that it had better "negotiate a definite contract with Dixon-Yates"?

This is the booby trap designed for TVA by cunning legal minds.

Afraid to come out in the open and make a frontal attack, they have resorted to devious and tricky methods to accomplish their end.

Their end is to prevent TVA building the Fulton plant; use the credit and administrative devices of the Government to subsidize a favorite private utility; pad upward the TVA yardstick rate; and thereby extort from the pockets of the American people many hundreds of millions of dollars annually for the benefit of private-utility groups operating under monopoly franchises.

Mr. SPARKMAN. I am glad now to yield to the Senator from Arizona for a question only.

Mr. GOLDWATER. For how many years has the TVA been asking for the Fulton steam plant?

Mr. SPARKMAN. I believe this is the second year.

Mr. GOLDWATER. This is the third year, is it not?

Mr. SPARKMAN. My recollection is that last year was the first year the request was rejected. Last year and this year the request was rejected.

Mr. GOLDWATER. Congress, in its wisdom, has seen fit to turn it down.

Mr. SPARKMAN. Congress has turned it down twice.

Mr. GOLDWATER. Does the Senator doubt the wisdom of that action?

Mr. SPARKMAN. I certainly do.

Mr. GOLDWATER. Is there anything that would give the Senator from Alabama confidence that the Congress might agree to this or other steam plants in the TVA area?

Mr. SPARKMAN. Yes; I have great confidence that, after the November elections, next year a new Democratic Congress will provide for meeting the needs which President Eisenhower promised to meet when he was campaigning, and on the basis of which he obtained very strong support from much of the TVA area.

Mr. GOLDWATER. Did the President specifically promise that there would be additional steam plants in TVA?

Mr. SPARKMAN. Oh, no.

Mr. GOLDWATER. Did not the President in effect say that nothing would be done to impair the efficiency of TVA?

Mr. SPARKMAN. And its maintenance and operation at maximum efficiency.

Let me add that in the mind of every person in that great TVA area those words are fixed. He said that he would do everything to maintain TVA at its maximum efficiency. They remember those words.

Mr. GOLDWATER. Every kilowatt of electricity that is being developed by TVA today is being utilized, is it not?

Mr. SPARKMAN. Yes; I am quite sure that is correct.

Mr. GOLDWATER. Therefore the President, in effect, has not gone back on what the Senator assumes to be his word.

Mr. SPARKMAN. The Senator is talking about today. It is necessary to plan a program 3 years ahead of time. The one that was asked of Congress last year was to meet the need in 1956. The program asked for this year is to meet the need in 1957.

Mr. GOLDWATER. But if the TVA is now producing to full capacity and it is being utilized, is it not natural to believe that, consonant with the expected growth of the TVA area, TVA's output will continue to be 100 percent utilized?

Mr. SPARKMAN. Yes; I feel quite certain that TVA's output will continue to be 100 percent utilized. However, I wish to say to the Senator from Arizona that I hope Arizona will not stand still; I hope it will grow year by year, and that, as it grows, it will need more power. I believe that is true of every area in the United States. Certainly it is true of the Tennessee Valley. The only thing we have ever asked for in the Tennessee Valley—we who were set aside by an act of Congress at the request of Mr. Wendell Wilkie, representing private utilities, and given the right to look to the TVA for the power we need—is the power that we need to meet normal growth and development, which is the same kind of growth and development which I hope the Senator's great State of Arizona enjoys.

Mr. GOLDWATER. I should like to ask the Senator a question. In connection with that point, does the Senator feel that the area in which he lives should be treated any different from my State of Arizona in connection with its power needs?

Mr. SPARKMAN. I do not believe so.

Mr. GOLDWATER. The Senator must, because he is continually asking the Federal Government to do it.

Mr. SPARKMAN. The fact is that there is a great river in the Tennessee Valley, and Congress 21 years ago decided that the best way to develop that river was to develop it under the plan of the TVA. Fifteen years ago Congress decided, by passing a law, that this certain area should be served by TVA; that TVA should not move out into the other territory served by private utilities, and the private utilities should not move into the TVA area. We have looked to TVA for power ever since.

It is about the same as the development of some of the great rivers in the Senator's area, and the great reclamation projects. I never did object to building Boulder Dam and the manner in which power is generated there, and the manner in which the water is made useful to the people at most favorable rates. I think that is fine. I have always gone along with those projects, because I believe they are good for the sections of the country in which they operate, and therefore they are good for the Nation as a whole.

I believe in growth and development in every part of the United States, and I have always tried to support programs to that end.

All we ask for in the Tennessee Valley area is that we be allowed to continue to get power sufficient to meet the demand of normal growth and development, the same kind that every other area in the United States expects to have.

I remind the Senator from Arizona again that by 1956, 55 percent of the power generated by the TVA will be taken up by the Atomic Energy Commission, and another big block—I do not know what percentage, but it would be interesting to know—will be taken up by the defense installations in that area.

Those institutions have priority. We cannot get sufficient power for industries and for the expansion of the industries already located there, if we are to stand still and be content with the formula the Senator from Arizona seems to have in mind; that is, of continuing to operate the present maximum capacity and using the present maximum capacity.

Mr. GOLDWATER. The Senator from Alabama is a little confused.

Mr. SPARKMAN. Mr. President, I yield for a question only.

Mr. GOLDWATER. I may have to develop a little prolog to the question.

Mr. SPARKMAN. Mr. President, I ask the Chair to protect me. I yield only for a question.

Mr. GOLDWATER. The Senator from Alabama will admit, will he not, that the original intent of TVA was navigation and flood control.

Mr. SPARKMAN. Oh, no, no, no.

Mr. GOLDWATER. That was not the original intent of TVA?

Mr. SPARKMAN. No; TVA started at Wilson Dam. It was a defense undertaking. It was created for the purpose of generating power for use in our defense back in World War I. That was the derivation of it. I explained it earlier in the evening, when the Senator from Arizona may not have been in the Chamber. When I spoke about the 1939 act, I made mention of the fact that TVA legislation on the House side was always handled by the Military Affairs Committee, because of its origin as a defense measure. I was a member of that committee for 10 years, while I served in the House of Representatives.

Mr. GOLDWATER. I shall put this in the form of a question, Mr. President. Is it not true that a majority of the power in the TVA area is developed by steam plants, and that the additional need, if there is additional need, can be met substantially only by steam plants?

Mr. SPARKMAN. I am not sure that of the present generating capacity a

majority is steam generated, but it is fast moving in that direction. Undoubtedly when the present program is finished—I will not say undoubtedly—it is possible that the majority will be steam power. The Senator is right. The main stream and its tributaries have been developed, I assume, to their practical capacity. Therefore, if we are to get additional electric energy in the Tennessee Valley, it must come from steam plants. I believe that is a fair statement.

Mr. GOLDWATER. Does the Senator from Alabama understand what occurs in most of the other States when that situation exists? To broaden the question, I will refer to Hoover Dam. First, I should like to ask the Senator if he does not recall that the 80th Congress corrected an earlier mistake by naming the dam Hoover Dam, as it properly should be named?

Mr. SPARKMAN. I voted for the measure naming it Hoover Dam.

Mr. GOLDWATER. I am sure the Senator did.

Mr. SPARKMAN. I thought it was perfectly appropriate.

Mr. GOLDWATER. To get back to my question, is the Senator aware of the fact that in the other States of the Union, when additional power is needed, private enterprise develops the power, and private enterprise works with federally developed power, and it becomes a team, a two-way street and both operate together. All the other States, I might add to my question, with the exception of 1 or 2 States, depend on private enterprise. Is the Senator from Alabama aware of that fact?

Mr. SPARKMAN. I have never measured it, but I assume that in the United States as a whole by far the greater part of the Nation is served by private utilities. The greater part of my State is served by private utilities. The Alabama Power Co. serves, I believe, 80 percent of my State. Perhaps it is more than that. I do not know. It has done a great job. A short time ago my senior colleague and I supported a measure to deauthorize a Federal project there.

Mr. GOLDWATER. The Coosa River project.

Mr. SPARKMAN. Yes; the Coosa River project. The Alabama Power Co. had stated back in 1945, when it was authorized, "We cannot develop the Coosa River with our own money." It was one of those that asked the Federal Government to develop it. Oh, yes; we have had a fine working cooperation there.

The Alabama Power Co. was not able to finance the development, but they knew the need for power. The Alabama Power Co. joined in asking the Federal Government to undertake the project. Almost 10 years later, times have improved, and they have now decided that they want to finance it. They have come to the members of the Alabama delegation and have said, "Back in 1945 we all worked to get this project federally authorized. We were not able to develop it then, but we are able now, and if we can get the chance to develop it we are ready to go ahead and develop it." It operates in only one State. So our delegation, after very carefully considering it, and spending many hours on it, worked out legislation to make certain that the interests of the public would be protected.

When an agreement as between the power company and our delegation representing the people of Alabama, was reached, a bill was introduced on the House side and a similar one in the Senate. It went through quickly, and the project was authorized. They are getting ready to go before the Power Commission to ask for a permit with the promise that probably within 12 months they will actually be pouring concrete.

I have never been a public-power advocate to the exclusion of private power. As a matter of fact, I have always said that there is ample room in this country for both public and private power. We need all the power we can get, both public and private power. It so happens that the Coosa River is in an area served exclusively by the Alabama Power Co. I assume that even had the Government built the dam and sales would have been primarily by the Alabama Power Co. Some rural cooperatives might have bought at the bus bar, but I think most of the power would have been sold by the Alabama Power Co. A few municipalities may own their own distribution systems, but I do not have in mind a single one at this time. There are many rural cooperatives there, but even they are served by the Alabama Power Co.

So it was an ideal arrangement for private-power generation, and I was glad to help get the plan in operation.

Under the act of Congress of 1939 in the TVA area—and the line is well drawn—TVA would supply the power and the private power companies would stay out.

Only last year Mr. J. M. Barry, who, by the way, used to be president of the Alabama Power Co.—he is now, if I remember correctly, president of the Southern Co.—testified before the Appropriations Committee and said, "You will remember that in 1939 the territory was divided, and from that day until this the agreement has been meticulously kept by both sides."

That is true. There was an agreement between the private utilities and the TVA, ratified by Congress, that all this area should be served in future by TVA. If TVA did not have to furnish an immense amount of power to the Atomic Energy Commission, we would not have any trouble in getting sufficient power.

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

Mr. SPARKMAN. I yield for a question.

Mr. GOLDWATER. I agree with what the Senator has said, but I should like to ask this question: In view of the fact that TVA has been more or less prescribed by the Congress, and it has been quite apparent in at least one Congress that the Government has no intention of providing further steam-plant development, does not the Senator from Alabama feel that free enterprise should now be given a chance to go into the area and assist the Government by the development of additional power?

Mr. SPARKMAN. In answer to the able Senator from Arizona I wish to say, in all frankness, that I have been concerned as to what would happen in the future, certainly until we get to the point of production of power by atomic energy. But rather than for me to discuss that, I should like to suggest to the Senator from Arizona that he read a very able presentation which deals with that very subject. It was made on the floor of the Senate a few days ago by the distinguished and learned Senator from Kentucky [Mr. COOPER]. He discussed the various alternatives with which the TVA might be confronted. I should like to recommend a most careful reading of his statement. There are some problems involved. It is not easy to answer yes or to answer no. It does raise a rather complicated problem. I might have my opinion and someone else might have his opinion. But we would not have any trouble if a tremendous amount of power were not requisitioned from the TVA by the Atomic Energy Commission.

I have stated for a long time—I never offered an amendment to the bill when it was pending, either in the House or in the Senate—that I rather felt that our atomic-energy installations should have powerplants along with the installations. I know there is a powerplant at Oak Ridge, but I believe it supplies only a very small part of the power which is required. I know, too, that we run into practical questions when we figure on the source of power for the Atomic Energy Commission. But there is one thing that must be remembered, namely, that if the TVA area is to be fairly treated within the law which Congress has passed, the first claimant for the power is the Government to the extent of well over half the power generated.

Mr. GOLDWATER. The hour is getting late, and I have only a few more questions, because I want to draw from the Senator his true feelings regarding free enterprise.

Is the Senator aware that all over the country, regardless of whether the area may be one of federally developed power or one of private enterprise or private power, the cost of power, the finished product, is less than 1 percent, regardless of whether it is TVA, Bonneville, the Arkansas Public Service Co., or the Southern California Edison Co.?

Mr. SPARKMAN. Is the Senator referring to the production cost?

Mr. GOLDWATER. Yes.

Mr. SPARKMAN. If the Senator says that is correct, I am willing to go along with him. It varies according to the industry. It may very well be that that would be true in the textile industry, but I would assume it is not true in the reduction of bauxite into aluminum.

Mr. GOLDWATER. I would agree that in the case of aluminum and magnesium it is a very small amount.

I should like to ask another question relating to home use of electricity, because we hear so much about protecting the little man. Regardless of whether it is the little man, the big man, or the middle man, does the Senator realize that the total cost of utilities in the home today runs approximately from 3

to 3.2 percent, which includes water, gas, coal, oil, electricity, and all the other utilities?

Mr. SPARKMAN. I have not seen the figure. If the Senator says that is correct, I am willing to accept his word. It sounds reasonable to me.

Mr. GOLDWATER. In both industry and in the home we are talking about a very, very small part of the budget. Is not that correct?

Mr. SPARKMAN. Yes, that is true; if we average it. But let me say that in some lines of industry it certainly is a large enough factor to cause plants to go to certain sections. For instance, even though we think of TVA power as being low in price, I can tell the Senator of an industry which I tried very hard to get for my State. It went to Texas, where it could use natural gas as its energy or its fuel. That was an aluminum company plant, and it has a big plant. Its first plant was in the district which I formerly represented in Congress. It is near my home. I have been told that when the plant was first built, it was one of the most completely integrated aluminum plants in all the world.

When the time came for a rather large expansion, naturally I hoped it would be at that location. As an alternative, I suggested that the plant might be located in Walker County, a great coal-mining county. They could buy their own coal lands and build a plant at the mouth of the mine, so that coal could be immediately available. For a while I thought that was what they were going to do, but they finally said to me, "We have studied all the figures, but we can save money by building the plant in East Texas and using natural gas."

Mr. GOLDWATER. I would agree with the Senator about that. I might go further and state that plants which need large amounts of electricity which they can develop themselves would be better off by going to States like Oklahoma, Texas, New Mexico, and California, where there are large supplies of natural gas.

Mr. SPARKMAN. If that were the principal factor.

Mr. GOLDWATER. If that were the principal factor, yes. But it is not the principal factor, and it has never been proved so.

The Senator in his earlier remarks referred to the dangers of private enterprise becoming a giant monopoly and charging the people exorbitant prices for power. Does not the State of Alabama regulate the prices charged by the public utilities, and then regulate the profits?

Mr. SPARKMAN. Yes.

Mr. GOLDWATER. Is the Senator afraid that the State of Alabama in the future might weaken and become dominated by a monopoly, so that the monopoly could make so-called exorbitant profits?

Mr. SPARKMAN. Experience, it is said, is the best teacher. However, when TVA came into existence, we had a new experience.

My home town, by the way, let me say to the Senator from Arizona, in order that he may understand fully, was the location of the north Alabama headquarters of the Alabama Power Co. My law firm, I may say, represented the Alabama Power Co. when I was first elected to Congress. Nevertheless, I was a strong advocate of the TVA, and I have been ever since it has come into being.

Sometime after I came to Congress, following the passage of the 1939 act, question arose about the purchase of the distribution system in my home town. The TVA proposed to purchase all of it and to provide for the cities, towns, and rural cooperatives to purchase in turn. I helped with the negotiations for the purchase of the properties in my home town. A good price was paid for them. They were bought as a going property, a going concern, and the price was a good one.

The city, after it had obtained its distribution system, reduced the rates charged to the users of power by about 40 percent. Yet the city was able, from the profits derived from the distribution system, to retire the entire cost of the system in less than one-half the time originally agreed upon. I believe it was about one-third of the time that was proposed when the property was bought. My recollection is that the city proposed to retire the whole cost in 20 years, but it was retired in about 6 or 7 years. The profits have been piling up, and payments in lieu of taxes have been made to the city and the school districts, just as was the case formerly.

In addition, they not only took over what we might call the gravy part of the distribution system, but they took over the whole county. That is pretty thin pickings when one gets out into the rural sections.

In addition to all that has been saved, the lines have been extended out over the county until today the county is nearly 100 percent electrified as the area can be.

Let me go a step further. Not only did my city, with my hometown's distribution system, reduce its rates about 40 percent, but gradually, over a period of a few years, the Alabama Power Co., throughout the State, reduced its rates probably not as much, but there is not such a great variation, I believe, between the rates charged by the power company in the rest of the State, and by TVA.

What actually happened? The yardstick, as defined by David Lilienthal, worked. The TVA idea was to make power available to the people in such a way as to encourage them to use it; and the more they used, the cheaper their rate could be.

I wish to illustrate that point, and the difference between TVA attitude and the attitude of the Alabama Power Co. A good many of the people in the Alabama Power Co. are my personal friends. One day I was speaking with the manager of the Huntsville office of the Alabama Power Co. He is now the vice president of the company, and has been for a good many years.

We first began to talk about the sale of appliances. I asked him why the company insisted on adding a profit to the appliances it sold. I said, "It seems to me that you should be glad to sell them at a discount, because they use more power."

His reply to me was, "Do you know how many electric ranges and how many electric power heaters are on the line that goes out your street? If we had 3 or 4 more, it would be necessary for us to build a new line."

In other words, his attitude was not to encourage the purchase of additional appliances, because it would mean that the company would have to put in new and stronger lines.

The TVA came along with just the opposite idea. Their plan was to put the lines and the power there, and the people would buy appliances and use the power. The Alabama Power Co. adopted the same policy. No wonder they were able to reduce their rates. In the course of doing so, as I mentioned earlier this evening, the value of their stock went from about 50 cents on the dollar to full par value, and even above par.

Mr. GOLDWATER. I have one more question to ask, but before I do so I wish to invite the attention of the Senator from Alabama to the CONGRESSIONAL RECORD which will be available tomorrow, in which today I inserted a comparison of rates, going back, I believe, to 1896, which shows that the greatest reduction in power rates occurred before 1932. It makes very interesting reading, because the percentage of reduction since that time has been relatively small.

In view of the fact that the Senator from Alabama has agreed that there is not much difference between private utility rates and TVA rates, is there any condition which the Senator from Alabama can imagine under which he would agree that free enterprise power should come into the TVA in competition with the TVA?

Mr. SPARKMAN. As I said earlier, Congress is the entity which divided the area. Congress must reach the final solution.

There have been set up, we might say, to take the State of Alabama as an example, two power monopolies. One of them is the TVA, serving 12 counties and 2 municipalities, together with certain other rural cooperatives. The other is the Alabama Power Co., which serves the rest of the State.

Congress has said that the people living in the TVA area would be supplied power by the TVA. The TVA operations would have been ample to supply that power had it not been for the requisition which the Government made for its agencies in the valley. I have not quarreled with the idea of relieving the TVA of some of the commitment it is under to the Atomic Energy Commission. That is what the President, in his budget message, said he was going to do. The letter of December 24, 1953, to the Atomic Energy Commission directed the Commission to explore the possibility of relieving the TVA of some of its commitments to the Atomic Energy Commission.

But the Commissioners wrote back and said, "We have explored that possibility, and we have decided that it is best to retain the arrangements we have with TVA at the present time."

As they so well point out in their letter, a new tack was taken, a new course was set, and they were directed to buy power

from a private concern for the purpose of supplying the people of Memphis, Tenn.; not for the purpose of relieving TVA in any of its commitments to furnish power to the Atomic Energy Commission.

The TVA is not relieved of the commitment of a single kilowatt of power to the AEC. As the Commissioners point out, the power which they obtain has no connection with their operations. I may say that it is not even in replacement of power served by the TVA to the Atomic Energy Commission. It replaces no part whatsoever of that power. Even the amendment offered by the Senator from Michigan would seek to give authority to the Atomic Energy Commission to purchase power in replacement of power served by TVA, but the proposal replaces not 1 single kilowatt. Therefore, even if the amendment offered by the Senator from Michigan were enacted into law today, it would not authorize this proposal legally.

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

Mr. SPARKMAN. I yield to the Senator from Michigan.

Mr. FERGUSON. When the building of the new Johnsonville plant was being discussed, did not the Senator from Alabama argue that the plant was required to fill in all the lines so that the Atomic Energy Commission could get additional power, even though there was no direct connection? Did not the Senator argue that?

Mr. SPARKMAN. My recollection is that the new Johnsonville steam plant was needed to firm up the power for the whole TVA system.

Mr. FERGUSON. That is correct.

Mr. SPARKMAN. So that a great quantity could go to the Atomic Energy Commission. The Senator is correct.

Mr. FERGUSON. Yes.

Mr. SPARKMAN. However, at that time a great deal of the TVA power was secondary power, and with a steam plant pouring into the system power that could be regulated as it was needed in the area, we could firm up that power for the whole system, and thereby the AEC would be able to get a greater amount of power.

Mr. FERGUSON. But did not the Senator argue that when the system was inaugurated it was to firm up all the power, and even though none of the power would get to a particular plant, for instance a military plant, yet it was essential for the whole program?

Mr. SPARKMAN. To firm up the power, that is correct.

Mr. FERGUSON. Would not the same situation obtain if the plant were built in Arkansas, and power put into the whole system? Would it not take care of Memphis as well as other areas, because other power would not have to be fed into Memphis?

Mr. SPARKMAN. What it amounts to is taking Memphis out of the TVA system, but the proposal will not relieve the TVA of one single kilowatt of its obligation to supply power to the Atomic Energy Commission. Furthermore, in case of cancellation, the Government would carry the load. Furthermore, the proposal gives such unusual benefits as to make it a most extraordinary contract. As I have stated many, many times, the TVA part of the proposal, as I view it, is incidental. The important feature is the subjection of an independent agency, and the most sensitive of all independent agencies, to direct order of the Executive. Congress never intended that should be done, and I do not believe Congress ought to sit by and see it done.

There are several unexplained factors to this Dixon-Yates situation which cast a dark shadow over the innocent protestations of its proponents.

First, I have yet to hear a satisfactory explanation of why the Tennessee Valley Authority was not instructed by the President to enter into this contract, rather than the Atomic Energy Commission. I pose that question not because I would have approved that action, because, again, the TVA is an independent agency; but the question I am putting is, Why this roundabout method? No wonder the Commission said the proposal created for it an awkward situation. Of course it was awkward. The whole thing is awkward. It is awkward when one tries to explain it, and, naturally, it must have been awkward and embarrassing to those conscientious members of the Atomic Energy Commission who were asked to do something which they said was completely outside the functions for which the agency was intended.

After all, no one can dispute that the Atomic Energy Commission performs no real function here. The private utilities will construct a plant and generate power. The power will go into the TVA transmission lines and, indeed, will be contracted for by TVA. What function, then, does the Atomic Energy Commission have? It is simply a middleman. It is a broker. It has no real function in this setup. Can it be that this complicated arrangement has been set up to confuse the situation and to take the focus away from the fear of the administration that TVA really has no legal right to enter into arrangements with private utilities?

Secondly, although there has been much talk about statistics and figures, we do not know how the construction of the plant at West Memphis is to be financed. We only know that it will cost approximately $107 million, unless the cost estimates are wrong; that the Dixon-Yates group will put up only approximately $5 million equity financing; that the cost to the Government of power over the life of the contract may be half a billion dollars greater than it would be if TVA furnished the power. But no one has told us how the Dixon-Yates group is going to finance the project and raise the rest of the money necessary for its completion. So far as we know, neither the Director of the Bureau of the Budget, Mr. Hughes, nor the Atomic Energy Commission have inquired into this. This is a startling fact, indeed.

Surely one would think that the Government, embarking on a project of such vast dimensions, would want to know who was going to put up the money, and where it was going to come from. If the money is going to come from the sale of bonds and stocks, the Government ought to know what investment banking firms would underwrite this issue, what terms they have procured, on what basis such an issue would be offered to the public, and generally whether or not the Dixon-Yates group have substantial and definitive agreements with underwriting houses to assure the Government that they really will raise the necessary capital. I cannot recall a single instance during the many years I have spent in the Government of a large contract being made by the Government without its finding out in advance who is going to put up the money and on what terms.

This mystery is a deep one. Can it be that the Government has not asked those questions? Or if the Government has asked about this, why do they not make this information public? Is something being concealed from us? And if so, what is being concealed and why?

These are serious questions, and we have had no answer to them. That fact alone should preclude any Senator from lending his voice to hasty and ill-considered approval of this proposition.

Of course, Mr. President, one thing I have pointed out, from time to time, has been the fact that this whole proposal is shrouded in—I started to say in mystery. I do not know that it is shrouded in mystery, but it is certainly shrouded in a lack of information. A company is proposed to be set up; and in order to set it up, its representatives have to go before the Public Utilities Division of the Securities and Exchange Commission, in order to show that the company will not be in violation of the various provisions of the securities law. Representatives of the company must show that its stock, that will be issued, will meet the requirements of the Securities and Exchange Commission. Also, the proposal is that the company do its job without anyone's being given a chance to compete, and without even making known the specifications. Even those representing the company itself have said they have never to this day seen any specifications. It seems to me that for some reason, I know not what, little information has been given regarding this whole proposal.

Mr. President, let me say that I am prepared to continue to speak if the majority leader wishes that to be done. I have several other subjects which I think some Senators should cover during the debate on this subject. I have finished with the subject I have been discussing, but there are other subjects I wish to discuss, and I am prepared to do so if the majority leader wishes me to continue. If not, I shall be prepared to continue at another time.

Mr. KNOWLAND. Mr. President, I have been interested in the remarks of the Senator from Alabama. If he is about to complete them at this point, I shall expect to have the Senate take a recess. But I do not wish to hurry the Senator from Alabama; and if he is prepared to speak further——

Mr. SPARKMAN. Of course, I assume there will be plenty of time for me to present my views, because other amendments will be pending, and each of them will be subject to debate.

I have not wanted to prolong the discussion, although one subject in which I am greatly interested is that of patents licensing. Another subject in which I have been greatly interested, and on which I have had material prepared for some time, ready for the discussion, is the monopoly aspects of this matter.

As the Senator from California will recall, the other evening I made a very brief statement; and at that time I said I hoped that in the course of the debate, some Senator would discuss those particular features. I hope that will be done.

If it is done by other Senators, then of course I shall not feel that it is necessary for me to discuss them. But I certainly hope something will be said on those particular subjects before the debate ends on this most important piece of proposed legislation.

Mr. President, I could let these remarks end my first speech, and suggest the absence of a quorum.

Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER (Mr. THYE in the chair). The Senator from Alabama will state it.

Mr. SPARKMAN. If I should cease at this time, and should suggest the absence of a quorum, I would be entitled, would I not, upon the ascertainment of the presence of a quorum, to begin my second speech on the pending amendment?

The PRESIDING OFFICER. That is correct.

Mr. SPARKMAN. Then, Mr. President, I shall stop at this point, and I now suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The Chief Clerk proceeded to call the roll.

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

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

THE NATIONAL HIGHWAY PROGRAM

Mr. FERGUSON. Mr. President, I ask unanimous consent to have printed at this point in the RECORD, as a part of my remarks, an editorial entitled "Good United States Roads Program at Last." The editorial was published in the Detroit Times of July 15. The Detroit Times has been a pioneer in the fight for good roads; and its views on the subject are well worth-while, both for the Senate and for others who read the RECORD.

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

GOOD UNITED STATES ROADS PROGRAM AT LAST

The news that President Eisenhower wants to spend an additional $5 billion a year on roads for the next 10 years is as surprising as it is welcome.

It is welcome because the sums mentioned demonstrate a realistic understanding of the job that must be done if our highways are to be adequate and a determination to get on with the job.

The program comes as somewhat of a surprise because the administration supported a Federal highway bill in this session of Congress that was obviously inadequate and which could have been substantially increased if the administration so desired.

The Hearst newspapers, almost daily, pointed out the serious flaws in the bill and tried until the day the President signed it to have it improved.

Now that the viewpoint of the administration has changed, the past can be forgiven and forgotten.

The governors' conference, to which President Eisenhower's remarks were made through Vice President NIXON, promptly reiterated its somewhat moldy stand that the Federal Government get out of the highway business and let 48 governors take over.

They are beating a busted drum in a parade in which they are the only marchers.

The highway situation requires national supervision and coordination. The supervision comes with the power to tax and to make Federal grants.

Do away with one and you have done away with the other. The result would be something to make even the governors shudder.

We will be watching with great interest now to see how the President intends to implement his program and when he intends to do it.

There would not normally be a Federal highway bill again until 1956, but, we feel certain the President does not intend to wait until then.

We believe that the President now comprehends the scope and urgency of the highway program and that he will act with speed and enthusiasm.

AMENDMENT OF RULE RELATING TO PROCEDURE FOR STANDING COMMITTEES

Mr. FERGUSON. Mr. President, I send to the desk, for appropriate reference, a resolution; and I wish to have it considered as a notice under rule XL of the Senate Rules.

The resolution (S. Res. 287) was received and referred to the Committee on Rules and Administration, as follows:

Resolved, that rule XXV of the Standing Rules of the Senate is amended by deleting the title "Standing Committees" and inserting in lieu thereof "Senate Committees."

SEC. 2. Subsection 3 of such rule XXV is amended to read as follows:

"3. Except as provided in paragraph (d) of subsection 5, each standing committee, and each subcommittee of any such committee, is authorized to fix the number of its members (but not less than one-third of its entire membership) who shall constitute a quorum thereof for the transaction of such business as may be considered by said committee, subject to the provisions of section 133 (d) of the Legislative Reorganization Act of 1946."

SEC. 3. Such rule is further amended by inserting at the end thereof the following:

"5. The following shall be rules of the standing, select, and special committees of the Senate (except the Majority and Minority Policy Committees) and subcommittees thereof, and the term 'committee' as used in this subsection (except in paragraph (b)) means any such committee or subcommittee:

"(a) A subcommittee of any committee may be authorized only by a majority vote of the committee.

"(b) No investigation shall be initiated unless specifically authorized by the Senate or by majority vote of a standing, select, or special committee having jurisdiction.

"(c) Unless otherwise provided by a majority vote of the committee taken at a meeting called for such purpose, subpenas shall be issued only by authority of the committee.

"(d) No committee shall hear subpenaed witnesses or take sworn testimony unless a quorum is present or such lesser number of members as the committee provides by majority vote to constitute a quorum for the purpose of this paragraph, except that any such lesser number shall include at least one majority and one minority member.

"(e) Committee interrogation of witnesses shall be conducted only by members and authorized staff personnel of the committee.

"(f) A witness subpenaed to appear before a committee may be accompanied by counsel of his own choosing and may be advised of his legal rights by such counsel while testifying.

"(g) If a committee is unable to meet because of the failure or inability of its chairman to call a meeting, or for any other reason, the committee's next senior majority member able to act shall call a meeting of the committee within 10 days after the receipt by the Secretary of the Senate of a written request for a meeting of such committee which request shall state the purpose for such meeting and shall be signed by a majority of the members of the committee.

"(h) No confidential testimony taken or confidential material presented in an executive hearing of a committee, and no report of the proceedings of such a hearing, shall be made public either in whole or in part or by way of summary unless authorized by a majority vote of the committee.

"(i) No committee hearing shall be scheduled in any place outside of the District of Columbia except by a majority vote of the committee."

LEGISLATIVE PROGRAM

Mr. KNOWLAND. Mr. President, I wish to make an observation or two before I move that the Senate take a recess, under the prior order, until 10 o'clock tomorrow morning.

I call the attention of Members of the Senate to section 132, which appears on page 59 of the Senate Rules, taken from the Congressional Reorganization Act. Section 132 reads:

Except in time of war or during a national emergency proclaimed by the President, the two Houses shall adjourn sine die not later than the last day (Sundays excepted) in the month of July of each year unless otherwise provided by the Congress.

While I recognize that both in this body and in the other body, points of order have been raised as to whether that language is mandatory or is permissive, and although I realize that the rulings of the presiding officers of the respective Houses in those several instances have been that Congress has to act by resolution, nevertheless the language at least appears to be mandatory. I do not know whether this matter has ever been tested in the courts. So far as I know, the other body will be prepared to conclude its labors by the end of July, and the 435 Members of that body will perhaps have some desire to return home, even though Senators may desire, for various reasons, to remain in Washington.

I point out that we have a very heavy legislative schedule. We not only have the atomic energy bill, which is now the unfinished business before the Senate, and which is an important piece of legislation which ties in with President Eisenhower's proposal for a world pool of atomic power for peaceful purposes; but we have immediately following that the very important farm legislation, which

is of great importance to almost every State of the Union in one way or another. We have the foreign aid authorization bill, and the unemployment compensation extension. We have, also, the foreign aid appropriation bill, and the supplemental appropriation bill, which includes a great many items of great national importance, as well as of some local interest. By naming only those few measures I do not mean to exclude many other bills which are either now on the calendar or may soon be on the calendar.

In addition, we have for consideration a number of highly important conference reports, including the conference report on the tax bill, the conference report on the housing bill, and many others which must be acted upon.

In the list of bills on the calendar, and the list of those which are in process of coming out of committee are many bills of regional importance, or of great importance to a particular State of the Union. I should like to have the Senate able to handle as many of those bills as possible during the session before Congress adjourns sine die. But I must say in all candor that as each day passes it means that more of those bills of necessity will be left on the calendar when we complete the session. Each day that passes probably means that a number of bills of great importance to individual Members, and which the very mechanics of our legislation session will not permit us to handle, will be left on the calendar.

Personally, I have never objected, and no person should object, to an ample discussion of any piece of legislation before the Senate. But I wish respectfully to say that last week when the discussion started there was some hope that perhaps we could obtain a unanimous-consent agreement to vote on the bill either last Saturday, on Monday, or possibly on Tuesday. That request was objected to, and indications were made that there would be objection if any further such requests were made.

So far as the date in the Reorganization Act is concerned, we are in the concluding 2 weeks of the session. One day of that 2-week period has passed. Normally we do not meet on Sunday, so that means that we have only 12 days left in which to operate.

I respectfully request that the Senate be not denied the opportunity to vote on the amendments to this bill. There are quite a number pending. I believe that there has been rather full and adequate discussion. I hope that we are not witnessing a filibuster. Others might call it a delaying tactic. Whatever it may be called, I hope we shall not have, day after day, a situation in which 96 Members of the Senate are prevented from casting their votes upon various policy matters covered by the bill.

We may honestly differ as to the proper course which should be taken in connection with this and other proposed legislation, but I hope we shall not be denied, as representatives of our respective States and of the people of the United States, the opportunity to cast our votes and get on with the people's business.

I do not like these late night sessions. The minority leader and I have on many occasions discussed the heavy burdens Senators are carrying, particularly at the end of a long session, which has lasted for 7 months. Senators have worked very hard. We have had excellent cooperation from the Democratic side of the aisle. Without the cooperation we have had from Members on the other side of the aisle as well as from the minority leader, it would not have been possible to accomplish the legislative program which has been accomplished.

I make the special plea to some Senators who have been engaged in this delaying tactic that they permit the Senate to begin voting tomorrow. I feel that is not asking too much in view of the heavy program of legislation ahead of us, in fairness to Senators who are interested in that program, as well as in fairness to numerous Senators on both sides of the aisle who have spoken to me about individual bills which have no national significance, but are vital to particular Senators in particular States, to see if I could not find some way of having those bills considered before final adjournment.

It may well be that we shall not adjourn, no matter how long it takes, until we dispose of the top priority legislation. No one should be under any illusions about holding 96 Senators here to consider what some may call secondary legislation. Therefore the longer we delay in taking care of the high priority legislation the less opportunity there will be to take care of other bills which should, as a matter of equity, be acted upon.

I make a special plea that, starting tomorrow, the delaying tactics be concluded. Of course, there should be some additional debate on each of the amendments, but when it has been concluded let us vote and pass on to the next amendment, and get a vote on that. I think we owe it to the country, to ourselves, and to the other House, the Members of which should not be asked to remain here while we are delaying the legislative function of the Government.

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

Mr. KNOWLAND. I yield.

Mr. HICKENLOOPER. What I wish to say is with the most complete respect for those Members of the Senate who have participated in this debate and who have been in attendance consistently during the sessions of the Senate. I respect them. I do not criticize them, but I think it is very significant that those who are the most vociferous in their objection to bringing this bill or the amendments to the bill to a vote are the most noted for their continuous and almost complete absence from sessions of the Senate while this bill has been under consideration.

I think that is a tragedy. Senators who are so eager to block a vote on the bill should be here participating in the debates and taking part in the consideration of the bill.

I honor the distinguished Senator from Alabama [Mr. SPARKMAN], who has carefully discussed the bill today from his viewpoint. I may disagree with him, but the discussion is beneficial. The majority leader has been in constant attendance. I notice the presence of the Senator from Oklahoma [Mr. MONRONEY]. The Senator from Michigan [Mr. FERGUSON] is present, as are the Senator from California [Mr. KNOWLAND], the Senator from Arizona [Mr. GOLDWATER], and the Senator from Delaware. I have noted the presence of other Senators who have been in quite constant attendance during the debates, including the distinguished occupant of the chair, the Senator from Minnesota [Mr. THYE].

However, I notice that Senators who rise and speak so readily about defending the rights of the people in a free forum are the most consistently absent from these deliberations. It is noted throughout almost every situation of that kind which occurs. The most vociferous objectors to getting on with the business of the Senate and voting are the most consistent absentees. Apparently they have other activities, curricular or extracurricular, which take their time and occupy their attention in other places.

I wished to make that statement tonight in deference and honor, not only to Senators who are present this evening at this late hour, but to other Members of the Senate who have participated today in the debates all the way through. I respect them. I do not criticize them for their differences of opinion with me. I hope they respect my own sincere opinions to the same degree; and I am sure they do.

I thank the Senator from California. I could not refrain from calling this subject to the attention of the Senate and of the people of the United States.

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

Mr. HICKENLOOPER. I yield.

Mr. BEALL. I wish to make one correction. I am very fond of the State of Delaware, but Delaware is only a part of the eastern shore of Maryland. [Laughter.]

Mr. HICKENLOOPER. I abjectly apologize to my beloved friend, the Senator from Maryland.

Mr. JOHNSON of Texas. Mr. President, like the able majority leader, I should like to give every Member of the Senate an opportunity to say all he has to say on this extremely important subject, and get on with other business.

I appreciate the problem that confronts the majority leader. I am aware of the burdens he bears, and bears so well, and I should like to lighten them in any way I can, but I believe it might be wise at this time not to call on any absent Senators to return to the Chamber, as has been indicated by the Senator from Iowa [Mr. HICKENLOOPER], because it seems to me that we have had about all the speeches today we should have, and when he confuses——

Mr. HICKENLOOPER. Mr. President——

Mr. JOHNSON of Texas. When it gets to the point that the Senator from Iowa confuses the Senator from Maryland with the Senator from Delaware, it

is time for us to go home. We can come back in the morning and start all over. I hope that any Members of the Senate who have remarks to make on the bill will come to the Chamber and say their piece as long and as loud and as persuasively as they may be able to do so, whether they be on this side of the aisle or on the other side of the aisle, and in that way ultimately we will get to a vote.

I know of no Senator who is trying to delay the bill. Certainly I am not trying to delay it. As the majority leader knows, the other day the minority leader and Members on this side of the aisle agreed to a unanimous-consent request, and proposed one.

I know that some Members on this side of the aisle feel very deeply about the bill, and believe a tragic mistake is being made in attempting to pass the bill in its present form.

We need have no illusions about Congress adjourning by July 31. We will have to consider conference reports on the tax bill and the housing bill. We will also discuss at some length, I believe, the very important farm bill, and the social-security bill. We will be here until after July 31 without any reference whatever to the important subject the Senator from Vermont [Mr. FLANDERS] will bring to our attention tomorrow, and a little later.

However, I want to cooperate with the majority leader, and I believe most Members on this side of the aisle want to do so.

We have a staff to consider. A Senator can take 2, or 3, or 4 hours off a day, as I have been doing in the last few days, but the staff must stay here every hour. It is now 25 minutes to midnight. By the time the staff members get home it will probably be 1 o'clock for many of them. In order to meet in the morning it will be necessary for the members of the staff to leave their homes very early, to make preparation for their work tomorrow morning.

I do not see how the Senate can stay in session much longer than it has been doing. If we have a chance to vote and pass the bill, I have no objection to staying an extra hour or two. However, when we work from 10 to 10 I believe we are doing all we can.

I hope that every Senator will be prepared to come to the Chamber tomorrow and say what he has to say, and that we can continue until the bill is finished, and then get along with the other business of the Senate.

I do not believe we will meet the July 31 deadline. It is a worthy objective to have, and a good goal to seek, but we will have to lay aside a part of the President's program or extend the time. We might as well be realists. If we are to pass the legislation on the program between now and July 31, it will not be very well considered.

Like the majority leader, I appeal to all Senators to keep in good humor to say what they have to say and what needs to be said, and no more, to try to get all the necessary legislation passed at the earliest possible date, and to stay here until it is all passed.

Mr. KNOWLAND. I thank the distinguished minority leader. I certainly have made it amply clear, both in my statement tonight and on prior occasions, that I have a very great appreciation and high regard for the cooperation which he has rendered in endeavoring to expedite the public's business; and nothing in any way, directly or indirectly, in my remarks was meant to be inferred differently. I believe on both sides of the aisle there has been a desire to cooperate. I fully agree with the remarks of the Senator from Iowa [Mr. HICKENLOOPER] in regard to the very able presentation, from his point of view, made by the Senator from Alabama [Mr. SPARKMAN]. Although he is not present at the moment, the Senator from New Mexico [Mr. ANDERSON] has been in the Chamber in almost regular attendance, and I believe he has contributed a great deal to the discussion that has taken place.

I will say that the distinguished Senator from New Mexico told me either last Friday or Saturday that he had no desire to have any undue delay in voting on amendments.

I hope that the Senators who seek enlightenment—and there have been some very able speeches made on both sides of the question—will be here promptly, and in that way all of us could save some time.

We lose considerable time in calling a quorum; perhaps over the course of a week we lose several hours in the calling of quorums. I hope that Senators will attend promptly and at least in that way save some time, so that we can complete as soon as possible after July 31 the legislative program which we have undertaken.

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

Mr. KNOWLAND. I yield.

Mr. HICKENLOOPER. I wish to keep the record straight, Mr. President, by saying that the Senator from Iowa is no more confused in confusing the Senator from Maryland with the Senator from Delaware than the Senator from Texas is confused when he says the Senator from Iowa suggested that any Senator be requested to return tonight or be brought back tonight.

Mr. KNOWLAND. Mr. President, I should like to say, in conclusion, that we do have a heavy program. It is absolutely necessary to meet for the long hours until we can finish the program, unless we can get some votes on the pending bill.

The PRESIDING OFFICER (Mr. THYE in the chair). What is the pleasure of the Senate?

RECESS TO 10 A. M. TOMORROW

Mr. KNOWLAND. Mr. President, in accordance with the order previously entered, I move that the Senate stand in recess until 10 o'clock a. m. tomorrow.

The motion was agreed to; and (at 11 o'clock and 37 minutes p. m.) the Senate took a recess, the recess being, under the order previously entered, until tomorrow, Tuesday, July 20, 1954, at 10 o'clock a. m.

NOMINATIONS

Executive nominations received by the Senate July 19 (legislative day of July 2), 1954:

COMMISSIONER OF SOCIAL SECURITY

Charles Irwin Schottland, of California, to be Commissioner of Social Security of the Department of Health, Education, and Welfare.

UNITED STATES MARSHAL

Charles Swann Prescott, of Alabama, to be United States marshal for the middle district of Alabama, vice Benjamin Franklin Ellis, removed.

HOUSE OF REPRESENTATIVES

MONDAY, JULY 19, 1954

The House met at 12 o'clock noon.

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

Most merciful and gracious God, who art closer than breathing, nearer than hands and feet, we desire to begin, and to continue and to end this new week with Thee.

May our thoughts and activities always be permeated and controlled by a noble and magnanimous spirit, and may we be loyally joined in mind and heart with all who are earnestly striving to establish peace on earth.

Grant that there may be nothing in the work of any day of which we shall be ashamed when the sun has set or at the eventide of life when Thou dost call us to Thyself.

Inspire us with obedience and fidelity to the divine commandment to do justly, to love mercy, and to walk humbly with the Lord, our God.

Hear us in Christ's name. Amen.

The Journal of the proceedings of Thursday, July 15, 1954, was read and approved.

MESSAGE FROM THE SENATE

A message from the Senate, by Mr. Carrell, one of its clerks, announced that the Senate had passed without amendment bills of the House of the following titles:

H. R. 4928. An act to authorize the Secretary of Agriculture to convey a certain parcel of land to the city of Clifton, N. J.;

H. R. 6263. An act to authorize the Secretary of Agriculture to convey certain lands in Alaska to the Rotary Club of Ketchikan, Alaska;

H. R. 6882. An act to amend the act of September 27, 1950, relating to construction of the Vermejo reclamation project;

H. R. 6975. An act authorizing the Secretary of the Interior to convey certain lands to the Siskiyou Joint Union High School District, Siskiyou County, Calif.;

H. R. 7012. An act for the relief of Nicole Goldman;

H. R. 7466. An act to authorize the Secretary of the Interior to execute an amendatory repayment contract with the Pine River Irrigation District, Colorado, and for other purposes;

H. R. 8026. An act to provide for transfer of title to movable property to irrigation districts or water users' organizations under the Federal reclamation laws; and

H. R. 8549. An act granting the consent of Congress to the Breaks Interstate Park Compact.

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

H. R. 130. An act to amend section 1 of the act approved June 27, 1947 (61 Stat. 189);

H. R. 6786. An act authorizing the Secretary of the Interior to purchase improvements or pay damages for removal of improvements located on public lands of the United States in the Palisades project area, Palisades reclamation project, Idaho; and

H. R. 8983. An act to provide for the conveyance of certain lands by the United States to the city of Muskogee, Okla.

The message also announced that the Senate had passed bills of the following titles, in which the concurrence of the House is requested:

S. 3339. An act to authorize the Farm Credit Administration to make loans of the type formerly made by the Land Bank Commissioner;

S. 3561. An act authorizing the Administrator of Veterans' Affairs to convey certain property to the Armory Board, State of Utah;

S. 3630. An act to permit the city of Philadelphia to further develop the Hog Island tract as an air, rail, and marine terminal by directing the Secretary of Commerce to release the city of Philadelphia from the fulfillment of certain conditions contained in the existing deed which restrict further development; and

S. 3713. An act to give effect to the International Convention for the High Seas Fisheries of the North Pacific Ocean, signed at Tokyo, May 9, 1952, and for other purposes.

The message also announced that the Senate agrees to the amendment of the House to a bill of the Senate of the following title:

S. 2987. An act to provide for the transfer of hay and pasture seeds from the Commodity Credit Corporation to Federal land-administering agencies.

The message also announced that the Senate disagrees to the amendment of the House to the bill (S. 3458) entitled "An act to authorize the long-term time charter of tankers by the Secretary of the Navy, and for other purposes"; requests a conference with the House on the disagreeing votes of the two Houses thereon, and appoints Mr. SALTONSTALL, Mr. BRIDGES, and Mr. RUSSELL to be the conferees on the part of the Senate.

The message also announced that the Senate recedes from its amendments Nos. 1, 2, and 3 to the bill H. R. 2846, an act authorizing the President to exercise certain powers conferred upon him by the Hawaiian Organic Act in respect of certain property ceded to the United States by the Republic of Hawaii, notwithstanding the acts of August 5, 1939, and June 16, 1949, or other acts of Congress.

Resolved, That the Senate recedes from its amendment to the title to the above-entitled bill.

The message also announced that the Senate agrees to the reports of the committees of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bills of the House of the following titles:

H. R. 4854. An act to authorize the Secretary of the Interior to construct, operate, and maintain the irrigation works comprising the Foster Creek division of the Chief Joseph Dam project, Washington; and

H. R. 5185. An act for the relief of Klyce Motors, Inc.

SPECIAL ORDERS GRANTED

Mr PELLY asked and was given permission to address the House for 15 minutes on tomorrow, following the legislative program and any special orders heretofore entered.

Mrs. ROGERS of Massachusetts asked and was given permission to address the House for 5 minutes on tomorrow, following the legislative program and any special orders heretofore entered.

Mr. YOUNGER asked and was given permission to address the House for 30 minutes on tomorrow, following the legislative program and any special orders heretofore entered.

KLYCE MOTORS, INC.

Mr. BURDICK submitted a conference report and statement on the bill (H. R. 5185) for the relief of Klyce Motors, Inc.

COMPENSATION OF CERTAIN PERSONS DAMAGED BY REASON OF FLUCTUATIONS IN WATER LEVEL OF LAKE OF THE WOODS

Mr. BURDICK submitted a conference report and statement on the bill (H. R. 2089) to provide for the compensation of certain persons whose lands have been flooded and damaged by reason of fluctuations in the water level of the Lake of the Woods.

SPECIAL ORDER GRANTED

Mr. BAILEY asked and was given permission to address the House for 40 minutes on Wednesday next, following any special orders heretofore entered.

CHIEF JOSEPH DAM PROJECT

Mr. MILLER of Nebraska submitted a conference report and statement on the bill (H. R. 4854) to authorize the Secretary of the Interior to construct, operate, and maintain the irrigation works comprising the Foster Creek division of the Chief Joseph Dam project, Washington.

PALISADES PROJECT AREA, IDAHO

Mr. MILLER of Nebraska. Mr. Speaker, I ask unanimous consent to take from the Speaker's desk the bill (H. R. 6786) authorizing the Secretary of the Interior to purchase improvements or pay damages for removal of improvements located on public lands of the United States in the Palisades project area, Palisades reclamation project, Idaho, with a Senate amendment thereto, and concur in the Senate amendment.

The Clerk read the title of the bill.

The Clerk read the Senate amendment, as follows:

Page 2, line 3, after "him", insert ": *Provided*, That no part of any payment provided for herein shall be paid or delivered to or received by any agent or attorney on account of services rendered in connection therewith, and the same shall be unlawful, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000."

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

There was no objection.

The Senate amendment was concurred in, and a motion to reconsider was laid on the table.

AMENDING SECTION 1 OF THE ACT APPROVED JUNE 27, 1947

Mr. MILLER of Nebraska. Mr. Speaker, I ask unanimous consent to take from the Speaker's desk the bill (H. R. 130) to amend section 1 of the act approved June 27, 1947 (61 Stat. 189), 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 4, after line 2, insert:

"SEC. 2. Said act approved June 27, 1947 (61 Stat. 189), is hereby further amended by adding at the end thereof a new section to be designated section 3 and to read as follows:

"'SEC. 3. Jurisdiction is hereby conferred on the Court of Claims to determine, notwithstanding any statute of limitations or laches, in any suit instituted pursuant to section 1 of this act, (1) whether the assignment dated December 1, 1942, accepted and approved December 17, 1942, of oil and gas lease 149-ind-5337, covering the lands denominated "1942 lands" in section 4 of said agreement dated December 1, 1945, as amended, should in law or in equity, taking into consideration such fiduciary relationship as may exist between the United States and the Navaho Tribe, have been accepted by the United States for the account of the Navaho Tribe instead of for its own account, and, if such assignment should have been so accepted, whether the property interest or any part thereof covered by such assignment was taken by the United States from the said tribe at any time prior to the effective date of said agreement; (2) whether, and in what amount, if any, the Navaho Tribe is entitled on the basis of such determination to compensation for the acquisition or taking, by the United States, of the property interest or any part thereof covered by such assignment; and (3) whether, and in what amount, if any, the United States is entitled to credit against such compensation for rentals on such lease or for other expenditures, borne by the United States, for the benefit of such lease prior to any such acquisition or taking by the United States; and to enter judgment in accordance with such determination. No offsets shall be deducted by the court from any net sum, and the interest thereon, if any, that the court awards under this section. The provisions of the last two sentences of section 1 of this act shall be applicable to any judgment entered pursuant to this section'."

Amend the title so as to read: "An act to amend the act approved June 27, 1947 (61 Stat. 189)."

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

There was no objection.

The Senate amendments were concurred in, and a motion to reconsider was laid on the table.

COMMITTEE ON RULES

Mr. BROWN of Ohio. Mr. Speaker, I ask unanimous consent that the Rules Committee have until midnight tonight to file rules, if granted, on H. R. 9936, H. R. 9859, Senate 3589, and H. R. 9756.

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

There was no objection.

QUESTION OF PRIVILEGE OF THE HOUSE

Mr. HALEY. Mr. Speaker, I rise to a question of the privilege of the House.

The SPEAKER. The gentleman is recognized.

Mr. HALEY. Mr. Speaker, I have been subpenaed to appear before the Circuit Court for the County of Sarasota, State of Florida, to give testimony on August 3, 1954, at 10 o'clock a. m., in a matter before said court wherein the County of Sarasota, State of Florida, is plaintiff and the State of Florida and the taxpayers, and so forth, is defendant. I am unable to comply with this summons without the consent of the House, the privileges of the House being involved. I, therefore, submit the matter for the consideration of this body.

Mr. Speaker, I send to the desk the subpena.

The Clerk read the subpena, as follows:

THE STATE OF FLORIDA.

To All and Singular the Sheriffs of the State of Florida—Greeting:

You are hereby commanded to subpena Hon. JAMES A. HALEY, to be and appear before the judge of our circuit court for the County of Sarasota, State of Florida, at the court house in Sarasota, on August 3, 1954, at 10 o'clock a. m., to testify and the truth to speak in behalf of the plaintiff in a certain matter before said court pending and undetermined, wherein County of Sarasota, Fla., is plaintiff, and State of Florida and the taxpayers, etc., is defendant. And this you shall in no wise omit.

Witness, W. A. Wynne, clerk of our said court, and the seal of our said court, at the clerk's office at Sarasota aforesaid this 17th day of July A. D. 1954.

W. A. WYNNE,
Clerk, Circuit Court.
By PRESTON KNAPP,
Deputy Clerk.

Mr. ARENDS. Mr. Speaker, I offer a resolution (H. Res. 640).

The Clerk read the resolution, as follows:

Whereas JAMES A. HALEY, a Representative in the Congress of the United States, has been served with a subpena to appear as a witness before the circuit court of the State of Florida for Sarasota County to testify at 10 o'clock a. m., on the 3d day of August 1954, in the case of the *County of Sarasota, Florida,* v. *State of Florida and the Taxpayers, Etc.;* and

Whereas by the privileges of the House of Representatives no Member is authorized to appear and testify but by the order of the House: Therefore be it

Resolved, That Representative JAMES A. HALEY is authorized to appear in response to the subpena of the Circuit Court of the State of Florida for Sarasota County on Tuesday, August 3, 1954, in the case of the *County of Sarasota, Florida,* v. *State of Florida and the Taxpayers, Etc.;* and be it further

Resolved, That a copy of these resolutions be transmitted to the said court as a respectful answer to the subpena of the said court.

The SPEAKER. The question is on the adoption of the resolution.

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

CONSENT CALENDAR

The SPEAKER. This is Consent Calendar day. The Clerk will call the first bill on the Consent Calendar.

TAX REFUNDS ON CIGARETTES LOST IN THE FLOODS OF 1951

The Clerk called the bill (H. R. 4319) to authorize tax refunds on cigarettes lost in the floods of 1951.

Mr. BYRNES of Wisconsin. Mr. Speaker, I ask unanimous consent that this bill be passed over without prejudice.

Mr. SCRIVNER. Reserving the right to object, Mr. Speaker, this is a meritorious bill. It merely provides authority for the Treasury Department to set up procedure under which cigarette dealers who lost their entire stocks of merchandise in the flood of 1951 in Kansas City and other communities on the Kansas River who can prove their loss to the satisfaction of the Treasury Department can be reimbursed taxes which they had paid. The bill was reported favorably by the Committee on the Judiciary. There seems to be some conflict with the Committee on Ways and Means, although this is not a revenue matter.

This is the last opportunity for any such legislation to be adopted, and I had hoped that objection would not be made at this time or that it would not be passed over.

Mr. BYRNES of Wisconsin. Mr. Speaker, will the gentleman yield?

Mr. SCRIVNER. I yield.

Mr. BYRNES of Wisconsin. I am certainly in sympathy with the general objectives of the gentleman. However, the Committee on Ways and Means itself has hoped to be able to get into this whole subject of refunds on excise taxes where the tax has been paid and then the item has been destroyed for some reason prior to the retail sale. However, as the gentleman knows, the committee has not gotten to that subject. In asking that the bill be passed over I am acting here on the general request of that committee.

Mr. SCRIVNER. Is there any information we can have at this time as to whether or not the Committee on Ways and Means will act on this type of legislation before the end of the session?

Mr. BYRNES of Wisconsin. I could not say definitely to the gentleman, but I think he could sort of suspect from the time that we expect to have left before adjournment that the likelihood is not very good.

Mr. SCRIVNER. I withdraw my reservation of objection, Mr. Speaker.

Mr. McCORMACK. Reserving the right to object, Mr. Speaker, and of course I cannot object, I know about this bill and I have studied it. It seems to me to be very meritorious legislation. It would be most unfortunate if it did not pass at this session. It is simply giving to certain businesses consideration to which they are entitled. The situation arose through no fault of the beneficiaries of this bill. They are asking only what seems to me to be not only justice, but from the angle of morality, what they are entitled to.

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

There was no objection.

STATUTORY AWARD FOR CERTAIN SERVICE - CONNECTED DISABILITIES

The Clerk called the bill (H. R. 7712) to amend the veterans' regulations to provide an increased statutory rate of compensation for veterans suffering the loss or loss of use of an eye in combination with the loss or loss of use of a limb.

Mr. BYRNES of Wisconsin. Mr. Speaker, I ask unanimous consent that the bill be passed over without prejudice.

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

There was no objection.

ADDITIONAL COMPENSATION FOR CERTAIN VETERANS

The Clerk called the bill (H. R. 7851) to amend the veterans' regulation to provide additional compensation for veterans having the service-incurred disability of loss or loss of use of both buttocks.

Mr. FORD. Mr. Speaker, I ask unanimous consent that the bill be passed over without prejudice.

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

There was no objection.

INCREASED PENSIONS FOR MEDAL OF HONOR HOLDERS

The Clerk called the bill (H. R. 8900) to increase the rate of special pension payable to certain persons awarded the Medal of Honor.

Mr. FORD. I ask unanimous consent that the bill be passed over without prejudice.

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

There was no objection.

RETIRED PAY OF CERTAIN MEMBERS OF FORMER LIGHTHOUSE SERVICE

The Clerk called the bill (H. R. 1843) to increase the retired pay of certain members of the former Lighthouse Service.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the annual rate of retired pay received by any person who was retired on or before June 30, 1950, under section 6 of the act of June 20, 1918, as amended and supplemented (33 U. S. C., secs. 763–765), shall be increased by $288, effective on the first day of the calendar month following enactment of this act.

With the following committee amendments:

Page 1, line 4, strike out "1950" and in lieu thereof, insert "1953."

Page 1, line 6, strike out the words "by $288" and in lieu thereof, insert a comma.

Page 1, line 8, before the period at the end of the sentence, insert a comma and the following: "by 15 percent or $264, whichever is the lesser: *Provided,* That no retired pay shall be increased to an amount in excess of $2,160 by reason of this act: *And provided further,* That the increases provided herein shall terminate, without subsequent resumption, on June 30, 1955."

The committee amendments were agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

EXTENDING TIME FOR INITIATING TRAINING UNDER PUBLIC LAW 550

The Clerk called the bill (H. R. 9395) to amend the laws granting education and training benefits to certain veterans to extend the period during which such benefits may be offered.

Mr. SPRINGER. Mr. Speaker, I ask unanimous consent that the bill be passed over without prejudice. We are getting closer to agreement on this matter, in which many Members of the House have expressed a very keen interest, and I think it will be worked out.

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

There was no objection.

TERMINATION OF FEDERAL SUPERVISION OVER CERTAIN INDIANS IN UTAH

The Clerk called the bill (S. 2670) to provide for the termination of Federal supervision over the property of certain tribes, bands, and colonies of Indians in the State of Utah and the individual members thereof, and for other purposes.

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

Mr. METCALF. Mr. Speaker, reserving the right to object, I would like to ask the chairman of the committee, or some of the other members of the committee, some questions about this bill. Inasmuch as it is indicated that this bill will serve as a pattern for other bills designed, as the committee says in its report on page 2, "to terminate trust relationships with tribes, groups and individual Indians as rapidly as the circumstances of each tribe, group or individual will permit," and since I am very much concerned over the impact and effect of this bill on the Flathead Reservation of the Kootenai and Salish tribes, I would like to know if, when the committee says that they will take into consideration as one of the criteria the attitude of the tribe toward termination, that means that they will get the consent of the tribe before they adopt a termination bill.

Mr. BERRY. The 4 groups who are in the bill now have consented, and the 2 groups that were taken out were taken out because they asked to be taken out. We are speaking only as to this bill.

Mr. METCALF. That is correct. I feel that the groups that were taken out because they did not want to come under this termination legislation should have been taken out. But, I wonder if in the future such action is going to be taken with other Indian tribes?

Mr. BERRY. This has been applicable in every bill that has been reported. What will be done in the future, of course, is impossible to say.

Mr. METCALF. I would also like to have the committee's attitude toward consultation and consent of the Governor and administrative officers of the State as well as the local agencies.

Mr. BERRY. In every instance, on any of these withdrawals, the State and local governments and organizations have been brought in. They have all testified. They have all either given their assent or have told why they did not wish that this legislation should pass. As a matter of fact, the California withdrawal bill has not gone forward because there was some objection from the State.

Mr. METCALF. I thank the gentleman.

Mr. Speaker, I have two more questions which are specifically directed to section 4, which section provides that rights in the tribal assets of those persons on the tribal rolls shall constitute a vested personal property interest. Section 3 declares that the decision of the Secretary of the Interior on the inclusion or exclusion of any persons from the rolls shall be final. Inasmuch as property rights are created by membership on the roll, a question arises as to whether an appeal to the courts by the tribe or aggrieved individual should not be allowed as, for instance, in the Menominee bill, which was recently passed.

Mr. BERRY. My recollection is that the decision of the Secretary is final as this bill has been written.

Mr. METCALF. That is right. It is final, and I question the proposition of due process in this bill, if an administrative official is given the final right to adjudicate personal property rights. I feel there should be a provision here for an appeal to the court from the decision of the Secretary.

Mr. BERRY. I think you will find in most of these tribal matters that the final appeal has been to the administrative officer, the Secretary of the Interior. In all other matter, or rather almost all other matters, his decision is final. This is just following a pattern that has been used for many, many years.

Mr. METCALF. However, there is a vested property right involved here.

Mr. BERRY. There is in all trust property.

Mr. METCALF. That is right.

Mr. BERRY. And there is no provision for an appeal to a court from trust property.

Mr. D'EWART. Mr. Speaker, will the gentleman yield?

Mr. METCALF. I yield.

Mr. D'EWART. Section 3 deals with who shall be put on the rolls, and the determination of the rolls, and it is the permission of the Secretary in certain instances to determine. That is necessary in order to ever get a final roll, and to know who is interested in the private property. Under the present law title does not rest in the individual, but title cannot be bequeathed nor can it be inherited. If we recognize that when these withdrawal acts were in force we have to realize that the Indian himself does have a property right in the tribal assets, which he does not have before the determination takes effect. It is to take care of that situation, to recognize that property right which did not heretofore exist.

Mr. MILLER of Nebraska. Mr. Speaker, will the gentleman yield?

Mr. METCALF. I yield.

Mr. MILLER of Nebraska. On page 6 some of the trust agreements are taken care of, beginning in line 2, for instance, "*Provided,* That the trust agreement shall provide for the termination of the trust not more than 3 years from the day last prescribed, unless the term of the trust is extended by order of a judge of the court of record designated in the trust agreement." So the court does have some supervision.

Mr. METCALF. That is right, if the trust agreement is adopted, but the point I am making is, as my colleague from Montana [Mr. D'EWART], has said, heretofore there has not been a vested personal property right. This bill gives to the individual Indian a vested personal property right by virtue of inclusion in the roll. Now, if the Secretary refuses to include a person in the tribal roll, then such person is deprived of his interest in the tribal property, and it seems to me due process should require an appeal to the court.

Mr. MILLER of Nebraska. I think that is true, but this applies to only about 200 Indians and most of them do not live on the reservation.

Mr. METCALF. That is right, but I bring this out at this time in order to inform the House that when subsequent termination bills come up, which affect hundreds of Indians over a large area, I will be constrained to object unless there is a court appeal.

I would like to point out one thing more. Section 5 limits the organization of the tribe to individual entities. Indian tribes are a unique organization in our society. I do not know what the State law of Utah is, but the various organizations under the law of Montana that would affect a tribe are not adaptable to the requirements of the Indian organizations. The question arises as to whether there should not be some Federal organization continued in order to carry on this unique organization of the tribal communal system.

Mr. D'EWART. The committee recognizes that it should consider each tribe or group of tribes as an individual case, and also the law and the State officials and the taxing body. We tried to do that. Recently we dealt with the Klamath case. There is great difficulty with carefully working out with the tribal attorney, when that bill was agreed to, and we had a complete agreement with the tribe and the tribal attorney as

to the steps taken. The committee is going very slowly in these determination bills, trying to work out each individual case, as we did in the Klamath case, to fit the State law and the wishes of the tribe, and to do it so that we will retain the value of these assets to the Indians.

Mr. METCALF. I am grateful for the assurance of my colleague from Montana.

Mr. Speaker, I withdraw my reservation of objection.

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

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the purpose of this act is to provide for the termination of Federal supervision over the trust and restricted property of certain tribes and bands of Indians located in the State of Utah and the individual members thereof, for the disposition of federally owned property acquired or withdrawn for the administration of the affairs of such Indians, and for a termination of Federal services furnished such Indians because of their status as Indians.

SEC. 2. For the purposes of this act—

(a) "Tribe" means any of the following tribes or bands of Indians located in the State of Utah: Shivwits, Kanosh, Koosharem, and Indian Peaks Bands of the Paiute Indian Tribe, Skull Valley Band of the Shoshone Indian Tribe, and the Washakie Band of the Northwestern Band of Shoshone Indians.

(b) "Secretary" means the Secretary of the Interior.

(c) "Lands" mean real property, interests therein, or improvements thereon, and include water rights.

(d) "Individual Indian" means any individual Indian whose name appears on the final roll prepared pursuant to section 3 of this act.

(e) "Tribal property" means any real or personal property, including water rights, or any interest in real or personal property, that belongs to the tribe and either is held by the United States in trust for the tribe or is subject to a restriction against alienation imposed by the United States.

SEC. 3. Each tribe shall have a period of 6 months from the date of this act in which to prepare and submit to the Secretary a proposed roll of the members of the tribe living on the date of this act, which shall be published in the Federal Register. If a tribe fails to submit such roll within the time specified in this section, the Secretary shall prepare a proposed role for the tribe, which shall be published in the Federal Register. Any person claiming membership rights in the tribe or an interest in its assets, or a representative of the Secretary on behalf of any such person, may, within 60 days from the date of publication of the proposed roll, file an appeal with the Secretary contesting the inclusion or omission of the name of any person on or from such roll. The Secretary shall review such appeals and his decisions thereon shall be final and conclusive. After disposition of all such appeals by the Secretary, the roll of the tribe shall be published in the Federal Register, and such roll shall be final for the purposes of this act.

SEC. 4. Upon publication in the Federal Register of the final roll as provided in section 3 of this act, the rights or beneficial interests in tribal property of each person whose name appears on the roll shall constitute personal property which may be inherited or bequeathed, but shall not otherwise be subject to alienation or encumbrance before the transfer of title to such tribal property as provided in section 5 of this act without the approval of the Secretary. Any contract made in violation of this section shall be null and void.

SEC. 5. (a) The Secretary shall, within 6 months after the publication of each final membership roll, notify the tribe of the period of time during which the tribe may study means of disposition of tribal property, real and personal, under supervision of the United States. Such period shall not be less than 3 months and not more than 2 years, including any authorized extension of the original periods. The Secretary is authorized to provide such reasonable assistance as may be requested by the tribe in the formulation of a plan for the disposition or future control and management of the property, including necessary consultations with representatives of Federal departments and agencies, officials of the State of Utah and political subdivisions thereof, and members of the tribe. During such period, the tribe may elect—

(1) to apply to the Secretary for the transfer to a corporation or other legal entity organized by the tribe in a form satisfactory to the Secretary of title to all or any part of the tribal property, and the Secretary is authorized to make such transfer: *Provided*, That the Secretary of the Interior shall not approve any form of organization that provides for the transfer of stock or an undivided share in corporate assets as compensation for services of agents or attorneys unless such transfer is based upon an appraisal of tribal assets that is satisfactory to the Secretary;

(2) to apply to the Secretary for the transfer to one or more trustees designated by the tribe of title to all or any part of the tribal property, real and personal, the title to be held by such trustee for management or liquidation purposes under terms and conditions prescribed by the tribe, and the Secretary is authorized to make such transfer if he approves the trustees and the terms and conditions of the trust;

(3) to apply to the Secretary for the sale of all or any part of the tribal property, and for the pro rata distribution among the members of the tribe of all or any part of the proceeds of sale or of any other tribal funds, and the Secretary is authorized and directed to sell such property upon such terms and conditions as he deems proper and to make such distribution among the members of the tribe after deducting, in his discretion, reasonable costs of sale and distribution; and

(4) to apply to the Secretary for a division of all or any part of the tribal land into parcels for members and for public purposes, together with a general plan for the subdivision showing the approximate size, location, and number of parcels, and the Secretary is authorized to issue patents for that purpose.

(b) Title to any tribal property that is not transferred in accordance with the provisions of subsection (a) of this section shall be transferred by the Secretary either to all members of the tribe as tenants in common or to one or more trustees designated by him for the liquidation and distribution of assets among the members of the tribe under such terms and conditions as the Secretary may prescribe: *Provided*, That the trust agreement shall provide for the termination of the trust not more than 3 years from the date of such transfer unless the term of the trust is extended by order of a judge of a court of record designated in the trust agreement.

(c) When approving or disapproving the selection of trustees in accordance with the provisions of subsection (a) of this section, and when designating trustees pursuant to subsection (b) of this section, the Secretary shall give due regard to the laws of the State of Utah that relate to the selection of trustees: *Provided further*, That the trust agreement shall provide that at any time before the sale of tribal property by the trustees the tribe may notify the trustees that it elects to retain such property and to transfer title thereto to a corporation, other legal entity, or trustee in accordance with the provisions of paragraphs (1) and (2) of subsection (a) of this section, and that the trustees shall transfer title to such property in accordance with the notice from the tribe if it is approved by the Secretary.

(d) Notwithstanding any other provision of this section, the Secretary is directed to reserve subsurface rights in tribal property from any sale or division of such property, and to require any trustee or trustees to whom title to tribal property is transferred to retain title to the subsurface rights in such property for not less than 10 years.

SEC. 6. (a) The Secretary is authorized and directed to transfer within 2 years after the date of this act to each member of each tribe unrestricted control of funds or other personal property held in trust for such member by the United States.

(b) All restrictions on the sale or encumbrance of trust or restricted land owned by members of the tribe (including allottees, heirs, and devisees, either adult or minor) are hereby removed 2 years after the date of this act, and the patents or deeds under which titles are then held shall pass the titles in fee simple, subject to any valid encumbrance: *Provided*, That the provisions of this subsection shall not apply to subsurface rights in such lands, and the Secretary is directed to transfer such subsurface rights to one or more trustees designated by him for management for a period not less than 10 years. The title to all interests in trust or restricted land acquired by members of the tribe by devise or inheritance 2 years or more after the date of this act shall vest in such members in fee simple, subject to any valid encumbrance.

(c) Prior to the time provided in subsection (b) of this section for the removal of restrictions on land owned by more than one member of a tribe, the Secretary may—

(1) upon request of any of the owners, partition the land and issue to each owner a patent or deed for his individual share that shall become unrestricted 2 years from the date of this act;

(2) upon request of any of the owners and a finding by the Secretary that partition of all or any part of the land is not practicable, cause all or any part of the land to be sold at not less than the appraised value thereof and distribute the proceeds of sale to the owners: *Provided*, That any one or more of the owners may elect before a sale to purchase the other interests in the land at not less than the appraised value thereof, and the purchaser shall receive an unrestricted patent or deed to the land; and

(3) if the whereabouts of none of the owners can be ascertained, cause such lands to be sold and deposit the proceeds of sale in the Treasury of the United States for safekeeping.

SEC. 7. (a) The act of June 25, 1910 (36 Stat. 855), the act of February 14, 1913 (37 Stat. 678), and other acts amendatory thereto shall not apply to the probate of the trust and restricted property of the members of a tribe who die 6 months or more after the date of this act.

(b) The laws of the several States, Territories, possessions, and the District of Columbia with respect to the probate of wills, the determination of heirs, and the administration of decedents' estates shall apply to the individual property of members of the tribe who die 6 months after the date of this act.

SEC. 8. The Secretary is authorized, in his discretion, to transfer to a tribe or any member or group of members thereof any federally owned property acquired, withdrawn, or used for the administration of the affairs of the tribe which he deems necessary for Indian use, or to transfer to a public or nonprofit body any such property which he deems necessary to public use

and from which members of the tribes will derive benefit.

SEC. 9. No property distributed under the provisions of this act shall at the time of distribution be subject to Federal or State income tax. Following any distribution of property made under the provisions of this act, such property and any income derived therefrom by the individual, corporation, or other legal entity shall be subject to the same taxes, State and Federal, as in the case of non-Indians: *Provided*, That for the purpose of capital gains or losses the base value of the property shall be the value of the property when distributed to the individual, corporation, or other legal entity.

SEC. 10. Nothing contained in this act shall deprive any Indian tribe, band, or other identifiable group of American Indians of any right, privilege, or benefit granted by the Indian Claims Commission Act of August 13, 1946 (ch. 959, 60 Stat. 1049), including the right to pursue claims against the United States as authorized by said act.

SEC. 11. Nothing in this act shall abrogate any valid lease, permit, license, right-of-way lien, or other contract heretofore approved. Whenever any such instrument places in or reserves to the Secretary any powers, duties, or other functions with respect to the property subject thereto, the Secretary may transfer such functions, in whole or in part, to any Federal agency with the consent of such angency and may transfer such function, in whole or in part, to a State agency with the consent of such agency and the other party or parties to such instrument.

SEC. 12. Nothing in this act shall abrogate any water rights of a tribe or its members.

SEC. 13. Prior to the transfer of title to, or the removal of restrictions from, property in accordance with the provisions of this act, the Secretary shall protect the rights of members of a tribe who are minors, non compos mentis, or in the opinion of the Secretary in need of assistance in conducting their affairs by causing the appointment of guardians in courts of competent jurisdiction, or by such other means as he may deem adequate.

SEC. 14. Pending the completion of the property dispositions provided for in this act, the funds now on deposit, or hereafter deposited, in the United States Treasury to the credit of the tribe shall be available for advance to the tribe, or for expenditure, for such purposes as may be designated by the governing body of the tribe and approved by the Secretary.

SEC. 15. The Secretary shall have authority to execute such patents, deeds, assignments, releases, certificates, contracts, and other instruments as may be necessary or appropriate to carry out the provisions of this act, or to establish a marketable and recordable title to any property disposed of pursuant to this act.

SEC. 16. The Secretary is authorized and directed to cancel any indebtedness payable to the United States by the tribe arising out of any loan made by the United States to such tribe, and any indebtedness, whether payable to the United States or to the tribe, arising out of a loan made from the proceeds thereof to an individual Indian.

SEC. 17 (a) Upon removal of Federal restrictions on the property of each tribe and individual members thereof, the Secretary shall publish in the Federal Register a proclamation declaring that the Federal trust relationship to the affairs of the tribe and its members has terminated. Thereafter individual members of the tribe shall not be entitled to any of the services performed by the United States for Indians because of their status as Indians, all statutes of the United States which affect Indians because of their status as Indians shall no longer be applicable to the members of the tribe, and the laws of the several States shall apply to the tribe and its members in the same manner as they apply to other citizens or persons within their jurisdiction.

(b) Nothing in this act shall affect the status of the members of the tribe as citizens of the United States, or shall affect their rights, privileges, immunities, and obligations as such citizens.

SEC. 18. (a) Effective on the date of the proclamation provided for in section 17 of this act, the corporate charter issued pursuant to the act of June 18, 1934 (48 Stat. 984), as amended, to the Kanosh Band of Paiute Indians of the Kanosh Reservation, Utah, and ratified by the band on August 15, 1943, and to the Shivwits Band of Paiute Indians of the Shivwits Reservation, Utah, and ratified by the band on August 30, 1941, are hereby revoked.

(b) Effective on the date of the proclamation provided for in section 17 of this act, all powers of the Secretary or other officer of the United States to take, review, or approve any action under the constitution and bylaws of the tribe are hereby terminated. Any powers conferred upon the tribe by such constitution which are inconsistent with the provisions of this act are hereby terminated. Such termination shall not affect the power of the tribe to take any action under its constitution and bylaws that is consistent with this act without the participation of the Secretary or other officer of the United States.

SEC. 19. The Secretary is authorized to issue rules and regulations necessary to effectuate the purposes of this act, and may in his discretion provide for tribal referenda on matters pertaining to management or disposition of tribal assets.

SEC. 20. All acts or parts of acts inconsistent with this act are hereby repealed insofar as they affect the tribe or its members. The act of June 18, 1934 (48 Stat. 984), as amended by the act of June 15, 1935 (49 Stat. 378), shall not apply to the tribe and its members after the date of the proclamation provided for in section 17 of this act.

SEC. 21. If any provision of this act, or the application thereof, to any person or circumstance is held invalid, the remainder of the act and the application of such provision to other persons or circumstances shall not be affected thereby.

SEC. 22. (a) Not later than 2 years after the date of this act, the management and operation of irrigation works for Indian lands of the tribe by the Bureau of Indian Affairs shall be discontinued. Upon such discontinuance, the Secretary shall cancel the unpaid irrigation operation and maintenance assessments and reimbursable irrigation construction charges against such lands.

(b) The Secretary may transfer the title to such irrigation works to water users, water user's associations organized for such purpose, or to corporations organized, or trustees designated, as provided in section 5.

SEC. 23. Prior to the issuance of a proclamation in accordance with the provisions of section 17 of this act, the Secretary is authorized to undertake, within the limits of available appropriations, a special program of education and training designed to help the members of the tribe to earn a livelihood, to conduct their own affairs, and to assume their responsibilities as citizens without special services because of their status as Indians. Such program may include language training, orientation in non-Indian community customs and living standards, vocational training and related subjects, transportation to the place of training or instruction, and subsistence during the course of training or instruction. For the purposes of such program the Secretary is authorized to enter into contracts or agreements with any Federal, State, or local governmental agency, corporation, association, or person. Nothing in this section shall preclude any Federal agency from undertaking any other program for the education and training of Indians with funds appropriated to it.

With the following committee amendment:

Page 2, strike all of lines 5, 6, and 7, and insert in lieu thereof the word "Tribe."

The committee amendment was agreed to.

The bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

CONVEYANCE OF CERTAIN HOUSING UNITS

The Clerk called the bill (H. R. 8783) to provide for the conveyance of certain housing units owned by the United States to the Housing Authority of St. Louis County, Mo.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the Housing and Home Finance Administrator is authorized and directed to convey, to the Housing Authority of St. Louis County, Mo., all of the right, title, and interest of the United States in and to the 156 housing units in Public Housing Project No. MO-V-23153.

With the following committee amendments:

After the word "That" insert a comma and the following: "notwithstanding the provisions of subdivision (2) of subsection 601 (b) of the act entitled 'An act to expedite the provision of housing in connection with national defense, and for other purposes,' approved October 14, 1940, as amended."

After the word "convey", insert the following: ", without monetary consideration."

The committee amendments were agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

ACCEPTANCE OF CONDITIONAL GIFTS TO FURTHER THE DEFENSE EFFORT

The Clerk called the bill (S. 3197) to authorize the acceptance of conditional gifts to further the defense effort.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That to further the defense effort of the United States—

(a) the Secretary of the Treasury is authorized to accept or reject on behalf of the United States any gift of money or other intangible personal property made on condition that it be used for a particular defense purpose; and

(b) the Administrator of General Services is authorized to accept or reject on behalf of the United States any gift of other property, real or personal, made on condition that it be used for a partciular defense purpose.

SEC. 2. The Secretary of the Treasury may convert into money, at the best terms available, any such gift of intangible property other than money; and the Administrator of General Services may convert into money, at the best terms available, any such gift of tangible property, or transfer to any other Federal agency without reimbursement such property as he may determine usable for the particular purpose for which it was donated.

SEC. 3. There shall be established on the books of the Treasury a special account into

which shall be deposited all money received as a result of such gifts.

SEC. 4. The Secretary of the Treasury, in order to effectuate the purposes for which gifts accepted under this act are made, shall from time to time pay the money in such special account to such of the various appropriation accounts as in his judgment will best effectuate the intent of the donors, and such money is hereby appropriated and shall be available for expenditure for the purposes of the appropriations to which paid.

SEC. 5. The Secretary of the Treasury and the Administrator of General Services shall consult with interested Federal agencies in carrying out the provisions of this act.

SEC. 6. Nothing in this act shall be construed to modify or repeal the authority to accept conditional gifts under any other provision of law.

With the following committee amendment:

Correct the spelling of the word "particular" as it appears on page 2, line 1.

The committee amendment was agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

PREPARATION OF ROLLS OF PERSONS OF INDIAN BLOOD, ETC.

The Clerk called the bill (H. R. 4118) to authorize the preparation of rolls of persons of Indian blood whose ancestors were members of certain tribes or bands in the State of Oregon, and to provide for per capita distribution of funds arising from certain judgments in favor of such tribes or bands.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the Secretary of the Interior, hereafter referred to as the "Secretary," is hereby authorized and directed to prepare separate rolls of the Indians of the blood of the Confederated Bands of Umpqua and Calapoolas of the Umpqua Valley, and of the Tillamook, Coquille, Tootootoney, Chetco, and Mollallas or Molel Tribes of Oregon, living on the date of this act. Applications for enrollment shall be filed within such times as may be prescribed by the Secretary, and his determination of eligibility for enrollment shall be final and conclusive. No person shall be entitled to be enrolled on more than one roll.

SEC. 2. The Secretary is authorized and directed to withdraw the funds on deposit in the Treasury of the United States to the credit of the respective tribes or bands, including those funds appropriated by Public Law 253 (82d Cong.) approved November 1, 1951, in satisfaction of judgments obtained by the tribes or bands in the cases of *Alcea Band of Tillamook, et al.*, v. *United States* (115 Ct. Cl. 463), and *Rogue River Tribes of Indians et al.*, v. *United States* (116 Ct. Cl. 454), and to make appropriate and equitable per capita payments therefrom to each person whose name appears on said approved rolls.

SEC. 3. (a) The share of a deceased enrollee shall be distributed to his heirs or devisees determined by the laws of the domicile of said decedent, and each share shall be treated for the purpose of distribution as personal property owned by the decedent at the time of his death. Payment to the heirs or devisees of any deceased enrollee shall be made upon proof of death and of heirship satisfactory to the Secretary, and his findings upon such proof shall be final and conclusive.

(b) Payment shall be made directly to the enrollee or his heirs or devisees, except that payments due persons under 21 years of age or persons under legal disability shall be made under such rules and regulations as the Secretary may prescribe. No part of any payment shall be subject to any debt or debts created prior to the date of this act by a beneficiary of Indian blood. Payment to enrollees, heirs, or devisees shall be completed within 1 year after establishment of the tribal rolls.

SEC. 4. All costs incurred by the Secretary in the preparation of such rolls and the payment of such per capita shares shall be paid by appropriate withdrawals out of the fund or funds on deposit in the Treasury of the United States arising out of such judgments.

SEC. 5. The Secretary is authorized to prescribe the necessary rules and regulations to carry out the purposes of this act.

With the following committee amendments:

Page 2, lines 1 through 4, delete the sentence beginning with the word "Applications" and ending with the word "conclusive" and insert in lieu thereof the following language: "Applications for enrollment shall be filed within 1 year of the date of approval of this act. The determination of the Secretary of the eligibility of an applicant for enrollment shall be final and conclusive."

Page 2, line 17, change the period to a colon and add the following language: "*Provided*, That any amounts paid to or for individual members, or distributed to or for the legatees or next of kin of any enrollee, as provided in this act, shall not be subject to Federal tax."

Page 2, line 18, strike all of section 3 through page 3, line 9, and insert in lieu thereof the following new language:

"SEC. 3. (a) The Secretary shall make payments directly to a living enrollee. The Secretary shall distribute the share of a person determined to be eligible for enrollment, but who dies subsequent to the date of approval of this act and on whose behalf an application is filed and approved, and the share of a deceased enrollee, directly to his next of kin or legatees as determined by the laws of the domicile of the decedent, upon proof of death and inheritance satisfactory to the Secretary, whose findings upon such proof shall be final and conclusive.

"(b) Payments due persons under 21 years of age or persons under legal disability shall be made in accordance with laws applicable to such persons in the State of domicile of the payee. The Secretary may apply to any court of competent jurisdiction for the appointment of a guardian to receive and administer payments due a person under 21 years of age or under legal disability, and may take such other action as he deems appropriate for the protection of the interests of any such person in connection with payments hereunder.

"(c) No part of any payment hereunder shall be subject to any debt or debts created prior to the date of this act by a beneficiary of Indian blood. Payment to living enrollees, unless under 21 years of age or under legal disability, shall be completed within 1 year after approval of the tribal rolls. Payment to next of kin and legatees, and payment for the account of persons under 21 years of age or under legal disability shall be completed within the same period of time to the maximum extent possible."

The committee amendments were agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

DESIGNATING NATIONAL NURSE WEEK

The Clerk called the resolution (H. J. Res. 359) designating the first full week in October 1954 as National Nurse Week and providing for the establishment of a Central Council to coordinate the observance of such week.

There being no objection, the Clerk read the resolution, as follows:

Whereas the nursing profession plays a vital role in the health care of the Nation; and

Whereas a continued renewal and extension of its ranks through the attraction of young people to the profession is of the first importance to the Nation's future health and welfare; and

Whereas there are many problems facing the nursing profession which can only be solved through the aid of an informed and sympathetic public; and

Whereas it is proper and fitting that national attention and recognition should be focused on the great contributions, past and present, that the nursing profession in all its branches has made to the national welfare and security: Therefore be it

Resolved, etc., That the period begining October 4, 1954, and ending October 9, 1954, is hereby designated as National Nurse Week, in honor of the professional nurses of America and in recognition of the vitally important service they have faithfully rendered in the promotion of the national health and welfare. The President is authorized and requested to issue a proclamation calling upon all the people of the United States to cooperate in the observance of such week, under the guidance of the Central Council created pursuant to section 2, with appropriate proceedings and ceremonies designed to emphasize the significant role of professional nurses in the advancement of human welfare and to encourage increasing support of the nursing profession.

SEC. 2. (a) The Secretary of Health, Education, and Welfare shall appoint and serve as the Chairman of a Central Council, whose duty it shall be to coordinate and supervise the nationwide observance of National Nurse Week. The Central Council shall—

(1) develop a plan of action for the observance of such week, providing in the case of each participating group for appropriate activities at the national, regional, and local levels;

(2) prepare a program for the promotion and publicizing of such week through national newspaper, magazine, radio, and television coverage, and make all necessary arrangements with respect to the timing and substance of the material to be presented in connection with such program; and

(3) prepare outlines of suggested local activities for the celebration of such week, designed to stimulate and facilitate local planning.

(b) The persons appointed as members of the Central Council shall be selected so as to provide adequate representation for the Executive Office of the President, the Congress of the United States, the surgeons general of the Armed Forces, the Advertising Council, the American Medical Association, the American Hospital Association, and the various national nursing organizations.

(c) In carrying out its functions under this section, the Central Council shall utilize clerical personnel, facilities, information, and other necessary assistance made available to it by the groups and organizations represented on the Council.

With the following committee amendments:

On page 2, lines 3 and 4, strike out "October 4, 1954, and ending October 9, 1954,"

and insert in lieu thereof "October 11, 1954, and ending October 16, 1954."

On page 2, line 10, substitute a period for the comma following the word "week" and strike out all of the joint resolution thereafter beginning with the word "under" in line 10, page 2, and ending with the word "Council", line 19, page 3.

The committee amendments were agreed to.

The resolution was ordered to be engrossed and read a third time, was read the third time, and passed.

The title was amended so as to read: "Joint resolution designating the period from October 11 to October 16, inclusive, of 1954, as National Nurse Week."

A motion to reconsider was laid on the table.

PERMITTING CITY OF PHILADELPHIA TO FURTHER DEVELOP HOG ISLAND TRACT

The Clerk called the bill (H. R. 9577) to permit the city of Philadelphia to further develop the Hog Island tract as an air, rail, and marine terminal by directing the Secretary of Commerce to release the city of Philadelphia from the fulfillment of certain conditions contained in the existing deed which restrict further development.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the Secretary of Commerce is authorized and directed to release the city of Philadelphia from the fulfillment of any and all conditions of a deed of the United States, acting through the United States Shipping Board, dated the 23d day of July 1930, relating to a tract of land, known as Hog Island, situate partly in the township of Tinicum in the county of Delaware and State of Pennsylvania and partly in the 40th ward of the city of Philadelphia, comprising 951 acres more or less; and to execute in proper form a full and complete release and discharge of the yearly ground rent reserved to the United States under and pursuant to said deed, and relieving the city of Philadelphia from the fulfillment of any and all covenants, conditions, and trusts set forth in said deed.

SEC. 2. The execution of the aforesaid release shall be made without consideration therefor and upon condition that the aforesaid tract shall be held, used, and developed as and for an air, rail, and marine terminal for the promotion and furtherance of the interstate and foreign commerce of the United States, and for industrial purposes related thereto: *Provided further*, That the premises shall not be disposed of by the city of Philadelphia by conveyance or sale except in furtherance of the public purposes herein set forth. The release shall contain a further provision that whenever the Congress of the United States shall declare a state of war or other national emergency the United States shall have the right to enter upon the premises and use the same or any part thereof owned by the city of Philadelphia for a period not to exceed the duration of such state of war or national emergency plus 6 months, and upon cessation of such use said premises shall revert to the city of Philadelphia: *Provided, however*, That the United States shall be responsible during the period of such use for the maintenance of all of the property so used, and shall pay a fair rental for the use of any structures or other improvements which have been added thereto, said rental to include all debt service charges or other obligations arising out of the financing of all structures or improvements on the aforesaid premises.

With the following committee amendments:

Page 1, line 5, strike out "of" where it first appears, and insert in lieu thereof "for the benefit of the United States set forth in."

Page 2, line 8, after "trusts" insert "for the benefit of the United States."

Mr. CUNNINGHAM. Mr. Speaker, the bill S. 3630 is an identical bill which passed the Senate on July 17. I therefore ask unanimous consent to substitute the Senate bill in lieu of the House bill.

Mr. WALTER. Mr. Speaker, reserving the right to object, and I shall not, is it not a fact that the city of Philadelphia has paid the entire amount agreed upon for this tract of land by way of payments and interest throughout the years?

Mr. SCOTT. Mr. Speaker, if the gentleman will yield, I can say that as for the city of Philadelphia, it has more than paid the sum agreed on. The city finds itself unable to expand its harbor facilities either in Pennsylvania, Delaware, or south Jersey, until this ground rent is extinguished.

Mr. WALTER. This is part of the program of the mayor of the city of Philadelphia for the expansion of the port of Philadelphia and the Delaware Valley.

Mr. SCOTT. It is part of the program of the chamber of commerce, the mayor, and the legislative delegation here in Congress. I know of no objection to it. I may say also that the Secretary of Commerce has approved it.

Mr. WALTER. Mr. Speaker, I withdraw my reservation of objection.

The SPEAKER. Is there objection to the present consideration of the Senate bill?

There was no objection.

The Senate bill was ordered to be read a third time, was read the third time, and passed.

A motion to reconsider, and a similar House bill, H. R. 9577, were laid on the table.

AMENDING SECTION 87 OF NATIONAL DEFENSE ACT OF 1916

The Clerk called the bill (H. R. 6223) to amend section 87 of the National Defense Act of June 3, 1916, as amended (32 U. S. C. 47), to relieve the States from pecuniary liability for property lost, damaged, or destroyed through unavoidable causes and to authorize the States to be relieved from accountability in any case except where it shall appear that the loss, damage, or destruction of the property was due to carelessness or negligence or could have been avoided by the exercise of reasonable care.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That section 87 of the National Defense Act of June 3, 1916, as amended (32 U. S. C. 47), is amended to read as follows:

"DISPOSITION AND REPLACEMENT OF DAMAGED PROPERTY, AND SO FORTH

"SEC. 87. All military property issued to the National Guard and Air National Guard as herein provided shall remain the property of the United States. Whenever any such property issued to the National Guard or Air National Guard in any State or Territory, or the District of Columbia shall have been lost, damaged, or destroyed, or become unserviceable or unsuitable by use in service or from any other cause, it shall be examined by a disinterested surveying officer of the Army of the United States, Air Force of the United States, or the National Guard or Air National Guard detailed by the appropriate Secretary, and the report of such surveying officer shall be forwarded to the appropriate Secretary or to such officer as he shall designate to receive such reports. The appropriate Secretary is hereby authorized to relieve the State, or Territory, or the District of Columbia from further accountability for such property in any case except where it shall appear that the loss, damage, or destruction of property was due to carelessness or neglect, or that its loss, damage, or destruction could have been avoided by the exercise of reasonable care, in which case the money value of such property shall be charged to the accountable State, Territory, or District of Columbia to be paid from State, Territory, or District funds, or any funds other than Federal. If the articles so surveyed are found to be unserviceable or unsuitable, the appropriate Secretary shall direct what dispositon by sale or otherwise shall be made of them; and, if sold, the proceeds of such sale, as well as stoppages against officers and enlisted men, and the net proceeds of collections made from any person or from any State, Territory, or District to reimburse the Government for the loss, damage, or destruction of any property, shall be deposited in the Treasury of the United States: *Provided*, That if any State, Territory, or the District of Columbia shall neglect or refuse to pay, or to cause to be paid, the money equivalent of any loss, damage, or destruction of property charged against such State, Territory, or the District of Columbia by the appropriate Secretary after survey by a disinterested officer appointed as hereinbefore provided, the appropriate Secretary is hereby authorized to debar such State, Territory, or the District of Columbia from further participation in any and all appropriations for the National Guard or Air National Guard, as appropriate, until such payment shall have been made: *Provided further*, That property issued to the National Guard and Air National Guard and which has become unserviceable through fair wear and tear in service, may, after inspection thereof and finding to that effect made by an officer of the Army of the United States, Air Force of the United States, or the National Guard or Air National Guard detailed by the appropriate Secretary, be sold or otherwise disposed of, and the State, Territory, or the District of Columbia accountable shall be relieved from further accountability therefor; such inspection, and sale or other disposition, to be made under regulations prescribed by the appropriate Secretary, and to constitute as to such property a discretional substitute for the examination, report, and disposition provided for elsewhere in this section."

With the following committee amendments:

Page 2, line 7, insert a comma after the word "State", delete the first "or", and immediately following the word "Territory", insert the following: ", the Commonwealth of Puerto Rico."

Page 2, lines 11 and 12, delete "Army of the United States, Air Force of the United States" and insert in lieu thereof "United States Army, United States Air Force."

Page 2, line 16, following the word "Secretary", insert "or his designated representative."

Page 2, line 17, insert a comma after the word "State", delete the word "or", and immediately following the word, "Territory" insert the following: ", Commonwealth of Puerto Rico."

Page 2, line 18, following the word "accountability", add "and pecuniary liability."

Page 2, line 24, following "Territory," add "Commonwealth of Puerto Rico."

Page 2, line 25, following "Territory," add "Commonwealth."

Page 3, line 2, following "Secretary", add "or his designated representative."

Page 3, line 7, following "Territory," add "the Commonwealth of Puerto Rico", following "or" add the word "the", and following "District" add the words "of Columbia."

Page 3, line 10, following "Territory," add "the Commonwealth of Puerto Rico."

Page 3, line 13, following "Territory," add "the Commonwealth of Puerto Rico."

Page 3, line 17, following "Territory," add "the Commonwealth of Puerto Rico."

Page 4, line 3, following "Territory," add "Commonwealth of Puerto Rico,."

The committee amendments were agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed.

The title was amended so as to read: "A bill to amend section 87 of the National Defense Act of June 3, 1916, as amended (32 U. S. C. 47), to relieve the States from accountability and pecuniary liability for property lost, damaged, or destroyed except in cases where it shall appear that the loss, damage, or destruction of the property was due to carelessness or negligence or could have been avoided by the exercise of reasonable care."

A motion to reconsider was laid on the table.

AMEND THE NATIONAL DEFENSE ACT

The Clerk called the bill (H. R. 7734) to amend section 47 of the National Defense Act to relieve State-operated educational institutions, under stated conditions, from giving bond for certain property issued by the United States for use by Reserve Officers' Training Corps units maintained at such institutions.

There being no objection, the Clerk read the bill, as follows:

Be it enacted etc., That section 47 of the National Defense Act, as amended (10 U. S. C. 389), is amended by adding at the end thereof the following new sentence: "No such bond shall be required of any institution operated by any State so long as that institution provides such measures for the care and safekeeping of nonexpendable property as the Secretary of the Army, or the Secretary of the Air Force in the case of property issued by the Department of the Air Force, shall determine as a result of periodic inspection to be adequate to protect the interest of the United States therein."

With the following committee amendment:

Strike all after the enacting clause and insert the following: "That section 47 of the National Defense Act, as amended (10 U. S. C. 389), is further amended by deleting the last sentence thereof and substituting in lieu thereof the following:

" 'The Secretary of the Army, or the Secretary of the Air Force in the case of property of the Department of the Air Force, shall require a bond or other indemnity in such amount as he considers appropriate for the care and safekeeping of all such Government property issued to an educational institution, except uniforms, expendable articles, and supplies expended in operation, maintenance, and instruction.' "

The committee amendment was agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed.

The title was amended so as to read: "A bill to amend section 47 of the National Defense Act concerning the requirement for bond covering certain property issued by the United States for use by Reserve Officers' Training Corps units maintained at educational institutions."

A motion to reconsider was laid on the table.

TRANSFER OF LAND IN SALT LAKE CITY

The Clerk called the bill (H. R. 9482) authorizing the Administrator of Veterans' Affairs to convey certain property to the Armory Board, State of Utah.

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

There was no objection.

Mr. CUNNINGHAM. Mr. Speaker, the bill, S. 3561, is an identical bill to the House bill and I ask unanimous consent that it be considered in lieu of the House bill.

The Clerk read the title of the Senate bill.

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

There being no objection, the Clerk read the Senate bill, as follows:

Be it enacted, etc., That the Administrator of Veterans' Affairs is authorized and directed to convey, without monetary consideration and subject to the conditions in section 2 of this act, to the Armory Board, State of Utah, all right, title, and interest of the United States in and to a tract of 35 acres of land, more or less, situated in the western end of the Veterans' Administration hospital reservation, Fort Douglas Station, Salt Lake City, Utah, the exact legal description of which shall be determined by the Administrator of Veterans' Affairs.

SEC. 2. The deed of conveyance authorized under the provisions of this act shall—

(a) provide that such tract shall not be alienated in the whole or in part by the Armory Board and shall be used only for training, civic, and related purposes;

(b) provide that, if such tract is so used in any manner that, in the judgment of the Administrator of Veterans' Affairs or his designate, interferes with the care and treatment of patients in the Veterans' Administration hospital located on land contiguous to such tract, such interference shall cease immediately upon notice thereof to the Armory Board by the Administrator or his designate;

(c) provide that, if either of the conditions prescribed in clauses (a) and (b) of this section are violated, title to such tract shall revert to the United States; and

(d) shall reserve all mineral rights, including gas and oil, to the United States, and contain such additional terms, conditions, reservations, and restrictions as may be determined by the Administrator of Veterans' Affairs to be necessary to protect the interests of the United States.

The bill was ordered to be read a third time, was read the third time, and passed.

A similar bill (H. R. 9482) was laid on the table.

A motion to reconsider was laid on the table.

SOUTHEASTERN INTERSTATE FOREST FIRE PROTECTION COMPACT

The Clerk called the bill (H. R. 9345) granting the consent and approval of Congress to the Southeastern Interstate Forest Fire Protection Compact.

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

There was no objection.

Mr. CUNNINGHAM. Mr. Speaker, the bill, S. 2786, is an identical bill and I ask unanimous consent that it be considered in lieu of the House bill.

The Clerk read the title of the Senate bill.

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

There being no objection, the Clerk read the Senate bill, as follows:

Be it enacted, etc., That the consent and approval of Congress is hereby given to the Southeastern Interstate Forest Fire Protection Compact, as hereinafter set out. Such compact reads as follows:

SOUTHEASTERN INTERSTATE FOREST FIRE PROTECTION COMPACT

Article I

The purpose of this compact is to promote effective prevention and control of forest fires in the Southeastern region of the United States by the development of integrated forest fire plans, by the maintenance of adequate forest fire fighting services by the member States, by providing for mutual aid in fighting forest fires among the compacting States of the region and with States which are party to other regional forest fire protection compacts or agreements, and for more adequate forest protection.

Article II

This compact shall become operative immediately as to those States ratifying it whenever any two or more of the States of Alabama, Florida, Georgia, Kentucky, Mississippi, North Carolina, South Carolina, Tennessee, Virginia, and West Virginia, which are contiguous have ratified it and Congress has given consent thereto. Any State not mentioned in this article which is contiguous with any member State may become a party to this compact, subject to approval by the legislature of each of the member States.

Article III

In each State, the State forester or officer holding the equivalent position who is responsible for forest fire control shall act as compact administrator for that State and shall consult with like officials of the other member States and shall implement cooperation between such States in forest fire prevention and control.

The compact administrators of the member States shall coordinate the services of the member States and provide administrative integration in carrying out the purposes of this compact.

There shall be established an advisory committee of legislators, forestry commission representatives, and forestry or forest products industries representatives which shall meet from time to time with the compact administrators. Each member State shall name 1 Member of the Senate and 1 Member of the House of Representatives who shall be designated by that State's commission on interstate cooperation, or if said commission cannot constitutionally designate the said members, they shall be designated in accordance with laws of that State; and the governor of each member State shall appoint 2 representatives, 1 of whom shall be associated with forestry or forest products industries to comprise the membership of the advisory committee. Ac-

tion shall be taken by a majority of the compacting States, and each State shall be entitled to one vote.

The compact administrators shall formulate and, in accordance with need, from time to time, revise a regional forest fire plan for the member States.

It shall be the duty of each member State to formulate and put in effect a forest fire plan for that State and take such measures as may be necessary to integrate such forest fire plan with the regional forest fire plan formulated by the compact administrators.

Article IV

Whenever the State forest fire control agency of a member State requests aid from the State forest fire control agency of any other member State in combating, controlling, or preventing forest fires, it shall be the duty of the State forest fire control agency of that State to render all possible aid to the requesting agency which is consonant with the maintenance of protection at home.

Article V

Whenever the forces of any member State are rendering outside aid pursuant to the request of another member State under this compact, the employees of such State shall, under the direction of the officers of the State to which they are rendering aid, have the same powers (except the power of arrest), duties, rights, privileges, and immunities as comparable employees of the State to which they are rendering aid.

No member State or its officers or employees rendering outside aid pursuant to this compact shall be liable on account of any act or omission on the part of such forces while so engaged, or on account of the maintenance, or use of any equipment or supplies in connection therewith; *Provided*, that nothing herein shall be construed as relieving any person from liability for his own negligent act or omission, or as imposing liability for such negligent act or omission upon any State.

All liability, except as otherwise provided hereinafter, that may arise either under the laws of the requesting State or under the laws of the aiding State or under the laws of a third State on account of or in connection with a request for aid, shall be assumed and borne by the requesting State.

Any member State rendering outside aid pursuant to this compact shall be reimbursed by the member State receiving such aid for any loss or damage to, or expense incurred in the operation of any equipment answering a request for aid, and for the cost of all materials, transportation, wages, salaries, and subsistence of employees and maintenance of equipment incurred in connection with such request: Provided, that nothing herein contained shall prevent any assisting member State from assuming such loss, damage, expense or other cost or from loaning such equipment or from donating such service to the receiving member State without charge or cost.

Each member State shall provide for the payment of compensation and death benefits to injured employees and the representatives of deceased employees in case employees sustain injuries or are killed while rendering outside aid pursuant to this compact, in the same manner and on the same terms as if the injury or death were sustained within such State.

For the purposes of this compact the term employee shall include any volunteer or auxiliary legally included within the forest fire-fighting forces of the aiding State under the laws thereof.

The compact administrators shall formulate procedures for claims and reimbursement under the provisions of this article, in accordance with the laws of the member States.

Article VI

Ratification of this compact shall not be construed to affect any existing statute so as to authorize or permit curtailment or diminution of the forest fire-fighting forces, equipment, services or facilities of any member State.

Nothing in this compact shall be construed to limit or restrict the powers of any State ratifying the same to provide for the prevention, control and extinguishment of forest fires, or to prohibit the enactment or enforcement of State laws, rules or regulations intended to aid in such prevention, control and extinguishment in such State.

Nothing in this compact shall be construed to affect any existing or future cooperative relationship or arrangement between any Federal agency and a member State or States.

Article VII

The compact administrators may request the United States Forest Service to act as a research and coordinating agency of the Southeastern Interstate Forest Fire Protection Compact in cooperation with the appropriate agencies in each State, and the United States Forest Service may accept responsibility for preparing and presenting to the compact administrators its recommendations with respect to the regional fire plan. Representatives of any Federal agency engaged in forest fire prevention and control may attend meetings of the compact administrators.

Article VIII

The provisions of articles IV and V of this compact which relate to mutual aid in combating, controlling or preventing forest fires shall be operative as between any State party to this compact and any other State which is party to a regional forest fire protection compact in another region: Provided, that the legislature of such other State shall have given its assent to such mutual aid provisions of this compact.

Article IX

This compact shall continue in force and remain binding on each State ratifying it until the legislature or the Governor of such State, as the laws of such State shall provide, takes action to withdraw therefrom. Such action shall not be effective until 6 months after notice thereof has been sent by the chief executive of the State desiring to withdraw to the chief executives of all States then parties to the compact.

SEC. 2. Without further submission of the compact, the consent of Congress is given to any State to become a party to it is accordance with its terms.

SEC. 3. The right to alter, amend, or repeal this act is expressly reserved.

The bill was ordered to be read a third time, was read the third time, and passed.

A similar bill (H. R. 9345) was laid on the table.

A motion to reconsider was laid on the table.

CONTRACT RESEARCH

The Clerk called the bill (S. 2367) to amend the act of June 29, 1935 (the Bankhead-Jones Act), as amended, to strengthen the conduct of research of the Department of Agriculture.

There being no objection, the Clerk read the Senate bill, as follows:

Be it enacted, etc., That the act of June 29, 1935 (the Bankhead-Jones Act), as amended (7. U. S. C. 427–427j), is amended by adding at the end of section 10 thereof the following:

"(e) Appropriations for research work in the Department of Agriculture shall be available for accomplishing such purposes by contract through the means provided in subsection (a) hereof."

The bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

AUTHORIZING BANKS FOR COOPERATIVES TO ISSUE CONSOLIDATED DEBENTURES

The Clerk called the bill (S. 3487) to authorize the Central Bank for Cooperatives and the regional banks for cooperatives to issue consolidated debentures, and for other purposes.

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

Mr. McCORMACK. Mr. Speaker, reserving the right to object, this seems to be a rather broad bill, if not a rather far-reaching bill, and I would like to have a member of the committee state why it should be passed by unanimous consent. It seems to me this is a bill that should come up under the regular rules of the House or under suspension of the rules.

Mr. HOPE. Mr. Speaker, I shall be very glad to explain the bill.

Mr. McCORMACK. I know what the bill is. I have read it, but it seems to me this is not a bill that should be passed without some debate. I have no objection to the bill myself; however, some bills should come up under conditions where there is opportunity for Members to debate the matter. Will the gentleman state why he thinks this is not one of those bills?

Mr. HOPE. I am not going to argue with the gentleman over the question of whether this is or is not an important bill. It is a bill of some importance as far as financing the banks for cooperatives is concerned. It is a bill which I understand has no opposition, at least I know of none and in the closing days of the session our committee felt it was important to get the bill passed as expeditiously as possible. For that reason we had it put on the Consent Calendar.

Mr. JOHNSON of Wisconsin. I have spoken to the chairman of the committee, the gentleman from Kansas [Mr. HOPE], and I am sure that this bill is satisfactory.

Mr. McCORMACK. I have no objection to the bill myself. Is it not of such importance that it should come up under the rules of the House which afford Members some opportunity of debate rather than to be passed on the Consent Calendar?

Mr. Speaker, I ask unanimous consent that this bill be passed over without prejudice.

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

There was no objection.

ROTATION OF COMMODITY CREDIT CORPORATION STOCKS

The Clerk called the bill (S. 1381) to amend the Agricultural Act of 1949.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That section 407 of the Agricultural Act of 1949, as amended, is amended by adding at the end thereof the following: "Nor shall the foregoing restrictions apply to sales of commodities the disposition of which is desirable in the interest of the effective and efficient conduct of the Corporation's operations because of the small quantities involved, or because of age, location, or questionable continued storability, but such sales shall be offset by such purchases of commodities as the Corporation determines are necessary to prevent such sales from substantially impairing any price-support program, but in no event shall the purchase price exceed the then current support price for such commodities."

The bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

INDEMNITIES FOR SWINE DESTROYED IN 1952

The Clerk called the bill (S. 2583) to indemnify against loss all persons whose swine were destroyed in July 1952 as a result of having been infected with or exposed to the contagious disease vesicular exanthema.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the Secretary of Agriculture is authorized and directed to indemnify in an amount equal to 50 percent of their loss, but not exceeding the indemnity paid by the State, all persons whose swine were destroyed under authority of law in July 1952 as a result of having been infected with or exposed to the contagious disease vesicular exanthema.

SEC. 2. The payment of indemnities under the provisions of this act shall be limited, in the absence of Federal appraisal, to those losses where required proof of such losses has been made to the State and 50 percent of said loss has been paid by such State.

SEC. 3. Payments made pursuant to the provisions of this act shall be made from funds currently available to the Department of Agriculture.

The bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

SOUTH CENTRAL INTERSTATE FOREST FIRE PROTECTION COMPACT

The Clerk called the bill (H. R. 6393) granting the consent and approval of Congress to an interstate forest fire protection compact.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the consent and approval of Congress is hereby given to any two or more of the States of Arkansas, Louisiana, Mississippi, Oklahoma, and Texas to enter into the following compact relating to the prevention and control of forest fires in the south central region of the United States.

The compact reads as follows:

"SOUTH CENTRAL INTERSTATE FOREST FIRE PROTECTION COMPACT

"Article I

"The purpose of this compact is to promote effective prevention and control of forest fires in the south central region of the United States by the development of integrated forest fire plans, by the maintenance of adequate forest fire fighting services by the member States, by providing for mutual aid in fighting forest fires among the compacting States of the region and with States which are party to other regional forest fire protection compacts or agreements, and for more adequate forest development.

"Article II

"This compact shall become operative immediately as to those States ratifying it whenever any two or more of the States of Arkansas, Louisiana, Mississippi, Oklahoma, and Texas which are contiguous have ratified it and Congress has given consent thereto. Any State not mentioned in this article which is contiguous with any member State may become a party to this compact, subject to approval by the legislature of each of the member States.

"Article III

"In each State, the State forester or officer holding the equivalent position who is responsible for forest fire control shall act as compact administrator for that State and shall consult with like officials of the other member States and shall implement cooperation between such States in forest fire prevention and control.

"The compact administrators of the member States shall organize to coordinate the services of the member States and provide administrative integration in carrying out the purposes of this compact.

"There shall be established an advisory committee of legislators, forestry commission representatives, and forestry or forest products industries representatives which shall meet from time to time with the compact administrators. Each member State shall name one Member of the Senate and one Member of the House of Representatives, and the Governor of each member State shall appoint one representative who shall be the chairman of the State forestry commission or comparable official and one representative who shall be associated with forestry or forest products industries to comprise the membership of the advisory committee. Action shall be taken by a majority of the compacting States, and each State shall be entitled to one vote.

"The compact administrators shall formulate and, in accordance with need, from time to time, revise a regional forest fire plan for the member States.

"It shall be the duty of each member State to formulate and put in effect a forest fire plan for that State and take such measures as may be necessary to integrate such forest fire plan with the regional forest fire plan formulated by the compact administrators.

"Article IV

"Whenever the State forest fire control agency of a member State requests aid from the State forest fire control agency of any other member State in combating, controlling, or preventing forest fires, it shall be the duty of the State forest fire control agency of that State to render all possible aid to the requesting agency which is consonant with the maintenance of protection at home.

"Article V

"Whenever the forces of any member State are rendering outside aid pursuant to the request of another member State under this compact, the employees of such State shall, under the direction of the officers of the State to which they are rendering aid, have the same powers (except the power of arrest), duties, rights, privileges, and immunities as comparable employees of the State to which they are rendering aid.

"No member State or its officers or employees rendering outside aid pursuant to this compact shall be liable on account of any act or omission on the part of such forces while so engaged, or on account of the maintenance or use of any equipment or supplies in connection therewith: *Provided*, That nothing herein shall be construed as relieving any person from liability for his own negligent act or omission, or as imposing liability for such negligent act or omission upon any State.

"All liability, except as otherwise provided hereinafter, that may arise either under the laws of the requesting State or under the laws of the aiding state or under the the laws of a third State on account of or in connection with a request for aid, shall be assumed and borne by the requesting State.

"Any member State rendering outside aid pursuant to this compact shall be reimbursed by the member State receiving such aid for any loss or damage to, or expense incurred in the operation of any equipment answering a request for aid, and for the cost of all materials, transportation, wages, salaries, and maintenance of employees and equipment incurred in connection with such request: *Provided*, That nothing herein contained shall prevent any assisting member State from assuming such loss, damage, expense, or other cost or from loaning such equipment or from donating such service to the receiving member State without charge or cost.

"Each member State shall provide for the payment of compensation and death benefits to injured employees and the representatives of deceased employees in case employees sustain injuries or are killed while rendering outside aid pursuant to this compact, in the same manner and on the same terms as if the injury or death were sustained within such state.

"For the purposes of this compact the term employee shall include any volunteer or auxiliary legally included within the forest-fire-fighting forces of the aiding State under the laws thereof.

"The compact administrators shall formulate procedures for claims and reimbursement under the provisions of this article, in accordance with the laws of the member States.

"Article VI

"Ratification of this compact shall not be construed to affect any existing statute so as to authorize or permit curtailment or diminution of the forest-fire-fighting forces, equipment, services, or facilities of any member State.

"Nothing in this compact shall be construed to limit or restrict the powers of any State ratifying the same to provide for the prevention, control, and extinguishment of forest fires, or to prohibit the enactment or enforcement of State laws, rules, or regulations intended to aid in such prevention, control, and extinguishment in such State.

"Nothing in this compact shall be construed to affect any existing or future cooperative relationship or arrangement between the United States Forest Service and a member State or States.

"Article VII

"The compact administrators may request the United States Forest Service to act as the primary research and coordinating agency of the South Central Interstate Forest Fire Protection Compact in cooperation with the appropriate agencies in each State, and the United States Forest Service may accept the initial responsibility in preparing and presenting to the compact administrators its recommendations with respect to the regional fire plan. Representatives of the United States Forest Service may attend meetings of the compact administrators.

"Article VIII

"The provisions of article IV and V of this compact which relate to mutual aid in combating, controlling, or preventing forest fires shall be operative as between any State

party to this compact and any other State which is party to a regional forest-fire protection compact in another region: *Provided,* That the legislature of such other State shall have given its assent to such mutual-aid provisions of this compact.

"Article IX

"This compact shall continue in force and remain binding on each State ratifying it until the legislature or the Governor of such State takes action to withdraw therefrom. Such action shall not be effective until 6 months after notice thereof has been sent by the chief executive of the State desiring to withdraw to the chief executives of all States then parties to the compact."

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

GOVERNMENTAL USE OF INTERNATIONAL TELECOMMUNICATIONS

The Clerk called the resolution (S. J. Res. 96) to strengthen the foreign relations of the United States by establishing a Commission on Governmental Use of International Telecommunications.

There being no objection, the Clerk read the resolution, as follows:

Whereas the overseas information program as carried on through the media of telecommunications is of continuing and increasing importance in carrying out and supporting the foreign policies of the United States; and

Whereas in his state of the Union message February 2, 1953, the President asserted the necessity "to make more effective all activities related to international information": Therefore be it,

Resolved, etc., That there is hereby established a commission to be known as the Commission on Governmental Use of International Telecommunications (in this act referred to as the "Commission").

MEMBERSHIP OF THE COMMISSION

SEC. 2. Number and appointment: The Commission shall be composed of nine members as follows:

(1) Five appointed by the President of the United States, of whom at least 1 shall be appointed from the telecommunications industry and at least 1 from the field of education and of whom not more than 3 shall be from the same political party;

(2) Two appointed from the Senate by the President of the Senate of whom not more than one shall be from the same political party; and

(3) Two appointed from the House of Representatives by the Speaker of the House of Representatives of whom not more than one shall be from the same political party.

ORGANIZATION OF THE COMMISSION

SEC. 3. The Commission shall choose its Chairman and Vice Chairman from among its members and shall establish its own procedure.

QUORUM

SEC. 4. Five members of the Commission shall constitute a quorum.

COMPENSATION OF MEMBERS OF THE COMMISSION

SEC. 5. (a) Members of Congress: Members of Congress who are members of the Commission shall serve without compensation in addition to that received for their services as Members of Congress; but without regard to any other provision of law they shall be reimbursed for travel, subsistence, and other necessary expenses incurred by them in the performance of the duties vested in the Commission and reasonable advances may be made to them for such purposes.

(b) Members of the executive branch: Any members of the Commission who may be in the executive branch of the Government shall receive the compensation which he would receive if he were not a member of the Commission, but without regard to any other provision of law they shall be reimbursed for travel, subsistence and other necessary expenses incurred by them in the performance of the duties vested in the Commission and reasonable advances may be made to them for such purposes.

(c) Members from private life: The members from private life shall receive not to exceed $75 per diem when engaged in the performance of duties vested in the Commission, plus reimbursement for travel, subsistence, and other necessary expenses incurred by them in the performance of such duties.

STAFF OF THE COMMISSION

SEC. 6. The Commission shall have power to appoint a Secretary General at a salary of not to exceed $15,000 per annum, and an Assistant Secretary General at a salary of not to exceed $12,500 per annum, and such other personnel in accordance with the Classification Act of 1949, as amended, or to obtain assistance from Government agencies on a reimbursable basis. The Commission is further authorized to employ experts and consultants for temporary and intermittent personal services, but at rates not to exceed $75 per diem for each individual. The Commission is authorized without regard to any other provision of law to reimburse employees, experts, and consultants for travel, subsistence, and other necessary expenses incurred by them in the performance of their official duties and to make reasonable advances to such persons for such purposes.

EXPENSES OF THE COMMISSION

SEC. 7. There is hereby authorized to be appropriated, out of any money in the Treasury not otherwise appropriated, not to exceed $250,000 to carry out the provisions of this act.

REPORT—EXPIRATION OF THE COMMISSION

SEC. 8. (a) Report: On or before December 31, 1954, the Commission shall make a reports of its findings and recommendations to the Congress. It may submit such interim reports as it deems desirable.

(b) Expiration of the Commission: Ninety days after the submission to the Congress of the report provided for in subsection (a) of this section 8, the Commission shall cease to exist.

DUTIES OF THE COMMISSION

SEC. 9. The Commission is directed to examine, study, and report on the objectives, operations, and effectiveness of our information programs, with respect to the prompt development of techniques, methods, and programs for greatly expanded and far more effective operations in this vital area of foreign policy through the use of foreign telecommunications.

POWERS OF THE COMMISSION

SEC. 10. (a) The Commission or, on the authorization of the Commission, any subcommittee or member thereof, shall have power to hold hearings and sit and act at such times and places in the United States and abroad, to require by subpena or otherwise the attendance of such witnesses and the production of such books, papers, and documents, to administer such oaths, and to take such testimony, as the Commission or such subcommittee or member may deem advisable. Subpenas shall be issued under the signature of the Chairman of the Commission and shall be served by any person designated by him.

(b) The Commission may authorize the Chairman or the Vice Chairman to make the expenditures herein authorized and such other expenditures as the Commission may deem advisable: *Provided, however,* That when the Commission ceases its activities it shall submit to the Appropriations Committee of the Senate and the House of Representatives a statement of its fiscal transactions properly audited by the Comptroller General of the United States.

(c) The Commission is authorized to secure from any department, agency, or independent instrumentality of the Government any information it deems necessary to carry out its functions under this act; and each such department, agency, and instrumentality is authorized and directed to furnish such information to the Commission, upon request made by the Chairman or by the Vice Chairman when acting as Chairman.

The Senate joint resolution was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

EXTENSION WORK AMONG INDIAN TRIBES AND MEMBERS THEREOF

The Clerk called the bill (S. 3385) to provide for more effective extension work among Indian tribes and members thereof, and for other purposes.

Mr. MARSHALL. Mr. Speaker, I ask unanimous consent that this bill may be passed over without prejudice.

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

There was no objection.

AMEND SECTION 73 OF HAWAIIAN ORGANIC ACT

The Clerk called the bill (H. R. 5832) to amend section 73 of the Hawaiian Organic Act.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That section 73 (1) of the Hawaiian Organic Act, as amended, be further amended by adding a new proviso to the second sentence thereof to read as follows: *"Provided, however,* That the commissioner shall give to every lessee, sublessee, or permittee under a revocable permit of public lands, being a citizen of the United States, or to any such person who has legally declared his intention to become a citizen of the United States and herefater becomes such, who has, or whose predecessors in interest have, or the combination thereof, occupied said lands for an aggregate period of not less than 10 years, a right to purchase so much of said lands as shall be used for a house lot or for agricultural or business purposes, but not to exceed one-half acre and such adjoining lands as may reasonably be required for a right-of-way to a government road, upon the payment of a fair and reasonable price, which price shall be determined by one or more but not more than three disinterested appraisers to be appointed by the Governor. The term 'predecessors in interest' as applied to a permittee under revocable permit shall be construed to include such permittee, his assignor or his devisor occupying said lands under a lease or a sublease immediately prior to the issuance of the revocable permit. In the determination of such purchase price, the improvements thereon shall be valued at $1, if such improvements were made or purchased by the lessee, sublessee, or permittee. If the commissioner shall deem it to be of public interest, he may substitute in place of such parcel selected by the purchaser public lands of similar character, value and area situated on the lands occupied under said lease or

revocable permit and such purchaser shall pay for the relocation of any improvements thereto. No person shall be entitled to this right of purchase of public lands who has exercised said option under any other lease, sublease, or revocable permit or the combination of both."

SEC. 2. This act shall take effect on and after the date of its approval.

With the following committee amendment:

Strike out all after the enacting clause and insert "That any provision of section 73 of the Hawaiian Organic Act, as amended, or of the Land Laws of Hawaii, as amended, to the contrary notwithstanding, the Commissioner of Public Lands of the Territory of Hawaii, with the approval of the Governor and two-thirds of the members of the Board of Public Lands, in his discretion, may transfer and convey to any applicant who is a citizen of the United States, or who has heretofore legally declared his intentions to become a citizen of the United States, upon his becoming such,

"(1) who upon the date of approval of this act held public lands in the Territory of Hawaii, by lease or revocable permit,

"(2) who on the said date, had, or whose predecessors in interest, or the combination of both, had occupied such land for an aggregate period of not less thn 5 continuous years,

"(3) who while still holding such land by lease or revocable permit, applies for a transfer and conveyance of such public land to himself, and

"(4) who complies with all rules and regulations duly promulgated with regard to such public land,

not more than one-half acre of such land as was in use by the applicant for a house lot or for business purposes, or both, as the case may be, and such adjoining land as may be reasonably required for a right-of-way to a government road, upon the payment of a fair and reasonable price, which price shall be determined by disinterested appraiser or appraisers, but not more than three, to be appointed by the Governor of Hawaii, all improvements thereon made or purchased by the applicant or his predecessors in interest to be valued at $1.

"SEC. 2. Not more than 3 acres of public lands immediately adjacent to any cemetery now in existence may, with the consent of such person or persons, if any, as could qualify under section 1 for the purchase of said land, be sold to the owner or owners of said cemetery. This act, with the exception of paragraphs (1), (2), and (3) of section 1, shall apply to any such sale made to the owner or owners of a cemetery.

"SEC. 3. In the case of an applicant giving his consent to a sale to a cemetery pursuant to section 2, or when the Commissioner of Public Lands shall deem it to be in the public interest, he may substitute in place of the lands used by the applicant, or in place of the portion thereof requested by him, as the case may be, other appropriate public lands of no greater area or value, the applicant to bear the cost of the relocation on the substituted land of any improvements.

"SEC. 4. No sale shall be made hereunder to any applicant who has already acquired public land pursuant to the provisions of this act, or to any applicant whose application is not filed within 2 years from the date of approval of this act, or such shorter period as shall be specified by rule or regulation.

"SEC. 5. The term 'predecessor in interest' includes any individual or individuals, partnership, corporation, or other legal entity, and in the case of an applicant who is a permittee under a revocable permit shall include such applicant occupying under a lease or a sublease immediately prior to the issuance of the revocable permit and the person from whom the applicant acquired such lease or sublease."

The committee amendment was agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed.

The title was amended so as to read: "A bill to authorize the Commissioner of Public Lands of the Territory of Hawaii to sell public lands to certain lessees, permittees, and others."

A motion to reconsider was laid on the table.

ACQUISITION OF LAND WITHIN NATIONAL PARK SYSTEM

The Clerk called the bill (H. R. 6814) to facilitate the acquisition of non-Federal land within areas of the national park system, and for other purposes.

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

Mr. WILLIAMS of Mississippi. Mr. Speaker, reserving the right to object, I would like to have a brief explanation of this bill.

Mr. D'EWART. Mr. Speaker, if the gentleman will yield, this is a bill made necessary for the Park Service to match certain funds that have been given or offered it to acquire land inside of existing parks. They oftentimes have donations of funds to acquire these lands on condition that the Federal Government matches those funds. This legislation is necessary so that the Committee on Appropriations can appropriate the funds necessary to match those that have been donated.

Mr. WILLIAMS of Mississippi. I withdraw my reservation of objection, Mr. Speaker.

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

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That, in order to consolidate Federal land ownership within the areas of the national park system and to encourage the donation of funds for that purpose, the Secretary of the Interior is authorized to enter into contractual obligations on behalf of the United States for the acquisition of lands and interests in lands within such areas providing for the expenditure of Federal funds in an amount equal to the funds that may be donated for such purposes: *Provided*, That the obligation of Federal funds hereunder shall not exceed $500,000 annually: *Provided further*, That the contractual authorization for each year provided for herein shall remain effective following the end of that year until actually exercised, to the extent that donated funds have been received for that year.

With the following committee amendment:

Page 1, line 6, after "to", strike out down to and including the word "year" on page 2 and insert "accept and to use in his discretion funds which may be donated subject to the condition that such donated funds are to be expended for purposes of this act by the Secretary only if Federal funds in an amount equal to the amount of such donated funds are appropriated for the purposes of this act. There are authorized to be appropriated such funds as may be necessary to match funds that may be donated for such purposes: *Provided*, That the amount which may be appropriated annually for purposes of this act shall be limited to $500,000."

The committee amendment was agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

OLD KASAAN NATIONAL MONUMENT, ALASKA

The Clerk called the bill (H. R. 7912) to abolish the Old Kasaan National Monument, Alaska, and for other purposes.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the Old Kasaan National Monument, in Alaska, is hereby abolished, and the lands thereof shall hereafter be administered as a part of the Tongass National Forest.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

EXCHANGE RIGHT-OF-WAY FOR 6 ACRES ADJOINING PARK

The Clerk called the bill (H. R. 8205) to authorize the conveyance by the Secretary of the Interior to Virginia Electric & Power Co. of a perpetual easement of right-of-way for electric transmission-line purposes across lands of the Richmond National Battlefield Park, Va., such easement to be granted in exchange for, and in consideration of, the donation for park purposes of approximately 6 acres of land adjoining the park.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the Secretary of the Interior is hereby authorized to grant and convey to Virginia Electric & Power Co. a perpetual easement of right-of-way for electric transmission-line purposes over, upon, and across fifty-five one-hundredths of an acre of land on the western side of Parker's battery site in the Richmond National Battlefield Park, Va., subject to such terms and conditions as the Secretary may deem desirable, and to accept in exchange therefor the donation of six and fifty-seven one-hundredths acres of land adjoining the Parker's battery area, Richmond National Battlefield Park.

With the following committee amendment:

Page 2, line 4, strike out "donation" and insert "conveyance."

The committee amendment was agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed.

The title was amended so as to read: "A bill to authorize the conveyance by the Secretary of the Interior to Virginia Electric & Power Co. of a perpetual easement of right-of-way for electric transmission-line purposes across lands of the Richmond National Battlefield Park, Va., such easement to be granted in exchange for, and in consideration of, the conveyance for park purposes of approximately 6 acres of land adjoining the park."

A motion to reconsider was laid on the table.

HAWAIIAN FARM LOAN BOARD

The Clerk called the bill (H. R. 7568) to authorize and direct the Farm Loan Board of Hawaii to convey certain land and to ratify and confirm certain acts of said Farm Loan Board.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That any limitations imposed by section 73 of the Hawaiian Organic Act, as amended (31 Stat. 141), to the contrary notwithstanding, the Farm Loan Board of Hawaii is authorized and directed to convey by quitclaim deed to Martha Keliikuli, whose residence and post office address is in care of Kahuku Ranch, Kahuku, city and county of Honolulu, T. H., the following described parcel of land, together with buildings and other improvements thereon, subject to the provisos hereinafter set forth:

Lot 14, Puuepa-Kokoiki homesteads, North Kohala, Hawaii, being all of grant 7582 to Ernest K. Kanehailua, Registered Map Numbered 2495, Second Land District. Beginning at a post at the northeast corner of this lot and the southeast corner of lot 18 and on the west side of Ilikini Road, said point being two thousand five hundred twenty-one and three-tenths feet south and three thousand one hundred eighty and five-tenths feet east of Government Survey Trig. Station "Kehoni", as shown on Government Survey Registered Map Numbered 2495, and running by true azimuths:

(1) Three hundred forty-six degrees thirty minutes, six hundred thirty-seven and four-tenths feet along Ilikini Road and lot 13 to a post; (2) seventy-six degrees thirty minutes, three hundred and seventy-eight feet along lot 13 to a post; (3) one hundred forty degrees thirteen minutes thirty seconds, seven hundred nine and eight-tenths feet along the land of Upolu to a post; (4) two hundred fifty-six degrees twenty-six minutes, six hundred ninety-three and seven-tenths feet along lots 21, 20, 19, and 18, to the point of beginning; area seven and one-half acres: *Provided, however*, That said land or any part thereof or interest therein or control thereof shall not, without the written consent of the Commissioner of Public Lands and Governor, be, or be contracted to be in any way, directly or indirectly, by process of law or otherwise, conveyed, mortgaged, leased or otherwise transferred to or acquired or held by or for the benefit of any alien or corporation, or, to or by or for the benefit of any person who owns, holds, or controls, directly or indirectly, other lands or the use thereof, the combined area of which and the land in question exceeds eighty acres: *Provided further*, That these prohibitions shall not apply to transfers or acquisitions by inheritance or between tenants in common. In the event of violation of the foregoing provisions, said land shall forthwith be forfeited and resume the status of public land and may be recovered by the Territory or its successors in an action of ejectment or other appropriate proceedings.

SEC. 2. Sales of land heretofore made by the Farm Loan Board of Hawaii, and deeds covering such sales heretofore executed by any two members of the Farm Loan Board of Hawaii as provided in section 11 of Act 225, Session Laws of Hawaii 1919, and like sections contained in the Revised Laws of Hawaii, for and on behalf of said board shall not be held invalid or void for or on account of want of power to make such sale or deed, and the same are hereby ratified and confirmed to he extent set forth.

SEC. 3. This act shall take effect upon its approval.

With the following committee amendments:

Page 4, line 1, strike out "power" and insert "authority of any such members of said Board."

Page 4, strike out line 5.

The committee amendments were agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

REGISTRATION OF COMMUNIST PRINTING PRESSES

The Clerk called the bill (H. R. 9690) to amend section 7 (d) of the Internal Security Act of 1950, as amended.

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

There was no objection.

Mr. VELDE. Mr. Speaker, I ask unanimous consent that a similar Senate bill, S. 2766, be considered in lieu of the House bill.

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

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That section 7 (d) of the Internal Security Act of 1950, as amended (50 U. S. C. 786 (d)), is amended by adding after paragraph (5) the following:

"(6) A listing, in such form and detail as the Attorney General shall by regulation prescribe, of all printing presses and machines including but not limited to rotary presses, flatbed cylinder presses, platen presses, lithographs, offsets, photo-offsets, mimeograph machines, multigraph machines, multilith machines, duplicating machines, ditto machines, linotype machines, intertype machines, monotype machines, and all other types of printing presses, typesetting machines or any mechanical devices used or intended to be used, or capable of being used to produce or publish printed matter or material, which are in the possession, custody, ownership, or control of the Communist-action or Communist-front organization or its officers, members, affiliates, associates, group, or groups in which the Communist-action or Communist-front organization, its officers or members have an interest."

Mr. McCORMACK. Mr. Speaker, I move to strike out the last word.

Mr. Speaker, I just want to make a few observations. I was chairman of the special committee that investigated communism, nazism, fascism, and bigotry in 1934. My committee recommended what is now known as the Smith Act. I introduced legislation to carry out the recommendations of the committee, and for 3 or 4 years I could not get a hearing before the then Committee on the Judiciary on the ground that the recommendation of my special committee violated State rights. I was very happy when it was incorporated in the Smith bill.

My committee also recommended the Foreign Agents Registration Act which became law, and recommended other legislation. I think the time has arrived when we should meet the issue head on and outlaw the Communist Party. We have a bill in here, the effect of which would be to outlaw the infiltration of organizations, and yet we permit the Communist Party to continue to exist. I think the time has arrived when we ought to meet the issue head on and pass a bill outlawing the Communist Party.

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

Mr. McCORMACK. I yield.

Mr. WALTER. Mr. Speaker, I am very happy to be able to report to the distinguished gentleman from Massachusetts [Mr. McCORMACK] that the subcommittee having under consideration the proposal the gentleman has mentioned will, in all probability, report the Graham bill today.

Mr. McCORMACK. Fine. I am very glad to hear that.

Also, I want to compliment the gentleman from Pennsylvania [Mr. WALTER] because he introduced a bill to outlaw the Communist Party, and also the gentleman from Texas [Mr. DIES]. I also want to compliment my friend, the distinguished gentleman from Pennsylvania, Judge GRAHAM, the chairman of the subcommittee, who in cooperation with the gentleman from Pennsylvania [Mr. WALTER] is taking the leadership in committee and elsewhere of this matter. I hope the bill will be brought out of the committee and be brought before the House before this session is over.

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

Mr. McCORMACK. I yield to the gentleman.

Mr. DONDERO. I am very happy to join my friend from Massachusetts [Mr. McCORMACK] in what he has said. I want to report to him that my State of Michigan has already taken the Communist Party off the ballot, which is a step in the direction which the gentleman seeks to follow.

Mr. McCORMACK. May I say that every special committee from the time of my special committee and prior thereto, the Fish special committee down to the Velde committee has found the Communist Party to be an international conspiracy; that it is not a political party in the sense that we think of America political parties, but, as I say, a part of an international conspiracy to conquer the world and enslave all the peoples of the world.

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

Mr. McCORMACK. I yield.

Mr. VELDE. Mr. Speaker, I want to say to my distinguished friend that I am sympathetic toward his request. I realize this, too, that the Communist Party was declared a conspiracy during the time that the gentleman was majority leader and the Democratic Party was in power. I asked the gentleman why it was that the bill to outlaw the Communist Party was not considered at that time.

Mr. McCORMACK. Is the gentleman asking me why it was not considered then?

Mr. VELDE. Yes.

Mr. McCORMACK. That is water over the dam. We were at war then. The conditions now are entirely different. At least they were somewhat different then. Most people had the hope

then that we could live with the Soviet Union, after the war was over. I was not one of those. I was not one who thought that; but most Americans did. We now know, as a result of our experiences subsequent to the war, that they have not changed one iota.

The gentleman's question is a fair one. It is a difficult one to answer, I realize; but I think the circumstances in 1954 are entirely different from what they were during the war, or immediately following the war. There were some people who thought and hoped that we could live in a world with the Soviet Union, but they now know that we cannot. I never thought we could.

Mr. VELDE. Mr. Speaker, I thank the gentleman for his very frank answer. I have not introduced a bill outlawing the Communist Party because I felt that we ought to give the McCarran-Wood bill a chance to operate, to see whether the situation could be handled under that bill without it being necessary to make it a crime to belong to the Communist Party. But it appears as time goes on that the McCarran-Wood bill does not handle the situation as we Americans would like to have it handled. More and more I am becoming impressed with the necessity of passing a bill to outlaw the Communist Party, as the gentleman has suggested.

Mr. McCORMACK. I think the sentiments expressed by the gentleman from Illinois [Mr. VELDE] represent my own state of mind and my own growing feelings and convictions. I appeared a few months ago before the Subcommittee on the Judiciary in support of such legislation. My feeling and the journey of my mind is pretty much as the gentleman from Illinois [Mr. VELDE] has stated is the journey of his mind. I think the time has now arrived, as the gentleman does, for us to meet the issue head on.

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

Mr. McCORMACK. I yield to the gentleman from Illinois.

Mr. PRICE. Commenting on the statement of the gentleman from Michigan that the State of Michigan has removed the Communist Party from the ballot there, may I point out that back in 1942 there were over 40,000 Communist votes cast on the ballot in Illinois. In 1944 the Communist Party was removed from the ballot of the State of Illinois by action taken under the administration of Gov. Henry Horner.

Mr. McCORMACK. I am glad to get that information. I hope the bill will be reported out and that the House and Senate will act on it before this session of Congress is over.

Mr. RABAUT. 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 Michigan?

There was no objection.

Mr. RABAUT. Mr. Speaker, there is no question but that the subject of communism is and should be an object of universal concern, not only to Members of both Houses of the Congress, but also down to the humblest citizen of our Nation. Both our foreign and our domestic policy is geared to the all-encompassing conflict against communism. Our minds and our senses are alerted to the nature of its cancerous growth. In short, we cannot do enough to check its advance and to stifle its growth. But, despite present moves here to checkmate the spread of communism, it is well to remember that we began, in this House, over a dozen years ago, to curb the advancement of alien concepts and practices, which included communism, as well as other "isms," some of which took a bloody war finally to eradicate.

I speak of the clause, found in every appropriations bill which has emanated from the committee since 1941, in one or another amended forms, which provides that none of the funds available for expenditures under the particular act, shall be used to pay the salary of any person who advocates, or is a member of an organization that advocates the overthrow of the Government of the United States by force or violence. There are other pertinent provisions in this clause, which establish other protective procedures—and none of them are new. Nor is fighting communism something that is relatively new to Members of this House, especially to longtime Members of the Committee on Appropriations.

We ought to continue this fight against communism with an increased vigor and application and with a diminished hysteria.

The section, which has been in every appropriations bill since 1942, follows:

No part of any appropriation contained in this act, or of the funds available for expenditure by any corporation included in this act, shall be used to pay the salary or wages of any person who engages in a strike against the Government of the United States or who is a member of an organization of Government employees that asserts the right to strike against the Government of the United States, or who advocates, or is a member of an organization that advocates, the overthrow of the Government of the United States by force or violence: *Provided*, That for the purposes hereof an affidavit shall be considered prima facie evidence that the person making the affidavit has not contrary to the provisions of this section engaged in a strike against the Government of the United States, is not a member of an organization of Government employees that asserts the right to strike against the Government of the United States, or that such person does not advocate, and is not a member of an organization that advocates, the overthrow of the Government of the United States by force or violence: *Provided further*, That any person who engages in a strike against the Government of the United States or who is a member of an organization of Government employees that asserts the right to strike against the Government of the United States, or who advocates, or who is a member of an organization that advocates, the overthrow of the Government of the United States by force or violence and accepts employment the salary or wages for which are paid from any appropriation or fund contained in this or any other act shall be guilty of a felony and, upon conviction, shall be fined not more than $1,000 or imprisoned for not more than 1 year, or both: *Provided further*, That the above penalty clause shall be in addition to, and not in substitution for, any other provision of existing law.

The SPEAKER. The question is on the passage of the bill.

The bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

A similar House bill (H. R. 9690) was laid on the table.

AMENDMENT OF CIVIL AERONAUTICS ACT

The Clerk called the bill (H. R. 8808) to amend section 401 (e) (2) of the Civil Aeronautics Act, as amended.

Mr. TRIMBLE. Mr. Speaker, I ask unanimous consent that the bill be passed over without prejudice.

Mr. ASPINALL. Mr. Speaker, I am constrained to object to the request of the gentleman from Arkansas. I feel that this legislation is deserving of consideration at this time.

The SPEAKER. The gentleman from Colorado objects.

Is there objection to the present consideration of the bill?

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That section 401 (e) (2) of the act of June 23, 1938, as amended (49 U. S. C. 487 (e) (2); 52 Stat. 987), is amended by adding the following:

"(3) If any applicant who makes application for a certificate within 120 days after the enactment of this section shall show that, from the date of enactment of this section until the date of its application, it or its predecessor in interest, was an air carrier furnishing, within the continental limits of the United States, local or feeder service consisting of the carriage of persons, property and mail, under a temporary certificate of public convenience and necessity issued by the Civil Aeronautics Board, continuously operating as such (except as to interruptions of service over which the applicant or its predecessors in interest have no control) the Board, upon proof of such fact only, shall, unless the service rendered by such applicant for such period was inadequate and inefficient, issue a certificate or certificates of unlimited duration, authorizing such applicant to engage in air transportation between the terminal and intermediate points within the continental limits of the United States between which it, or its predecessor, so continously operated between the date of enactment of this section and the date of its application."

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

AMENDMENT OF BANKRUPTCY ACT

The Clerk called the bill (H. R. 5796) to amend the Bankruptcy Act to make tax liens of States and their subdivisions valid against trustees in bankruptcy.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That clause (2) of subdivision c of section 67 of the Bankruptcy Act, as amended, is amended to read as follows: "(2) the provisions of subdivision b of this section to the contrary notwithstanding, statutory liens, other than liens for taxes, created or recognized by the laws of any State for debts owing to any person, including any State or any subdivision thereof, on personal property not accompanied by possession of, or by levy upon or by sequestra-

tion or distraint of, such property, shall not be valid against the trustee:".

SEC. 2. (a) The provisions of this amendatory act shall govern proceedings, so far as practicable and applicable, in cases pending when it takes effect; but proceedings in cases then pending to which the provisions of this amendatory act are not applicable shall be disposed of conformably to the provisions of clause (2) of subdivision c of section 67 of the Bankruptcy Act as it existed just prior to the effective date of this act.

(b) This amendatory act shall take effect and be in force on and after 3 months from the date of its approval.

With the following committee amendments:

Page 1, line 6, after "statutory", strike out "liens, other than liens for taxes," and insert "liens."

Page 1, line 8, after "debt", insert "(as distinguished from statutory liens for taxes)."

The committee amendments were agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

The SPEAKER. This completes the call of bills eligible for consideration on the Consent Calendar today.

PRODUCTION FOR THE ARMED FORCES

Mr. ARENDS. Mr. Speaker, I ask unanimous consent to take from the Speaker's desk the bill (H. R. 9005) to continue the effectiveness of the act of July 17, 1953 (67 Stat. 177), with a Senate amendment thereto, and concur in the Senate amendment.

The Clerk read the title of the bill.

The Clerk read the Senate amendment, as follows:

Page 1, line 8, after "Congress", insert "or until July 1, 1955."

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

There was no objection.

The Senate amendment was concurred in, and a motion to reconsider was laid on the table.

RETIRED MEMBERS OF THE UNIFORMED SERVICES

Mr. ARENDS. Mr. Speaker, I ask unanimous consent for the immediate consideration of the bill (H. R. 9302) to permit retired members of the uniformed services to revoke elections made under the Uniformed Services Contingency Option Act of 1953 in certain cases where the elections were made because of mathematical errors or misinformation. I may say this was a unanimous report from our committee, and has been cleared on both sides of the aisle.

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

Mr. GROSS. Reserving the right to object, will the gentleman explain very briefly what the bill is?

Mr. ARENDS. I will be very glad to explain this to the gentleman.

This is a unanimous report from our committee. The purpose of the proposed legislation as amended is to provide a 60-day period, after its enactment, in which retired members of the uniformed services who were on the retired list when the Uniformed Services Contingency Option Act of 1953 was enacted, may revoke elections made under that act. Under the proposed legislation, revocations would be limited to cases in which it can be shown to the satisfaction of the Secretary concerned that the election was based on misinformation or mathematical error on the part of the retired member in the computation of the cost of benefits he would receive when such misinformation or mathematical error has resulted in undue hardship. I may say that this will affect only 30 or 40 individuals.

Mr. GROSS. I withdraw my reservation of objection, Mr. Speaker.

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

There was no objection.

The Clerk read the bill, as follows:

Be it enacted, etc., That retired members of the uniformed services who have elected under section 3 (b) of the Uniformed Services Contingency Option Act of 1953 (Public Law 239, 83d Cong.) to receive a reduced amount of retired pay in order to provide an annuity under such public law may, within 60 days after the date of enactment of this act, revoke such elections. A retired member may not revoke an election under this act if any individual has died who would have been eligible to receive, upon the death of the member, an annuity payable under the election made by him, or if he cannot establish to the satisfaction of the Secretary concerned that he made such election because he was misinformed as to his rights under such public law or because he made a mathematical error in computing the benefits which he would derive under such public law. No retired member who revokes an election under this act shall be entitled to have refunded to him any amounts withheld from his retired pay under such public law prior to such revocation, and he shall not thereafter be permitted to be covered in any way by such public law.

SEC. 2. Terms used in this act shall have the meaning assigned to them by the Uniformed Services Contingency Option Act of 1953.

With the following committee amendment:

Page 1, strike out all after the enacting clause and insert in lieu thereof the following:

"That retired members of the uniformed services who have elected under section 3 (b) of the Uniformed Services Contingency Option Act of 1953 (Public Law 239, 83d Cong.) to receive a reduced amount of retired pay in order to provide an annuity under such public law may, within 60 days after the date of enactment of this act, revoke such elections. A retired member may revoke an election under this act only if he can establish to the satisfaction of the Secretary concerned that he made such election because he was misinformed as to his rights under the Uniformed Services Contingency Option Act of 1953 or because he made a substantial mathematical error in computing the cost of the benefits which he would derive under that act and that such information or error has resulted in undue hardship. The Secretary concerned may revoke an election made by him on behalf of a mentally incompetent member when it is established to his satisfaction that such election has resulted in undue hardship. A retired member whose election is revoked under this act shall have refunded to him a sum which represents the difference between the amount by which his retired pay has been reduced in accordance with his election and the cost of an amount of term insurance which is equal to the protection provided his dependents during the period his election was in effect. A retired member whose election is revoked under this act shall not thereafter be permitted to be covered in any way under the Uniformed Services Contingency Option Act of 1953.

"SEC. 2. Terms used in this act shall have the meaning assigned to them by the Uniformed Services Contingency Option Act of 1953.

"SEC. 3. Payments of the refunds authorized by this act may be made from appropriate current appropriations."

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

PROVIDING FOR THE CONVEYANCE OF CERTAIN LANDS TO THE CITY OF MUSKOGEE, OKLA.

Mr. EDMONDSON. Mr. Speaker, I ask unanimous consent to take from the Speaker's desk the bill (H. R. 8983) to provide for the conveyance of certain lands by the United States to the city of Muskogee, Okla., with an amendment of the Senate thereto, and concur in the Senate amendment.

The Clerk read the title of the bill.

The Clerk read the Senate amendment, as follows:

Page 2, line 18, strike out "bill" and insert "act."

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

There was no objection.

The Senate amendment was concurred in, and a motion to reconsider was laid on the table.

AUTHORIZING CENTRAL BANK FOR COOPERATIVES TO ISSUE CONSOLIDATED DEBENTURES

Mr. HOPE. Mr. Speaker, I ask unanimous consent to return for immediate consideration to Consent Calendar No. 467, the bill (S. 3487) to authorize the Central Bank for Cooperatives and the regional banks for cooperatives to issue consolidated debentures, and for other purposes.

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

Mr. McCORMACK. Mr. Speaker, reserving the right to object, and I shall not object, the distinguished chairman of the House Committee on Agriculture conferred with me after I had asked that the bill be passed over without prejudice, and also the distinguished gentleman from Wisconsin [Mr. JOHNSON]. I am for the bill, but I felt, as I said in my colloquy earlier, that because of its importance it should be considered under the regular rules of the House and not by unanimous consent. But I realize we are getting to the close of the session, and if that happens, I realize there is a reasonable probability that it might get tied up in the last minute legislative rush, and not be passed.

Due to the persuasiveness of the distinguished chairman of the House Committee on Agriculture and the gentleman from Wisconsin [Mr. JOHNSON], and recognizing the practical situation myself as a result of my years of experience in this legislative body, I will be glad to see the House take such action on the bill that it will be passed today.

Mr. Speaker, I withdraw my reservation of objection.

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

There was no objection.

The Clerk read the bill, as follows:

Be it enacted, etc., That section 37 of the Farm Credit Act of 1933, as amended (title 12, U. S. C. 1134m), is hereby amended by substituting the word "paragraph" for the word "section" in the next to the last sentence thereof and by adding thereto the following new paragraph:

"When the Central Bank for Cooperatives and the regional banks for cooperatives shall by resolutions consent thereto, consolidated debentures of the 13 banks for cooperatives may be issued in the manner and form and on terms and conditions approved by the Farm Credit Administration. There shall be a debenture committee comprised of the presidents of the 12 regional banks for cooperatives and the chief executive officer of the Central Bank for Cooperatives which shall exercise with respect to such consolidated debentures powers and functions equivalent to the powers and functions of the Bond Committee of the Federal Land Banks as authorized by the Federal Farm Loan Act, as amended, and shall operate in accordance with the provisions of law applicable to such Bond Committee (title 12, U. S. C., 883–886). Such debentures shall be made payable at any of the banks for cooperatives and may be made payable at any Federal Reserve bank or banks designated on the fact of the debentures. Such debentures shall be the joint and several obligations of the Central Bank for Cooperatives and of the regional banks for cooperatives, and each of such banks is hereby authorized and directed to take such action as is necessary to become obligated for such debentures. The debentures shall be secured by collateral which shall be at least equal in value to the amount of debentures outstanding and which shall consist of cash, direct obligations of the United States, or notes or other obligations discounted or purchased or representing loans made under sections 34 and 41, as amended (title 12, U. S. C., 1134j, 1134c). The Farm Credit Administration shall appoint a custodian or custodians of such collateral who shall have power subject to such rules and regulations as the administration may prescribe to approve and accept substitutions of collateral. The total amount of such consolidated debentures plus any outstanding individual debentures of the Central Bank which may be issued and outstanding at any time shall not exceed 8 times the capital and surplus of the central and regional banks for cooperatives. The provisions of law made applicable by the preceeding paragraph to the preparation and issue of debentures by the Central Bank for Cooperatives shall govern the preparation and issue of debentures under this paragraph and they shall be signed by the Governor of the Farm Credit Administration and attested by any deputy governor. Insofar as applicable, the provisions of the Federal Farm Loan Act, as amended, relative to the call for additional security and failure of any bank to pay its proportion of interest or principal shall apply to the consolidated debentures of the banks for cooperatives. Debentures issued under the provisions of this act by banks for cooperatives shall be a lawful investment for all fiduciary and trust funds, and may be accepted as security for all public deposits."

SEC. 2. The last sentence of paragraph 7 of section 5136 of the Revised Statutes, as amended (title 12, U. S. C., 24), is hereby amended by striking the words "Central Bank for Cooperatives" and inserting in lieu thereof the following: "thirteen banks for cooperatives organized under the Farm Credit Act of 1933, or any of them."

SEC. 3. Section 41 of the Farm Credit Act of 1933 (12 U. S. C. 1134c) is amended by adding at the end thereof the following: "Notwithstanding the foregoing or the provisions of section 34 or 38, no loan shall be made by any bank for cooperatives or by the Central Bank for Cooperatives for the purpose of financing the construction of broiler-growing facilities, the purchase of chicks, or the purchase of feed to be used primarily in the production of broilers. The said banks shall take reasonable precautions to avoid making loans which are likely to result in increased broiler production."

With the following committee amendments.

Page 3, line 9, change the word "central" to "Central."

Page 4, lines 5 to 15 inclusive, strike out all of section 3.

The committee amendments were agreed to.

The bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

AUTHORIZING CONSTRUCTION OF NAVAL VESSELS

Mr. ARENDS submitted a conference report and statement on the bill (H. R. 8571) to authorize the construction of naval vessels, and for other purposes.

HOUR OF MEETING TOMORROW

Mr. ARENDS. Mr. Speaker, I ask unanimous consent that when the House adjourns today, it adjourn to meet at 11 o'clock tomorrow morning.

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

There was no objection.

COMMITTEE ON THE JUDICIARY

Mr. REED of Illinois. Mr. Speaker, I ask unanimous consent that the Committee on the Judiciary may have until midnight tonight to file sundry reports.

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

There was no objection.

ALLOWING SUITS FOR RECOVERY OF TAXES IN DISTRICT COURTS

Mr. KEATING submitted a conference report and statement on the bill (S. 252) to permit all civil actions against the United States for recovery of taxes erroneously or illegally assessed or collected to be brought in the district courts with right of trial by jury.

OUR PRIMARY NATIONAL INTEREST IS LATIN AMERICA

Mr. SMITH of Wisconsin. 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 Wisconsin?

There was no objection.

Mr. SMITH of Wisconsin. Mr. Speaker, the revolution that broke out in Guatemala a few weeks ago served to move Latin America from the travel section to the front page of our newspapers. This conflict has long been brewing; it was not unexpected by those who have been following events south of the border. Even so, we were surprised to awake one June morning to discover that Guatemala, in our hemisphere and just a few hours flying time from the Panama Canal and the United States, had become a grave danger to the Nation's security against aggressive international communism.

Do the Communists really have a plan for war in the Americas? And if so, what are we doing to stop their attempt to disturb the peace and cooperation of this hemisphere?

There are some who argue that Latin America can never be a major danger to us. They reason that the area is too near to us and too remote from Communist power to be vulnerable to a Korean-type aggression. Yet Communist influences, while they may not burst upon us in open military conflict as in Korea, can seep in and be just as dangerous as outright military action.

One pattern of infiltration of this type can readily be traced in Guatemala. In 1944 the Guatemalan people revolted against a dictator. When it came time to organize a government of their own, however, the leaders of the revolt were divided by old rivalries and differences of approach to basic problems. None had ready a program of action. Into this situation came the Communists, highly organized and strictly disciplined. They arrived armed with a plan and a detailed procedure for carrying it out. The new president turned to them, for his other support was hopelessly divided. Before long, Communists held key posts in labor unions, the agrarian reform program, the government-controlled radio station and newspaper.

We all remember the flurry of editorial warnings resulting from the spotlight thrown on the Guatemalan situation at the Caracas Conference in March of this year. More recently there was a great commotion as a result of the armament shipment to Guatemala from Red Poland. Once again the headlines reverted to the small Central American republic as revolt flared up in the country.

This widespread publicity might lead some to believe that Guatemala is the only source of danger to the hemisphere. Certainly the situation in Guatemala was and perhaps still is a serious one. But Communist efforts to penetrate Latin America extend far beyond Guatemala and they go on day and night.

Throughout Latin America, Communist Party membership is estimated at around 200,000. It has been on the decline since 1947. Nevertheless, in the latest elections in Latin America, the Communist Parties polled about 1 million votes, indicating that many who do

not belong to the parties still support the Communists. This is an extraordinary figure when it is recalled that the highest vote ever polled by the Communist Party in the United States, in 1932, was only about 103,000.

We can ill afford to ignore the dangers of Communist infiltration in Latin America. The loss of this region or any part of it to freedom is unthinkable. We share with these republics to the south too many common ideals, needs, and interests. So many, in fact, that it is not an exaggeration to say that the Western Hemisphere has a common destiny.

As a former member of the Subcommittee on Latin America of the Foreign Affairs Committee of the House, I have traveled throughout Latin America and continue to maintain my interest in the area. I firmly believe that while we differ in language and customs, our ideals and aspirations are similar. The same belief in freedom and national independence that inspired Jefferson and Washington also motivated such great Latin American liberators at San Martin and Bolivar. Our political systems vary, but freedom is a goal which binds us all.

It was this goal which kept the nations of the hemisphere intact during World War II. How important the tie is to us was dramatized by the economic and strategic interdependence, that was evident during the conflict. At that time the Latin American nations filled unstintingly a desperate need in this country for raw materials needed for the war. And they joined with us in the military defense of the hemisphere. Some of their forces fought side by side with ours on battlefields across the seas. Bases in their countries proved to be vital jumping-off places and guard stations against enemy invasion.

Prior to the Guatemalan difficulties, it was easy to overlook the fact that this military interdependence continues in time of cold war as well as hot war. But now is a good time to remember that the Panama Canal, America's lifeline between the Atlantic and Pacific Oceans, lies in the midst of the 20 American Republics, and that more than one-half of our Latin American neighbors are geographically situated in the Caribbean or Gulf of Mexico area, a zone whose defense is indispensable to our security.

A situation such as existed in Guatemala presents a grave threat to the cooperation on this hemisphere. Fortunately that situation has improved. But it was a menace to the security and well-being of this Nation and the other Republics as well. What can we do to prevent a repetition or an extension of the Guatemalan situation? What can we do to bolster the common resistance of the Americas to the evil which is present? The events that have transpired in Guatemala emphasize the need to give constant attention to the relationships which we share with the republics to the south.

Some steps have already been taken. We have established a continuing mutual defense system with eight Latin American countries, and negotiations are going forward with others. Under this program, we furnish equipment to their armed forces and train military personnel in the methods of modern warfare. This program puts teeth into certain treaties which bind all the American republics to cooperate to end war in the hemisphere and to act jointly to stop aggression from entering it. These are encouraging evidences of the development of sound inter-American mechanisms for the defense of the hemisphere.

But military preparation alone will not halt the spread of communism. The fact is that communism feeds on certain conditions which exist in the Americas. And if we would eradicate communism, we must work together to eliminate those conditions. A look at the health and literacy statistics for Latin America is shocking. Life expectancy in that region averages less than 45 years. Whereas adult illiteracy in the United States is about 3 percent, we find such figures as 70 percent for Nicaragua, 44 percent for Colombia, 72 percent for Bolivia, and 45 percent for our nearest neighbor, Mexico.

The economic and social ills which rack many of our sister republics can no longer be ignored. The glowing promises presented by Communists could seem appealing and they are to those who are offered no alternative.

Let us, then, keep our military alliances in readiness. But at the same time, let us attack the problem at its roots.

Milton Eisenhower, on his return from Latin America, where he traveled as the President's personal representative, reported to the President:

> Economic improvement is the greatest single desire of the leaders and peoples of Latin America. And economic cooperation is without question the key to better relations between the United States and the nations to the south.

This opinion was substantiated at the Caracas Conference in March. At that meeting, the Latin Americans pointed out the immense obstacles in the way of their economic development. They wanted a hemispheric consideration of means for overcoming those obstacles.

I believe that there are ways in which we can be of help—not with new giveaways, not with irritating charity, but ways which will not only help the Latin Americans but ourselves as well. The day of the fantastic theory that friendship could be bought with handouts is over and not a moment too soon. We have come close to alienating the goodwill of the world by prolonging economic aid long beyond the time of its absolute necessity.

There are sound ways in which we can help Latin America and be helped in return. And these possibilities ought to be explored without delay.

The health of the economies of most Latin American countries is largely linked with the export of a single, or perhaps two, commodities. In Cuba it is sugar, in Bolivia tin, in Venezuela petroleum. Any sudden change in the world price of these commodities is in itself enough to cause a panic within the producing countries.

The Latin Americans are trying to get away from this single-commodity setup. But to do so, they must undertake broad programs of economic development. They need roads and railroads and improved water transportation to stretch to still untapped resources. They need powerplants as a base for industries so that they may diversify their production. These things take capital. Until now, capital accumulation has been dependent upon surpluses from the sale of their export commodities in the world markets as well as on loans from abroad, particularly from this country. Private investment of United States capital in our neighboring countries has been substantial. At the beginning of 1953, about $7 billion was invested in that region, more than in any other region of the world.

Only the most rabid nationalists and Communist - inspired Yankee haters would deny that these investments have greatly aided the development of the Latin American economies. Many fair-minded Latin American economists, however, point out that private capital from abroad has tended to gravitate to industries producing commodities readily salable abroad for dollars so that a return can be realized on the investment. Private foreign investment, in short, has gone heavily into raw-material production and mining development. These have been on the whole very beneficial investments and a continuation and expansion of them is highly necessary and desirable, both for ourselves and for the Latin Americans. But if such risk taking is to be stimulated to the advantage of both lender and borrower, it must be supplemented by other types of investment, particularly in roads, hydroelectric plants, port facilities, and similar undertakings. The problem is, From whence is capital to come for these investments since they are of a kind that are not generally financed by private capital?

Much of it, of course, will be provided by credit facilities in the Latin-American countries themselves. At the present rate of development, however, these countries are unable to satisfy the need for capital of this kind. One possible supplementary source—and one to which many Latin American leaders look—is the Export-Import Bank of the United States. Since 1934 the bank has authorized credits amounting to more than $2 billion to practically all of the southern Republics. These are not gifts. They are long-term loans, which are paid back with interest, and on which the default rate has been infinitesimal. They enable the receiving country to undertake major projects of development, the payment for which can be spread over a long period of time. The procedure involved is much like a private citizen's purchase of a house or an automobile.

In their desire to raise their standards of living, the Latin Americans are counting on our continuing and facilitating the flow of capital from this source. The value of these loans to them as well as to us goes without saying. They help to establish the basic facilities without which industry and trade cannot flourish. They serve to stimulate the flow of private foreign capital, thus encouraging

private enterprise, both in Latin America and the United States.

In this respect it is well to remember that we have a very flourishing trade with Latin America and that it is very much a two-way street. In 1953 they purchased more than 50 percent of imports from us and these purchases amounted to $6.4 billion. That is an enormous volume of sales and it means jobs and profit for thousands of Americans. I have examined what this trade means to my own State of Wisconsin, and found the facts very revealing.

Wisconsin, as the Members of the House know, has more dairy cattle than any other State, and leads the country in the production of dairy products. According to the Department of Agriculture, Latin America last year purchased more than 48 percent of the almost 6 million pounds of cheese the United States exported. Of the total United States export of milk products, like condensed and evaporated milk, Latin America took about one-third. Latin America also bought approximately two-thirds of all the butter sent abroad.

Latin America's purchasing power affects Wisconsin in still another way. My State manufactures many commodities which are used in the production of export goods: farm machinery, road machinery, automobiles and accessories, machine parts, bolts, rivets, batteries, electric motors. The list is too long to be itemized here. Each of these items that finds a customer in Latin America, increases the prosperity of the citizens of Wisconsin. In a similar manner, other States feel the benefits of their trade and the entire economy of the Nation is stimulated by this enormous annual sale of over $6 billion worth of products in Latin America. Furthermore, Latin America's rate of population growth, 2.5 percent annually, one of the largest in the world, promises to make that region an expanding market for consumer goods. The total population of Latin America is already greater than that of the United States.

In the fall, Latin American delegates are scheduled to meet with delegates from the United States to discuss our economic problems. I hope that we will recognize the need to stabilize our trade policies toward Latin America and to facilitate the granting of loans so vital to the development of our sister republics. The citizens south of our border are not content to live on 20 cents a day as they did in the past. In our own self-interest, both political and economic, as well as in the interest of the hemisphere, we must take cognizance of the real grievances of these people and cooperate with them through their governments in finding a solution to the problems which confront them. A poverty-stricken, illiterate populace is not a fertile basis on which democracy and private enterprise can flourish.

In this hemisphere, we still have a chance to demonstrate the power of free economies and free societies to serve the needs of their citizens far better than any other system. But we will be able to do so only if we work cooperatively, continuously and cordially with the other republics of the Americas.

In all of our relationships with our friends in Latin America it must be understood that the United States seeks no particular advantages, social or economic. We are sister republics on the same level, each a sovereign nation dedicated to the cause of human freedom in the Western Hemisphere and throughout the world.

On that basis we can all move forward together with the high expectation of better standards of living for all of our people and for continued hemispheric solidarity.

WEST VIRGINIA DISASTER

Mr. BAILEY. 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 West Virginia?

There was no objection.

Mr. BAILEY. Mr. Speaker, I have asked for this time in order to tell my colleagues that the Office of the United States Army Engineers has notified me that the State of West Virginia has been visited by another disastrous flash flood. This morning at 6 o'clock the city of Ridgeway, a city with a population of approximately 6,000, was practically devastated. Fourteen bodies have been recovered and 20 people are still missing. A number of houses have been destroyed. The extent of loss of life and property cannot be determined at this time because all communications have been cut off. The city is without water. I am calling the attention of my colleagues of the House to the fact that the White House has been alerted and the Army engineers and the Red Cross are on the job. I remind my colleagues of the need for prosecuting the program started recently by the chairman of the Committee on Agriculture on upstream development. This is one of those cases which could have been prevented by the kind of work provided for in that program.

MEMORIAL TO THE LATE HONORABLE ROY O. WOODRUFF

Mrs. ROGERS of Massachusetts. Mr. Speaker, I ask unanimous consent to address the House for 1 minute.

The SPEAKER. Is there objection to the request of the gentlewoman from Massachusetts?

There was no objection.

Mrs. ROGERS of Massachusetts. Mr. Speaker, on Sunday, June 27, 1954, in the First Presbyterian Church, Bay City, Mich., there was formally presented by Mrs. Roy O. Woodruff, a memorial to her husband, the late Congressman from the 10th Congressional District of Michigan. The ceremony, though brief, was beautiful. Mr. Woodruff and his wife were residents of Bay City, in the 10th Congressional District, throughout their married life, and for many years were faithful members of the church. Mr. Woodruff's congressional service, during the 34 years of his tenure, was of a most outstanding and distinguished character. He was also a veteran of the Spanish-American War.

The memorial has been placed in the chapel entrance of the church and is an artistically designed bulletin board, with bronze plaques, at top and bottom of the board, appropriately inscribed.

The top inscription—surmounted by the cross—reads as follows:

> Let your light so shine before men that they may see your good works and give glory to your Father who is in heaven. (Matthew 5: 16.)

The bottom inscription reads thus:

> Given in memory of Hon. Roy Orchard Woodruff, March 14, 1876–February 12, 1953, by his wife, Daisy Fish Woodruff.

The presentation of the memorial was made by Mr. Carl H. Smith, prominent attorney of Bay City, and lifelong friend of the late Congressman. His remarks were of an intimate and moving character.

The formal acceptance of the memorial was made by the Reverend Frederick A. Roblee, pastor of the church, and concluded by the following beautiful prayer delivered by him:

> Almighty God, who dost enlighten the minds of Thy servants with the knowledge of Thy truth, strengthen now Thy church we pray Thee. May all who pass this place be inspired by the words of the Lord Jesus which are here inscribed, "Let your light so shine before men, that they may see your good works and give glory to your Father who is in heaven," and by the memory of this statesman who served his country so long and faithfully.
>
> O Thou who art the Creater and lover of all men, by whom all souls do live: We bless and praise Thee for all that was pure and true, noble and strong, in the life commemorated this day; for the example of faith in God and in men which he has left; and for the assurance we have, through Christ, that he has entered into eternal glory.
>
> Now unto Him that is able to do exceedingly abundantly above all that we ask or think, according to the power that worketh in us; unto Him be glory in the Church by Jesus Christ, throughout all ages, world without end. Amen.

Thereupon, Mrs. Woodruff, briefly but fervently, expressed the deepest appreciation, speaking as follows:

> I am very much pleased with this lovely memorial for my husband.
>
> I trust it will prove as useful and helpful to the church as Mr. Woodruff was to Bay City and the rest of the 10th district, which he represented in Congress so many years.
>
> Thank you all for your kind cooperation, and especially Dr. Roblee, who was helpful in making my dream a reality in the selection of something that would be useful and appropriate for the church.

This memorial, artistically conceived and wrought, constitutes a distinctive adornment for the church, and a constant and fitting reminder of the eminent virtues of him in whose honor it stands.

I know that the Members of this body who served with Mr. Woodruff, and who are fully cognizant of his sterling worth and patriotic and highly useful public service—as well as the newer Members who have come to understand all this—will be very glad to learn of the memorial and the ceremonial attendant upon its presentation and acceptance.

NINETEEN HUNDRED AND FIFTY-FOUR NATIONAL AWARD TO LEE METCALF

Mr. JOHNSON of Wisconsin. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

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

There was no objection.

Mr. JOHNSON of Wisconsin. Mr. Speaker, as a conservationist, I am proud to call the attention of my colleagues to the honor just bestowed upon my colleague from the First District of Montana [Mr. METCALF]. As you know, five great national conservation organizations have cited Mr. METCALF for distinguished service to conservation.

Eighty conservation leaders applauded as Bernard DeVoto, Pulitzer prize-winning author, presented the bronze plaque on behalf of the Wildlife Management Institute, National Wildlife Federation, Izaak Walton League of America, National Parks Association, and the Wilderness Society.

Mr. METCALF was cited as a man whose alert and continuing work in the Nation's Capital has won him widespread respect and admiration. By virtue of his profound interest and comprehensive understanding of conservation and its objectives and problems, he has during his first term in office as a Member of the House of Representatives emerged as a defender of the principles of better management and wise use of natural resources for the benefit of all of the people.

The organizations also noted that Mr. METCALF was a foremost leader in what they termed "successful actions that turned aside attempts by those who chose to overlook the fundamental privileges of all Americans in the national forest lands in order to obtain special concessions for minority groups."

Although I have only been in Congress since January, I am proud to have been present and voted with him in this fight.

I append to my remarks the citation which accompanied the plaque awarded to our distinguished colleague:

NINETEEN HUNDRED AND FIFTY-FOUR NATIONAL AWARD TO LEE METCALF FOR DISTINGUISHED SERVICE TO CONSERVATION

LEE METCALF'S alert and continuing work in the Nation's Capital has won him widespread respect and admiration. By virtue of his profound interest and comprehensive understanding of conservation and its objectives and problems, the recipient has, during his first term of office as a Member of the House of Representatives of the United States, emerged as a defender of the principles of better management and wise use of natural resources for the benefit of all the people. Among his many achievements in attaining an enviable record in the 83d Congress, he was a foremost leader in successful actions that turned aside attempts by those who chose to overlook the fundamental privileges of all Americans in the national forest lands in order to obtain special concessions for minority groups; he sponsored legislation that would make possible improved management of public-domain lands; and he directed the attention of Congress to the diversion of duck stamp funds while appealing for adequate appropriations with which to fulfill the duties and responsibilities of the United States Fish and Wildlife Service. It is in gratitude for this outstanding public service and in appreciation of his accomplishments that this national award and bronze plaque is presented to Representative LEE METCALF, of Montana, by the undersigned national conservation organizations.

IZAAK WALTON LEAGUE OF AMERICA.
NATIONAL PARKS ASSOCIATION.
NATIONAL WILDLIFE FEDERATION.
WILDERNESS SOCIETY.
WILDLIFE MANAGEMENT INSTITUTE.

Mr. Speaker, I ask unanimous consent that the gentleman from Texas [Mr. BROOKS] may extend his remarks in the RECORD following my remarks.

The SPEAKER. Is there objection?

There was no objection.

Mr. BROOKS of Texas. Mr. Speaker, I too was very pleased to note that five national conservation organizations cited the gentleman from Montana [Mr. METCALF], for the distinguished service he has rendered in behalf of conservation during this 83d Congress.

Mr. METCALF has advocated a sound program of public-land management, a program of multiple use not only for this generation but for the future. He has maintained that full consideration should be given to all uses of public lands—including watershed conservation, timber production, mining, recreation, wildlife and grazing—instead of to just one or a few.

He feels, as I do, that only through maximum utilization of our great natural resources can we guarantee for future generations in this country the public benefits of bountiful natural resources.

To implement this program of full utilization of our natural resources, he has introduced H. R. 6081, amending the Taylor Grazing Act, and establishing multiple-use advisory boards on which each important use of public lands would be represented. Conservationists have hailed this bill as a step toward maximum use of our natural resources—a Federal policy since the days of Grover Cleveland and Theodore Roosevelt.

COLORADO RIVER UPPER BASIN PROJECTS

Mr. HOSMER. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

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

There was no objection.

Mr. HOSMER. Mr. Speaker, a solid front of unanimous opposition to pending congressional bills, S. 1555, H. R. 236, and H. R. 4449, for the Colorado River Upper Basin projects is being registered by those affected.

An avalanche of resolutions from many county, city, and community administrative bodies have been received by our California congressional delegation.

The statewide opposition to the proposed billion dollar nonliquidation tax subsidy, threatening our rightful share of Colorado River water, has been supplemented by telegrams and letters from recognized agricultural, labor, financial, property and taxpayers organizations.

The list recorded to date includes:

City Councils of Anaheim, Beverly Hills, Burbank, Calexico, Calipatria, Chino, Compton, Fontana, Fullerton, Glendale, Hemet, Holtville, Long Beach, Los Angeles, Ontario, Pasadena, Perris, San Diego, San Jacinto, San Marino, Santa Ana, Santa Monica, Torrance, and Upland.

The Los Angeles and Orange County Board of Supervisors, and the County Supervisors Association of California Board of Directors; Southern California Council of the California State Chamber of Commerce, California State Grange, Los Angeles Central Labor Council, California Industrial Union Council, CIO, Coachella Valley Water District, Colorado River Board of California, Imperial Irrigation District, Brawley Chamber of Commerce, Los Angeles Department of Water and Power, Metropolitan Water District of Southern California, California Taxpayers Association, Property Owners Association of California, Railroad Brotherhoods' Joint Legislative Council of California, Rainbow Municipal Water District in San Diego County, and San Diego County Water Authority.

The action by the County Supervisors Association of California Board of Directors, with every county in the State officially represented by the board's action, presents a united defense against the proposed bills which threaten California's rightful share of Colorado River water.

California's agricultural, industrial, and population growth is rooted in water and we must protect its source to meet our present and future expansion and employment—

Said Roger Jessop, president of the association, after passage of the resolution.

The resolution was introduced by Supervisor Willard Smith, of Orange County, and seconded by Supervisor David W. Bird, of San Diego County. It reads as follows:

Whereas the County Supervisors Association of California has consistently opposed legislation injurious to the welfare of the citizens of this State and the Nation; and

Whereas the Colorado River upper basin billion-dollar tax-subsidy project bills (S. 1555, H. R. 236, and H. R. 4449), now pending before the Congress, would inflict on all American taxpayers an unjustifiable new burden; and

Whereas, for California as a whole, it would add $93,200,000 to the State's $25,443,600,000 share of the present $273 billion national debt; and

Whereas the economy of the Nation, the State of California, and every county therein would be seriously impaired by these costly and highly controversial proposals; and

Whereas this pending legislation calls for drastic changes in existing Federal water policy with the construction of an Echo Park Dam, which would flood a considerable portion of the Dinosaur National Monument in Utah; and

Whereas 80 years of a sound conservation policy would be broken and there would be created a dangerous precedent of like-invasion of all our great National and State parks; and

Whereas the County Supervisors Association of California is familiar with the organization, functions, activities, and program of the Colorado River Board of California

in its representation of California in connection with matters relating to the Colorado River system; and

Whereas the State of California has a vital interest in the waters of the Colorado River system and said Colorado River Board was authorized and created and provided for by the legislature of the State of California as an agency to protect the interests of the State of California in and to the waters of the Colorado River system: Now, therefore, be it

Resolved, That the board of directors of the County Supervisors Association of California do hereby express our confidence in the Colorado River Board of California and supports said board's expressed opposition to this proposed legislation and authorizes the secretary of this association to mail copies of this resolution to all California Members of Congress.

But the opposition to these bills is national as well as local. Nationally these bills are opposed by the Advisory Board on National Parks, Historic Sites, Buildings and Monuments, National Parks Association, Wilderness Society, Izaak Walton League of America, Sierra Club, National Wildlife Federation, National Parks Magazine, National Council of State Garden Clubs, and Wildlife Management Institute. Also the Engineers Joint Council representing among others the American Society of Civil Engineers, American Institute of Mining and Metallurgical Engineers, American Society of Mechanical Engineers, and the American Water Works Association.

These pump-priming measures would inflict on all American taxpayers an unjustifiable new burden, and for California as a whole it would add $93,200,000 to the State's $25,443,600,000 share of the present $273 billion national debt.

This legislation calls for drastic changes in the existing Federal water policy with the construction of an Echo Park Dam.

As a result 80 years of a sound conservation policy would be broken and there would be created a precedent of like invasion of all our great National and State parks.

TRIBUTE TO GEN. CARLOS P. ROMULO

Mr. McCORMACK. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to include as a part of my remarks an editorial appearing recently in the New York Times.

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

There was no objection.

Mr. McCORMACK. Mr. Speaker, the events in southeast Asia are leading to a climax. Whatever arrangements may be made in Geneva they will only serve to help lead to that climax. It is of utmost importanct to us to see to it that we strengthen our friendship with the peoples of that region and convince them of our sincerity as their friends and allies.

That is what we are doing in the Philippines. This session of Congress has so far approved a number of measures designed to show the Filipino people that we are grateful to them for the loyalty that they showed democracy in the last war and for their determination to stand up and be counted whenever democracy is threatened as they did when they sent their troops to Korea. They have a new President, Ramon Magsaysay, whose record as a guerrilla leader during the last war has won our admiration. His 6-month administration as President has served to enhance our respect and regard for him.

That he should have had the wisdom to send to Washington as his special and personal envoy our former colleague, Gen. Carlos P. Romulo, to work for the measures that we have approved shows that President Magsaysay knows how to choose the man who can get things for the Philippines in the United States. We have an abiding affectionate regard for General Romulo in this country. We not only respect him, but have a real affection for him. His war record is a record of loyalty and courage. His work in the United Nations for democracy has stamped him as one of the world's leading statesmen. Whenever we see him on the floor of the House we see in him not only a former colleague but a true soldier of democracy who in war as well as in peace can be counted upon to uphold and defend the democratic ideals of freedom and human dignity.

With the unanimous consent of the House, I insert an editorial of the New York Times of July 16 entitled "Gains for the Philippines" and which pays a well-deserved tribute to General Romulo:

GAINS FOR THE PHILIPPINES

President Eisenhower has signed a proclamation making effective, as of July 4, an 18-month extension of our reciprocal free trade with the Philippines. Congress had authorized this step and a similar measure has been approved by the Philippine Legislature. The purpose of the extension is to provide a period in which further study can be made of Philippine-American trade relationships, looking to possible revision of the basic trade act. The American members of a panel to make this study have already been named and they are distinguished economists and technicians. It is now to be hoped that Manila can quickly name men of equal caliber and that the study can begin at an early date.

The free-trade extension is the final step in a series of legislative and administrative moves over the past 5 months that have been designed to strengthen Philippine economy and to cement Philippine-American bonds. These include the Philippine Traders Act, which is a matter of simple fair play for businessmen, the extension of the Rogers Act, which provides medical benefits for Filipino veterans of our joint military campaigns, the extension of the War Prisoners Claims Act, which will benefit some 70,000 Filipinos who were prisoners, and the vitally important implementation of the United States-Philippines Mutual Defense Pact.

These things have been done without fanfare and without any great controversy precisely because there is a mutality of interest between ourselves and the Filipinos and much good will on both sides. Part of this stems from the personality of Ambassador Romulo, who came to this country as the personal representative of President Magsaysay to work for the adoption of these measures. He is a good and hard-working representative of a good and hard-working President, and the combination has paid dividends that can accrue both to his country and to ours.

SPECIAL ORDER GRANTED

Mr. MEADER asked and was given permission to address the House for 10 minutes today, following the special orders heretofore entered.

BAD DROUGHT CONDITIONS IN SOUTHWEST

Mr. EDMONDSON. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

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

There was no objection.

Mr. EDMONDSON. Mr. Speaker, although it has not received the publicity of last year's drought condition throughout the Nation, there are many indications that the drought situation in the Southwest is already worse in many areas than it was in 1953.

I have here a letter received this week from Cherokee County, Okla., in which the county agent reports the situation critical at present and he feels it will become progressively worse if drought continues.

I have a telegram just received this morning from Muskogee County stating:

Disastrous drought condition. Need immediate drought relief. Pastures and all feed dried up. Farmers selling foundation herds.

These conditions, I believe, are prevalent in many States of the Southwest.

Just Saturday the Senate passed the bill S. 3339, designed to provide immediate additional loan funds to meet this situation. Similar bills have already been introduced on the House side by the gentleman from New Mexico [Mr. DEMPSEY] and the gentleman from New Mexico [Mr. FERNANDEZ] and I am today introducing a similar bill. I hope the House will take action to meet this problem as quickly as possible.

SUPPLEMENTAL APPROPRIATION BILL, 1955

Mr. TABER. Mr. Speaker, I move that the House resolve itself into the Committee of the Whole House on the State of the Union for the immediate consideration of the bill (H. R. 9936) making supplemental appropriations for the fiscal year ending June 30, 1955, and for other purposes; and pending that motion I ask unanimous consent that general debate continue for 2 hours, to be equally divided between the gentleman from Missouri [Mr. CANNON] and myself.

Mr. CANNON. Mr. Speaker, reserving the right to object, will the gentleman modify his request to make it not to exceed 2 hours.

Mr. TABER. Yes, I will. Mr. Speaker, I so modify my request.

Mr. CANNON. In that event if debate is sooner concluded we can proceed to a reading of the bill.

Mr. TABER. Yes, but I wish to state at this time that we have been unable to obtain the rule that we must have today

for the consideration of certain items in the bill, and the Rules Committee does not meet this afternoon. Because of this we will not read too far in the bill today.

Mr. CANNON. But you will conclude general debate?

Mr. TABER. Yes.

Mr. CANNON. Mr. Speaker, I withdraw my reservation of objection.

The SPEAKER. The gentleman from New York [Mr. TABER] asks unanimous consent that general debate continue not to exceed 2 hours, to be equally divided between himself and the gentleman from Missouri [Mr. CANNON].

Is there objection?

There was no objection.

The SPEAKER. The question is on the motion.

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. 9936, with Mr. ALLEN of Illinois 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. Under the consent request just granted, the gentleman from New York [Mr. TABER] will be recognized for so much of 1 hour as he may use and the gentleman from Missouri [Mr. CANNON] for so much of 1 hour as he may use.

Mr. TABER. Mr. Chairman, I yield myself 8 minutes.

Mr. Chairman, this bill involves a total of recommendations from the budget of $1,959,000,000. The committee bill as reported calls for the appropriation of $1,194,188,079. There are some routine items for the legislative and the judiciary and there are a few items for State, Commerce, and Justice, and some for Treasury.

The Department of Labor, and Health, Education, and Welfare, has been provided with $95 million; Agriculture, $6½ million; Interior $17,496,000; independent offices $388,471,000; military construction, $571,600,000; and emergency program activities $69,295,000.

When the bill is read for amendment an opportunity will be afforded for discussion insofar as amendments that may be offered are concerned. The committee has worked very hard upon these items, and I believe it has done a good job. It is one of the most difficult things in the world to handle a supplemental bill in the last days of a session.

I hope when the reading of the bill for amendment has been concluded it will receive the approval of the Congress.

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

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

Mr. BAILEY. Are there any provisions made for supplemental money to implement a change in public laws having to do with impacted school districts by dropping the absorption provision?

Mr. TABER. There is nothing in here that relates to that particular item, if I remember the situation correctly. I would rather yield to the gentleman from Idaho [Mr. BUDGE] to answer that question.

Mr. BUDGE. May I ask what the question was?

Mr. TABER. The question is whether there are any provisions in the bill that would remove some restrictions upon impacted school districts. I understood there were no provisions relating to school districts in here. There was nothing submitted, if I remember correctly.

Mr. BUDGE. There was nothing to my knowledge. I know of nothing in the bill that relates to impacted school districts.

Mr. TABER. That would be legislation, in any event.

Mr. BUDGE. I would think so, but there was nothing considered in the committee, and we had no submission from the Department, to the best of my knowledge.

Mr. BAILEY. The question grew out of the activities of the Senate in proposing to change the public law dealing with construction, maintenance, and operation on account of restrictions in the present law requiring percentage construction requirements. I take it that that legislation has not cleared the Senate and no request was made for including it here.

Mr. TABER. There was a provision in the Departments of Health, Education, and Labor bill before the House earlier. There was a provision that the Senate inserted relating to the elimination of a requirement that there be a certain percentage of children involved as a result of an impacted area before the district would be entitled to receive any aid. But the conference report did not provide for that.

Mr. BAILEY. As the result of that, was there not an understanding that money would be made available in this supplemental appropriation bill for that purpose?

Mr. TABER. No.

Mr. BAILEY. There was no agreement of that kind?

Mr. TABER. No; no agreement.

Mr. BAILEY. I thank the gentleman from New York.

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

Mr. TABER. I yield to the gentleman from Iowa.

Mr. GROSS. I notice an item of $500,000 for the building of an embassy in Pakistan, with the labor for the building of this structure to be donated. How much do these embassies cost, I would like to ask the gentleman?

Mr. TABER. Well, frankly, that Embassy, as I understand, is being built by what they call counterpart funds, and is being erected as an incident of good will to those people. So that it may be clear, as I understand, counterpart funds consist of moneys that have been received, or a percentage of the currency of the nations involved that has been received out of the sale of things that we have contributed to them in the days gone by. That is what I understand will be used for that purpose, so that the only thing that would come out of the Treasury would be the local currency that would be involved.

Mr. GROSS. I thought this bill provided for $500,000 in cash.

Mr. TABER. Well, the $500,000 in cash would be paid into the Treasury by the State Department for the purchase of that amount of counterpart foreign currency that was held by the Treasury. There is no other way that we could get anything out of them.

Mr. Chairman, I yield 5 minutes to the gentleman from California [Mr. GUBSER].

Mr. GUBSER. Mr. Chairman, I would like to take the time allotted me to express my regret that the committee has not seen fit to include the $8,430,000 rquested for the taking of a census of business, manufactures, and mineral industries. I prepared an amendment which, if introduced and adopted, would restore these funds, but I have elected to request the Senate to restore them instead of offering that amendment.

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

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

Mr. ROONEY. I want to assure the gentleman that I, as well as a number of others on this side of the aisle, would be pleased to support the gentleman's proposed amendment. I have protested the denial of these necessary funds for the purpose of the legally required census of business, manufactures, and mineral industries. I know, and I say now, that this item is going to be restored to this bill in the Senate if it is not restored here in the House.

Mr. GUBSER. I thank the gentleman.

Mr. Chairman, I am particularly interested in this appropriation since I introduced the bill authorizing such census to be taken. The bill was approved by a subcommittee of the House Committee on Post Office and Civil Service of which I was chairman, and it was passed without objection or amendment by the Congress and was signed into law by the President. By authorizing the census, this Congress fulfilled the intent of the 80th Congress which passed legislation for a quinquennial census of manufactures, mineral industries, and business. It also followed the recommendations of the intensive review committee, appointed by the Secretary of Commerce.

But far above my interest in the appropriation which stems from my sponsorship of the authorization bill, is my concern for the taxpayer of this country. To refuse this money would be to throw away $1,590,000 of the taxpayers' money which is already invested in this census.

In deleting this appropriation from the bill, the House Committee on Appropriations held that there would be no loss of investment by the Federal Government if the special census were not conducted. The fact is that $200,000 was spent in fiscal 1952 and $1,390,000 in fiscal 1953 by the Bureau of the Census in preparation for the census that still has not been conducted. The appropriations subcommittee did not appropriate the needed funds for the census for fiscal 1954, giving the Census Bureau

$1,500,000 instead for the purpose of conducting spot checks. If the census is not made, $1,590,000 already invested would disappear down the drain.

The committee further contends that spot checks will be sufficient for the purposes of the business census. This is contrary to the informed opinion of the American Marketing Association, which states that periodic benchmarks are needed in a dynamic economy if we are to know what the actual facts of the economy are, and thereby correct errors that lie in sample studies. The testimony is overwhelming that sampling is worthless without the check points and benchmarks of an occasional complete census. The local map means nothing to the navigator except as it pertains to the entire globe. The charts of San Francisco Bay would be worthless to the pilot were it not for the larger chart which brought the vessel to the harbor entrance—such is the case with censuses.

The committee further contends that spot checks can be conducted from the normal operating funds of the Bureau of the Census. May I point out that the appropriation for fiscal 1954 was $6,870,000 for normal work, with $1,500,000 added for spot checks. The appropriation in this bill is $670,000 less than the normal operating budget of last year, with nothing appropriated for spot checks. Manifestly it is impossible to carry on even the spot-check program with this appropriation.

Mr. Chairman, there is no known opposition to this census outside the House Committee on Appropriations. A long list of witnesses testified before my subcommittee during hearings on the authorization bill, a list which, indeed, reads like a who's who in American business and industry. The National Cotton Council urges the census. So does the American Retail Federation, the National Association of Wholesalers, the United States Chamber of Commerce, the National Distribution Council, and the National Association of Manufacturers. Labor has given its approval, with both the American Federation of Labor and the CIO speaking for the census in recognition of the aid it gives the creation of employment. The National Bureau of Economic Research, the American Statistical Association, the American Marketing Association, and many other professional and educational groups also are for it.

Thus, we find that the legislative branch of the Government has authorized and directed that these censuses be taken, and that the executive branch, notably the Council of Economic Advisers, the Department of Agriculture, the Office of Defense Mobilization, the Board of Governors of the Federal Reserve System, and others, have gone on record in favor of it. We find a solid backing by business and industry, labor, and professional groups. In addition, the taking of these censuses has been given highest urgency by the Intensive Review Committee of the outside experts appointed by the Secretary of Commerce to reevaluate the entire Census Bureau program.

Censuses are traditional in the United States, having been taken at regular intervals since 1810. Similar censuses are taken in all other parts of the industrialized and civilized world.

I might also point out that the estimates for 1954 are below those of the past preceding censuses, and I wish to reiterate here that there is no known opposition to the taking of these censuses outside of the House Committee on Appropriations.

Mr. Chairman, I urge that the $8,430,000, requested by the Bureau of the Census and deleted by the House Committee on Appropriations, be reinserted so that this important work may be carried on during the current fiscal year for the benefit of the Nation as a whole. This is no partisan issue. Business and labor alike want these censuses taken. The 80th Congress, in its wisdom, decreed their taking every 5 years. Let us not now allow $1,590,000 already spent to go down the drain.

Mr. CANNON. Mr. Chairman, I yield 5 minutes to the gentleman from Georgia [Mr. PRESTON].

Mr. PRESTON. Mr. Chairman, it shall be my purpose either this afternoon or tomorrow, depending on the action the Committee takes on this bill as to whether we rise or remain in session, to offer an amendment to restore to this bill the budget request of $22 million for Federal aid to airports.

May I point out that in 1946 the Congress passed a bill authorizing $520 million to be spent on Federal aid to airports. From that time on until fiscal 1954 the Congress appropriated varying sums for this purpose. Last year under this new administration the Secretary of Commerce advised our committee that he wished to make a study of this program to determine whether it was really feasible, whether it was really working properly.

Mr. PATTEN. Mr. Chairman, I make the point of order that a quorum is not present.

The CHAIRMAN. The Chair will count. [After counting.] One hundred and twelve Members are present, a quorum.

The gentleman from Georgia will proceed.

Mr. PRESTON. Such a study was made by a commission appointed by the administration, and I may say a very careful study. That study has been further reviewed by the Department of Commerce. It was found unanimously that this program should be continued as it had in the past since 1946.

A budget request was accordingly sent over for this supplemental bill now before the Committee. Despite the urgings of the President, the Secretary of Commerce, the Civil Aeronautics Administrator, and the Deputy Under Secretary of Commerce for Transportation, the Committee on Appropriations has disallowed this request. So I shall offer the amendment. I am informed by the distinguished chairman of the Committee on Appropriations that the Committee will rise this afternoon rather early. I shall offer the amendment tomorrow. It will be the first amendment to be offered to the bill, so I want to caution those Members who are interested in restoring these funds that you should be on the floor tomorrow early, for this amendment will be one of the first items of business for consideration by the committee.

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

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

Mr. POLK. I want to compliment and commend the gentleman from Georgia for his untiring efforts in endeavoring to secure funds for Federal aid to airports. I believe this is one of the most important problems we have in this country at this time.

In the district I have the honor to represent there is a proposed project. A situation exists where the people of Scioto County, Ohio, have $400,000 in the bank as the result of a sale of bonds for the purpose of building an airport in Scioto County, Ohio, near the great atomic energy plant. They have already purchased the land for this airport. Because of the change in policy during the past 2 years funds have not been available for them to proceed further. The gentleman's amendment will, if approved by the House, as I hope it will be, enable these people to go ahead and complete this project which is, as I said, partially complete. They had the land ready to proceed. All of the requirements have been met as far as the Civil Aeronautics Administration is concerned. All they need are the Federal funds to which they have always felt they were entitled. They have sold bonds with the understanding that the funds would be made available for that purpose. Therefore, I want to commend and compliment the gentleman and associate myself with him in his efforts in this regard.

Mr. PRESTON. I thank the gentleman.

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

Mr. PRESTON. I yield.

Mr. EVINS. I commend my distinguished colleague on the position that he has taken, and I certainly associate myself with him. I recall last year a similar fight was made on the need and the necessity for this fund. At that time it was stated that they were going to strike out the money this year, and then going to make a study of the need for it, and after the study, if we find it necessary next year, we will restore the money. So that study has been made and certainly there is a continuing and demonstrated need for this fund. I certainly hope the gentleman's amendment will be adopted, and that the necessary money will be restored.

Mr. PRESTON. I thank the gentleman.

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

Mr. PRESTON. I yield.

Mr. SCOTT. I am glad the gentleman has made this statement at this time. I also want to associate myself with what he has said. The Federal Government makes continuous and important, and will in the future make, I would assume, even more important use

of these airports. Particularly referring to the international airport, it would seem to me that the restoration of this fund is desirable in the national interests.

Mr. PRESTON. I thank the gentleman.

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

Mr. PRESTON. I yield.

Mr. BENDER. I commend the gentleman for his statement. I, too, want to associate myself with my friend in this matter, and I can assure him that we will be here tomorrow to support his amendment.

Mr. PRESTON. I thank the gentleman.

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

Mr. PRESTON. I yield.

Mr. NICHOLSON. I thank the distinguished gentleman from Georgia for bringing this matter to the forefront of our attention. I hope he will be successful in restoring some of the money needed for this purpose in this budget.

Mr. PRESTON. I thank the gentleman.

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

Mr. PRESTON. I yield.

Mr. GREEN. I compliment the gentleman on his amendment. I want to state that I will support the amendment. All Members from the city of Philadelphia are very much interested in this matter.

Mr. PRESTON. I thank the gentleman.

Mr. Chairman, in conclusion I would like to emphasize one point. There is such a matter as good faith in our Government when we are dealing with the people. If we do not intend to keep the faith, we should repeal the law authorizing the fund. It is just that simple. It does not take much effort to repeal a law. If the overwhelming majority of this body is in favor of repealing that law, then we should repeal it and stop the impression from going out to the municipalities and airport authorities that Federal funds are going to be available. As we know, there are some $78 million worth of bonds which have been sold in this country in the belief that the funds would be made available to match the money that they have put up, and upon which interest is being paid to the bondholders.

Mr. DAVIS of Georgia. Mr. Chairman, will the gentleman yield?

Mr. PRESTON. I yield.

Mr. DAVIS of Georgia. I am very glad that the distinguished gentleman from Georgia is going to offer this amendment. I am wholeheartedly in favor of it, and will support it.

Mr. PRESTON. I thank the gentleman.

Mr. BYRNE of Pennsylvania. Mr. Chairman, will the gentleman yield?

Mr. PRESTON. I yield.

Mr. BYRNE of Pennsylvania. I wish to compliment the gentleman from Georgia on his amendment and associate myself with the gentleman's remarks. I know that all Members of the Philadelphia delegation are likewise very much in support of the gentleman's amendment.

Mr. PRESTON. I thank the gentleman.

Mr. Chairman, tomorrow we will discuss the matter further. I am sure there are others who are interested and I want to say before I take my seat that I claim no credit for having worked on this amendment. There are two Members of the House who have been more concerned, I think, than anyone else, namely, the gentleman from Ohio [Mr. POLK] and the gentleman from Ohio [Mr. JENKINS], because they have found themselves in a very embarrassing position at home where their community, having issued bonds as other communities have done, has been unable to use the funds because of the lapse of one fiscal year in providing the moneys under this program. They have worked untiringly and have plead with our committee to supply these funds. I was very much disappointed when their pleas went unheeded. I hope tomorrow the House of Representatives will keep faith with the people of America and provide the funds to continue this program which has been so unanimously endorsed by all segments of the aviation industry as well as by the present administration.

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

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

Mr. BARRETT. I want to associate myself with the gentleman's amendment and tell him that Philadelphia has been allotted $6,334,000. I am sure all the Philadelphia delegation will go along with the gentleman's amendment.

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

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

There was no objection.

Mr. JENKINS. Mr. Chairman, I agree most heartily with the gentleman from Georgia [Mr. PRESTON]. I have prepared an amendment identical with the amendment that the gentleman will introduce.

The gentleman and I have for a long time worked together on this matter of getting a number of much-needed airports finished. I am particularly interested in the proposed airport at Portsmouth. This airport will be located within about 25 miles of where I was born and about 30 miles from where I live.

There are two things that recommend this airport most positively. The first reason is that the airport is needed—There is no airport within 100 miles of this proposed airport. There are about 750,000 people living within 60 miles of this airport. The second reason is that the people of Scioto County, in which this airport is to be located, were given to understand by the Government authorities that if the people of that county would furnish $400,000, which would be one-half of the expense of constructing the airport, that the Government authorities would match this amount.

The people of Scioto County voted for the issuance of this amount of bonds and the bonds were issued about 2 years ago. These bonds have been sold and are now drawing interest. If the Government fails to do its part, it will do these people a great disservice and will fail to keep its promise. The Government cannot break its promise any more than an individual can. I feel sure that when this House has given consideration to Mr. PRESTON's amendment and to my amendment the House will support these amendments. To fail to do so would be little short of dishonest conduct. I know the House will keep its promise.

Mr. BARRETT. 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 Pennsylvania?

There was no objection.

Mr. BARRETT. Mr. Chairman, the amendment being offered to include $22 million for the Federal-aid airport program amounts to a reinstatement of the program authorized by the Federal Airport Act of 1946. It is merely giving the Civil Aeronautics Administration the funds with which to carry out the intent and purpose of that act. This act authorized a Federal contribution of $1 billion for the airport program. However, to date the Congress has appropriated and contract authority has been given in a total amount of only $214,221,154.

Apparently in its haste to trim the budget, last year the administration more or less indiscriminately decided not to include in its budget a request for funds to aid the States in developing and improving their airports. At that time it was decided that an airport panel of the Transportation Council under the chairmanship of Jennings Randolph should investigate the need for any future participation by the Federal Government in such a program. After a thorough investigation and study of the airports throughout the country, the airport panel reported that it was most imperative to the needs of civil aviation and national defense for the Government to reinstate grants-in-aid to the States for airport development. The panel recommended reinstatement of this program. The administration is now in favor of it.

This money is not being requested for any special interests or particular areas of the United States. The recommendations of the Civil Aeronautics Administration includes apportionment to every State in the country, as well as the District of Columbia, Puerto Rico, Virgin Islands, and Territory of Hawaii. In the past, 1,181 airports have been developed under 2,476 projects authorized under the Airport Act of 1946.

The apportionment for the Commonwealth of Pennsylvania for fiscal year 1955 is listed by the Civil Aeronautics Administration as $634,043. The city of Philadelphia is one of the largest concentrations of industry, commerce, and international trade in the country. In the city of Philadelphia are located large plants of the Gulf and Atlantic Refining Companies, the Philadelphia Naval Base, Army Quartermaster Depot, Marine Corps Depot of Supplies, Frankford Arsenal, and Signal Corps. It is listed as

one of the most vulnerable cities in the country in the event of enemy attack. I am sure that any Member here today who has given the slightest thought to the significance of the airways to national defense will vote in favor of this amendment. Unfortunately, Philadelphia is in the critical surplus-labor market category and an airport-improvement program could do much to help stimulate trade for the area. It was difficult to understand the reason for discontinuing the grants-in-aid for airport projects for even 1 year. Now that the airport panel and Department of Commerce have recommended reinstating the project on the basis of a thorough study of the situation, it would be foolhardy not to accept this amendment to include the $22 million for implementing the Federal Airport Act of 1946. I believe the Members of the House are wholly justified in approving this amendment to reactivate the airport program, and I hope that there will be unanimous consent to Mr. PRESTON's amendment.

Mr. BENNETT of Florida. Mr. Chairman, I rise to support the proposed amendment of the gentleman from Georgia [Mr. PRESTON] to provide adequate, or at least minimum, funds for the program of Federal assistance to airports.

The Federal Airport Act, adopted in 1946, established the policy of this Government to encourage the development of a nationwide system of public airports adequate to the need of civil aeronautics. That act provided for grants to States and municipalities on a matching basis and imposed various obligations on the recipients of the grants in that it provided that airports receiving the grants should at all times be available for use by military and naval aircraft and that space was to be made available for Federal air-traffic-control activities and weather reporting at rental rates substantially lower than would be made to other users.

I believe that a study of the larger and more important airports throughout our country will reveal that a small investment of Federal funds has resulted in tremendous benefits to our country not only in the field of making possible a nationwide network of commercial air transportation facilities, but also in the field of strengthening our national defense by making available a substantial number of facilities adequate for material assistance in our national defense. I give my wholehearted support to the efforts to insert at least $22 million in this bill for this purpose, the amount which has been recommended by the Bureau of the Budget.

I sincerely hope that the amendment will pass.

Mr. WIGGLESWORTH. Mr. Chairman, I yield myself 3 minutes, and I ask unanimous consent to revise and extend my remarks.

The CHAIRMAN. Without objection, it is so ordered.

There was no objection.

Mr. WIGGLESWORTH. Mr. Chairman, I take this time merely to call attention to the fact that the funds requested by the President of the United States, through the Bureau of the Budget, for the purpose of new ship construction, have been completely eliminated from the bill by committee action; and to state that at the proper time I propose to offer an amendment reinstating these funds.

The request is one of several which the administration has made with a view to meeting deficiencies in our merchant marine, and to alleviating the desperate situation which today confronts our ship-construction industry.

The funds are important from the standpoint of modernizing our merchant marine. They are vital from the standpoint of the maintenance of an essential mobilization base for national defense.

About a year ago the Department of Defense went on record as to what it termed a deficiency in merchant-type vessels, a deficiency numbering 214 vessels, 43 of them large tankers, 6 of them large passenger-cargo ships, and 165 of them other ships.

The funds requested here would supply not 214 ships but 14 ships, including 10 new large tankers, and 4 new large passenger-cargo ships.

They will, of course, be built in American yards.

This House has recently recognized the acute situation by which we are confronted at this time by passing two pieces of authorizing legislation designed to help meet the situation.

This request may be said to be a companion request to those two pieces of legislation.

I trust, Mr. Chairman, that tomorrow the House will agree to accept the amendment I shall offer in order that funds requested by the President may be made available for ship construction which is so vital at this time.

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

Mr. WIGGLESWORTH. I yield to my good friend from California, who always has the merchant marine close at heart.

Mr. ALLEN of California. With regard to one of the bills concerning the building of tankers, the bill has passed this House and the other body, and the conference has met and a conference report has been agreed to although not yet submitted.

Mr. WIGGLESWORTH. To deny the funds here in effect would be to reverse our action with respect to that bill, would it not?

Mr. ALLEN of California. That is quite correct.

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

Mr. ROONEY. Mr. Chairman, I yield myself 8 minutes.

Mr. Chairman, I rise at this time principally to comment with regard to the devastating action of the majority of the subcommittee as well as the full committee in two instances in this bill. The first, the request in the amount of $8,430,000 for the Bureau of the Census, Department of Commerce, for a census of business, manufactures, and mineral industries.

I deplore the committee's action in entirely denying funds for such a census. Most of us must realize from the number of telegrams received from chambers of commerce all over the United States that this is a very important item and that some provision, even if not the full amount, should have been included in this bill in order to carry on such a vitally necessary census.

It was very appropriately pointed out a while ago by the gentleman from California [Mr. GUBSER] that the taxpayer has $1,590,000 already invested in this census, and that this money will be lost unless provision is made at this time to go forward with it.

I have always been one who has tried to realize the realities of life. Now, the same thing is going to happen here as happened with regard to the census of agriculture. In the early part of this year the President and his Bureau of the Budget and the Bureau of the Census requested $3,500,000 for a sample census of agriculture. It was denied wholly by this committee last February. The House concurred. I pointed out at the time on the floor of this House that it was senseless to deny funds for a census of agriculture as required by law, by a law enacted by this very House of Representatives and the other body and signed by the President. But you did not rectify the mistake at that time, and subsequently when the regular State, Justice, Commerce appropriation bill for 1955 fiscal year was considered by the other body there was inserted not $3,500,000 for a sample census of agriculture, but $16 million for a full census. The House conferees accepted it and the bill has already been signed by the President and is now law. I predict that the same thing will happen with regard to this request for a census of business, manufactures, and mineral industries. There will be one.

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

Mr. ROONEY. I yield.

Mr. RABAUT. The gentleman is absolutely right. I had a telegram from the Detroit Board of Commerce asking me to see what could be done about this census of business, manufactures, and metals.

Mr. ROONEY. I likewise have had telegrams, I may say to my distinguished friend, the gentleman from Michigan, from chambers of commerce all over the United States, insisting that this is a very worthwhile census and vitally necessary to the Nation's business.

My second comment is with regard to the unusually drastic denial of funds for ship construction programs under maritime activities. The Department of Commerce, as you will learn from the committee report, requested $82,600,000 for this purpose. It was comprised, first, of $44,500,000 for construction-differential subsidy and national defense allowances on four passenger-cargo ships to be built by private operators as replacements for ships which have since become outmoded. This was entirely eliminated. Eleven million, one hundred thousand dollars of the eighty-two million, six hundred thousand dollars was allowed by the

committee for experimental modernization of four reserve fleet Liberty ships. But $26 million for a trade-in-and-build tanker program which would result in 10 new tankers and 20 trade-ins was wholly denied as well as $1 million requested for administrative expenses of the Maritime Administration.

I have prepared an amendment which would restore all of the funds for this vital program. I am reliably informed that this morning at the White House it was stated in unequivocal terms that this proposed majoriy action of the Committee on Appropriations would actually decimate the American merchant marine, and that this money should be restored to this bill.

I am going to be so bold and so reckless as to stand up here and support the President of the United States, President Eisenhower, in this matter, and I hope that there may be sufficient numbers of our friends on that side of the aisle who will be so bold and so reckless as to support the President and vote to prevent the decimation of the American merchant marine.

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

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

Mr. PELLY. I want to assure the gentleman that I am going to support that amendment.

Mr. ROONEY. I would fully expect the support of the gentleman from Washington. I know of his professed interest in the American merchant marine. He and I have generally been in agreement with regard to the highly important matter of unemployment in our American shipyards as well as with regard to the carrying on of our merchant marine, and I commend the gentleman.

Mr. PELLY. I think I can assure the gentleman there are many more on this side of the aisle who will support the American merchant marine.

Mr. ROONEY. I hope the gentleman from Washington is correct in that regard when we get down to counting hands and heads. If we are unsuccessful in restoring these vitally needed funds to the bill I shall offer a motion to recommit, if I am recognized for that purpose, which would include the amendment which the gentleman from Massachusetts [Mr. WIGGLESWORTH] and I have prepared.

Mr. BENNETT of Florida. Mr. Chairman, I understand that the gentleman from Massachusetts [Mr. WIGGLESWORTH] will offer an amendment to restore to this bill the amount approved by the Bureau of the Budget for subsidization of new ship construction. It seems to me to be highly important that these funds be restored to this bill. It is my understanding that the money will be well spent when viewed from the aspect of national defense. It would also seem to be well spent from the standpoint of assisting our shipbuilding industry and keeping it in a going condition.

Our vital shipbuilding and ship repairing industry is faced with an emergency. Under Secretary of Commerce Robert B. Murray, Jr., has presented some telling figures concerning this emergency. He points out that World War II taught us that about 36,000 workers should be employed during peacetime in merchant ship construction, if we are to have an adequate base upon which to expand in wartime. How are we meeting the need for a 36,000-worker shipbuilding industry? Under Secretary Murray estimated that we had an average of 22,300 workers during 1952 and 23,000 during 1953. He estimates that the average employment will drop to approximately 10,800 workers this year and to about 1,200 workers in 1955 if nothing is done to halt the decline. He ascribes the precipitous drop in 1954 and 1955 to the completion of merchant ships now under contract. We here in Congress do not want to be responsible for there being a weak link in our chain of defense.

It seems clear to me that providing these funds would be of great assistance to the health of the shipbuilding industry at this time. This objective is in itself in the interest of national defense. Furthermore, the ships when constructed will be an asset in the national defense because they can be readily converted to military purposes. For these reasons, I sincerely hope that the House will approve this amendment.

Mr. TABER. Mr. Chairman, I yield 10 minutes to the gentleman from Wisconsin [Mr. DAVIS].

Mr. DAVIS of Wisconsin. Mr. Chairman, I shall confine my remarks to chapter 8 of the bill which is the largest single item in this supplemental appropriation. That is the annual appropriation for military construction.

If you will refer to page 30 of the committee report you will see that the amount of money requested for military construction in the fiscal year 1955 has been very substantially reduced; but that does not mean that the program itself has been reduced by anything approaching that amount. What it does mean is that the committee has made provision for a draining off or a using up of very substantial unobligated balances now in the hands of the armed services which are available for the military construction program. The amount which is being made available will permit the armed services to go forwarded in developing the physical facilities here and abroad that are necessary as the basis for operation of our Armed Forces. The individual detailed actions of our subcommittee are set forth quite clearly and quite fully in the report which is available to you.

I may mention, however, that with respect to overseas facilities—I think every Member will understand the necessity for handling it in that manner—we have sent a classified letter to the Secretary of Defense which explains the detailed actions that we have taken with respect to various facilities outside continental United States. So you will not find that detailed breakdown of information included in the report which is available to you. If there are questions which you have with respect to any of those installations overseas and you will ask some member of the subcommittee about them he will be happy to furnish you, as an individual, with that information.

The result of the subcommittee's work has been to attempt to continue the austerity program that has been initiated in the Armed Forces construction program. This group of items that you have before you does not represent austerity of facilities that are to be available to Armed Forces personnel. It does, however, attempt to continue the rule of austerity with respect to the type of construction; in other words, we want the men in the armed services to have all of the physical facilities they need, but we do not want them to have anything fancy or ornamental because those frills cost a great deal more money than is necessary in order to provide reasonable facilities.

In accordance with the stated policy of the President, this year's program includes a great many personnel and welfare items, which is something of a departure from the programs of past years when the emphasis has been placed on operational, rather than upon personnel, facilities. We have had some difficulty in attempting to hold the armed services to reasonable standards in a number of these personnel and welfare facilities. Perhaps it is because this modern program is rather new and fresh to them; they have not had the experience in construction in recent years that they have had with the operational facilities.

For example, I cite the gymnasium down at the Naval Academy at Annapolis. They requested one at a cost which was almost $30 a square foot, but out here at Georgetown University in the District of Columbia, there was recently completed a gymnasium at a cost of about $15 a square foot. So, we denied that particular item in an attempt to get them to come in with a more reasonable pattern of construction. The same with fire stations for the Navy and some of the other things that appeared to be out of line and out of keeping with the necessity for austerity.

The effect of the subcommittee's action is to require the Armed Forces to use about $665 million of previously appropriated but unobligated funds in furtherance of this year's program. That is divided about $192 million for the Army, $350 million for the Air Force, and about $122.5 million for the Navy.

Mr. JONES of Alabama. Mr. Chairman, will the gentleman yield?

Mr. DAVIS of Wisconsin. I yield to the gentleman from Alabama.

Mr. JONES of Alabama. Was it the intention of the committee to make appropriations for those items contained in the recent military construction authorization?

Mr. DAVIS of Wisconsin. We had those items before us, but the request before us was not confined only to those that were recently authorized. There were some older authorizations included in the program as well.

Mr. JONES of Alabama. So there is no intention on the part of the committee to say that appropriations will not be forthcoming for those that have been omitted from this list?

Mr. DAVIS of Wisconsin. It is possible, if they are authorized now, they may be submitted to our committee at a later date for funding; that is correct.

Mr. JONES of Alabama. So there is no intention on the part of the committee to hold in prejudice those authorized projects that were not included in this bill?

Mr. DAVIS of Wisconsin. Before I would answer that, I would have to know whether that particular project was submitted to our committee for consideration this year.

Mr. JONES of Alabama. I understand. But the indication of this report is that none of the other projects, or the ones omitted from this list, were held in prejudice by the committee.

Mr. DAVIS of Wisconsin. If the denial was with prejudice, you will find explanation for it set forth in detail in the report.

Mr. JONES of Alabama. I thank the gentleman.

Mr. DAVIS of Wisconsin. Since this is the last handiwork of our subcommittee that will be brought to the floor in the 83d Congress, I would not want this day to pass without expressing my very real appreciation to those members of the subcommittee who have served so conscientiously and so cooperatively during the two sessions of the 83d Congress. What I say applies to every one of them: to the gentleman from New Jersey, [Mr. HAND], to the gentleman from Michigan [Mr. CEDERBERG], to the gentleman from Michigan [Mr. RABAUT], and to the gentleman from South Carolina [Mr. RILEY], every one of whom has been most helpful, has contributed a great deal of time and work to the efforts of the subcommittee, and has made working with them not a chore but a real pleasure. Then, too, we have had the assistance and the advice of those two elder statesmen of the committee, the chairman of the full committee, the gentleman from New York [Mr. TABER], and the ranking minority member, the gentleman from Missouri [Mr. CANNON].

If there are further questions regarding this military construction program, I will be happy to attempt to answer them at this time.

Mr. BENNETT of Florida. Mr. Chairman, will the gentleman yield?

Mr. DAVIS of Wisconsin. I yield to the gentleman from Florida.

Mr. BENNETT of Florida. On page 35 of the report it says that—

> At naval air station, Civil Field, Fla., the parachute building and ordnance facilities have been denied.

My question is this: As I understand in the preceding part of that paragraph you are asking for a research and a review to be made to see whether those things are really needed or whether they may be dispensed with. So I desire to ask the gentleman this question. This is not a final determination that they are not needed but rather a determination that the gentleman and his committee wish to have a review before they are approved; is that correct?

Mr. DAVIS of Wisconsin. That is right. The estimates submitted before us appeared to be too high. We have asked them to review that matter and come in again.

Mr. BENNETT of Florida. I thank the gentleman.

Mr. JONES of Alabama. Mr. Chairman, will the gentleman yield for another question?

Mr. DAVIS of Wisconsin. I am happy to.

Mr. JONES of Alabama. I understand that there were several projects authorized in the last authorization act but that there have not been prepared budget estimates or recommendations that were submitted in time to be included in this bill; is that correct?

Mr. DAVIS of Wisconsin. I think it is correct that there were a number of items authorized in this Congress that were not submitted to our committee for funding at this time. We would have to assume that those projects are considered necessary or they would not have sought authorization and therefore I would think that they will come in perhaps in the next session with a request for funding at that time.

Mr. JONES of Alabama. I thank the gentleman.

Mr. CANNON. Mr. Chairman, I yield the gentleman from Florida [Mr. BENNETT] such time as he may require.

Mr. BENNETT of Florida. Mr. Chairman, I ask unanimous consent to revise and extend my remarks with regard to maritime matters following the remarks of the gentleman from New York [Mr. ROONEY]; and I make a similar request with regard to the subject of airport activities following the remarks of the gentleman from Georgia [Mr. PRESTON].

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

There was no objection.

Mr. CANNON. Mr. Chairman, we have no further requests for time on this side.

Mr. TABER. Mr. Chairman, there have been many questions asked me, and there have been requests that that report be printed in the RECORD because it would answer many questions which would take considerable time to answer on the floor.

I therefore ask unanimous consent that the report of the committee, with the exception of the tables, be printed in the RECORD, notwithstanding the rule of the House requiring a special report and a special consent from the House with reference to the printing because of its extent.

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

There was no objection.

(The matter referred to follows:)

SUPPLEMENTAL APPROPRIATION BILL, 1955

Mr. TABER, from the Committee on Appropriations, submitted the following report to accompany H. R. 9936:

The Committee on Appropriations submits the following report in explanation of the accompanying bill making appropriations to supply certain regular and supplemental appropriations for the fiscal year ending June 30, 1955, and for other purposes.

The estimates upon which the bill is based are contained in House Documents Nos. 264, 361, 385, 408, 422, 428, 438, 439, 440, 441, 442, 443, 444, 454, 455, 456, 459, 460, 461, 467, 468, 469, and 471. The bill is divided into chapters corresponding to the subcommittees considering the estimates. The recommendations contained in the bill are as a result of deliberations of the several subcommittees as approved by the full committee.

SUMMARY OF BILL

Budget estimates considered by the committee total $1,959,958,267. Appropriations recommended total $1,194,188,079, a reduction of $765,770,188. These amounts are distributed by chapters of the bill as indicated in the following table (not printed).

CHAPTER I

Subcommittee: WALT HORAN, Washington, chairman; FRED E. BUSBEY, Illinois; FRANK T. BOW, Ohio; SAM COON, Oregon, temporarily assigned; MICHAEL J. KIRWAN, Ohio; GEORGE W. ANDREWS, Alabama; J. VAUGHN GARY, Virginia, temporarily assigned.

Legislative branch

This portion of the bill provides an additional $254,785 for fiscal year 1955 to strengthen the Capitol Police force as provided by legislation now before the House. An additional $175,000 is approved for the employment of 43 new men for the force, and an increase of $79,785 is allowed to purchase new uniforms, firearms, and miscellaneous equipment, together with 1 additional scout car.

The committee has also included two items of language under this heading of the bill. The first makes it possible for the Folger Shakespeare Library to obtain steam from the Capitol Power Plant on a reimbursable basis. The second authorizes the use of the unexpended balance of 1943 funds of the Government Printing Office to pay a claim certified by the General Accounting Office against the 1942 appropriation in which there is no balance available to meet the payment.

Judiciary branch

The committee has approved the full supplemental estimate of $222,000 carried in House Document No. 444 for fees of jurors and Commissioners for 1954. The large increase in the number of jury trials during the fiscal year, which are over 8 percent higher than the previous year, makes it necessary to provide additional funds to meet increased jury costs.

The balance of the items for the judiciary included in House Document No. 428 have not been allowed. It is believed that the penalty mail cost of $5,500 for 1954 can be absorbed within the amount now available for expenses of referees. Further, the committee feels that the supplemental requests to cover expected increases in salaries and expenses of referees in 1955 should not be allowed in advance of approval by the Judicial Conference.

CHAPTER II

Subcommittee: CLIFF CLEVENGER, Ohio, chairman; FREDERIC R. COUDERT, JR., New York; FRANK T. BOW, Ohio; SAM COON, Oregon; JOHN J. ROONEY, New York; PRINCE H. PRESTON, JR., Georgia; ROBERT L. F. SIKES, Florida.

Department of State

Acquisition of buildings abroad: The committee recommends $500,000 for this item, a reduction of $462,000 in the budget estimate. The $500,000 allowed is for materials and plans for the construction of an embassy office building in Karachi, Pakistan. The committee was advised that the Government of Pakistan has offered to supply, free of all cost to the United States in appreciation of our wheat loan, the labor costs involved in the construction of the building. The committee expects the Department to complete the building with the funds allowed.

The request for funds for the acquisition of permanent facilities for information centers in Germany is disallowed.

International Claims Commission: The bill includes the language requested to continue available during fiscal year 1955 the unobligated funds appropriated in the Supplemental Appropriation Act, 1954, for this Commission. The amount of the unobligated funds is estimated at $34,000. The commit-

tee has been assured that this work is to be completed without cost to the American taxpayer as requested by this committee.

Department of Justice

Legal Activities and General Administration

Salaries and expenses, general legal activities: The bill includes $275,000, a reduction of $75,000 in the budget estimate, for additional funds for the newly created Internal Security Division. It is expected that with the additional funds provided herein the necessary action on the part of this Division will be taken.

Salaries and expenses, United States attorneys and marshals: There is included in the bill $400,000 additional for United States attorneys and marshals to provide for additional staff to meet anticipated increase in workload in the 27 districts where new judgeships have been created and also to meet the unanticipated increases in internal security matters. The amount allowed is $125,000 below the budget estimates.

Fees and expenses of witnesses: The authority requested to transfer $135,000 from "Salaries and expenses, Antitrust Division," fiscal year 1954, to "Fees and expenses of witnesses" is included in the bill. The committee was advised that this additional amount would be required to pay the fees and expenses of witnesses.

Immigration and Naturalization Service

Salaries and expenses: The bill includes $3 million, the budget estimate, to permit the Immigration and Naturalization Service to enlarge its border patrol in order to apprehend illegal Mexican aliens and alien smugglers and to provide for their deportation to Mexico. The committee is recommending this increase with the understanding that the results obtained will determine the future action of the committee with regard to this item.

Federal Prison System

Salaries and expenses, Bureau of Prisons: The committee recommends an additional $750,000 for this item to take care of the increase in prison population beyond that anticipated at the time the budget was prepared and for the activation and operation of the Terminal Island facility.

Department of Commerce

Bureau of the Census

Censuses of business, manufactures, and mineral industries: The request for $8,430,000 to provide for the first year's cost of the censuses of business, manufactures, and mineral industries during fiscal year 1955 is not approved.

Civil Aeronautics Administration

Salaries and expenses: A request for $860,000 to provide for operation of aeronautical service by the Civil Aeronautics Administration at Cold Bay, Alaska, and Balboa, Panama Canal Zone, was submitted in House Document No. 454. The committee favors the operation of these services by the Civil Aeronautics Administration but recommends that the amount required for such operation be absorbed from the $97,650,000 appropriation they now have for salaries and expenses.

Establishment of air-navigation facilities: The committee recommends language which will permit the use of not to exceed $600,000 of funds previously appropriated for establishment of air-navigation facilities, for necessary construction and rehabilitation of facilities at Cold Bay, Alaska.

Federal aid airport program, Federal Airport Act: The request for $22 million contained in House Document No. 428 to provide funds for reinstitution of the Federal aid airport program is denied.

Claims, Federal Airport Act: The request for $69,449 for this item as contained in House Document No. 428 is denied.

Washington National Airport Corp.: Inasmuch as the legislation has not yet been enacted the committee has denied this request.

Land acquisition, additional Washington airport: The amount of the estimate, $16,297, is included in the bill to provide funds necessary for payment of the remaining claims.

Business and Defense Services Administration

Salaries and expenses: The supplemental request for $1 million to expand and augment the collection and analysis of information concerning construction activity is not allowed.

Maritime Activities

Ship construction: Of the $82,600,000 requested in House Document No. 428 for this item, the committee has allowed $11,100,000. The amount recommended by the committee is for the experimental modernization of four Reserve Fleet Liberty ships as a basis for developing plans to modernize the remaining ships in the reserve fleet in the event of emergency.

Ship mortgage-foreclosure of forfeiture contingencies: The bill includes $2,500,000 to enable the United States Government to protect its interest in forfeiture or mortgage-foreclosure cases. It is expected that maximum use will be made of non-Government funds before this appropriation is used.

Bureau of Public Roads

Inter-American Highway: The bill includes $4,750,000 for the improving and extending of the Inter-American Highway in three important Central American Republics—Nicaragua, Costa Rica, and Panama.

Weather Bureau

Salaries and expenses: A supplemental of $175,000 was requested in House Document No. 454 to provide for meteorological observations and services by the Weather Bureau at Cold Bay, Alaska. The committee approves the operation of this activity and suggests that the costs therefore be absorbed from the regular appropriation of $24,750,000.

CHAPTER III

Subcommittee: GORDON CANFIELD, New Jersey, chairman; EARL WILSON, Indiana; BENJAMIN F. JAMES, Pennsylvania; CHARLES W. VURSELL, Illinois; J. J. VAUGHAN GARY, Virginia; OTTO E. PASSMAN, Louisiana; ALFRED D. SIEMINSKI, New Jersey.

Treasury Department

Internal Revenue Service

Salaries and expenses: The supplemental request for $9,750,000 contemplates the employment of additional revenue producing employees including some 800 revenue agents, 455 special agents, and 675 supporting personnel.

The regular appropriation act for this Service contemplated a reduction in the overall number of positions but provided funds for an increase of approximately 1,500 revenue producing personnel. During the past several months through reorganization and new planning the number of personnel in certain categories has been greatly reduced while the number of revenue agents has been increased by more than 3,000. (See the table on p. 472 of the hearings.) Since each agent produces in revenue many times his cost to the Service this is an excellent showing. Long-range plans contemplate the addition of approximately 1,000 new agents per year for the next several years until the force reaches a level where most of the more productive erroneous returns can be audited. The committee is pleased with the progress that has been made and compliments the Commissioner and the administrative officials of the Service for the forward-looking planning.

The committee recommends for appropriation $8,750,000, which is a reduction of $1 million from the amount requested. In suggesting this reduction the committee feels that the additional revenue agents provided for in the regular bill, plus the number to be recruited with the funds herein recommended, will enable the Service to move forward as rapidly as it reasonably should in recruiting and training additional agents and will enable it to tie the present program into the contemplated future program of increasing the number of new agents by some 1,000 per year. The funds provided in the Appropriation Act for 1955 plus the funds herein recommended should permit the employment of approximately 1,400 new agents during fiscal year 1955.

United States Secret Service

Salaries and expenses: The purpose of the supplemental request for $229,000, to be derived by transfer, is to provide increased protection of the President, the Vice President, and their families, and to provide additional agents and clerks to process and keep more current the steadily increasing number of bond and forgery and other cases under the jurisdiction of the Secret Service.

Of the 39 agents proposed to be recruited if the requested authorization is granted 11 will be utilized to augment the White House detail of agents to strengthen the security of the President, the Vice President, and their families, and to provide additional personnel for the Protective Research Section. In order that the Protective Research Section may render a desirable and effective service its work with respect to threatening, abusive, obscene, and other categories of communications must be examined immediately upon receipt of the communications and properly evaluated and processed. Testimony before the committee indicates that with the available personnel a thorough and complete processing of these cases has not been possible. As of May 1, 1954, a backlog of 1,000 cases was on hand.

The remaining 28 of the 39 agents requested are to be used in the investigation of claims arising as the result of forgery and alteration of Government checks and bonds. Testimony indicates that the backlog of cases in almost every category is increasing monthly and that if the request for the 28 additional agents for this work is granted there will still remain at the close of fiscal year 1955 an average backlog of 78 cases for each agent, whereas it is the opinion of the Service that the average backlog per agent should not be more than 15 cases.

The supplemental contains a request also for funds for 12 clerk-stenographers to increase the operating efficiency of field offices, and also some $77,500 for necessary incidental expenses of additional personnel including $48,400 for travel, $1,350 for other contractual services, $3,750 for supplies and materials, $14,000 for equipment, and $10,000 for the purchase of information and to pay informants for services looking toward the apprehension of criminals.

The committee in its report on the annual "Treasury Department Appropriation Act, 1955," Public Law 374, 83d Congress, approved May 28, 1954, in recommending the amount requested in the budget commented upon conditions within the Service and suggested that consideration be given such matters as above referred to before presenting budget requests for fiscal year 1956. The present request is in response to that suggestion.

In recommending the amount herein requested, which is to be derived by transfer, the committee again reiterates its purpose of providing every security and protection for the President, the Vice President and their families, and wishes to encourage the Secret Service in the performance of its other very important functions.

Salaries and Expenses, White House Police

The supplemental request for $62,000 for this appropriation, to be derived by transfer, would permit the reestablishment of essential posts which were discontinued as

the result of reductions in appropriations for fiscal year 1954. The committee recommends that the request, which contains an amount sufficient to employ 18 class 3 police privates for 9 months plus holiday pay, and $1,800 for uniforms, be approved in order that every precaution can be taken for adequate protection of the White House.

United States Coast Guard

Acquisition, construction, and improvements: The supplemental request to the Coast Guard in the amount of $4 million contains two specific requests, as follows:

1. $3,750,000 for the construction of eight 95-foot boats to patrol the entrances at 3 ports; and

2. $250,000 for the replacement of a portion of the wharf at the Coast Guard base at Ketchikan, Alaska.

The item for $3,750,000 concerns the port security program which was initiated in October 1950, for the purpose of preventing the introduction into the country of persons or things inimical to the welfare of the United States and to protect vital port facilities.

Ten ports around the perimeter of the United States are now patrolled, and under an executive plan it is proposed to extend such patrol to 6 additional ports. Craft for patrol functions at 3 of the 6 ports are being provided by redeployment of boats presently being used in the port security program, leaving a requirement for the 8 boats herein requested for the remaining 3 ports. There are no funds presently available in Coast Guard appropriations for this construction. Therefore if the Executive plan is to be augmented the additional patrol boats are necessary.

Recent construction costs of 95-foot patrol boats indicate that the funds requested plus some materials left over from recent construction, and anticipated savings, will provide the eight patrol boats necessary to complete the program. The committee was impressed by testimony indicating a careful husbanding of resources and efforts to secure the patrol boats at the least possible outlay of funds.

The second item of the request in the amount of $250,000 to replace a section of the Coast Guard wharf at Ketchikan, Alaska, is in support of the only repair and supply facility of the Coast Guard District that covers Alaska. It is the only facility in the district with the capability for servicing all aids to navigation. The district supply depot, the Captain of the Port office, the electronic repair shop, and the maintenance and repair detachment are consolidated on this base for economy of operation. The section of the wharf that has so badly deteriorated was built in 1942 during wartime when creosoted pressure-treated timber was unavailable. This resulted in the use of salts treated and untreated timber and pilings which has permitted deterioration to a point that it is unsafe and prohibits the transfer of heavy equipment from ship to shore and seriously reduces the capacity of the base to service heavy buoys for the Alaskan area. Members of the committee who have visited the base concur in the report that the wharf was in bad condition as far back as 1950.

In view of the circumstances the committee recommends the appropriation of the $4 million requested for the purposes above discusseed.

Retired pay: The request for an additional amount of $80,000 (to be derived by transfer) for retired pay for Coast Guard warrant officers results from the enactment of Public Law 379, 83d Congress, approved May 29, 1954, which provides, in effect, that an increased number of warrant officers be placed on the retired list during fiscal year 1955. The language recommended permits absorption of the cost by transfer of the necessary amount from the appropriation to the Coast Guard for "Operating expenses, 1955."

CHAPTER IV

Subcommittee: FRED E. BUSBEY, Illinois, chairman; HAMER H. BUDGE, Idaho, acting chairman; BEN F. JENSEN, Iowa; ERRETT P. SCRIVNER, Kansas; temporarily assigned; JOHN E. FOGARTY, Rhode Island; ANTONIO M. FERNANDEZ, New Mexico.

Department of Labor

Bureau of Veterans' Reemployment Rights

Salaries and expenses: The committee denied the request for an additional $119,000. During the recent hearings on the regular budget request for this Bureau's funds for fiscal year 1955, the committee was told of the Bureau's gradually increasing backlog of work. In view of the facts presented at that time the committee and subsequently the Congress allowed the full amount of the budget request. Basically, the same justification was presented for the supplemental. The committee was not able to determine that any new factors have arisen that would indicate that the appropriation just made should be revised.

Bureau of Employment Security

Salaries and expenses: The committee denied the request for an additional $90,000. Most of the workloads upon which this request was based were foreseeable and considered at the time of action on the regular appropriation for 1955. The committee believes that any part not so considered can be absorbed within the appropriation of $4,705,000 already made.

Grants to States for unemployment compensation and employment service administration: The bill includes $4,600,000 of the $43 million requested and provides that this amount be available for workload increases and for increases in State salaries resulting from overall changes in State salary schedules. Payments for salary increases shall be limited to those increases which affect generally all employees of the State. This is in line with the recommendation of the Department. For the most part, the request was based on increased workload. The committee therefore sought a reconciliation of the workload and administrative costs for 1950, the postwar year of highest unemployment, with the workload and cost estimates for 1955. It was determined that the average actual insured unemployment during 1950 was 2,033,100 and the revised estimate for 1955 is for an average of 1,680,000. The appropriation for 1950 was $174 million and the request for 1955 totals $259,400,000, including the supplemental request for $43 million. Thus, with insured unemployment estimated to be 17 percent less, the request for administrative funds is 49 percent more. Considerable time was spent in attempting to determine why there should be this discrepancy. The witnesses steadfastly maintained that it was due to increased salary rates and increases in nonpersonnel costs such as rents. However, a more detailed breakdown, requested to be submitted for the record, revealed that the 1955 estimates would also provide for 3,400 more employees than were used for this work in 1950.

The action of the committee coupled with the appropriation already made for 1955 will provide a base appropriation of $200 million, which is the same as the amount expended during 1954, and a contingency fund of $21 million for workload increases in 1955 over those experienced in 1954. The committee is confident that the amount will be sufficient to adequately provide for any increases that can logically be anticipated in fiscal year 1955. In the unlikely event that the contingency fund is depleted before the end of the fiscal year the committee will expect to give favorable consideration to a supplemental request.

The language in this paragraph of the bill changes the restrictions on the use of the contingency fund, provided in the 1955 Department of Labor Appropriation Act, to allow the use of these funds for State salary increases resulting from changes in overall State compensation plans.

Unemployment compensation for veterans: The committee has allowed the full amount of $88,400,000 requested for this purpose. The expenditure of these funds is almost entirely beyond administrative control and the committee has, as it has in the past, accepted the estimates of those in the best position to estimate the extent of the need. The committee regrets that this is apparently the best alternative, for it has proven a very poor one. The request that was justified in March was for $55,600,000 for the full 1955 fiscal year. This amount was allowed in full. In July the estimate was revised to a total of $144 million. It is obvious that the original submission was grossly in error.

Salaries and expenses, Mexican farm-labor program: The committee denied the request for an additional $350,000 to recruit additional Mexican farm laborers estimated to be required because of intensified activities of the Immigration and Naturalization Service to deport Mexicans illegally in the United States. The committee was somewhat surprised to find that the major portion of the request was not for recruiting but for other activities such as compliance work, and that the request included funds to increase the Washington staff by 25 percent. The Congress was rather generous in allowing $60,000 more than the original 1955 budget request, for nonreimbursable activities. Any increase in workload that may occur can be provided for by adjustments within the $1,581,000 already appropriated.

Bureau of Labor Statistics

Salaries and expenses: The committee denied the request for $110,000 for increased emphasis on building statistics. No factors were presented to indicate any greater need for increasing this activity that did not exist at the time the original 1955 budget was considered. That budget contained $301,881 for this activity, which is the same amount that is available under the 1955 appropriation already made to the Bureau.

Department of Health, Education, and Welfare

Office of Education

Three separate items falling in the field of research into the problems of education were submitted. The largest was $1,750,000 for a White House Conference on Education, another (which technically would come under the Secretary's office) was $175,000 for the establishment of a National Advisory Committee on Education, and the third was $100,000 for cooperative research in education. No funds are included in the bill for any of these. The Office of Education has, for many years, been justifying the requests for appropriations to cover its own salaries and expenses on the basis that it does essentially the same research and fact-and-opinion gathering in the education field that is envisioned by the three activities for which $2,025,000 additional was requested. The fact that the committee recommends some $3 million per year to be appropriated to the Office of Education is evidence that it believes that a reasonable amount of such activity is needed.

It is worthy of note that 75 percent of the supplemental funds requested were for grants to States to enable them "* * * to hold conferences of educators and lay citizens to discuss educational problems and make recommendations for appropriate action to be taken at local, State, and Federal levels." This method of financing activities purely within State boundaries appears questionable, to say the least.

Public Health Service

Grants for hospital construction, and surveys, and planning for hospital construction: The committee has not allowed the $35 million requested for construction under the new provisions of this program which have been provided by legislation enacted only a few days ago. The hearings revealed that plans for the expenditure of these funds, the ability or willingness of the States to approve projects on the basis of the tentative program presented to the committee, and the availability of sponsors for the program presented, were all very vague. The importance of a survey and preparation of a plan for each State was emphasized in the testimony. The committee agrees completely that this is very important to the successful carrying out of a program involving the expenditure of over $100 million of the Federal funds and has approved in full the request for $2 million for grants to States for this work.

The committee's action does not indicate lack of sympathy with the new program but rather a belief that it might easily be done more harm than good by proceeding before any but the most sketchy plans are available.

Salaries and expenses, hospital construction service: None of the requested increase of $400,000 has been allowed. The committee believes that the $850,000 appropriated in the 1955 appropriation act provides sufficient funds to enable this division to administer the established program and prepare for the new features that were recently added by the amendments to the Hospital Survey and Construction Act.

Social Security Administration

Salaries and expenses, Bureau of Old-Age and Survivors Insurance: The committee expressly denies the requested authority to use funds from the OASI Trust Fund to pay per diem to the 450 employees proposed to be moved to Washington from Baltimore and seriously questions the advisability of such a move.

Construction, Bureau of Old-Age and Survivors Insurance: The Bureau requested $24,890,000 for the construction of a building to house its activities now located in several different buildings in Baltimore and Pennsylvania. The committee has not provided funds since it was testified that final plans and specifications will not be completed until June 1955 and the bids will not likely be opened until August 1, 1955. More than ample funds have already been provided to do all necessary work up to the point of awarding the construction contract. The committee recognizes the need for this building and will expect the 1956 budget to include provision for an authorization to cover the costs of construction. The committee approves of plans for the conventional, fireproof facility described during the hearings and estimated to cost not to exceed $25,370,000 in total. The committee specifically disapproves of the additional special design and construction features aimed at providing bomb protection, estimated to cost $2,600,000; and directs that the plans not provide the same.

Salaries and expenses, Children's Bureau: The committe has not allowed the request for $165,000 for additional activities in the field of juvenile delinquency. The Children's Bureau has for many years had ample authority to proceed in this field, and the committee notes that of the 1954 appropriation to the Bureau of $1,525,000, providing for 214 man-years of employment, the Bureau saw fit to utilize only 5½ man-years in the field of juvenile delinquency. The personnel now utilized in this activity could be quadrupled within the appropriation already made and still require only about 10 percent of the total Bureau funds. It is apparent from budget submissions that the executive branch has not decided whether increased activity in this field should be assigned to this Bureau or to other bureaus in other offices of the same Department.

Office of the Secretary

Salaries and expenses, Office of the Secretary: Since there were no new factors introduced in support of this request that were not known at the time the regular 1955 budget was presented to the committee, the request for $124,500 is denied. The committee believes that there may be certain functions not now carried on in the Secretary's Office which should be carried on at the departmental level and requests that this be given careful study for possible inclusion in the 1956 budget.

CHAPTER V

Subcommittee: H. CARL ANDERSEN, Minnesota, chairman; WALT HORAN, Washington; OAKLEY HUNTER, California; MELVIN R. LAIRD, Wisconsin; JAMIE L. WHITTEN, Mississippi; CLARENCE CANNON, Missouri; FRED MARSHALL, Minnesota.

Department of Agriculture

Forest Service

Forest roads and trails: The bill includes $6,500,000 for "Forest Roads and Trails" which, together with the amount carried in the regular bill, will provide the full authorization of $22½ million for this purpose for 1955. The committee is approving the full 1955 authorization with the understanding that all unused prior year authorizations will be considered canceled.

The additional funds are recommended to meet (1) the urgent need for access roads in southern Idaho, where epidemic insect infestations make necessary an immediate salvage program, and (2) the need for additional roads in California and other areas where overmature timber needs harvesting as soon as possible to protect its commercial value.

CHAPTER VI

Subcommittee: BEN F. JENSEN, Iowa, chairman; IVOR D. FENTON, Pennsylvania; HAMER H. BUDGE, Idaho; MICHAEL KIRWAN, Ohio; W. F. NORRELL, Arkansas.

Department of the Interior

Bureau of Indian Affairs

Health, education, and welfare services: The budget estimate of $1,180,000 has been allowed to provide 400 additional hospital beds in Washington State sanatoriums for Alaskan native tuberculosis patients. None of the funds allowed in this appropriation are to be used for hospitalization in Alaska.

Resources management: An appropriation of $100,000 is recommended for expediting probate work on Indian estates. While this is a reduction of $50,000 in the estimate of $150,000, it should permit a considerable reduction in the present backlog of probate cases.

Construction: The budget estimate of $6,900,000 has been reduced to $3,900,000 which is allowed for construction, repair, and maintenance of roads in Indian reservations. This amount together with the funds in the regular appropriation bill for 1955 will provide a total of $6,797,000 to meet contract earnings and other expenses on the approved program totaling $7,730,000. The amount appropriated herein and the amount appropriated in the regular bill are both applicable to the total authorization in the Federal-Aid Highway Act of 1954 under the provisions of section 6 of that act.

The $3 million which has been disallowed was for grants to public-school districts for the construction and equipping of public school facilities for Navaho Indian children from reservation areas not included in such districts. While the committee is most anxious to support all efforts to put as many Indian children into school as possible, it is of the opinion that there is no law under which such a program as that proposed can be undertaken.

Bureau of Reclamation

Construction and rehabilitation: The committee recommends an appropriation of $1,707,000, a reduction of $118,000 in the budget estimate of $1,825,000. The funds provided are for four small irrigation projects as follows:

Hanover-Bluff unit, Wyoming	$157,000
Heart Butte unit, North Dakota	300,000
Helena Valley unit, Montana	250,000
Sargent unit, Nebraska	1,000,000
Total	1,707,000

Rehabilitation work on the Humbolt project in Nevada, estimated at $118,000, was provided for in the regular bill for 1955.

The funds provided for the Hanover-Bluff unit were proposed in the estimate for use only on the Bluff portion of the unit. Both portions of the unit are to be served by a common diversion canal and if they are undertaken simultaneously economic feasibility is improved. Therefore, the funds provided are to be used for plans and construction of the complete unit.

The committee approves an expenditure of not to exceed $15,000 of available funds to complete investigations on the N-Bar-N development as a separate unit of the Missouri River Basin project in view of the fact that an irrigation district has been formed by the water users.

Bureau of Mines

Construction: The recommended appropriation of $5 million represents a reduction of $1 million in the budget estimate. These funds are to be used for the construction of helium production facilities at either Excell, Tex., or in the Keyes gas field of Cimarron County, Okla., depending upon which location provides greatest benefits to the Government. The committee fails to see the need for the large number of additional employees proposed in connection with this construction which is to be contracted.

The prices charged for helium sold by the Federal Government are calculated to recover capital charges, including interest.

Language has been included in the bill to rescind $19,000 of unobligated funds appropriated in previous years for the Leadville Tunnel drainage project in Colorado.

National Park Service

Construction: An appropriation of $5,562,101 is recommended. Of this amount $500,000 is for acquiring privately owned lands within the boundaries of areas administered by the Park Service, and $5,602,101 is for construction of parkways, roads, and trails. This later amount together with funds allowed in the regular bill for 1955 for the same purposes will provide a total of $9,500,000, the full amount of cash requested to meet 1955 contract earnings and other expenses on the authorized and approved program of $20 million. The amount appropriated herein and the amount appropriated in the regular bill are both applicable to the total authorization in the Federal-Aid Highway Act of 1954 under the provisions of section 6 of that act.

With this appropriation, there will be a considerable increase in the general level of the Park Service construction program. The committee expects the Department to take this into account in preparation of the 1956 budget. It is the committee's desire also that the need for reconstruction of the south approach road, Route 9, into Yellowstone Park, be given careful consideration in connection with the 1956 construction program.

In connection with both appropriated and donated funds available for acquisition of lands within the boundaries of areas administered by the Park Service, no land is to be taken through the condemnation procedure

when the use of such procedure is objected to by the owner.

Office of Territories

Administration of Territories: The estimate of $47,000 is recommended. These funds are required for the payment of a 25 percent cost of living allowance to classified employees in the Virgin Islands in accordance with regulations established by the Civil Service Commission on April 3, 1954.

CHAPTER VII

Subcommittee: JOHN PHILLIPS, California, chairman; NORRIS COTTON, New Hampshire; CHARLES R. JONAS, North Carolina; OTTO KRUEGER, North Dakota; ALBERT THOMAS, Texas; GEORGE W. ANDREWS, Alabama; SIDNEY R. YATES, Illinois.

Independent Offices

Commission on Intergovernmental Relations

The bill includes $414,000 for salaries and expenses of this Commission, which is $46,000 below the estimate, and together with the unobligated balance of $96,250 will provide a total of $510,250 during the remaining 8 months the Commission will be in existence.

The Commission was established by Public Law 109, approved July 10, 1953, and the original date for making its final report was March 1, 1954. When it became evident that it would not be possible to complete the studies in this broad field on schedule the date for filing the final report and liquidating the Commission was extended to March 1, 1955, in Public Law 302, approved March 1, 1954.

Because of the extension of time for making its report, the original appropriation of $500,000 will not be sufficient and the committee therefore recommends a supplemental appropriation of $414,000. The coordination of effort already contemplated between this agency and other commissions and congressional committees should make it possible to save the amount indicated.

Commission on Organization of the Executive Branch of the Government

The bill contains an additional $497,835 to complete the activities of the Commission, which is a reduction of $55,315 in the estimate. There has been appropriated previously $1,931,909, making the total for the present Commission $2,429,744. The first Hoover Commission was able to complete its work with a total appropriation of $1,938,600, and the committee is of the opinion maximum results can be obtained by this Commission within the amount provided. The committee is aware of the popularity of this program and is in complete accord with its purposes, but believes that economies can be accomplished and efforts made to coordinate the studies of this Commission and other agencies and committees to the extent of the reduction indicated.

General Services Administration

Additional court facilities: The committee considered a budget estimate of $4,800,000 for additional court facilities for the new judges recently authorized by law to be appointed to the Federal bench, and has approved $3 million for such purposes, or a reduction of $1,800,000 in the estimate.

The committee has the utmost regard for the needs of the other separate and equal branch of the Government, but it cannot approve the present estimates of cost which are clearly high and has reduced the total to what it considers is actually needed. The committee believes that justice will be dispensed in this Nation as well from a chair costing the Government $100 as from one costing $174, and as well from behind a $200 desk as one for $341. A wastepaper basket at a lesser cost than $15 will serve just as well.

It is suggested that prior to starting this program for additional court facilities an effort be made to determine the actual desires of the judges and make the costs more reasonable than those just considered.

Operating expenses, Federal Supply Service: The committee has allowed the budget estimate of $60,000 to enable the General Services Administration to establish interagency motor pools at 5 locations during the fiscal year 1955 if legislation contained in H. R. 8753 or S. 3155 authorizing such pools is enacted into law. It was testified that if such pools are created approximately 20 percent of the present number of vehicles will no longer be required and the savings resulting from reductions in maintenance, administration and other costs are expected to be $1,500,000 per year after the first 3 years of operation.

Expenses, general supply fund: The bill contains language authorizing the General Services Administration to lease warehouse space temporarily in excess of operating requirements to commercial organizations, and that proceeds from such rentals shall be covered into the Treasury as miscellaneous receipts.

Strategic and critical materials: The bill contains the budget estimate of $380 million for this item and the same limitation as contained in the regular bill that no part of the amount shall be used for construction of warehouse or tank storage facilities. Approximately $292 million of the supplemental request is, in effect, a bookkeeping transaction to purchase inventory from the Defense Production Act borrowing authority program which was started in 1950, and such transfers have no effect on net expenditures of the Government. The value of the stockpile on hand or on order on June 30, 1954, is estimated at $5,452.3 million, under the revised estimates the Government will add materials valued at $579.2 million this fiscal year, and a balance of $1,313.6 million will remain to be financed after 1955.

National Science Foundation

International Geophysical Year: The bill contains $1,500,000 to assist in financing the United States program for the International Geophysical Year, which is a reduction of $1 million below the amount contained in the supplemental estimate. The committee is of the opinion the amount recommended is adequate, but in the event the National Science Foundation considers this program of such importance that it may desire to provide an additional grant of not to exceed $1 million from its regular funds, the committee is of the opinion the Foundation has sufficient funds to do so and that the language of its basic act is of sufficient scope as to permit such a grant.

The International Geophysical Year is a worldwide scientific undertaking involving concurrent research in geophysics by some 30 nations, beginning in 1957. It involves studies of the entire earth including the arctic regions, the oceans and the upper atmosphere. The appropriation at this time will enable orders to be placed for specialized equipment, and an additional sum will be needed for the fiscal year 1956 to cover the remaining costs of the program.

St. Lawrence Seaway Development Corporation

The bill contains language authorizing the Corporation to initiate operations under the provisions of Public Law 358, approved May 13, 1954. The Corporation has authority to issue not to exceed $10,500,000 worth of revenue bonds to the Secretary of the Treasury during its first year, and thereafter up to a total of $105 million. In view of the fact that the Budget language contained no limitation on the amount of money that could be spent for administrative expenses of the Corporation, the Committee has limited the amount that can be spent for this purpose to $250,000. It has been proposed that authority be included for the employment of a total of four persons in grades GS-16 to 18 to enable employment of the best qualified personnel in key positions of the Corporation, and such language has been included.

Veterans' Administration

Inpatient care: The committee has included in the bill the Budget estimate of $3 million for this item which is in addition to $598,127,000 included in the regular bill. Congress relies on the agency to indicate the number of beds that can be staffed and operated and has always provided the full amount required.

Recently it has developed that the Veterans' Administration has staffed hospitals in 1954 over the level authorized by the appropriations and it would be necessary to make some reductions in such personnel and delay staffing of neuropsychiatric beds in 1955 which are badly needed unless the additional $3 million is made available. This information was not given to the committee during the regular hearings and to do everything within its power to correct the situation the committee has included the entire amount of the supplemental estimate.

It is disturbing to note that there are neuropsychiatric hospitals where according to testimony the cost is running in the neighborhood of $34 per patient day, which no private hospital administrator would tolerate. A neuropsychiatric hospital usually operates 25 percent cheaper than a general medical and surgical hospital and it is recommended that a thorough investigation be made by the Veterans' Administration to correct such conditions and to bring about more efficient operations.

No part of the present estimate is needed to provide care for any service-connected disability, but is exclusively for non-service-connected treatment.

War Claims Commission

In order to complete adjudication of all war claims on schedule an additional $400,000 is requested for administrative expenses, and the bill includes the full amount. The Commission has remaining a backlog of the most difficult claims, and at least an additional 47,000 claims are expected to be filed under authority of Public Law 359, approved May 13, 1954, which extended the date for filing claims to August 1, 1954.

Under the provisions of Reorganization Plan No. 1 of 1954 functions and funds available or to be made available to the War Claims Commission were transferred to a new agency on July 1, the Foreign Claims Settlement Commission of the United States. Since the committee is allowing the full budget estimate for this item, and regardless of the transfer of activities to the new agency, the committee is expecting all work on war claims to be completed on schedule on March 31, 1955, and no further request for funds should be made.

CHAPTER VIII

Subcommittee: GLENN R. DAVIS, chairman; T. MILLET HAND, New Jersey; ELFORD A. CEDERBERG, Michigan; JOHN TABER, New York; CLARENCE CANNON, Missouri; LOUIS C. RABAUT, Michigan; JOHN J. RILEY, South Carolina.

Military construction

The Department of Defense requested approval of a military public works program of $1,427,622,000 for fiscal year 1955 and new appropriations of $1,100 million. The committee recommends a program of $1,235,958,000, a reduction of $191,664,000. New appropriations of $571,600,000 are recommended, a reduction of $528,400,000. These funds when coupled with existing unobligated balances from prior years public works programs, which the committee has made available, will be sufficient to meet the needs of the military construction program for the current fiscal year. The action of

the committee on the specfic requests will be found in subsequent paragraphs and in the table at the end of this chapter.

Military Public Works Program

The committee was gratified to note the progress made in the proper utilization of advance planning funds, particularly in the Department of the Air Force, which resulted in the estimates submitted for the 1955 program being firmer than any received in prior years. There are, however, several deficiencies existing in this field which warrant the immediate attention of the Department of Defense and the Assistant Secretary of Defense for Properties and Installations. There has always been a need for review of the cost and scope of those facilities which have functions common to more than one service. That this review has not been properly carried out in the past is obvious when one seeks to explain why a fire station should cost approximately $12 per square foot for the Air Force and be budgeted for an amount in excess of $18 per square foot by the Navy. The committee is also at a loss to understand why parachute shops can be constructed for approximately $16 per square foot by the Air Force while the Navy requests in excess of $21 per square foot for these shops. Similar cost differentials appear to exist in the construction of certain fuel storage facilities and ammunition and ordnance magazines. The attention of the Department is called to the situation existing with reference to the construction of barracks at Ladd Air Force Base in Alaska. The Department of the Air Force has under contract at the present time barracks with mess facilities at these locations at costs varying between $2,876 per man to $3,016 per man. The Department of the Army submitted budget requests for barracks for this installation at a cost of $3,900 per man. The committee desires that the Department of Defense thoroughly study this problem of common type facilities and file a report thereon with the committee not later than January 3, 1955.

There is also a need for a continuing review by the Department of Defense and the three services as to the design of repetitive type structures. A recent experience of the Department of the Navy in this respect points out the need for such a constant review. The so-called Miramar hangar was adopted by the Navy as the standard type of overhaul hangar for naval air stations. Continuing reviews of the design and construction of this hangar have resulted in modifications which have reduced the unit cost in excess of $4 per square foot. The committee will expect the services to maintain a continuing inspection of the design of their facilities so that maximum utilization is made of funds appropriated for military construction.

The estimates for fiscal year 1955 represent the initiation of two features of the military construction program which have not been present to any extent in recent years. The first of these has to do with the construction of welfare and recreational facilities. The committee was not satisfied that the estimates presented to it in support of these requests were based on adequate advance planning. On the contrary, it appeared that in most instances the facilities were too costly for the proposed utilization of the structures. The unit costs of gymnasiums contained in the program were particularly high. Past experiences in both Government and private construction lead the committee to believe that permanent gymnasiums can be constructed for approximately $16 per square foot, while semi-permanent gynasiums can be properly built for $14 per square foot. In allocating funds for gym facilities at the various installations the committee has used these cost factors and expects that the Department of Defense will have these limitations in mind in designing standard gymnasiums. It will be expected that the Departments will adhere to the same austere standards of construction on welfare and recreational facilities which have been typical of the construction program in the past. In this respect, the committee points out to the Department of Defense the desirability of standard facilities of this type for the three services.

The 1955 program also contains the initiation of a program for providing vehicle parking areas at many of the large installations. Generally the committee has approved these requests. It desires, however, that the departments carefully monitor this feature of the construction program, and it will be expected that requests for parking areas, for other than military vehicles, will be held to the minimum.

The necessary expansion of industrial and aviation facilities of the Department of Defense is creating a problem which requires immediate and continuing attention. Necessary expansion of most of the other installations can be made only at great expense, in many instances necessitated by the purchase of valuable commercial and residential land from private interests. The only alternatives to these expansions are the construction of similar facilities elsewhere or a reduction of the functions of the particular installations. While these alternatives appear to be costly and undesirable they must be considered in connection with any future plans for our military forces.

The conversion of the Air Force to the use of jet-type planes has created another problem, especially as to the use of municipal airports in close proximity to populated areas. At present the use of such fields is vital to the proper air defense of the Nation. If their use is to jeopardize either Air Force personnel or the surrounding communities or is to prohibit the expansion of commercial flying activities, consideration should be given to the establishment of new facilities in the same general area. The need for a review of the continued utilization of such fields is most apparent when one realizes the projected increase of flying activities in the future. It is desired that the Department of Defense, together with the three services, thoroughly study these problems, filing the results of such a study with the proper committees of Congress early in the next Congress and prior to the consideration of the military construction program for fiscal year 1956.

The action of the committee is generally predicated on several criteria: First, maximum use should be made of existing unobligated and unexpended balances prior to the appropriation of additional funds; second, construction on defense installations should continue to be on austerity standards; third, the limitations on the construction of barracks, bachelor officer quarters, warehousing facilities, and cold-storage plants should be continued at the same unit cost as have been used in the past.

Department of the Navy

The budget estimates received by the committee requested approval of a Navy public-works program in the amount of $221,470,000 and appropriations of $140 million. The committee recommends a program of $196,013,000, a reduction of $25,457,000. Appropriations of $73,517,000 are recommended, a reduction of $66,483,000. The unobligated balance of funds previously appropriated for public works, Navy, was estimated to be $300 million of June 30, 1954. These funds, when coupled with the appropriations contained in this bill, will be sufficient to meet the needs of the construction program of the Navy in fiscal year 1955 and will provide a satisfactory carryover of funds into the following fiscal year.

Committee Recommendations

The funds approved for the Department of the Navy have been allocated in the following manner:

CONTINENTAL

Shipyard facilities:	
Naval Shipyard, Boston, Mass.	$3,400,000
Naval Shipyard, Charleston, S. C.	555,000
Minecraft Station, Panama City, Fla.	1,254,000
Naval Shipyard, San Francisco, Calif.	1,091,000
Fleet facilities:	
Morehead City, N. C.	710,000
Submarine Base, New London, Conn.	476,000
Minecraft Base, Charleston, S. C.	158,000
Aviation facilities:	
Naval Air Station, Alameda, Calif.	4,463,000
Naval Auxiliary Landing Field, Alice, Tex.	151,000
Naval Air Station, Atlantic City, N. J.	779,000
Marine Corps Auxiliary Air Station, Beaufort, S. C.	10,776,000
Naval Air Station, Brunswick, Maine	527,000
Naval Air Station, Cecil Field, Fla.	863,000
Naval Auxiliary Air Station, Chase Field, Tex.	241,000
Marine Corps Air Station, Cherry Point, N. C.	1,609,000
Naval Air Station, Corpus Christi, Tex.	342,000
Naval Auxiliary Air Station, Corry Field, Fla.	2,153,000
Marine Corps Air Station, El Toro, Calif.	1,675,000
Naval Auxiliary Air Station, Fallon, Nev.	468,000
Naval Air Station, Glenview, Ill.	70,000
Naval Auxiliary Air Station, Glynco, Ga.	6,185,000
Naval Auxiliary Air Station, Kingsville, Tex.	601,000
Naval Air Facility, Litchfield, Park, Ariz.	1,654,000
Naval Air Landing Field, Mayport, Fla.	75,000
Naval Air Station, Miramar, Calif.	3,331,000
Naval Air Station, Moffett Field, Calif.	1,336,000
Marine Corps Auxiliary Air Station, Mojave, Calif.	160,000
Marine Corps Air Facility, New River, N. C.	972,000
Naval Air Station, Norfolk, Va.	628,000
Naval Air Station, Oceana, Va.	4,106,000
Naval Air Station, Pensacola, Fla.	1,533,000
Naval Air Missile Test Center, Point Mugu, Calif.	1,030,000
Naval Air Station, Quonset Point, R. I.	579,000
Naval Air Station, San Diego, Calif.	1,157,000
Padre Island, Tex.	80,000
Naval Air Turbine Test Station, Trenton, N. J.	5,209,000
Naval Air Station, Whidbey Island, Wash.	4,197,000
Classified locations	2,666,000
Supply facilities:	
Naval Supply Center, Norfolk, Va.	653,000
Naval Supply Center, Oakland, Calif.	3,051,000
Marine Corps facilities:	
Depot of Supplies, Albany, Ga.	452,000
Camp Lejeune, N. C.	749,000
Recruit Depot, Parris Island, S. C.	737,000

CONTINENTAL—continued

Marine Corps facilities—Con.	
Marine Corps School, Quantico, Va	$585,000
Recruit Depot, San Diego, Calif	82,000
Ordnance facilities:	
Naval Ammunition Depot, Charleston, S. C	671,000
Naval Proving Ground, Dahlgren, Va	212,000
Naval Ammunition Depot, Earle, N. J	73,000
Naval Ammunition Depot, Hawthorne, Nev	308,000
Naval Ordnance Plant, Indianapolis, Ind	1,183,000
Naval Powder Factory, Indian Head, Md	345,000
Naval Depot, Melville, R. I	380,000
Naval Magazine, Port Chicago, Calif	519,000
Naval Ordnance Laboratory, White Oaks, Md	361,000
Naval Mine Depot, Yorktown, Va	480,000
Classified location	2,345,000
Service school facilities:	
Naval Amphibious, Coronado, Calif	1,444,000
Naval Postgraduate School, Monterey, Calif	332,000
Fleet Air Defenses and CIC Training Center, Point Loma, Calif	340,000
Medical facilities:	
Naval Hospital, Norfolk area, Virginia	12,582,000
Naval Hospital, St. Albans, Long Island, N. Y	245,000
Naval Hospital, San Diego, Calif	756,000
Office of Naval Research facilities:	
Naval Research Laboratory, Washington, D. C	996,000
Yards and Docks facilities:	
Construction Battalion Center, Port Hueneme, Calif	3,384,000
San Bruno, Calif	750,000
Marine Corps Training Center, Twentynine Palms, Calif	14,000
Advance planning	2,500,000
Correction of deficiencies, continental	1,500,000
Total, continental	105,289,000

OVERSEAS

Fleet facilities:	
Naval Station, Subic Bay, Philippine Islands	$6,550,000
Classified location	4,639,000
Aviation facilities:	
Naval Air Facility, Cubi Point, Philippine Islands	4,992,000
Naval Air Station, Guantanamo Bay, Cuba	230,000
Naval Air Station, Iwakuni, Japan	1,670,000
Naval Air Station, Kodiak, Alaska	719,000
Naval Station, Kwajalein, Marshall Islands	990,000
Classified locations	6,225,000
Classified location	21,431,000
Supply facilities:	
Naval Station, Subic Bay, Philippine Islands	5,956,000
Classified location	17,200,000
Classified locations	8,452,000
Ordnance facilities: Classified location	400,000
Communications facilities: Naval Communication Facility, Philippine Islands	6,520,000
Yards and docks facilities:	
Correction of deficiencies, overseas	750,000

OVERSEAS—continued

Yards and docks facilities—Con.	
Replacement of temporary housing	$4,000,000
Total, overseas	90,724,000
Total, Navy	196,013,000

Generally these allocations are based upon application of previously mentioned criteria to the budget requests. The committee desires, however, to point out the necessity for reductions at several of the installations.

The committee has denied the request of $225,000 for the acquisition of the San Francisco and Napa Valley Railroad serving the Naval Shipyard, Mare Island, Calif. It would appear from the testimony that the Navy desires the requested funds to increase their bargaining position with reference to the rail transportation problem at this installation rather than for the immediate acquisition of the railroad. The committee disapproves the use of funds for this purpose.

The request for a pipefitter shop at the Naval Shipyard, San Francisco, Calif., has been denied. The shop contemplated by the estimates is considerably in excess of any similar facilities which have existed or are now in use at this base. It is desired that the Navy restudy the need for this shop, both as to size and unit cost.

The allocation of $452,000 at the Marine Corps Depot of Supplies, Albany, Ga., is sufficient to provide the requested second increment of the maintenance shops at this installation and the necessary security facilities.

The Department of the Navy requested $288,000 for the construction of temporary classroom buildings at the Marine Corps Recruit Depot, Parris Island, S. C. The committee questions the economy of constructing temporary classrooms at this permanent installation, and desires that the Department restudy this item with a view toward providing permanent classrooms if they are needed to carry on the mission of this depot.

The need for additional physical training facilities at the Naval Academy, Annapolis, Md., is recognized by the committee. The additional gymnasium facility requested in the amount of $5,680,000, however, appears to be excessive in both scope and cost. It is desired that the Department more thoroughly examine the needs of the Academy in this respect and present the results thereof to the committee for its consideration in the next Congress.

The committee has denied the request for funds for certain housing and subsistence facilities at the Naval Training Center, Great Lakes, Ill. In this connection it is noted that the Senate denied the request for authorization of $3,900,000 for barracks and subsistence buildings. All pending requests for construction at Great Lakes are based on the centralization of certain training facilities at that location. It would appear that the Senate questions the desirability of this program, therefore, this committee has deleted all related facilities. It is apparent that the Navy has not adequately justified its plan for consolidation of presently existing facilities at Great Lakes.

The allocations for advance planning and correction of deficiencies, both in the continental United States and overseas, when coupled with unobligated balances remaining in these funds will provide for the continuation of orderly programs similar to those carried on in past years.

The committee has previously stated its desire for a review of facilities which are common both to the Department of the Navy and the other services. This is particularly true with reference to aviation facilities. The cost estimates presented to the committee by the Department on these type facilities were in any instances considerably higher than similar costs in the Air Force. With this restudy in mind the committee has deleted requests for certain common type facilities. At Naval Air Station, Cecil Field, Fla., the parachute building and ordnance facilities have been denied. Fuel storage facilities at the Naval Auxiliary Air Station, Glynco, Ga., at the Naval Auxiliary Air Station, Kingsville, Tex., and the Marine Corps Auxiliary Air Station, Beaufort, S. C., have also been deleted. Fire and crash stations at the Naval Air Station, Brunswick, Maine, Naval Auxiliary Landing Field, Crows Landing, Calif., the Naval Auxiliary Air Station, Fallon, Nev., Naval Air Facility, Cubi Point, Philippine Islands, and the Naval Air Missile Test Center, Point Mugu, Calif., have been denied. The ammunition storage facilities at the Naval Air Facility, Cubi Point, Philippine Islands, and the Naval Auxiliary Air Station, El Centro., Calif., have been denied for the same reason.

Department of the Air Force

The committee recommends a program of $834,080,000 for the Department of the Air Force, a reduction of $111,917,000, and new appropriations $484,080,000, a reduction of $461,917,000 in the request for new funds. In addition, the committee recommends the application of unobligated balances from prior years of $350 million to the construction program set forth in this report. On June 30, 1954, the unobligated balance of construction funds previously appropriated to the Air Force was approximately $1.2 billion. These balances together with the new appropriation will be sufficient to meet the needs of the military construction program in fiscal year 1955 and will provide a satisfactory carryover of funds into the next fiscal year.

Committee Recommendations

Listed below is a table showing the amounts allocated to the installations in the continental United States and the various overseas commands.

CONTINENTAL

Air Defense Command:	
Atlantic City, N. J	$72,000
Minot AFB, N. Dak	6,436,000
Burlington MAP, Vt	1,010,000
Duluth MAP, Minn	2,113,000
Ent AFB, Colo	124,000
Grand Forks AFB, N. Dak	6,280,000
Geiger Field, Wash	150,000
Glasgow APT, Mont	8,038,000
Grandview AFB, Mo	1,489,000
Greater Pittsburgh APT, Pa	232,000
Hamilton AFB, Calif	1,000,000
K. I. Sawyer MAP, Mich	8,496,000
Kinross AFB, Mich	926,000
Klamath Falls MAP, Oreg	4,127,000
McChord AFB, Wash	1,561,000
McGhee-Tyson MAP, Tenn	130,000
Minneapolis-St. Paul MAP, Minn	2,129,000
Nantucket, Mass	107,000
New Castle County MAP, Del	677,000
Niagara Falls MAP, N. Y	262,000
O'Hare/Chicago MAP, Ill	228,000
Otis AFB, Mass	2,413,000
Oxnard AFB, Calif	490,000
Paine AFB, Wash	482,000
Pescadero, Calif	107,000
Point Conception, Calif	72,000
Presque Isle AFB, Maine	152,000
Selfridge AFB, Mich	718,000
Sioux City MAP, Iowa	4,000
Stewart AFB, N. Y	2,647,000
Suffolk County AFB, N. Y	1,348,000
Traverse City AFB, Mich	8,136,000
Truax/Madison FLD, Wisc	1,242,000
Wurtsmith AFB, Mich	2,383,000
Youngstown MAP, Ohio	687,000
Yuma County APT, Ariz	2,127,000
Air Materiel Command:	
Birmingham AFB, Ala	78,000
Brookley AFB, Ala	3,814,000
Gentile AF Depot, Ohio	489,000
Hill AFB, Utah	10,125,000

CONTINENTAL—continued

Air Materiel Command—Con.	
Kelly AFB, Tex	$12,193,000
Mallory AF Depot, Tenn	268,000
McClellan AFB, Calif	2,816,000
Norton AFB, Calif	4,303,000
USAF Petroleum Storage Depot No. 1, Calif	156,000
USAF Petroleum Storage Depot No. 2, Calif	737,000
Olmsted AFB, Pa	1,970,000
Robins AFB, Ga	14,645,000
Tinker AFB, Okla	6,159,000
Topeka AF Depot, Kans	86,000
Wright-Patterson AFB, Ohio	5,786,000
Air proving grounds: Eglin AFB, Fla	6,149,000
Air Training Command:	
Amarilla AFB, Tex	365,000
Bryan AFB, Tex	28,000
Chanute AFB, Ill	46,000
Craig AFB, Ala	138,000
Ellington AFB, Tex	1,073,000
Francis E. Warren AFB, Wyo	26,000
Gila Bend AF AUX, Ariz	791,000
Goodfellow AFB, Tex	15,000
Greenville AFB, Miss	813,000
Harlingen AFB, Tex	1,304,000
James Connally AFB, Tex	3,853,000
Keesler AFB, Miss	207,000
Laredo AFB, Tex	458,000
Laughlin AFB, Tex	255,000
Luke AFB, Ariz	861,000
Mather AFB, Calif	1,530,000
Moody AFB, Ga	339,000
Nellis AFB, Nev	1,930,000
Perrin AFB, Tex	1,940,000
Reese AFB, Tex	112,000
Scott AFB, Ill	934,000
Selma MAP, Ala	176,000
Sheppard AFB, Tex	32,000
Tyndall AFB, Fla	1,466,000
Vance AFB, Okla	138,000
Webb AFB, Tex	100,000
Wichita AFB, Kans	2,190,000
Williams AFB, Ariz	22,000
Air University: Maxwell AFB, Ala	1,347,000
CONAC/Regular:	
Beale AFB, Calif	192,000
Brooks AFB, Tex	757,000
Dobbins AFB, Ga	576,000
Mitchel AFB, N. Y	676,000
Wolters AFB, Tex	845,000
Conac/Reserve: Cleveland area, AFR, Ohio	4,000,000
Headquarters Command: Bolling AF, D. C	236,000
Military Air Transport:	
Andrews AFB, Md	1,890,000
Charleston AFB, S. C	7,250,000
McGuire AFB, N. J	4,638,000
Palm Beach International Airport, Fla	2,357,000
Research and Development:	
Arnold Engineering Development Center, Tenn	48,757,000
Edwards AFB, Calif	26,773,000
Griffiss AFB, N. Y	1,480,000
Griffiss Aux 2, N. Y	1,272,000
Griffiss Aux 3, N. Y	64,000
Hartford Research Facility, Conn	5,750,000
Holloman AFB, N. Mex	7,096,000
Kirtland AFB, N. Mex	3,249,000
Kirtland Subbase 1, Nev	243,000
Laur G. Hanscom AFB, Mass	6,553,000
Laur G. Hanscom Aux 1, Mass	61,000
Laur G. Hanscom Aux 2, N. Mex	114,000
Mount Washington Proj. Lab, N. Y	596,000
Patrick AFB, Fla	27,000
Patrick Aux 1	446,000
Patrick Aux 3	121,000
Patrick Aux 4	10,000
Patrick Aux 5	40,000
Patrick Aux 6	143,000
Patrick Aux 7	34,000
Patrick Aux 8	10,000
Patrick Aux 9	324,000

CONTINENTAL—continued

Strategic Air Command:	
Abilene AFB, Tex	$17,394,000
Altus AFB, Okla	15,761,000
Barksdale AFB, La	3,905,000
Bergstrom AFB, Tex	1,338,000
Biggs AFB, Tex	2,050,000
Campbell AFB, Ky	1,451,000
Carswell AFB, Tex	2,000,000
Castle AFB, Calif	9,581,000
Clinton-Sherman Airport, Okla	11,393,000
Columbus AFB, Miss	3,558,000
Davis-Monthan AFB, Ariz	2,881,000
Ellsworth AFB, S. Dak	6,991,000
Fairchild AFB, Wash	6,787,000
Forbes AFB, Kans	9,919,000
Gray AFB, Tex	465,000
Great Falls AFB, Mont	6,586,000
Homstead AFB, Fla	13,247,000
Hunter AFB, Ga	8,900,000
Lake Charles AFB, La	9,082,000
Limestone AFB, Maine	13,563,000
Lincoln AFB, Nebr	4,353,000
Little Rock AFB, Ark	11,917,000
Lockbourne AFB, Ohio	10,644,000
MacGill AFB, Fla	1,974,000
March AFB, Calif	8,734,000
Matagorda Island, Tex	607,000
Mountain Home AFB, Idaho	526,000
Offutt AFB, Nebr	1,628,000
Pinecastle AFB, Fla	4,176,000
Plattsburgh AFB, N. Y	16,784,000
Portsmouth AFB, N. H	13,653,000
Sedalia AFB, Mo	2,360,000
Smoky Hill AFB, Kans	7,540,000
Stead AFB, Nev	570,000
Travis AFB, Calif	7,772,000
Turner AFB, Ga	5,661,000
Walker AFB, N. Mex	4,087,000
Westover AFB, Mass	1,146,000
Tactical Air Command:	
Alexandria AFB, La	5,823,000
Ardmore AFB, Okla	486,000
Blytheville AFB, Ark	2,697,000
Bunker Hill AFB, Ind	2,679,000
Clovis AFB, N. Mex	2,748,000
Donaldson AFB, S. C	3,213,000
Eglin Auxiliary 9, Fla	1,462,000
Foster AFB, Tex	1,341,000
George AFB, Calif	5,102,000
Langley AFB, Va	2,534,000
Larson AFB, Wash	1,890,000
Myrtle Beach MAP, S. C	11,611,000
Pope AFB, N. C	1,950,000
Stewart AFB, Tenn	872,000
Seymour Johnson AFB, N. C	13,444,000
Shaw AFB, S. C	2,997,000
Air Academy, Colo	15,338,000
Various, Zone of Interior	1,040,000
Aircraft Control and Warning, continental	54,324,000
Total, continental	669,973,000

OVERSEAS

Alaskan Air Command	$12,870,000
Far Eastern Air Command	27,353,000
Military Air Transport	10,090,000
Northeastern Air Command	19,114,000
Strategic Air Command	2,386,000
USAFE, Middle East	31,578,000
USAFE, Spain	48,145,000
USAFE, United Kingdom	12,571,000
AC and W, overseas	5,000,000
Less reimbursement from sale French Morocco surplus materials	—5,000,000
Total, overseas	164,107,000
Total, Air Force	834,080,000

These allocations are generally based upon application of previously mentioned criteria to the budget estimates. The committee desires, however, to comment on reductions at several of the installations.

The committee is not convinced of the need for a gymnasium at Ent Air Force Base, Colorado Springs, Colo. It would appear that sufficient recreational facilities are presently available in the area to meet the needs of the base personnel.

At Kinross Air Force Base, Mich., it would seem to be proper to provide a multipurpose recreational building, with theater facilities, rather than the large expensive theater contemplated in the budget estimates.

Recent experiences have demonstrated that the costs of storage igloos at Truax/Madison Field, Wis., can be reduced below those presented to the committee.

The Air Force requested $1,495,000 for the relocation of certain buildings at Kelly Field, Tex. As a result of a survey requested by the committee it now appears that the necessary relocations can be accomplished for approximately $975,000. The committee is quite desirous that the Air Force carefully screen the buildings to be relocated at this base both as to their present condition and the actual need for them in the accomplishment of the permanent mission of this installation.

The request of $132,000 for railroad trackage at Topeka Air Force Depot, Kans., has been denied. Estimated savings resulting from this item are not sufficient to warrant its construction at the present time.

It is desired that the Air Force restudy the plans for housing and messing facilities at Gila Bend Auxiliary Field, Ariz., with a view toward providing only for the needs of the personnel stationed at the base. Sufficient funds have been included in the allocation to provide for such reduced facilities. The committee calls to the attention of the Air Force the desirability of providing both housing and messing facilities in one building at small installations of this type.

The committee has reduced the request for personnel facilities at Wichita Air Force Base, Kans., in the belief that a restudy of the present estimates for these structures, both as to size and cost, should result in considerable savings.

Funds were requested for construction of a joint Air Force-Navy Reserve facility in the vicinity of Cleveland, Ohio. Experience has shown that it is folly to appropriate large sums for construction until the site of the installation has been firmly established and proper advance planning accomplished on the individual line items. Since this has not been accomplished at this base, the $4 million allocated by the committee will be sufficient to provide for the necessary land acquisitions as well as to allow the award of contracts for portions of the airfield pavement requirements.

The committee fails to see the need for the replacement of dormitory and messing facilities at Kirtland Air Force Base, N. Mex., the hospital addition at Sedalia Air Force Base, Mo., or the gymnasium at Stead Air Force Base, Nev.

The funds requested for Auxiliary Field 11 of Patrick Air Force Base, Fla. have been denied. The committee will entertain requests for this installation when the site has been firmly established and the need more clearly demonstrated.

The personnel facilities requested at Pope Air Force Base, N. C. have been deleted. It is the committee's opinion that facilities of this type exist, either at this installation or at adjacent Fort Bragg, to meet the needs of the personnel.

The committee desires that the Air Force review the warehouse requested for the Mount Washington climatic project, New Hampshire. The need for the structure and the unit cost of $30 per square foot are both questionable.

At Plattsburg Air Force Base, N. Y., the committee has denied funds for a post exchange sales store and a hospital. Sufficient facilities exist to meet the needs of the base for a sales store. The hospital should be reviewed as to design, size, and cost with a

view toward providing the most economical structure cognizant with the needs of the installation.

The amount of $15,338,000 is made available for the initiation of construction of the Air Force Academy and for construction of the interim Academy at Lowry Air Force Base, Colo., with the specific limitation that the funds made available to the Air Force by the State of Colorado are to be used only for the purchase of land. The committee has reduced the request for land-acquisition funds by the $1 million presently contemplated to be received from the State for this purpose. Under no circumstances is the Department of the Air Force to acquire more than the presently contemplated 15,000 acres for this installation without prior clearance by this committee.

At Hickam Air Force Base, T. H., it appears that the cost of the contemplated restoration of certain barracks space is excessive and should be more thoroughly studied prior to the appropriation of funds.

The committee has denied requests in their entirety for bases on which construction has not been initiated or has been seriously retarded due to the inability of the Air Force to fulfill necessary land requirements. These bases are Portland International Airport, Oreg., Dover Air Force Base, Del., Dow Air Force Base, Maine, and Lawson Air Force Base, Ga.

Reductions have been made in the land acquisition costs at certain bases due to the donation of lands by local interests. These bases are North Dakota, Glasgow Air Force Base, Mont.; Traverse City Air Force Base, Mich.; and Myrtle Beach Municipal Airport, S. C. Additional reductions have been made in the costs at Glasgow due to the overpricing of the land in the estimates submitted to the committee.

Application of the present cost limitation on warehousing and cold-storage facilities has resulted in reductions in the funds requested for these facilities at Minot Air Force Base; Glasgow Air Force Base; Grand Forks Air Force Base; K. I. Sawyer Municipal Airport, Mich.; Klamath Falls Municipal Airport, Oreg; Traverse City Air Force Base, Mich.; Great Falls Air Force Base, Mont.; and Altus Air Force Base, Okla.

The committee has reduced the cost of gymnasiums requested for bases at Grandview, Mo.; Amarillo Air Force Base, Tex.; Laughlin Air Force Base, Tex.; Wichita Air Force Base, Kans.; Kirtland Air Force Base, N. Mex.; Hanscom Air Force Base, Mass.; Hunter Air Force Base, Ga.; Lake Charles Air Force Base, La.; Lincoln Air Force Base, Nebr.; Portsmouth Air Force Base, N. H.; Ardmore Air Force Base, Okla.; Blytheville Air Force Base, Ark.; Foster Air Force Base, Tex.; and George Air Force Base, Calif.

Department of the Army

The budget estimates received by the committee for the Department of the Army contemplated a funding program from available unobligated balances in the amount of $245,611,000. The committee recommends a program of $191,321,000, a reduction of $54,290,000 in the budget request.

Committee Recommendations

The funds approved by the committee for the Department of the Army are allocated in the following manner:

Department of the Army

Ordnance:	
Aberdeen Proving Ground, Md	$1,579,000
Atchison Storage Facility, Kans	1,155,000
Benicia Arsenal, Calif	352,000
Frankford Arsenal, Pa	1,626,000
Jet Propulsion Laboratory, Calif	247,000

Department of the Army—Continued

Ordnance—Continued	
Letterkenny Ordnance Depot, Pa	$2,190,000
Lima Ordnance Depot, Ohio	33,000
Navaho Ordnance Depot, Ariz	85,000
Redstone Arsenal, Ala	580,000
Savanna Ordnance Depot, Ill	360,000
Quartermaster:	
Atlanta General Depot, Ga	100,000
Fort Lee, Va	983,000
New Cumberland General Depot (including United States Disciplinary Barracks), Pa	492,000
Richmond Quartermaster Depot, Va	97,000
Chemical:	
Army Chemical Center, Md	673,000
Deseret Chemical Depot, Utah	181,000
Dugway Proving Ground, Utah	78,000
Signal:	
Transmitting Station, Va	2,360,000
Fort Huachuca, Ariz	77,000
Lexington Signal Depot, Ky	492,000
Fort Monmouth, N. J	330,000
Sacramento Signal Depot, Calif	492,000
Corps of Engineers: Fort Belvoir, Va	3,050,000
Transportation:	
Brooklyn Army Base, N. Y	1,264,000
Charleston Transportation Depot, S. C	370,000
Fort Eustis, Va	3,463,000
Oakland Army Base, Calif	785,000
Point Aux Pins Ammunition Terminal, Ala	6,152,000
Army Security Agency: Vint Hill Farms Station, Va	98,000
Army Medical Service:	
Wm. Beaumont Army Hospital, Tex	391,000
Brooke Army Medical Center, Tex	1,129,000
First Army:	
Boston Army Base, Mass	9,900,000
Fort Devens, Mass	1,314,000
Fort Dix, N. J	330,000
Fort Hamilton, N. Y	450,000
Second Army:	
Fort Knox, Ky	1,285,000
Fort George G. Meade, Md	303,000
Third Army:	
Fort Benning, Ga	4,264,000
Fort Bragg, N. C	3,470,000
Fort Campbell, Ky	3,623,000
Fourth Army:	
Fort Bliss, Tex	11,178,000
Fort Hood, Tex	9,904,000
Fort Sill, Okla	1,314,000
Fifth Army:	
Camp Carson, Colo	3,582,000
Fort Riley, Kans	3,871,000
Sixth Army:	
Fort Lewis, Wash	6,268,000
Presidio of Monterey, Calif	330,000
Fort Ord, Calif	774,000
U. S. Disciplinary Barracks, Calif	923,000
Yuma Test Station, Ariz	75,000
Armed Forces special weapons projects	2,080,000
General, continental United States:	
Tactical facilities	65,000,000
Classified project	2,700,000
Overseas areas:	
Alaska:	
Eielson Air Force Base (Army)	533,000
Kenai	1,954,000
Ladd Air Force Base (Army)	839,000
Fort Richardson	992,000
Whittier	541,000
Okinawa	11,049,000

Department of the Army—Continued

Overseas areas—Continued	
Pacific: Waiawa Radio Transmitting Station, T. H	$221,000
Iceland	5,490,000
Tactical facilities, overseas	500,000
General, continental United States and overseas: Advance design	5,000,000
Total, Army	191,321,000

Generally, the reductions recommended by the committee are based on previously mentioned criteria. The committee desires, however, to comment on reductions at several specific installations.

Adequate swimming facilities exist at Aberdeen Proving Ground, Md., therefore, the committee has denied the request for an additional swimming pool at this installation.

The committee believes that the gymnasium at White Sands Proving Ground, N. Mex., is excessive to the needs of this installation and desires that the Army restudy the need for a facility of the size contemplated at this station.

The request for an addition to the officers' open mess at Fort Belvoir, Va., has been denied, as have funds requested for the post exchange at Walter Reed Medical Center, D. C.; the bowling alleys and officers club at Fort Bragg, N. C.; and the fieldhouse and post exchange at Fort Dix, N. J., in the belief that adequate facilities exist on these installations to meet the needs of the personnel stationed there.

The committee fails to see the need for a post exchange sales store at the Sacramento Signal Depot, Calif.

Funds were requested in the amount of $8,450,000 for conversion of the riding hall at the United States Military Academy, N. Y., to classroom spaces. While the committee recognizes the possible need for additional classroom spaces at the Academy, it desires that the Department restudy this proposal with consideration being given both to the erection of a less costly structure and to the amount of classroom space actually needed in view of present and anticipated future enrollments at the Academy.

Funds requested for post exchanges at Fort Campbell, Ky., and Camp Carson, Colo., have been denied. The requested facilities appear to be excessive in scope to the needs of these installations, particularly with reference to the inclusion of cafeteria facilities.

The request for barracks at Ladd Air Force Base, Alaska, has been denied by the committee. As is stated elsewhere in their report, a careful study should be made of the costs of these barracks in view of the actual construction experiences of the Air Force at this same installation.

The funds allocated for advance design when coupled with unobligated balances remaining in this item will provide for the continuation of an orderly advance planning program.

The committee has allocated funds for construction of the Point Aux Pins Ammunition Terminal, Alabama, in the amount requested by the Department of the Army. These funds are to be used only for land acquisition and for dredging of a channel leading directly to the sea in the manner presented to the committee in the recent hearings in support of this project.

Funds in the amount of $9,900,000 for the Boston Army Base, Mass., were requested by the Department of the Army. This project is authorized in H. R. 9242 and has been concurred in by both the House of Representatives and the Senate. It also involves the utilization of approximately $1,100,000 from the Commonwealth of Massachusetts and authorizes the Secretary of the Army to lease such portions of the Boston Army Base as

he may deem advisable to the Commonwealth of Massachusetts with the retention of recapture rights in any national emergency upon a determination by the Secretary of the Army that the property is needed for military purposes. The committee insists that such a lease contain terms that in the event of reentry into these facilities by the United States the return given to the Commonwealth of Massachusetts as a result of such action shall only be the proper proration of the capitalization of the $1,100,000 contributed by the Commonwealth and shall not include any expenses of protection, repair, and maintenance of the leased premises which the Commonwealth would assume under the terms of H. R. 9242.

CHAPTER IX

Subcommittee: JOHN TABER, New York, chairman; RICHARD B. WIGGLESWORTH, Massachusetts; H. CARL ANDERSEN, Minnesota; IVOR D. FENTON, Pennsylvania; NORRIS COTTON, New Hampshire; GLENN R. DAVIS, Wisconsin; GERALD R. FORD, Jr., Michigan; J. VAUGHAN GARY, Virginia; JOHN J. ROONEY, New York; OTTO E. PASSMAN, Louisiana; CLARENCE CANNON, Missouri.

Emergency programs and activities

Department of State

Government in occupied areas: The bill includes $14 million for carrying out the United States occupation, contractual, diplomatic, and educational exchange functions in Germany and Austria. This amount is $1,500,000 below the amount of the budget estimate and is $5,836,101 below the comparable appropriation for fiscal year 1954.

In addition, the $1 million requested in House Document Numbered 428 to provide for the construction of staff housing in Austria is approved. This amount is to be used exclusively for purchase of foreign credits owed to or owned by the United States.

Funds Appropriated to the President

Refugee relief: There is included in the bill $7 million to carry out the provisions of the Refugee Relief Act of 1953, in which six of the major departments of Government are involved. The amount allowed is $2,025,000 below the budget estimate and $3,750,000 above the appropriation for fiscal year 1954. The request as contained in House Document Numbered 422 for language permitting the apportionment of the entire amount in the first 9 months of the fiscal year, if found necessary by the Bureau of the Budget, is not approved.

Department of the Army, Civil Functions

Government and relief in occupied areas: The committee recommends $3,100,000 for expenses necessary to meet the responsibilities and obligations of the United States in connection with the government or occupation of the Ryukyu Islands, the most important of which is Okinawa. The amount provided is the same as appropriated for fiscal year 1954 and is $950,000 below the budget estimate. It should be noted that $600,000 of the 1954 fiscal year's appropriation was withheld by administrative action and was recently released for procurement of supplies, the economic effect of which will be realized in the present fiscal year. The Department therefore volunteered a reduction of $600,000 in their request for the 1955 fiscal year.

Federal Civil Defense Administration

The bill includes a total of $44,025,000 in new appropriations plus the sum of $1,300,000 of previously appropriated funds which is continued available. The amount allowed provides appproximately the same amount as was obligated during fiscal year 1954. The action with respect to each item is set forth below.

Operations: The committee recommends $8,525,000 for this item which provides for civil defense planning, education services, operations control services, technical advisory services, field representation, executive direction, and general administration. The amount allowed is the same as was appropriated for fiscal year 1954.

Federal contributions: There is included in the bill $10,500,000 for financial contributions to the States, pursuant to subsection (i) of section 201 of the Federal Civil Defense Act of 1950, as amended to be equally matched with State funds. The amount allowed is $4,250,000 below the budget estimate, but is the same as the sum appropriated for fiscal year 1954. In addition, language as requested in House Document No. 385, continuing available $1,300,000 of the unobligated balance for fiscal year 1954, is included in the bill.

Emergency supplies and equipment: The bill includes $25 million for procurement of reserve stocks of emergency civil-defense materials as authorized by subsection (h) of section 201 of the Federal Civil Defense Act of 1950, as amended. The amount allowed is $2,500,000 below the amount appropriated for the current fiscal year and is $35 million below the budget estimate. The entire amount allowed is to be used for medical supplies and equipment.

Jamestown-Williamsburg-Yorktown Celebration Commission

The sum of $170,000, the budget estimate, is included in the bill for the operation of this Commission which was established pursuant to Public Law 263, approved August 13, 1953.

General Services Administration

Administrative expenses, Abaca fiber program: Language as requested in House Document No. 456 is included in the bill. The administrative expense limitation has been reduced from $148,000 to $135,000.

Treasury Department

Federal Facilities Corporation: Language as requested in House Document No. 456 with the administrative expense limitation of $1,954,000 is included in the bill.

CHAPTER X

Claims, audited claims, and judgments

The committee recommends the full amount of $9,296,561 contained in House Document No. 461 to cover claims for damages, audited claims, and judgments rendered against the United States. Of this amount, $8,031,303 represents judgments of the Court of Claims and the United States districts courts. The amount provided for claims is $1,265,258.

CHAPTER XI

General provisions

Subcommittee: JOHN TABER, New York, chairman; RICHARD B. WIGGLESWORTH, Massachusetts; H. CARL ANDERSEN, Minnesota; IVOR D. FENTON, Pennsylvania; NORRIS COTTON, New Hampshire; GLENN R. DAVIS, Wisconsin; GERALD R. FORD, Jr., Michigan; J. VAUGHAN GARY, Virginia; JOHN J. ROONEY, New York; OTTO E. PASSMAN, Louisiana; CLARENCE CANNON, Missouri.

The general provision included in the accompanying bill are applicable to all departments, agencies, and corporations of the Federal Government.

Section 1101 continues, at $1,400 each, the amount that may be spent for purchase of passenger motor vehicles, and adds a new limitation of $3,000 on any one passenger vehicle irrespective of any limitation carried in the 1955 appropriations acts.

Section 1102 continues language which has been carried for some years concerning the employment of aliens.

Section 1103 continues language previously carried relating to living quarters allowances.

Section 1104 continues language previously carried prohibiting the filling of positions by anyone whose nomination has been disapproved by the Senate.

Section 1105 continues language previously carried limiting the amount that may be paid for copies of the United States Code Annotated and the Lifetime Federal Digest.

Section 1106 continues language previously carried relating to the use of funds by Government corporations.

Section 1107 contains language similar to that previously carried prohibiting the use of funds of corporations for purchase or construction of office buildings.

Section 1108 continues language previously carried to authorize the transfer of personnel and appropriations to defense activities of various departments and agencies of the Government in pursuance to law.

Section 1109 continues language concerning rental of Government-owned living quarters.

Section 1110 contains language similar to that carried previously authorizing the use of appropriated funds to purchase foreign credits owed to or owned by the United States, as required by section 1415 of Public Law 547, 82d Congress.

Section 1111, definition of obligations: Over a period of years numerous loose practices in handling appropriated funds have grown up in various agencies of the Government. The most difficult problem in this area arises from the recording of various types of transactions as obligations of the Government when, in fact, no real obligation exists. This situation has become so acute as to make it next to impossible for the Committee on Appropriations to determine with any degree of accuracy the amount which has been obligated against outstanding appropriations as a basis for determining future requirements. It has become necessary to set forth definitely in the law the types of transactions which will be recognized as true obligations and secure accurate reporting thereon in order that it may be possible for the Committee on Appropriations to have a sound basis for its operations. Section 1111 therefore has been included in the bill to accomplish this purpose. A clean-cut definition of the obligations will also greatly simplify the work of the General Accounting Office in auditing and settling the accounts of the various agencies. The Acting Comptroller General was consulted and has concurred in the proposal as a ncessary step to clear up the existing chaotic situation. The proposal has also been discussed with the Director of the Bureau of the Budget and he agrees that legislation of this type is needed.

Section 1112 continues language previously carried commonly known as the antistrike provision.

Limitations and legislative provisions

The following limitations and legislative provisions not heretofore carried in connection with any appropriation bill are recommended:

On page 2, line 20, in connection with the appropriation for the Architect of the Capitol:

"The Architect of the Capitol, under the direction of the House Office Building Commission, is authorized hereafter to furnish steam from the Capitol Power Plant to the Folger Shakespeare Library: *Provided*, That the person or persons authorized to make contracts with respect to such building to which such steam is to be furnished agrees (a) to pay for such steam at rates not less than cost, determined by the Architect of the Capitol with the approval of the House Office Building Commission, and (b) to connect such building with the Capitol Power Plant steam lines without expense to the United States and in a manner satisfactory to the Architect of the Capitol and the House Office Building Commission: *Provided further*, That amounts received in payment for steam

so furnished shall be covered into the Treasury of the United States as miscellaneous receipts."

On page 10, line 19, in connection with "Construction and rehabilitation, Bureau of Reclamation"; *"Provided,* That no part of this appropriation shall be used to initiate construction of the Helena Valley unit, Montana, until a repayment contract has been executed."

On page 13, line 7, in connection with "Expenses, General Supply Fund":

"Leased warehouse space temporarily in excess of operating requirements may be subleased to commercial organizations and the proceeds shall be covered into the Treasury as miscellaneous receipts."

On page 37, line 22, "General Provisions":

"SEC. 1111. (a) After the date of enactment hereof no amount shall be recorded as an obligation of the Government of the United States unless it is supported by documentary evidence of—

"(1) a binding agreement in writing between the parties thereto, in a manner and form and for a purpose authorized by law, executed before the expiration of the period of availability for obligation of the appropriation or fund concerned for specific goods to be delivered, real property to be purchased or leased, or work or services to be performed; or

"(2) a valid loan agreement, showing the amount of the loan to be made and the terms of repayment thereof; or

"(3) an order required by law to be placed with a Government agency; or

"(4) an order issued pursuant to a law authorizing purchases without advertising when necessitated by public exigency or for perishable subsistence supplies or within specific monetary limitations; or

"(5) a grant or subsidy payable (i) from appropriations made for payment of or contributions toward, sums required to be paid in specific amounts fixed by law or in accord with formulae prescribed in law, or (ii) pursuant to agreement authorized by, or plans approved in accord with and authorized by, law; or

"(6) a liability which may result from pending litigation brought under authority of law; or

"(7) employment or services of persons or expenses of travel in accord with law, and services performed by public utilities; or

"(8) any other legal liability of the United States against an appropriation or fund legally available therefor.

"(b) Not later than September 30 of each year, the head of each Federal agency shall certify, as to each appropriation or fund under the control of such agency, the amount thereof remaining obligated but unexpended and the amount thereof remaining unobligated on June 30 of such year and copies of such certification shall be forwarded by him to the chairmen of the Committees on Appropriations of the Senate and the House of Representatives, to the Comptroller General of the United States, and to the Director of the Bureau of the Budget. Notwithstanding any other provision of law, the duty of making certifications as required by this subsection shall not be delegated: *Provided,* That such certification for the fiscal year ending June 30, 1954, shall be made not later than October 31, 1954, and shall include only such obligations as could have been recorded under the provisions of subsection (a) hereof.

"(c) Each certification made pursuant to subsection (b) shall be supported by records evidencing the amounts which are certified therein as having been obligated and such records shall be retained in the agency in such form as to facilitate audit and reconciliation for such period as may be necessary for such purposes.

"(d) No appropriation or fund which is limited for obligation purposes to a definite period of time shall be available for expenditure after the expiration of such period except for liquidation of amounts obligated in accord with subsection (a) hereof; but no such appropriation or fund shall remain available for expenditure for any period beyond that otherwise authorized by law."

Mr. TABER. Mr. Chairman, I have no further requests for time.

The CHAIRMAN. The Clerk will read the bill for amendment.

The Clerk read the bill down to and including line 16, page 5.

Mr. TABER. Mr. Chairman, I move that the Committee do now rise.

The motion was agreed to.

Accordingly the Committee rose; and the Speaker having resumed the chair, Mr. ALLEN of Illinois, 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. 9936) making supplemental appropriations for the fiscal year ending June 30, 1955, and for other purposes, had come to no resolution thereon.

CHARTER OF TANKERS BY THE SECRETARY OF THE NAVY

Mr. ARENDS. Mr. Speaker, I ask unanimous consent to take from the Speaker's desk the bill (S. 3458) to authorize the long-term time charter of tankers by the Secretary of the Navy, and for other purposes, with a House amendment thereto, insist on the House amendment, and agree to the conference requested by the Senate.

The SPEAKER. Is there objection to the request of the gentleman from Illinois? [After a pause.] The Chair hears none, and appoints the following conferees: Messrs. ARENDS, COLE of New York, SHAFER, CUNNINGHAM, VINSON, KILDAY, and RIVERS.

SPECIAL ORDERS GRANTED

Mr. HOLIFIELD asked and was given permission to address the House for 1 hour today and 1 hour on Wednesday next, following the legislative program and any special orders heretofore entered.

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 amendment of the Senate to the bill (H. R. 6788) entitled "An act to authorize the Secretary of Agriculture to cooperate with States and local agencies in the planning and carrying out of works of improvement for soil conservation, and for other purposes."

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 amendment of the House to the bill (S. 2759) entitled "An act 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."

PROVIDING MULTIPLE MINERAL DEVELOPMENT OF PUBLIC LANDS

Mr. ALLEN of Illinois. Mr. Speaker, I call up the resolution (H. Res. 639) providing for the consideration of H. R. 8896, a bill to amend the mineral-leasing laws to provide for multiple mineral development of the same tracts of the public lands, and for other purposes, and ask for its immediate consideration.

The Clerk read the resolution, as follows:

Resolved, That upon the adoption of this resolution it shall be in order to move that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (H. R. 8896) to amend the mineral-leasing laws to provide for multiple mineral development of the same tracts of the public lands, 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.

Mr. ALLEN of Illinois. Mr. Speaker, I yield such time as he may require to the gentleman from Montana [Mr. D'EWART].

Mr. D'EWART. Mr. Speaker, this bill has to do with the mineral leasing and mining laws. These laws provide only for the exclusive development of minerals, under the mining laws and the exclusive search and development of oil and certain other minerals under the leasing laws. This bill is necessary because of the discovery of fissionable materials on these claims and leases thereby making multiple use necessary. This bill proposes to permit multiple use of those areas. The committee held extended hearings on the matter. We went into it a year ago. The Congress passed a law permitting development for 1 year on existing uranium claims. However, that bill was only for 1 year and this new bill provides for future development of fissionable materials. The bill is necessary if we are to have this multiple use of these oil lease lands and mining lands. Therefore, I hope the rule is adopted.

Mr. ALLEN of Illinois. Mr. Speaker, I yield 30 minutes to the gentleman from Virginia [Mr. SMITH].

Mr. SMITH of Virginia. Mr. Speaker, I yield 5 minutes to the gentleman from Colorado [Mr. ASPINALL] to explain this bill. I think it would be well for the House to know something about the bill, and the gentleman from Colorado is very well informed on it.

Mr. ASPINALL. Mr. Speaker, while it is unfortunate, it sometimes appears that if we wish to achieve some simple end by legislation, we must use language so complicated that the simple purpose is obscured. This is particularly true if the situation which is to be handled has developed over a long term of years.

The consideration of H. R. 8896, which has for its purpose the multiple use of our mineral resources present in our public lands, falls into this category. Yet, I believe that a careful explanation will show the close relationship between the simple end to be achieved and the method of achievement.

The basic problem is that we have two general statutory procedures and two general systems for the development and production of the mineral resources of this Nation. The first of these grew out of the necessities of the early mining operations of the West and centered around the rights to follow the initial discovery of a valuable mineral or metal. The locator was given exclusive possession to otherwise unclaimed public land upon which he had discovered a lode or vein or placer deposit. It follows that certain specifications and procedures must be followed and adhered to but the important point is that the locator is entitled to prosecute his claim to full title by patent to a limited area of ground directly related to his discovery. This system received statutory approval by the passage of the mining law of 1872.

A second type of development came into play in 1920 with the passage of the Mineral Leasing Act which reserved to the Government such minerals as coal, phosphate, oil shale, gas and oil, sodium and later sulfur. Under the provisions of this act, development was on a limited basis by permit or lease with title to the land and also to the mineral involved, until it was actually in the physical possession of the lessee or permittee, remaining in the Government. The developer was thus a permittee or lessee and not a fee owner as in the case of a general mining operator.

Beyond this, these two mining acts provide for systems which are mutually exclusive. Public land withdrawn or valuable or potentially valuable for Leasing Act minerals, or land actually covered by a permit or lease for one of these listed minerals is closed to location and development under the mining laws. Likewise, public land under location for mining claims makes impossible development of leasing mineral potentials unless carried on by the locator himself.

For a long period of time—in fact from 1920 until the late 1940's—this mutually exclusive pattern, while undesirable, did not cause any major hardship or controversy. Then came the demand for uranium in this country and a special and dramatic emphasis was placed upon this general subject. This came about because it was found that the major area where most of the early uranium deposits were located and opened was largely blanketed by prior oil and gas leases or on lands likely to be valuable for oil and gas.

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

Mr. ASPINALL. I yield.

Mr. DURHAM. I think legislation probably should have been adopted earlier in the development of these uranium mines in the western part of the United States, but since this does put them under the mining law, it would also give each individual, it does not make any difference how small he is, if he is just a one-shovel prospector, it will put him in the same position as the man with any other amount of money?

Mr. ASPINALL. That has been the history of the mining law development in this country.

Mr. DURHAM. What effect will this have on the sale of securities since under the mining and leasing law they will be able to sell stock; is that correct?

Mr. ASPINALL. That is right.

Mr. DURHAM. Will these leases and the regulations governing the sale of securities be under the State law or under the general Federal law?

Mr. ASPINALL. They will be under both; they will be under Federal law with reference to the sale of securities, and also they will certainly come under the various State laws.

Mr. DURHAM. Since there is a great deal of confusion at the present time as to this whole field of operation, does the gentleman feel that this bill will protect the Federal Government in respect to the sale of securities?

Mr. ASPINALL. I feel that it will protect the Federal Government and the people working with the Federal Government and the State commissions; and the Atomic Energy Commission, as the gentleman from North Carolina knows, has been asked for its approval of this proposed legislation.

Mr. DURHAM. And does the gentleman feel that the individual investor will be fully protected? I mean by that, he will know whether or not his stock is worth anything, or whether it is the kind of stock that is given away with each $5 purchase of groceries. The gentleman knows what I mean.

Mr. ASPINALL. I know exactly; and I feel that the protection afforded will be as great as it is possible to give. In my opinion, it will be just as substantial as any protection in such procedures, or for that matter, when any securities are legally issued and offered for sale. The gentleman asks if it will be possible to sell stock. As long as we have people who want to buy such stocks—and we always have them—I suppose they will be able to buy them. I do not see any difficulty because of this bill.

Mr. DURHAM. The stocks are usually regulated by State agencies.

Mr. ASPINALL. And this stock will be regulated as well.

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

Mr. ASPINALL. I yield.

Mr. SHEPPARD. I would like to ask this question out of precaution and more or less as a matter of formula: Does this have anything to do with water rights?

Mr. ASPINALL. It has nothing whatsoever to do with water rights. It deals simply with multiple rights to the use of minerals in our public lands.

Mr. SHEPPARD. I thank the gentleman.

Mr. ASPINALL. Mr. Speaker, when this conflict became known, some solution was made mandatory and there began a great effort on the part of the affected parties, mining interests, leasing interests, the Atomic Energy Commission, and the Department of Interior to find some means to sustain the worthy principles of both the mining and the leasing laws and still provide for the rapid development of vitally needed uranium. This is not to indicate that uranium is the only value involved for there are other mineral values which can be more readily developed if some multiple-use legislation can be passed. Uranium just dramatized this need.

This need for solution and the effort given to it resulted in measures to meet the most pressing immediate needs and also to demonstrate the process by which a permanent solution could be had. First, something had to be done about the mining claims filed in unknowing trespass on oil and gas lands during the period between August 1, 1939 and December 31, 1952, the date when the technical trespass was recognized as a known factor. These claims, filed in good faith, were in production but the cloud on the location or right forced the Atomic Energy Commission to withhold certain payments to the producers. This uncertainty with regard to going mines put a damper on any new operations and many feared that they would lose what investment they had put into their claim or mine.

This pressing need was met by special legislation in August of 1953. Public Law 250, passed during the first session of the 83d Congress, validated the claims filed in unknowing trespass between August 1, 1939, and the end of December 1952, most of which were located on the Colorado Plateau. Beyond that, this temporary legislation laid the foundation upon which a permanent solution could be built.

The cutoff date of December 31, 1952, still left a great many claims and a great many potential claims in doubt as to validity. The Atomic Energy Commission, in order to sustain the impetus of uranium development while some solution was being worked out, finally came out with certain lease procedures under its Circular No. 7, which it issued late in January of 1954. This again was only a stopgap proposition. Something permanent was required because of confusion stemming from the reservation to the Government and its agent, the Atomic Energy Commission, of all fissionable source materials as specified in the Atomic Energy Act of 1946.

We have now come to the time when permanence must be given to past procedures and where some lasting procedures can be established to carry through the years.

It became apparent during the involved discussions on this general subject that the reservation to the Government of all fissionable source materials has, in effect, put their development under procedures similar to those provided in the Mineral Leasing Act rather than the general mining laws, while it had been understood from official releases that prospecting and developing procedures under the general mining law would be respected. The general mining law did not apply for even though a discovery was made by a mining locator, he could not acquire title or right to a material reserved to the Government and his location could be as easily filed upon by another. If this had been seriously pursued, the confusion would have passed all bounds.

Any claim located under the mining laws and filed prior to an oil and gas lease or permit or an application for such and/or prior to the Atomic Energy Act is quite valid, only no one was filing any claims for uranium any earlier for there was no market. However, on that same Colorado plateau where the oil and gas lease overlap was so important, there were many old claims containing uranium which had been initially located for either radium or vanadium. There was no way the Government could abrogate these old valid claims, yet no apparent way by which new ones could be located.

The actual demonstrated results of the operation of the program under the mining system, before it developed that it might be clouded by the Mineral Leasing Act, made it clear beyond doubt that the wisest and most efficient method of finding and developing uranium deposits was under the mining laws. This allowed, and indeed inspired, a vast number of individuals to go out into the hills and run down workable deposits of uranium. The only apparent alternative would have been a lease system under which the small operator is at a material disadvantage, and under which the possibility of monopoly is much greater. Under the prospecting system the individual enterpriser can do, and in fact always has done, about as well as anyone else. The enterprise system has been proved a wise system many times in the prospecting and developing of mineral resources throughout the history of our Nation.

So it was then that the interested parties came to a preliminary agreement in 1953 which resulted in the passage of Public Law 250. This act validated the claims made which would have been abrogated under the Mineral Leasing Act if any suit had been pursued. In the full realization that the effort for a permanent solution was going forward, the method of operation was not materially altered. That is to say that enterprising people still went out into the hills with their jeep—and that little machine has displaced the burro in this field—and found and staked out claims for uranium even though many of them were on lands where the Leasing Act prohibition still might cut them off. In that this effort was allowed by mutual, if unwritten, agreement, we should not now abrogate the well-established pattern for it is based upon our traditional method of locating new ore bodies. It has been partially validated by the limited effect of Public Law 250 and the operations under the regulations of the Atomic Energy Commission—Circular No. 7—and by the general assumption that the interested groups would come to some common agreement on a permanent solution.

This desirable end has been achieved and has been reduced to legal language. The bill containing this language has been unanimously approved by the Senate and is now before the House for final consideration.

It is not my purpose to go into a section-by-section analysis of this bill at this time while considering the resolution for a rule. However, I do wish to point up the fact that the bill to be considered has four distinct purposes, all of which are closely connected. The first of these is to validate claims made in good faith under the mining laws on lands where they would otherwise be blocked by the leasing law. This requires certain stipulations on priority of past claims which, even though presently without validity, do represent at least a prior equitable right.

The second purpose is to make possible the development of other than the leasable minerals—coal, phosphate, oil and gas, oil shale, sodium, and sulfur—on public lands covered by mineral leases or permits or applications for such leases or permits. And, at the same time providing that from the effective date of said act that claims filed and patents issued hereafter shall in most cases carry a reservation to the Federal Government of the leasable minerals present in lands described in such claims or patents. This part of the legislation makes possible the multiple-mineral use of the public lands. The third purpose of the bill is to provide a procedure whereby an applicant for or holder of a permit or lease under the Mineral Leasing Act may request the Department of the Interior to publish a notice requiring any claimant under an unpatented mining claim to come forward and make his claim known where the claim extends to Leasing Act minerals. This part of the bill is largely for the protection of the dormant claim owner and at the same time provides for the multiple-mineral use of such lands. This has been the most difficult part of the legislation. The members of the committee considering the bill feel that the best possible protection for all concerned has been provided. Time alone will tell just how well we have done. The fourth objective in H. R. 8896 is the amending of the Atomic Energy Act in accordance with the expressed approval of the Commission itself and providing for the deletion from said act of the reservation of all fissionable-source materials. This provision does not disturb the exclusive right of the Government to the purchase and control of the use of all fissionable-material ore. On the other hand, it does clarify the statutory procedure by which the prospecting for and the taking from the earth of such ore shall be accomplished.

The legislation has been considered most extensively by the Committee on Interior and Insular Affairs. The bill was reported to the House with but minor objection. Since the committee action an amendment has been agreed upon by its sponsors and our colleague, Congressman ENGLE, of California, which agreement has removed his objection. This amendment will be offered under the 5-minute rule.

The legislation is badly needed and I sincerely hope that the rule and the bill will each have the support of the Members.

I should like to close with a commendation of those interested individuals and groups who have worked so diligently for a solution acceptable to all. I can recall no other time when I have seen such determination to work in harmony to find an agreement on the principles without weakening compromises. We have had here, in my opinion, a demonstration of the best process of democracy—the working together of freemen to find a common solution to an existing problem. Lastly, may I say that if this bill becomes law, it will be another effective link in our ecomonic system which has been so well built on private initiative and free enterprise.

Mr. ALLEN of Illinois. Mr. Speaker, I rise to urge the adoption of House Resolution 639 which will make in order the consideration of the bill (H. R. 8896) to amend the mineral leasing laws to provide for multiple mineral development of the same tracts of the public lands, and for other purposes.

House Resolution 639 provides for an open rule, waiving points of order with 1 hour of general debate on the bill. The rule would also allow for the consideration of the committee substitute amendment as an original bill for the purposes of amendment.

H. R. 8896 proposes to solve the difficult problem arising out of the conflict and coexistence of two distinct systems under which a person may acquire rights to develop and exploit the mineral resources of the Federal domain.

The first method by which these rights may be acquired dates back to 1872 when it was decided that the person who located and patented a mining claim received full title to this location.

In 1920, however, the leasing system was inaugurated under the Mining Leasing Act, which provided for the licensing or leasing system of lands on which oil and gas, oil shale, coal, phosphate, sodium and potash have been discovered.

The conflict arises from the fact that under the laws of the United States, lands on which mineral locations have been made under the mining laws have not been open to leasing under the Mineral Leasing Act. On the other hand, lands which have been leased or licensed to individuals under an oil or gas lease provided for in the Mineral Leasing Act, or if they are known to be valuable for leasing act minerals, have not been open to mineral entry under the mining laws.

The report on this bill brought out the fact that the need for the discovery and exploitation of uranium in the United States has brought this situation to a head. The uranium deposits thus far have been discovered in the area around the Colorado Plateau. However, this particular section has a great many oil

and gas filings on it, and consequently precludes to a large extent the possibilities of development for uranium and other hard minerals.

It works the other way too, Mr. Speaker, for in sections where oil and gas applications have not yet been made, and where there are mining locations and claims, the oil and gas prospectors are reluctant to lease and drill in view of the already existing mining claims.

It is obvious that a way has to be found to permit both interests to work in harmony together for the better development of all our resources.

H. R. 8896 would provide for legal compatibility for the coexistence of a mining claim and of a permit or lease under the Leasing Act on the same land. The bill also seeks to resolve the uncertainty which now exists because of the scope of the Atomic Energy Act, as to the validity of any mining claim located after August 1, 1946, the date of enactment of the Atomic Energy Commission Act, for fissionable source materials. This bill would eliminate that uncertainty.

The final change which this bill seeks to make would be to provide a procedure under which claimants of unpatented mining claims, which may conflict with Leasing Act filings, may be required to make known and establish the basis of their assertions if these assertions extend to Leasing Act minerals.

H. R. 8896 would also clarify the legal situation caused by the limited scope of Public Law 250 and complications introduced by the Atomic Energy Commission's domestic uranium program circular 7 which had been issued by the Atomic Energy Commission to permit development of fissionable source material on lands closed to mining location because of Mineral Leasing Act filings.

Mr. Speaker, I think that we will all agree that it is very important to our national security that the mineral and mining laws be so drawn as to provide for the maximum harmonious development of these important national assets. It seems to me that this bill is comprehensive enough to protect the rights of both groups involved and still allows for the full development of our resources. I hope that the rule will be adopted and that the House will pass the bill.

Mr. SMITH of Virginia. Mr. Speaker, I have no further requests for time.

Mr. ALLEN of Illinois. Mr. Speaker, I move the previous question on the resolution.

The previous question was ordered.

The resolution was agreed to.

Mr. D'EWART. 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. 8896) to amend the mineral-leasing laws to provide for multiple-mineral development of the same tracts of the public lands, and for other purposes.

The motion was agreed to.

Accordingly the House resolved itself into the Committee of the Whole House on the State of the Union for the consideration of the bill H. R. 8896, with Mr. KEATING 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. Under the rule the gentleman from Montana [Mr. D'EWART] will be recognized for 30 minutes, and the gentleman from California [Mr. ENGLE] for 30 minutes.

The gentleman from Montana is recognized.

Mr. D'EWART. Mr. Chairman, I yield 10 minutes to the gentleman from Utah [Mr. DAWSON], author of the pending bill.

Mr. DAWSON of Utah. Mr. Chairman, this is a rather complicated measure but I trust that in a few words I may be able to give you a better picture of what we are attempting to achieve. This measure applies principally to the Colorado plateau area, which is now producing the bulk of the uranium in this country.

Under existing laws we have a conflict between what is known as the general mining law, which was adopted back in 1872, and the Mineral Leasing Act, which was adopted in 1920.

Under the mining law a prospector can go on the public domain and search for hard minerals and if he makes a discovery he can perfect his claim and eventually pursue that to patent and acquire patent to a small tract on which the minerals are located. Under the General Leasing Act, which was passed in 1920, the Government leases to operators who are prospecting for what is known as leasable minerals, such as oil, gas, and potassium, et cetera, acreage for the purpose of removing these minerals under lease, but they can never acquire title.

The difficulty we have had is that if an oil and gas lease operator wants to go ahead and explore for oil and gas, and there is a mining claim located on this land, he is subject to the mining claim. We find thousands of old dormant mining claims located on these oil and gas lease lands and in the event that the oil operator locates oil or gas on his lease, then these old mining claimants might come forward and in effect blackmail him for a certain payment to buy him out in order to acquire the right to the area that he covers. That has been blocking the oil and gas lease operators.

On the other hand, if there is an oil and gas lease existing on the public domain, a mining claimant could not go on and explore for the so-called hard minerals, which has meant that today in the State of Utah where 72 percent of the land is now owned by the Federal Government a big portion of these lands are now under oil and gas leases which means that these people who want to go out and explore for uranium have in effect been thwarted by the fact that these leases are outstanding.

The purpose of this measure is to make these two mineral laws compatible so as to permit the oil and gas lease operator to go on and search for oil and gas without interfering with the mining claimant, and, by the same token, the mining claimant can go on and search for uranium without interfering with the oil and gas claimant, which results in the so-called multiple use and help everyone concerned.

The Nation as a whole is vitally concerned with this measure because under conditions as they now exist we have this conflict. Those who are searching for uranium are finding they do not have a valid claim when they go on oil and gas leased lands. As a result, the Atomic Energy Commission has urgently requested that this legislation be passed to assist them to bring forth these fissionable materials.

There are a great many features to the bill that are rather technical in nature, but the committee has spent a considerable length of time hearing testimony on the bill. The oil and gas people and the mining people have worked for months on it and have come up in pretty much of a general agreement on these proposals. We feel that for the good of the Nation and also for the good of those who are out there seeking to remove these fissionable materials this bill should be passed.

Mr. D'EWART. Mr. Chairman, will the gentleman yield?

Mr. DAWSON of Utah. I yield to the gentleman from Montana.

Mr. D'EWART. As a matter of fact, this legislation is the result of years of work on the part of representatives of the mining industry, the representatives of the oil and gas industry and the Atomic Energy Commission in trying to resolve differences so that the development of these fissionable materials may be speeded up.

Mr. DAWSON of Utah. That is perfectly true. Furthermore, you must understand that under existing law the Atomic Energy Commission is required to go out and give leases on these acreages for the reason that under the Atomic Energy Commission Act all of the uranium must be sold to the Government and it is all under their jurisdiction. So, they are vitally concerned with this measure.

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

Mr. DAWSON of Utah. I yield to the gentleman from Pennsylvania.

Mr. SAYLOR. I would like to congratulate the author of this bill for taking some steps which I think have been long needed in correcting many of the evils which have existed in the mining industry. I think the aims which he has directed in a portion of this bill to allow multiple use of public lands is highly commendable and highly desirable. The only question I would like to ask him is in regard to the first section of the bill which attempts to validate leases or claims which have already been made. Would the gentleman explain those provisions? That is the only part of the bill which I have any objection to, and I would like the record to show why the gentleman proposes to validate leases made subsequent to July 31, 1939, and prior to February 10, 1954.

Mr. DAWSON of Utah. I will be happy to explain. As the gentleman from Colorado told us a few moments ago, we passed a bill last year known as Public Law 250, which validated these uranium claims from 1939 up until January 1,

1953, based upon the very same reasons that I have presented to you here today.

Now, the first section of the bill to which the gentleman refers would also validate claims from January 1, 1953, up until the effective date of this act. The reason for that is this: The Atomic Energy Commission has, by reason of Circular 7, granted leases on much of this land and the people have gone on there in good faith and located claims. The first section of the bill attempts to set up a series of priorities for claimants, and the reason for giving priority to those claims which were filed subsequent to January 1, 1953, and the date this act becomes effective would be to give those claimants who went in there in good faith the results of their endeavors. Now, of course, there have been other claimants who have come in and filed on top of these claims, and there has been some dispute out there where the priority shall lie. But the industry, the mining people, and the oil and gas people have pretty well agreed on the system of priorities set up in this measure. Of course, there is something to what the gentleman says, that it does attempt to legalize so-called technical trespassers. We admit that these people are in technical trespass because of this overlapping of interest, but the purpose of the bill is to try to iron out these differences, and until these differences are ironed out, we are going to have some serious trouble out there. Out in our State we had a shooting take place; a man was shot because of so-called claim jumping, and if something is not done to straighten out these claims, we will have a lot more of it.

Mr. SAYLOR. I have opposed up until this time this provision, but if the gentleman will offer an amendment which will make the effective date for these leases not February 10, 1954, the date when Circular 7 was first published, but the effective date of this act, so that next year we will not be faced with coming back here and asking to validate claims between February 10, 1954, and the effective date of the act, I think the bill will accomplish a much broader purpose.

Mr. DAWSON of Utah. I wish I could offer such an amendment as the gentleman proposes, and I think you are probably right that it is the effective date of Circular 7 we were referring to rather than the effective date of the act. But in my opinion, that would be a mistake, because we would simply be stirring up a lot more controversy out there than exists at the present time, and as far as I know, there have been very few who would proposed to change the date as the gentleman suggests. We have to draw the line somewhere, and the people who have been spending so much time trying to work out these differences have agreed on these times. Inasmuch as it does involve such technical phases of the mining law I think it would be a mistake for us to attempt to change it at this date.

Mr. ENGLE. Mr. Chairman, I have no requests for time on this side.

Mr. D'EWART. Mr. Chairman, I have no further requests for time.

The CHAIRMAN. The Clerk will now read the substitute committee amendment printed in the bill as an original bill for the purpose of amendment.

The Clerk read as follows:

Be it enacted, etc., That, (a) subject to the conditions and provisions of this act and to any valid intervening rights acquired under the laws of the United States, any mining claim located under the mining laws of the United States subsequent to July 31, 1939, and prior to February 10, 1954, on lands of the United States, which at the time of location were—

(1) included in a permit or lease issued under the mineral leasing laws; or

(2) covered by an application or offer for a permit or lease which had been filed under the mineral leasing laws; or

(3) known to be valuable for minerals subject to disposition under the mineral leasing laws;

shall be effective to the same extent in all respects as if such lands at the time of location, and at all times thereafter, had not been so included or covered or known: *Provided, however,* That, in order to be entitled to the benefits of this act, the owner of any such mining claim located prior to January 1, 1953, must have posted and filed for record, within the time allowed by the provisions of the act of August 12, 1953 (67 Stat. 539), an amended notice of location as to such mining claim, stating that such notice was filed pursuant to the provisions of said act of August 12, 1953, and for the purpose of obtaining the benefits thereof: *And provided further,* That in order to obtain the benefits of this act, the owner of any such mining claim located subsequent to December 31, 1952, and prior to February 10, 1954, not later than 120 days after the enactment of this act, must post on such claim in the manner required for posting notice of location of mining claims and file for record in the office where the notice or certificate of location of such claim is of record an amended notice of location for such claim, stating that such notice is filed pursuant to the provisions of this act and for the purpose of obtaining the benefits thereof and, within said 120 days period, if such owner shall have filed a uranium lease application as to the tract covered by such mining claim, must file with the Atomic Energy Commission a withdrawal of such uranium lease application or, if a uranium lease shall have issued pursuant thereto, a release of such lease, and must record a notice of the filing of such withdrawal or release in the county office wherein such notice or certificate of location shall have been filed for record.

(b) Labor performed or improvements made after the original location of and upon or for the benefit of any mining claim which shall be entitled to the benefits of this act under the provisions of subsection (a) of this section 1, shall be recognized as applicable to such mining claim for all purposes to the same extent as if the validity of such mining claim were in no respect dependent upon the provisions of this act.

(c) As to any land covered by any mining claim which is entitled to the benefits of this act under the provisions of subsection (a) of this section 1, any withdrawal or reservation of lands made after the original location of such mining claim is hereby modified and amended so that the effect thereof upon such mining claim shall be the same as if such mining claim had been located upon lands of the United States which, subsequent to July 31, 1939, and prior to the date of such withdrawal or reservation, were subject to location under the mining laws of the United States.

SEC. 2. (a) If any mining claim which shall have been located subsequent to December 31, 1952, and prior to December 11, 1953, and which shall be entitled to the benefits of this act, shall cover any lands embraced within any mining claim which shall have been located prior to January 1, 1953, and which shall be entitled to the benefits of this act, then as to such area of conflict said mining claim so located subsequent to December 31, 1952, shall be deemed to have been located December 11, 1953.

(b) If any mining claim hereafter located shall cover any lands embraced within any mining claim which shall have been located prior to February 10, 1954, and which shall be entitled to the benefits of this act, then as to such area of conflict said mining claim hereafter located shall be deemed to have been located 121 days after the date of the enactment of this act.

SEC. 3. (a) Subject to the conditions and provisions of this act and to any valid prior rights acquired under the laws of the United States, the owner of any pending uranium lease application or of any uranium lease shall have, for a period of 120 days after the date of enactment of this act, as limited in subsection (b) of this section 3, the right to locate mining claims upon the lands covered by said application or lease.

(b) Any rights under any such mining claim so hereafter located pursuant to the provisions of subsection (a) of this section 3 shall be subject to any rights of the owner of any mining claim which was located prior to February 10, 1954, and which was valid at the date of the enactment of this act or which may acquire validity under the provisions of this act. As to any lands covered by a uranium lease and also by a pending uranium lease application, the right of mining location under this section 3, as between the owner of said lease and the owner of said application, shall be deemed as to such conflict area to be vested in the owner of said lease. As to any lands embraced in more than one such pending uranium lease application, such right of mining location, as between the owners of such conflicting applications, shall be deemed to be vested in the owner of the prior application. Priority of such an application shall be determined by the time of posting on a tract then available for such leasing of a notice of lease application in accordance with paragraph (c) of the Atomic Energy Commission's Domestic Uranium Program Circular 7 (10 C. F. R. 60.7 (c)), provided there shall have been timely compliance with the other provisions of said paragraph (c), or, if there shall not have been such timely compliance, then by the time of the filing of the uranium lease application with the Atomic Energy Commission. Any rights under any mining claim located under the provisions of this section 3 shall terminate at the expiration of 30 days after the filing for record of the notice or certificate of location of such mining claim unless, within said 30-day period, the owner of the uranium lease application or uranium lease upon which the location of such mining claim was predicated shall have filed with the Atomic Energy Commission a withdrawal of said application or a release of said lease and shall have recorded a notice of the filing of such withdrawal or release in the county office wherein such notice or certificate of location shall be of record.

(c) Except as otherwise provided in subsections (a) and (b) of this section 3, no mining claim hereafter located shall be valid as to any lands which at the time of such location were covered by a uranium lease application or a uranium lease. Any tract upon which a notice of lease application has been posted in accordance with said paragraph (c) of said Circular 7 shall be deemed to have been included in a uranium lease application from and after the time of the posting of such notice of lease application: *Provided,* That there shall have been timely compliance with the other provisions of said paragraph (c) or, if there shall not have

been such timely compliance, then from and after the time of the filing of a uranium lease application with the Atomic Energy Commission.

SEC. 4. Every mining claim or millsite hereafter located under the mining laws of the United States and every mining claim or millsite heretofore so located which shall be entitled to benefits under the first three sections of this act shall be subject to a reservation to the United States of all Leasing Act minerals and of the right (as limited in section 6 hereof) of the United States, its lessees, permittees, and licensees to enter upon the land covered by such mining claim or millsite and to prospect for, drill for, mine, treat, store, transport, and remove Leasing Act minerals and to use so much of the surface and subsurface of such mining claim or millsite as may be necessary for such purposes, and whenever reasonably necessary, for the purpose of prospecting for, drilling for, mining, treating, storing, transporting, and removing Leasing Act minerals on and from other lands; and any patent issued for any such mining claim or millsite and contain such reservation.

SEC. 5. Subject to the conditions and provisions of this act, mining claims and millsites may hereafter be located under the mining laws of the United States on lands of the United States which at the time of location are—

(a) included in a permit or lease issued under the mineral leasing laws; or

(b) covered by an application or offer for a permit or lease filed under the mineral leasing laws; or

(c) known to be valuable for minerals subject to disposition under the mineral leasing laws;

to the same extent in all respects as if such lands were not so included or covered or known.

SEC. 6. (a) Where the same lands are being utilized for mining operations and Leasing Act operations, each of such operations shall be conducted, so far as reasonably practicable, in a manner compatible with such multiple use.

(b) Any mining operations pursuant to rights under any unpatented or patented mining claim or millsite which shall be subject to a reservation to the United States of Leasing Act minerals as provided in this act shall be conducted, so far as reasonably practicable, in a manner which will avoid damage to any known deposit of any Leasing Act mineral. Subject to the provisions of subsection (d) of this section 6, mining operations shall be so conducted as not to endanger or materially interfere with any existing surface or underground improvements, workings, or facilities which may have been made for the purpose of Leasing Act operations, or with the utilization of such improvements, workings, or facilities.

(c) Any Leasing Act operations on lands covered by an unpatented or patented mining claim or millsite which shall be subject to a reservation to the United States of Leasing Act minerals as provided in this act shall be conducted, so far as reasonably practicable, in a manner which will avoid damage to any known deposit of any mineral not so reserved from such mining claim or millsite. Subject to the provisions of subsection (d) of this section 6, Leasing Act operations shall be so conducted as not to endanger or materially interfere with any existing surface or underground improvements, workings, or facilities which may have been made for the purpose of mining operations, or with the utilization of such improvements, workings, or facilities.

(d) If, upon petition of either the mining operator or the Leasing Act operator, any court of competent jurisdiction shall find that a particular use in connection with one of such operations cannot be reasonably and properly conducted without endangering or materially interfering with the then existing improvements, workings, or facilities of the other of such operations or with the utilization thereof, and shall find that under the conditions and circumstances, as they then appear, the injury or damage which would result from denial of such particular use would outweigh the injury or damage which would result to such then existing improvements, workings, or facilities or from interference with the utilization thereof if that particular use were allowed, then in such event such court may permit such use upon payment (or upon furnishing of security determined by the court to be adequate to secure payment) to the party or parties who would be thus injured or damaged, of an amount to be fixed by the court as constituting fair compensation for the then reasonably contemplated injury or damage which would result to such then existing improvements, workings, or facilities or from interference with the utilization thereof by reason of the allowance of such particular use.

(e) Where the same lands are being utilized for mining operations and Leasing Act operations, then upon request of the party conducting either of said operations, the party conducting the other of said operations shall furnish to and at the expense of such requesting party copies of any information which said other party may have, as to the situs of any improvements, workings, or facilities theretofore made upon such lands, and upon like request, shall permit such requesting party, at the risk of such requesting party, to have access at reasonable times to any such improvements, workings, or facilities for the purpose of surveying and checking or determining the situs thereof. If damage to or material interference with a party's improvements, workings, facilities, or with the utilization thereof shall result from such party's failure, after request, to so furnish to the requesting party such information or from denial of such access, such failure or denial shall relieve the requesting party of any liability for the damage or interference resulting by reason of such failure or denial. Failure of a party to furnish requested information or access shall not impose upon such party any liability to the requesting party other than for such costs of court and attorney's fees as may be allowed to the requesting party in enforcing by court action the obligations of this section as to the furnishing of information and access. The obligation hereunder of any party to furnish requested information shall be limited to map and survey information then available to such party with respect to the situs of improvements, workings, and facilities and the furnishing thereof shall not be deemed to constitute any representation as to the accuracy of such information.

SEC. 7. (a) Any applicant, offeror, permittee, or lessee under the mineral-leasing laws may file in the office of the Secretary of the Interior, or in such office as the Secretary may designate, a request for publication of notice of such application, offer, permit, or lease, provided, expressly, that not less than 90 days prior to the filing of such request for publication there shall have been filed for record in the county office of record for the county in which the lands covered thereby are situate a notice of the filing of such application or offer or of the issuance of such permit or lease which notice shall set forth the date of such filing or issuance, the name and address of the applicant, offeror, permittee or lessee and the description of the lands covered by such application, offer, permit or lease, showing section or sections of land surveyed, or, if such lands are unsurveyed, the section or sections of land which would probably be involved when the public lands surveyed are extended to such lands, or a tie by courses and distances to an approved United States Mineral Monument. The filing of such request for publication shall be accompanied by a certified copy of such recorded notice and an affidavit or affidavits of a person or persons over 21 years of age setting forth that the affiant or affiants have examined the lands involved in a reasonable effort to ascertain whether any person or persons were in possession of or engaged in the working of such lands or any part thereof, and, if no person or persons were found to be in possession of or engaged in the working of said lands or any part thereof on the date of such examination, setting forth such fact, or, if any person or persons were so found to be in possession or engaged in such working on the date of such examination, setting forth the name and address of each such person, unless affiant shall have been unable through reasonable inquiry to obtain information as to the name and address of any such person, in which event the affidavit shall set forth fully the nature and results of such inquiry.

Thereupon the Secretary of the Interior, or his designated representative, at the expense of the requesting person (who, prior to the commencement of publication, must furnish the agreement of the publisher to hold such requesting person alone responsible for charges of publication), shall cause notice of such application, offer, permit, or lease to be published in a newspaper having general circulation in the county in which the lands involved are situate.

Such notice shall describe the lands covered by such application, offer, permit, or lease, as provided heretofore in the notice to be filed in the office of record of the county in which the lands covered are situate, and shall notify whomever it may concern that if any person claiming or asserting under, or by virtue of, any unpatented mining claim, any right or interest in Leasing Act minerals as to such lands or any part thereof, shall fail to file in the office where such request for publication was filed (which office shall be specified in such notice) and within 150 days from the date of the first publication of such notice (which date shall be specified in such notice), a verified statement which shall set forth, as to such unpatented mining claim:

(1) The date of location;

(2) The book and page of recordation of the notice or certificate of location;

(3) The section or sections of the public land surveys which embrace such mining claim; or if such lands are unsurveyed, either the section or sections which would probably embrace such mining claim when the public land surveys are extended to such lands or a tie by courses and distances to an approved United States mineral monument;

(4) Whether such claimant is a locator or purchaser under such location; and

(5) The name and address of such claimant and names and addresses so far as known to the claimant of any other person or persons claiming any interest or interests in or under such unpatented mining claim; such failure shall be conclusively deemed (i) to constitute a waiver and relinquishment by such mining claimant of any and all right, title, and interest under such mining claim as to, but only as to, Leasing Act minerals, and (ii) to constitute a consent by such mining claimant that such mining claim and any patent issued therefor, shall be subject to the reservation specified in section 4 of this act, and (iii) to preclude thereafter any assertion by such mining claimant of any right or title to or interest in any Leasing Act mineral by reason of such mining claim.

If such notice is published in a daily paper, it shall be published in the Wednesday issue for 9 consecutive weeks, or, if in a weekly paper, in 9 consecutive issues, or,

if in a semiweekly or triweekly paper, in the issue of the same day of each week for 9 consecutive weeks.

Within 15 days after the date of first publication of such notice, the person requesting such publication (1) shall cause a copy of such notice to be personally delivered to or to be sent by registered mail addressed to each person in possession or engaged in the working of the land whose name and address is shown by an affidavit filed as aforesaid, and to each person who may have filed, as to any lands described in said notice, a request for notices, as provided in subsection (d) of this section 7, and (2) shall file in the office where said request for publication was filed an affidavit showing that copies have been so delivered or mailed.

(b) If any claimant under any unpatented mining claim which embraces any of the lands described in any notice published in accordance with the provisions of subsection (a) of this section 7 shall fail to file a verified statement, as above provided, within 150 days from the date of the first publication of such notice, such failure shall be conclusively deemed, except as otherwise provided in subsection (e) of this section 7, (i) to constitute a waiver and relinquishment by such mining claimant of any and all right, title, and interest under such mining claim as to, but only as to, Leasing Act minerals, and (ii) to constitute a consent by such mining claimant that such mining claim and any patent issued therefor, shall be subject to the reservation specified in section 4 of this act, and (iii) to preclude thereafter any assertion by such mining claimant of any right or title to or interest in any Leasing Act mineral by reason of such mining claim.

(c) If any verified statement shall be filed by a mining claimant as provided in subsection (a) of this section 7, then the Secretary of the Interior or his designated representative shall fix a time and place for a hearing to determine the validity and effectiveness of the mining claimant's asserted right or interest in Leasing Act minerals, which place of hearing shall be in the county where said interest or part of it is located, unless the mining claimant agrees otherwise. The procedures with respect to notice of such a hearing and the conduct thereof, and in respect to appeals shall follow the then established general procedures and rules of practice of the Department of the Interior in respect to contests or protests affecting public lands of the United States. If, pursuant to such a hearing the final decision rendered shall affirm the validity and effectiveness of any mining claim as to Leasing Act minerals then no subsequent proceeding under section 7 of this act shall have any force or effect upon any rights or interests under the said so affirmed mining claim. If at any time prior to a hearing the person requesting publication of notice and any person filing a verified statement pursuant to such notice shall so stipulate, then to the extent so stipulated, but only to such extent, no hearing shall be held with respect to rights asserted under that verified statement, and to the extent defined by the stipulation the rights asserted under that verified statement shall be deemed to be unaffected by that particular published notice.

(d) Any person claiming any right in Leasing Act minerals under or by virtue of any unpatented mining claim and desiring to receive a copy of any notice of any application, offer, permit, or lease which may be published as above provided in subsection (a) of this section 7 and which may affect lands embraced in such mining claim, may cause to be filed for record in the county office of record where the notice or certificate of location of such mining claim shall have been recorded, a duly acknowledged request for a copy of any such notice. Such request for copies shall set forth the name and address of the person requesting copies and shall also set forth, as to each mining claim under which such person asserts rights in Leasing Act minerals:

(1) the date of location;

(2) the book and page of the recordation of the notice or certificate of location; and

(3) the section or sections of the public land surveys which embrace such mining claim; or if such lands are unsurveyed, either the section or sections which would probably embrace such mining claim when the public land surveys are extended to such lands or a tie by courses and distances to an approved United States mineral monument.

Other than in respect to the requirements of subsection (a) of this section 7 as to personal delivery or mailing of copies of notices and in respect to the provisions of subsection (e) of this section 7, no such request for copies of published notices and no statement or allegation in such request and no recordation thereof shall affect title to any mining claim or to any land, or be deemed to constitute constructive notice to any person, that the person requesting copies has, or claims, any right, title, or interest in or under any mining claim referred to in such request.

(e) If any applicant, offeror, permittee, or lessee shall fail to comply with the requirements of subsection (a) of this section 7 as to the personal delivery or mailing of a copy of notice to any person, the publication of such notice shall be deemed wholly ineffectual as to that person or as to the rights asserted by that person and the failure of that person to file a verified statement, as provided in such notice, shall in no manner affect, diminish, prejudice or bar any rights of that person.

SEC. 8. The owner or owners of any mining claim heretofore located may, at any time prior to issuance of patent therefor, waive and relinquish all rights thereunder to Leasing Act minerals. The execution and acknowledgment of such a waiver and relinquishment by such owner or owners and the recordation thereof in the office where the notice or certificate of location of such mining claim is of record shall render such mining claim thereafter subject to the reservation referred to in section 4 of this act and any patent issued therefor shall contain such a reservation, but no such waiver or relinquishment shall be deemed in any manner to constitute any concession as to the date of priority of rights under said mining claim or as to the validity thereof.

SEC. 9. The Atomic Energy Act is hereby amended as follows:

(a) Section 5 (b) (5) is revised to read:

(5) Acquisition.—The Commission is authorized, to the extent it deems necessary to effectuate the provisions of this act, to purchase, take, requisition, condemn, or otherwise acquire—

(A) supplies of source materials or any interest in real property containing deposits of source materials, and

(B) rights to enter upon any real property deemed by it to have possibilities of containing deposits of source materials and to conduct prospecting and exploratory operations for such deposits.

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

(b) Section 5 (b) (6) is revised to read:

(6) Operations on lands belonging to the United States: The Commission is authorized, to the extent it deems necessary to effectuate the provisions of this act, to issue leases or permits for prospecting for, exploration for, mining, or removal of deposits of source materials (or for any or all of these purposes) in lands belonging to the United States.

(c) Section 5 (b) (7) is revised to read:

"(7) Public lands: No individual, corporation, partnership, or association, which had any part, directly or indirectly, in the development of the atomic bomb project, may benefit by any location, entry, or settlement upon the public domain made after such individual corporation, partnership, or association took part in such project, if such individual, corporation, partnership, or association, by reason of having had such part in the development of the atomic bomb project, acquired confidential official information as to the existence of deposits of such uranium, thorium, or other materials in the specific lands upon which such location, entry, or settlement is made, and subsequent to the date of the enactment of this act made such location, entry, or settlement or caused the same to be made for his, or its, or their benefit. In cases where any patent, conveyance, lease, permit, or other authorization has been issued, which reserved to the United States source materials and the right to enter upon the land and prospect for, mine, and remove the same, the head of the department or agency which issued the patent, conveyance, lease, permit, or other authorization shall, on application of the holder thereof, issue a new or supplemental patent, conveyance, lease, permit, or other authorization without such reservation."

(d) Notwithstanding the provisions of the Atomic Energy Act, and particularly section 5 (b) 7 thereof, prior to its amendment hereby, or the provisions of the act of August 12, 1953 (67 Stat. 539), and particularly section 3 thereof, any mining claim, heretofore located under the mining laws of the United States, for, or based upon a discovery of a mineral deposit which is a fissionable source material and which, except for the possible contrary construction of said Atomic Energy Act, would have been locatable under such mining laws, shall, insofar as adversely affected by such possible contrary construction, be valid and effective, in all respects to the same extent as if said mineral deposit were a locatable mineral deposit other than a fissionable source material.

SEC. 10. As used in this act "mineral leasing laws" shall mean the act of October 20, 1914 (38 Stat. 741); the act of February 25, 1920 (41 Stat. 437); the act of April 17, 1926 (44 Stat. 301); the act of February 7, 1927 (44 Stat. 1057); and all acts heretofore or hereafter enacted which are amendatory of or supplementary to any of the foregoing acts; "Leasing Act minerals" shall mean all minerals which, upon the effective date of this act, are provided in the mineral leasing laws to be disposed of thereunder; "Leasing Act operations" shall mean operations conducted under a lease, permit, or license issued under the mineral leasing laws in or incidental to prospecting for, drilling for, mining, treating, storing, transporting, or removing Leasing Act minerals; "mining operations" shall mean operations under any unpatented or patented mining claim or millsite in or incidental to prospecting for, mining, treating, storing, transporting, or removing minerals other than Leasing Act minerals and any other use under any claim of right or title based upon such mining claim or millsite; "Leasing Act operator" shall mean any party who shall conduct Leasing Act operations; "mining operator" shall mean any party who shall conduct mining operations; "Atomic Energy Act" shall mean the act of August 1, 1946 (60 Stat. 755), as amended; "Atomic Energy Commission" shall mean the United States Atomic Energy Commission established under the Atomic Energy Act or any amendments thereof; "fissionable source material" shall mean uranium, thorium, and all other materials referred to in

section 5 (b) (1) of the Atomic Energy Act as reserved or to be reserved to the United States; "uranium lease application" shall mean an application for a uranium lease filed with said Commission with respect to lands which would be open for entry under the mining laws except for their being lands embraced within an offer, application, permit, or lease under the mineral leasing laws or lands known to be valuable for minerals leasable under those laws; "uranium lease" shall mean a uranium mining lease issued by said Commission with respect to any such lands; and "person" shall mean any individual, corporation, partnership, or other legal entity.

SEC. 11. If any provision of this act, or the application of such provision to any person or circumstances, is held unconstitutional, invalid, or unenforcible, the remainder of this act or the application of such provision to persons or circumstances other than those as to which it is held unconstitutional, invalid, or unenforcible, shall not be affected thereby.

Mr. D'EWART (interrupting the reading of the bill). Mr. Chairman, I ask unanimous consent that the bill be considered as read and open to amendment at any point.

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

There was no objection.

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

The Clerk read as follows:

Amendment offered by Mr. ASPINALL: Page 28, line 4, strike period and insert comma in lieu thereof and add the following: "provided, however, that such reservation contained in the patent shall apply only to the lands included in said mining claim which, at the time of the issuance of such patent are—

"(a) included in a permit or lease under the mineral leasing laws; or

"(b) covered by an application or offer for a permit or lease filed under the mineral leasing laws; or

"(c) known to be valuable for minerals subject to disposition under the mineral leasing laws."

Mr. ASPINALL. Mr. Chairman, when the bill was considered in committee there was some objection to the possibility that owners of present mining claims which had not ripened into patents might be denied the right to a fee-simple title without a reservation in the patent expressly reserving the leasable minerals to the Government; also that mining claims located hereafter which would not likely have any leasable mineral development might also be denied the right to have a fee-simple title without an expressed reservation in the patent reserving the leasable minerals to the Federal Government. So it was concluded in a conference between the sponsor of this bill and the gentleman from California [Mr. ENGLE], and myself who sponsors a similar bill that an amendment taking care of that situation might very well be in order.

The amendment which is proposed provides that a patent issued hereafter on lands covered by a mining claim shall not carry the reservation if at the time of the issuance of said patent, there is no mineral leasing lease or permit or an application or offer for a lease or permit covering the lands to be described in the patent. Also, that unless the area is a known area to be valuable for minerals subject to disposition under the mineral leasing laws. Keep in mind that this act provides that the same individual may be both a lessee of the Government, and a claimant under the mining laws of the Government if he so desires; and this simply provides that the claimant receiving a patent shall under certain circumstances proceed as he has heretofore in the past and receive a fee-simple title without any reservation of the leasable minerals. My point is that this will have very little effective use because it will not be needed, but if it is needed in any particular instance, in my opinion it does not harm the legislation at all. I therefore ask your support.

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

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

Mr. ENGLE. It is true, is it not, that in the absence of this amendment section 4 would provide a hidden reservation, so to speak, in all mineral claims and in all patents coming from mineral claims.

Mr. ASPINALL. It might be so interpreted.

Mr. ENGLE. May I say to the gentleman that I concur in his amendment; in fact, I helped work it out. I have no objection to reservations of minerals when they are known to exist, but it would be patently unfair, in my opinion, to have mining claims go to patent and then 20 years later the Government exercise a hidden reservation in regard to something that was wholly unknown at the time the claim was filed and the patent was matured.

Mr. D'EWART. Mr. Chairman, will the gentleman yield?

Mr. ASPINALL. I yield to the gentleman from Montana.

Mr. D'EWART. The members of the committee on this side have discussed the amendment and are agreeable to it and think it will improve the bill. We hope it will be adopted.

The CHAIRMAN. The question is on the amendment.

The amendment was agreed to.

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

The Clerk read as follows:

On page 22, line 4, after the words "prior to", strike out "February 10, 1954," and insert "the effective date of this act."

Mr. SAYLOR. Mr. Chairman, as was explained by the gentleman from Utah [Mr. DAWSON], the author of this bill, at the last session of Congress a similar situation arose and Congress validated those claims made by discoverers of uranium up until the 1st day of January 1951. This bill would extend the period for validation of claims until the 10th day of February 1954. From the 10th day of February 1954, the date when the Atomic Energy Commission issued Circular Number 7, down until the effective date of this act there will be a hiatus; there will be a question as to whether or not any claims filed in that period of time are valid. All this amendment does is to say that the provisions of this bill shall extend not just from 1939 down until the 10th day of February 1954, but down until the effective date of the act. I believe this is an improvement to the bill and will prevent anyone's having to come back next year and correct any claims filed between the 10th of February 1954 and the effective date of the act.

Mr. DAWSON of Utah. Mr. Chairman, I rise in opposition to the amendment.

Mr. Chairman, as I stated before, the people concerned with these matters, the industry, the oil and gas people, the mining people, have spent a considerable length of time trying to work out a period of time when they feel this would be most equitable to those who have located their claims.

Far be it from me to attempt to go back and try to iron out those differences. There are some conflicts. However, as I stated before, I feel that this change should be opposed because the big majority of the people out there who have gone out in good faith and located their claims have received the protection they are entitled to under the present wording of the bill. Therefore, I hope the Committee will oppose this amendment and vote it down.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Pennsylvania [Mr. SAYLOR].

The question was taken; and the Chair being in doubt, the Committee divided, and there were—ayes 6, noes 16.

So the amendment was rejected.

The CHAIRMAN. The question is on the committee amendment, as amended.

The amendment was agreed to.

The CHAIRMAN. Under the rule, the Committee rises.

Accordingly the Committee rose; and the Speaker having resumed the chair, Mr. KEATING, 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. 8896) to amend the mineral leasing laws to provide for multiple mineral development of the same tracts of the public lands, and for other purposes, pursuant to House Resolution 639, he reported the bill back to the House with an amendment adopted by the Committee of the Whole.

The SPEAKER. Under the rule, the previous question is ordered.

The question is on the amendment.

The amendment was agreed to.

The SPEAKER. The question is on the engrossment and third reading of the bill.

The bill was ordered to be engrossed and read a third time and was read the third time.

The SPEAKER. The question is on the passage of the bill.

The bill was passed, and a motion to reconsider was laid on the table.

Mr. D'EWART. Mr. Speaker, I ask unanimous consent for the immediate consideration of the bill (S. 3344) to amend the mineral leasing laws and the mining laws to provide for multiple mineral development of the same tracts of the public lands, and for other purposes.

The Clerk read the title of the bill.

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

There was no objection.

The Clerk read the Senate bill, as follows:

Be it enacted, etc., That, (a) subject to the conditions and provisions of this act and to any valid intervening rights acquired under the laws of the United States, any mining claim located under the mining laws of the United States subsequent to July 31, 1939, and prior to February 10, 1954, on lands of the United States, which at the time of location were—

(1) included in a permit or lease issued under the mineral leasing laws; or

(2) covered by an application or offer for a permit or lease which had been filed under the mineral leasing laws; or

(3) known to be valuable for minerals subject to disposition under the mineral leasing laws;

shall be effective to the same extent in all respects as if such lands at the time of location, and at all times thereafter, had not been so included or covered or known: *Provided, however*, That, in order to be entitled to the benefits of this act, the owner of any such mining claim located prior to January 1, 1953, must have posted and filed for record, within the time allowed by the provisions of the act of August 12, 1953 (67 Stat. 539), an amended notice of location as to such mining claim, stating that such notice was filed pursuant to the provisions of said act of August 12, 1953, and for the purpose of obtaining the benefits thereof: *And provided further*, That, in order to obtain the benefits of this act, the owner of any such mining claim located subsequent to December 31, 1952, and prior to February 10, 1954, not later than 120 days after the date of enactment of this act, must post on such claim in the manner required for posting notice of location of mining claims and file for record in the office where the notice or certificate of location of such claim is of record an amended notice of location for such claim, stating that such notice is filed pursuant to the provisions of this act and for the purpose of obtaining the benefits thereof and, within said 120-day period, if such owner shall have filed a uranium lease application as to the tract covered by such mining claim, must file with the Atomic Energy Commission a withdrawal of such uranium lease application or, if a uranium lease shall have issued pursuant thereto, a release of such lease, and must record a notice of the filing of such withdrawal or release in the county office wherein such notice or certificate of location shall have been filed for record.

(b) Labor performed or improvements made after the original location of and upon or for the benefit of any mining claim which shall be entitled to the benefits of this act under the provisions of subsection (a) of this section 1, shall be recognized as applicable to such mining claim for all purposes to the same extent as if the validity of such mining claim were in no respect dependent upon the provisions of this act.

(c) As to any land covered by any mining claim which is entitled to the benefits of this act under the provisions of subsection (a) of this section 1, any withdrawal or reservation of lands made after the original location of such mining claim is hereby modified and amended so that the effect thereof upon such mining claim shall be the same as if such mining claim had been located upon lands of the United States which, subsequent to July 31, 1939, and prior to the date of such withdrawal or reservation, were subject to location under the mining laws of the United States.

SEC. 2. (a) If any mining claim which shall have been located subsequent to December 31, 1952, and prior to December 11, 1953, and which shall be entitled to the benefits of this act, shall cover any lands embraced within any mining claim which shall have been located prior to January 1, 1953, and which shall be entitled to the benefits of this act, then as to such area of conflict said mining claim so located subsequent to December 31, 1952, shall be deemed to have been located December 11, 1953.

(b) If any mining claim hereafter located shall cover any lands embraced within any mining claim which shall have been located prior to February 10, 1954, and which shall be entitled to the benefits of this act, then as to such area of conflict said mining claim hereafter located shall be deemed to have been located 121 days after the date of the enactment of this act.

SEC. 3. (a) Subject to the conditions and provisions of this act and to any valid prior rights acquired under the laws of the United States, the owner of any pending uranium lease application or of any uranium lease shall have, for a period of 120 days after the date of enactment of this act, as limited in subsection (b) of this section 3, the right to locate mining claims upon the lands covered by said application or lease.

(b) Any rights under any such mining claim so hereafter located pursuant to the provisions of subsection (a) of this section 3 shall be subject to any rights of the owner of any mining claim which was located prior to February 10, 1954, and which was valid at the date of the enactment of this act or which may acquire validity under the provisions of this act. As to any lands covered by a uranium lease and also by a pending uranium lease application, the right of mining location under this section 3 as between the owner of said lease and the owner of said application, shall be deemed as to such conflict area to be vested in the owner of said lease. As to any lands embraced in more than one such pending uranium lease application, such right of mining location, as between the owners of such conflicting applications, shall be deemed to be vested in the owner of the prior application. Priority of such an application shall be determined by the time of posting on a tract then available for such leasing of a notice of lease application in accordance with paragraph (c) of the Atomic Energy Commission's Domestic Program Circular 7 (10 C. F. R. 60.7 (c)) provided there shall have been timely compliance with the other provisions of said paragraph (c) or, if there shall not have been such timely compliance, then by the time of the filing of the uranium lease application with the Atomic Energy Commission. Any rights under any mining claim located under the provisions of this section 3 shall terminate at the expiration of 30 days after the filing for record of the notice or certificate of location of such mining claim unless, within said 30-day period, the owner of the uranium lease application or uranium lease upon which the location of such mining claim was predicated shall have filed with the Atomic Energy Commission a withdrawal of said application or a release of said lease and shall have recorded a notice of the filing of such withdrawal or release in the county office wherein such notice or certificate of location shall be of record.

(c) Except as otherwise provided in subsections (a) and (b) of this section 3, no mining claim hereafter located shall be valid as to any lands which at the time of such location were covered by a uranium lease application or a uranium lease. Any tract upon which a notice of lease application has been posted in accordance with said paragraph (c) of said Circular 7 shall be deemed to have been included in a uranium lease application from and after the time of the posting of such notice of lease application: *Provided*, That there shall have been timely compliance with the other provisions of said paragraph (c) or, if there shall not have been such timely compliance, then from and after the time of the filing of a uranium lease application with the Atomic Energy Commission.

SEC. 4. Every mining claim or millsite hereafter located under the mining laws of the United States and every mining claim or millsite heretofore so located which shall be entitled to benefits under the first three sections of this act shall be subject to a reservation to the United States of all Leasing Act minerals and of the right (as limited in sec. 6 hereof) of the United States, its lessees, permittees, and licensees to enter upon the land covered by such mining claim or millsite and to prospect for, drill for, mine, treat, store, transport, and remove Leasing Act minerals and to use so much of the surface and subsurface of such mining claim or millsite as may be necessary for such purposes, and whenever reasonably necessary, for the purpose of prospecting for, drilling for, mining, treating, storing, transporting, and removing Leasing Act minerals on and from other lands; and any patent issued for any such mining claim or millsite shall contain such reservation.

SEC. 5. Subject to the conditions and provisions of this act, mining claims and millsites may hereafter be located under the mining laws of the United States on lands of the United States which at the time of location are—

(a) included in a permit or lease issued under the mineral leasing laws; or

(b) covered by an application or offer for a permit or lease filed under the mineral leasing laws; or

(c) known to be valuable for minerals subject to disposition under the mineral leasing laws;

to the same extent in all respects as if such lands were not so included or covered or known.

SEC. 6. (a) Where the same lands are being utilized for mining operations and Leasing Act operations, each of such operations shall be conducted, so far as reasonably practicable, in a manner compatible with such multiple use.

(b) Any mining operations pursuant to rights under any unpatented or patented mining claim or millsite which shall be subject to a reservation to the United States of Leasing Act minerals as provided in this act, shall be conducted, so far as reasonably practicable, in a manner which will avoid damage to any known deposit of any Leasing Act mineral. Subject to the provisions of subsection (d) of this section 6, mining operations shall be so conducted as not to endanger or materially interfere with any existing surface or underground improvements, workings, or facilities which may have been made for the purpose of Leasing Act operations, or with the utilization of such improvements, workings, or facilities.

(c) Any Leasing Act operations on lands covered by an unpatented or patented mining claim or millsite which shall be subject to a reservation to the United States of Leasing Act minerals as provided in this act, shall be conducted, so far as reasonably practicable, in a manner which will avoid damage to any known deposit of any mineral not so reserved from such mining claim or millsite. Subject to the provisions of subsection (d) of this section 6, Leasing Act operations shall be so conducted as not to endanger or materially interfere with any existing surface or underground improvements, workings, or facilities which may have been made for the purpose of mining operations, or with the utilization of such improvements, workings, or facilities.

(d) If, upon petition of either the mining operator or the Leasing Act operator, any court of competent jurisdiction shall find that a particular use in connection with one of such operations cannot be reasonably and properly conducted without endangering or materially interfering with the then existing improvements, workings, or facilities of the other of such operations or with the

utilization thereof, and shall find that under the conditions and circumstances, as they then appear, the injury or damage which would result from denial of such particular use would outweigh the injury or damage which would result to such then existing improvements, workings, or facilities or from interference with the utilization thereof if that particular use were allowed, then and in such event such court may permit such use upon payment (or upon furnishing of security determined by the court to be adequate to secure payment) to the party or parties who would be thus injured or damaged, of an amount to be fixed by the court as constituting fair compensation for the then reasonably contemplated injury or damage which would result to such then existing improvements, workings, or facilities or from interference with the utilization thereof by reason of the allowance of such particular use.

(e) Where the same lands are being utilized for mining operations and Leasing Act operations, then upon request of the party conducting either of said operations, the party conducting the other of said operations shall furnish to and at the expense of such requesting party copies of any information which said other party may have, as to the situs of any improvements, workings, or facilities theretofore made upon such lands, and upon like request, shall permit such requesting party, at the risk of such requesting party, to have access at reasonable times to any such improvemetns, workings, or facilities for the purpose of surveying and checking or determining the situs thereof. If damage to or material interference with a party's improvements, workings, facilities, or with the utilization thereof shall result from such party's failure, after request, to so furnish to the requesting party such information or from denial of such access, such failure or denial shall relieve the requesting party of any liability for the damage or interference resulting by reason of such failure or denial. Failure of a party to furnish requested information or access shall not impose upon such party any liability to the requesting party other than for such costs of court and attorney's fees as may be allowed to the requesting party in enforcing by court action the obligations of this section as to the furnishing of information and access. The obligation hereunder of any party to furnish requested information shall be limited to map and survey information then available to such party with respect to the situs of improvements, workings, and facilities and the furnishing thereof shall not be deemed to constitute any representation as to the accuracy of such information.

SEC. 7. (a) Any applicant, offeror, permittee, or lessee under the mineral leasing laws may file in the office of the Secretary of the Interior, or in such office as the Secretary may designate, a request for publication of notice of such application, offer, permit, or lease, provided expressly, that not less than 90 days prior to the filing of such request for publication there shall have been filed for record in the county office of record for the county in which the lands covered thereby are situate a notice of the filing of such application or offer or of the issuance of such permit or lease which notice shall set forth the date of such filing or issuance, the name and address of the applicant, offeror, permittee or lessee and the description of the lands covered by such application, offer, permit or lease. The filing of such request for publication shall be accompanied by a certified copy of such recorded notice and an affidavit or affidavits of a person or persons over 21 years of age setting forth that the affiant or affiants have examined the lands involved in a reasonable effort to ascertain whether any person or persons were in actual possession of or engaged in the working of such lands or any part thereof, and, if no person or persons were found to be in actual possession of or engaged in the working of said lands or any part thereof on the date of such examination, setting forth such fact, or, if any person or persons were so found to be in actual possession or engaged in such working on the date of such examination, setting forth the name and address of each such person, unless affiant shall have been unable through reasonable inquiry to obtain information as to the name and address of any such person, in which event the affidavit shall set forth fully the nature and results of such inquiry.

The filing of such request for publication shall also be accompanied by the certificate of a title or abstract company, or of a title abstractor, or of an attorney, based upon such company's, abstractor's, or attorney's examination of the instruments affecting the lands involved, of record in the public records of the county in which said lands are situate as shown by the indices of the public records in the county office of record for said county, setting forth the name of any person disclosed by said instruments to have an interest in said lands under any unpatented mining claim heretofore located, together with the address of such person if disclosed by such instruments of record.

Thereupon the Secretary of the Interior, or his designated representative, at the expense of the requesting person (who, prior to the commencement of publication, must furnish the agreement of the publisher to hold such requesting person alone responsible for charges of publication), shall cause notice of such application, offer permit, or lease to be published in a newspaper having general circulation in the county in which the lands involved are situate.

Such notice shall describe the lands covered by such application, offer, permit, or lease and shall notify whomever it may concern that if any person claiming or asserting under, or by virtue of, any unpatented mining claim heretofore located, any right or interest in Leasing Act minerals as to such lands or any part thereof, shall fail to file in the office where such request for publication was filed (which office shall be specified in such notice) and within 150 days from the date of the first publication of such notice, a verified statement which shall set forth, as to such unpatented mining claim:

(1) The date of location;

(2) The book and page of recordation of the notice or certificate of location;

(3) The section or sections of the public land surveys which embrace such mining claim; or if such lands are unsurveyed, either the section or sections which would probably embrace such mining claim when the public land surveys are extended to such lands or a tie by courses and distances to an approved United States mineral monument;

(4) Whether such claimant is a locator or purchaser under such location; and

(5) The name and address of such claimant and names and addresses so far as known to the claimant of any other person or persons claiming any interest or interests in or under such unpatened mining claim; such failure shall be conclusively deemed (i) to constitute a waiver and relinquishment by such mining claimant of any and all right, title, and interest under such mining claim as to, but only as to, Leasing Act minerals, and (ii) to constitute a consent by such mining claimant that such mining claim and any patent issued therefor, shall be subject to the reservation specified in section 4 of this act, and (iii) to preclude thereafter any assertion by such mining claimant of any right or title to or interest in any Leasing Act mineral by reason of such mining claim.

If such notice is published in a daily paper, it shall be published in the Wednesday issue for 9 consecutive weeks, or, if in a weekly paper in 9 consecutive issues, or, if in a semiweekly or triweekly paper, in the issue of the same day of each week for 9 consecutive weeks.

Within 15 days after the date of first publication of such notice, the person requesting such publication (1) shall cause a copy of such notice to be personally delivered to or to be mailed by registered mail addressed to each person in possession or engaged in the working of the land whose name and address is shown by an affidavit filed as aforesaid, and to each person who may have filed, to any lands described in said notice, a request for notices, as provided in subsection (d) of this section 7, and shall cause a copy of such notice to be mailed by registered mail to each person whose name and address is set forth in the title or abstract company's or title abstrator's or attorney's certificate filed as aforesaid, as having an interest in the lands described in said notice under any unpatented mining claim heretofore located, such notice to be directed to such person's address as set forth in such certificate; and (2) shall file in the office where said request for publication was filed an affidavit showing that copies have been so delivered or mailed.

(b) If any claimant under any unpatented mining claim heretofore located which embraces any of the lands described in any notice published in accordance with the provisions of subsection (a) of this section 7 shall fail to file a verified statement, as above provided, within 150 days from the date of the first publication of such notice, such failure shall be conclusively deemed, except as otherwise provided in subsection (e) of this section 7, (i) to constitute a waiver and relinquishment of such mining claimant of any and all right, title, and interest under such mining claim as to, but only as to, Leasing Act minerals, and (ii) to constitute a consent by such mining claimant that such mining claim and any patent issued therefor, shall be subject to the reservation specified in section 4 of this act, and (iii) to preclude thereafter any assertion by such mining claimant of any right or title to or title to or interest in any Leasing Act mineral by reason of such mining claim.

(c) If any verified statement shall be filed by a mining claimant as provided in subsection (a) of this section 7, then the Secretary of the Interior or his designated representative shall fix a time and place for a hearing to determine the validity and effectiveness of the mining claimant's asserted right or interest in Leasing Act minerals. The procedures with respect to notice of such a hearing and the conduct thereof, and in respect to appeals shall follow the then established general procedures and rules of practice of the Department of the Interior in respect to contests or protests affecting public lands of the United States. If at any time prior to a hearing the person requesting publication of notice and any person filing a verified statement pursuant to such notice shall so stipulate, then to the extent so stipulated, but only to such extent, no hearing shall be held with respect to rights asserted under that verified statement, and to the extent defined by the stipulation the rights asserted under that verified statement shall be deemed unaffected by that particular published notice.

(d) Any person claiming any right in Leasing Act minerals under or by virtue of any unpatented mining claim heretofore located and desiring to receive a copy of any notice of any application, offer, permit, or lease which may be published as above provided in subsection (a) of this section 7, and which may affect lands embraced in such mining claim, may cause to be filed for record in the court office of record where the notice or certificate of location of such mining claim shall have been recorded, a duly acknowledged request for a copy of any such notice. Such request for copies shall set forth the name and address of the person requesting copies and shall also set forth, as to each

mining claim under which such person asserts rights in Leasing Act minerals:

(1) the date of location;

(2) the book and page of the recordation of the notice or certificate of location; and

(3) the section or sections of the public land surveys which embrace such mining claim; or if such lands are unsurveyed, either the section or sections which would probably embrace such mining claim when the public land surveys are extended to such lands or a tie by courses and distances to an approved United States mineral monument.

Other than in respect to the requirements of subsection (a) of this section 7 as to personal delivery or mailing of copies of notices and in respect to the provisions of subsection (e) of this section 7, no such request for copies of published notices and no statement or allegation in such request and no recordation thereof shall affect title to any mining claim or to any land, or be deemed to constitute constructive notice to any person that the person requesting copies has, or claims, any right, title, or interest in or under any mining claim referred to in such request.

(e) If any applicant, offeror, permittee, or lessee shall fail to comply with the requirements of subsection (a) of this section 7 as to the personal delivery or mailing of a copy of notice to any person, the publication of such notice shall be deemed wholly ineffectual as to that person or as to the rights asserted by that person and the failure of that person to file a verified statement, as provided in such notice, shall in no manner affect, diminish, prejudice or bar any rights of that person.

SEC. 8. The owner or owners of any mining claim heretofore located may, at any time prior to issuance of patent therefor, waive and relinquish all rights thereunder to Leasing Act minerals. The execution and acknowledgment of such a waiver and relinquishment by such owner or owners and the recordation thereof in the office where the notice or certificate of location of such mining claim is of record shall render such mining claim thereafter subject to the reservation referred to in section 4 of this act and any patent issued therefor shall contain such a reservation, but no such waiver or relinquishment shall be deemed in any manner to constitute any concession as to the date of priority of rights under said mining claim or as to the validity thereof.

SEC. 9. Notwithstanding any previous act, regulation, or decision, the reservation of minerals in lands withdrawn from the public domain for mineral purposes by Executive order, proclamation, or other administrative procedure shall be applicable only to those minerals and for the purposes expressed in said Executive order, proclamation, or other administrative procedure. The Secretary of the Interior shall retain the power and authority to dispose of other leasable minerals in said lands by leasing procedures applicable to the public domain. This section shall become effective April 1, 1955.

SEC. 10. The Atomic Energy Act is hereby amended as follows:

(a) Section 5 (b) (5) is revised to read:

"(5) Acquisition: The Commission is authorized, to the extent it deems necessary to effectuate the provisions of this Act, to purchase, take, requisition, condemn, or otherwise acquire—

"(A) supplies of source materials or any interest in real property containing deposits of source materials; and

"(B) rights to enter upon any real property deemed by it to have possibilities of containing deposits of source materials and to conduct prospecting and exploratory operations for such deposits.

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

(b) Section 5 (b) (6) is revised to read:

"(6) Operations on lands belonging to the United States: The Commission is authorized, to the extent it deems necessary to effectuate the provisions of this act, to issue leases or permits for prospecting for, exploration for, mining, or removal of deposits of source materials (or for any or all of these purposes) in lands belonging to the United States."

(c) Section 5 (b) (7) is revised to read:

"(7) Public lands: No individual, corporation, partnership, or association, which had any part, directly or indirectly, in the development of the atomic bomb project, may benefit by any location, entry, or settlement upon the public domain made after such individual, corporation, partnership, or association took part in such project, if such individual, corporation, partnership, or association, by reason of having had such part in the development of the atomic bomb project, acquired confidential official information as to the existence of deposits of such uranium, thorium, or other materials, in the specific lands upon which such location, entry, or settlement is made, and subsequent to the date of the enactment of this act made such location, entry, or settlement or cause the same to be made for his, or its, or their benefit. In cases where any patent, conveyance, lease, permit, or other authorization has been issued, which reserved to the United States source materials and the right to enter upon the land and prospect for, mine, and remove the same, the head of the department or agency which issued the patent, conveyance, lease, permit, or other authorization shall, on application of the holder thereof, issue a new or supplemental patent, conveyance, lease, permit, or other authorization without such reservation."

(d) Notwithstanding the provisions of the Atomic Energy Act, and particularly section 5 (b) (7) thereof, prior to its amendment hereby, or the provisions of the act of August 12, 1953 (67 Stat. 539), and particularly section 3 thereof, any mining claim, heretofore located under the mining laws of the United States, for, or based upon a discovery of a mineral deposit which is a fissionable source material and which, except for the possible contrary construction of said Atomic Energy Act, would have been locatable under such mining laws, shall, insofar as adversely affected by such possible contrary construction, be valid and effective, in all respects to the same extent as if said mineral deposit were a locatable mineral deposit other than a fissionable source material.

SEC. 11. As used in this act "mineral leasing laws" shall mean the act of October 20, 1914 (38 Stat. 741); the act of February 25, 1920 (41 Stat. 437); the act of April 17, 1926 (44 Stat. 301); the act of February 7, 1927 (44 Stat. 1057); and all acts heretofore or hereafter enacted which are amendatory of or supplementary to any of the foregoing acts; "Leasing Act minerals" shall mean all minerals which, upon the effective date of this act, are provided in the mineral leasing laws to be disposed of thereunder, "Leasing Act operations" shall mean operations conducted under a lease, permit, or license issued under the mineral leasing laws in or incidental to prospecting for, drilling for, mining, treating, storing, transporting, or removing Leasing Act minerals; "mining operations" shall mean operations under any unpatented or patented mining claim or millsite in or incidental to prospecting for, mining, treating, storing, transporting, or removing minerals other than Leasing Act minerals and any other use under any claim of right or title based upon such mining claim or millsite; "Leasing Act operator" shall mean any party who shall conduct Leasing Act operations; "mining operator" shall mean any party who shall conduct mining operations; "Atomic Energy Act" shall mean the act of August 1, 1946 (60 Stat. 755), as amended; "Atomic Energy Commission" shall mean the United States Atomic Energy Commission established under the Atomic Energy Act or any amendments thereof; "fissionable source material" shall mean uranium, thorium, and all other materials referred to in section 5 (b) (1) of the Atomic Energy Act as reserved or to be reserved to the United States; "uranium lease application" shall mean an application for a uranium lease filed with said Commission with respect to lands which would be open for entry under the mining laws except for their being lands embraced within an offer, application, permit, or lease under the mineral leasing laws or lands known to be valuable for minerals leasable under those laws; "uranium lease" shall mean a uranium mining lease issued by said Commission with respect to any such lands; and "person" shall mean any individual, corporation, partnership, or other legal entity.

SEC. 12. If any provision of this act, or the application of such provision to any person or circumstances, is held unconstitutional, invalid, or unenforcible, the remainder of this act or the application of such provision to persons or circumstances other than those as to which it is held unconstitutional, invalid, or unenforcible, shall not be affected thereby.

Mr. D'EWART. Mr. Speaker, I offer an amendment.

The Clerk read as follows:

Amendment offered by D'EWART: Strike out all after the enacting clause and insert the langauge of H. R. 8896 as passed:

"That, (a) subject to the conditions and provisions of this act and to any valid intervening rights acquired under the laws of the United States, any mining claim located under the mining laws of the United States subsequent to July 31, 1939, and prior to February 10, 1954, on lands of the United States, which at the time of location were—

"(1) included in a permit or lease issued under the mineral leasing laws; or

"(2) covered by an application or offer for a permit or lease which had been filed under the mineral leasing laws; or

"(3) known to be valuable for minerals subject to disposition under the mineral leasing laws.

shall be effective to the same extent in all respects as if such lands at the time of location, and at all times thereafter, had not been so included or covered or known: *Provided, however,* That, in order to be entitled to the benefits of this act, the owner of any such mining claim located prior to January 1, 1953, must have posted and filed for record, within the time allowed by the provisions of the act of August 12, 1953 (67 Stat. 539), an amended notice of location as to such mining claim, stating that such notice was filed pursuant to the provisions of said act of August 12, 1953, and for the purpose of obtaining the benefits thereof: *And provided further,* That in order to obtain the benefits of this act, the owner of any such mining claim located subsequent to December 31, 1952, and prior to February 10, 1954, not later than 120 days after the date of enactment of this act, must post on such claim in the manner required for posting notice of location of mining claims and file for record in the office where the notice or certificate of location of such claim is of record

an amended notice of location for such claim, stating that such notice is filed pursuant to the provisions of this act and for the purpose of obtaining the benefits thereof and, within said 120-day period, if such owner shall have filed a uranium-lease application as to the tract covered by such mining claim, must file with the Atomic Energy Commission a withdrawal of such uranium-lease application or, if a uranium lease shall have issued pursuant thereto, a release of such lease, and must record a notice of the filing of such withdrawal or release in the county office wherein such notice or certificate of location shall have been filed for record.

"(b) Labor performed or improvements made after the original location of and upon or for the benefit of any mining claim which shall be entitled to the benefits of this act under the provisions of subsection (a) of this section 1, shall be recognized as applicable to such mining claim for all purposes to the same extent as if the validity of such mining claim were in no respect dependent upon the provisions of this act.

"(c) As to any land covered by any mining claim which is entitled to the benefits of this act under the provisions of subsection (a) of this section 1, any withdrawal or reservation of lands made after the original location of such mining claim is hereby modified and amended so that the effect thereof upon such mining claim shall be the same as if such mining claim had been located upon lands of the United States which, subsequent to July 31, 1939, and prior to the date of such withdrawal or reservation, were subject to location under the mining laws of the United States.

"SEC. 2. (a) If any mining claim which shall have been located subsequent to December 31, 1952, and prior to December 11, 1953, and which shall be entitled to the benefits of this act, shall cover any lands embraced within any mining claim which shall have been located prior to January 1, 1953, and which shall be entitled to the benefits of this act, then as to such area of conflict said mining claim so located subsequent to December 31, 1952, shall be deemed to have been located December 11, 1953.

"(b) If any mining claim hereafter located shall cover any lands embraced within any mining claim which shall have been located prior to February 10, 1954, and which shall be entitled to the benefits of this act, then as to such area of conflict said mining claim hereafter located shall be deemed to have been located 121 days after the date of the enactment of this act.

"SEC. 3. (a) Subject to the conditions and provisions of this act and to any valid prior rights acquired under the laws of the United States, the owner of any pending uranium lease application or of any uranium lease shall have, for a period of 120 days after the date of enactment of this act, as limited in subsection (b) of this section 3, the right to locate mining claims upon the lands covered by said application or lease.

"(b) Any rights under any such mining claim so hereafter located pursuant to the provisions of subsection (a) of this section 3 shall be subject to any rights of the owner of any mining claim which was located prior to February 10, 1954, and which was valid at the date of the enactment of this act or which may acquire validity under the provisions of this act. As to any lands covered by a uranium lease and also by a pending uranium lease application, the right of mining location under this section 3, as between the owner of said lease and the owner of said application, shall be deemed as to such conflict area to be vested in the owner of said lease. As to any lands embraced in more than one such pending uranium lease application, such right of mining location, as between the owners of such conflicting applications, shall be deemed to be vested in the owner of the prior application. Priority of such an application shall be determined by the time of posting on a tract then available for such leasing of a notice of lease application in accordance with paragraph (c) of the Atomic Energy Commission's Domestic Uranium Program Circular 7 (10 C. F. R. 60.7 (c)) provided there shall have been timely compliance with the other provisions of said paragraph (c) or, if there shall not have been such timely compliance, then by the time of the filing of the uranium lease application with the Atomic Energy Commission. Any rights under any mining claim located under the provisions of this section 3 shall terminate at the expiration of 30 days after filing for record of the notice or certificate of location of such mining claim unless, within said 30-day period, the owner of the uranium lease application or uranium lease upon which the location of such mining claim was predicated shall have filed with the Atomic Energy Commission a withdrawal of said application or a release of said lease and shall have recorded a notice of the filing of such withdrawal or release in the county office wherein such notice or certificate of location shall be of record.

"(c) Except as otherwise provided in subsections (a) and (b) of this section 3, no mining claim hereafter located shall be valid as to any lands which at the time of such location were covered by a uranium lease application or a uranium lease. Any tract upon which a notice of lease application has been posted in accordance with said paragraph (c) of said Circular 7 shall be deemed to have been included in a uranium lease application from and after the time of the posting of such notice of lease application: *Provided*, That there shall have been timely compliance with the other provisions of said paragraph (c) or, if there shall not have been such timely compliance, then from and after the time of the filing of a uranium lease application with the Atomic Energy Commission.

"SEC. 4. Every mining claim or millsite hereafter located under the mining laws of the United States and every mining claim or millsite heretofore so located which shall be entitled to benefits under the first three sections of this act shall be subject to a reservation to the United States of all Leasing Act minerals and of the right (as limited in sec. 6 hereof) of the United States, its lessees, permittees, and licensees to enter upon the land covered by such mining claim or millsite and to prospect for, drill for, mine, treat, store, transport, and remove Leasing Act minerals and to use so much of the surface and subsurface of such mining claim or millsite as may be necessary for such purposes, and whenever reasonably necessary, for the purpose of prospecting for, drilling for, mining, treating, storing, transporting, and removing Leasing Act minerals on and from other lands; and any patent issued for any such mining claim or millsite and contain such reservation: *Provided, however*, That such reservation contained in the patent shall apply only to the lands included in said mining claim which, at the time of the issuance of such patent are—

"(a) included in a permit or lease under the mineral leasing laws; or

"(b) covered by an application or offer for a permit or lease filed under the mineral leasing laws; or

"(c) known to be valuable for minerals subject to disposition under the mineral leasing laws.

"SEC. 5. Subject to the conditions and provisions of this act, mining claims and millsites may hereafter be located under the mining laws of the United States on lands of the United States which at the time of location are—

"(a) included in a permit or lease issued under the mineral leasing laws; or

"(b) covered by an application or offer for a permit or lease filed under the mineral leasing laws; or

"(c) known to be valuable for minerals subject to disposition under the mineral leasing laws;

to the same extent in all respects as if such lands were not so included or covered or known.

"SEC. 6. (a) Where the same lands are being utilized for mining operations and Leasing Act operations, each of such operations shall be conducted, so far as reasonably practicable, in a manner compatible with such multiple use.

"(b) Any mining operations pursuant to rights under any unpatented or patented mining claim or millsite which shall be subject to a reservation to the United States of Leasing Act minerals as provided in this act, shall be conducted, so far as reasonably practicable, in a manner which will avoid damage to any known deposit of any Leasing Act mineral. Subject to the provisions of subsection (d) of this section 6, mining operations shall be so conducted as not to endanger or materially interfere with any existing surface or underground improvements, workings, or facilities which may have been made for the purpose of Leasing Act operations, or with the utilization of such improvements, workings, or facilities.

"(c) Any Leasing Act operations on lands covered by an unpatented or patented mining claim or millsite which shall be subject to a reservation to the United States of Leasing Act minerals as provided in this act, shall be conducted, so far as reasonably practicable, in a manner which will avoid damage to any known deposit of any mineral not so reserved from such mining claim or millsite. Subject to the provisions of subsection (d) of this section 6, Leasing Act operations shall be so conducted as not to endanger or materially interfere with any existing surface or underground improvements, workings, or facilities which may have been made for the purpose of mining operations, or with the utilization of such improvements, workings, or facilities.

"(d) If, upon petition of either the mining operator or the Leasing Act operator, any court of competent jurisdiction shall find that a particular use in connection with one of such operations cannot be reasonably and properly conducted without endangering or materially interfering with the then existing improvements, workings, or facilities of the other of such operations or with the utilization thereof, and shall find that under the conditions and circumstances, as they then appear, the injury or damage which would result from denial of such particular use would outweigh the injury or damage which would result to such then existing improvements, workings, or facilities or from interference with the utilization thereof if that particular use were allowed, then in such event such court may permit such use upon payment (or upon furnishing of security determined by the court to be adequate to secure payment) to the party or parties who would be thus injured or damaged, of an amount to be fixed by the court as constituting fair compensation for the then reasonably contemplated injury or damage which would result to such then existing improvements, workings, or facilities or from interference with the utilization thereof by reason of the allowance of such particular use.

"(e) Where the same lands are being utilized for mining operations and Leasing Act operations, then upon request of the party conducting either of said operations, the party conducting the other of said operations shall furnish to and at the expense of such requesting party copies of any information which said other party may have, as to the situs of any improvements, workings, or facilities theretofore made upon such lands,

and upon like request, shall permit such requesting party, at the risk of such requesting party, to have access at reasonable times to any such improvements, workings, or facilities for the purpose of surveying and checking or determining the situs thereof. If damage to or material interference with a party's improvements, workings, facilities, or with the utilization thereof shall result from such party's failure, after request, to so furnish to the requesting party such information or from denial of such access, such failure or denial shall relieve the requesting party of any liability for the damage or interference resulting by reason of such failure or denial. Failure of a party to furnish requested information or access shall not impose upon such party any liability to the requesting party other than for such costs of court and attorney's fees as may be allowed to the requesting party in enforcing by court action the obligations of this section as to the furnishing of information and access. The obligation hereunder of any party to furnish requested information shall be limited to map and survey information then available to such party with respect to the situs of improvements, workings, and facilities and the furnishing thereof shall not be deemed to constitute any representation as to the accuracy of such information.

"SEC. 7. (a) Any applicant, offeror, permittee, or lessee under the mineral leasing laws may file in the office of the Secretary of the Interior, or in such office as the Secretary may designate, a request for publication of notice of such application, offer, permit, or lease, provided, expressly, that not less than 90 days prior to the filing of such request for publication there shall have been filed for record in the county Office of Record for the county in which the lands covered thereby are situate a notice of the filing of such application or offer or of the issuance of such permit or lease which notice shall set forth the date of such filing or issuance, the name and address of the applicant, offeror, permittee, or lessee and the description of the lands covered by such application, offer, permit or lease, showing section or sections of land surveyed, or, if such lands are unsurveyed, the section or sections of land which would probably be involved when the public lands surveyed are extended to such lands, or a tie by courses and distances to an approved United States Mineral Monument. The filing of such request for publication shall be accompanied by a certified copy of such recorded notice and an affidavit or affidavits of a person or persons over 21 years of age setting forth that the affiant or affiants have examined the lands involved in a reasonable effort to ascertain whether any person or persons were in possession of or engaged in the working of such lands or any part thereof, and, if no person or persons were found to be in possession of or engaged in the working of said lands or any part thereof on the date of such examination, setting forth such fact, or, if any person or persons were so found to be in possession or engaged in such working on the date of such examination, setting forth the name and address of each such person, unless affiant shall have been unable through reasonable inquiry to obtain information as to the name and address of any such person, in which event the affidavit shall set forth fully the nature and results of such inquiry.

"Thereupon the Secretary of the Interior, or his designated representative, at the expense of the requesting person (who, prior to the commencement of publication, must furnish the agreement of the publisher to hold such requesting person alone responsible for charges of publication), shall cause notice of such application, offer, permit, or lease to be published in a newspaper having general circulation in the county in which the lands involved are situate.

"Such notice shall describe the lands covered by such application, offer, permit, or lease, as provided heretofore in the notice to be filed in the office of record of the county in which the lands covered are situate, and shall notify whomever it may concern that if any person claiming or asserting under, or by virtue of, any unpatented mining claim, any right or interest in Leasing Act minerals as to such lands or any part thereof, shall fail to file in the office where such request for publication was filed (which office shall be specified in such notice) and within 150 days from the date of the first publication of such notice (which date shall be specified in such notice), a verified statement which shall set forth, as to such unpatented mining claim:

"(1) The date of location;

"(2) The book and page of recordation of the notice or certificate of location;

"(3) The section or sections of the public land surveys which embrace such mining claim; or if such lands are unsurveyed, either the section or sections which would probably embrace such mining claim when the public land surveys are extended to such lands or a tie by courses and distances to an approved United States mineral monument;

"(4) Whether such claimant is a locator or purchaser under such location; and

"(5) The name and address of such claimant and names and addresses so far as known to the claimant of any other person or persons claiming any interest or interests in or under such unpatented mining claim;

such failure shall be conclusively deemed (i) to constitute a waiver and relinquishment by such mining claimant of any and all right, title, and interest under such mining claim as to, but only as to, Leasing Act minerals, and (ii) to constitute a consent by such mining claimant that such mining claim and any patent issued therefor, shall be subject to the reservation specified in section 4 of this act, and (iii) to preclude thereafter any assertion by such mining claimant of any right or title to or interest in any Leasing Act mineral by reason of such mining claim.

"If such notice is published in a daily paper, it shall be published in the Wednesday issue for 9 consecutive weeks, or, if in a weekly paper, in 9 consecutive issues, or, if in a semiweekly or triweekly paper, in the issue of the same day of each week for 9 consecutive weeks.

"Within 15 days after the date of first publication of such notice, the person requesting such publication (1) shall cause a copy of such notice to be personally delivered to or to be sent by registered mail addressed to each person in possession or engaged in the working of the land whose name and address is shown by an affidavit file as aforesaid, and to each person who may have filed, as to any lands described in said notice, a request for notices, as provided in subsection (d) of this section 7, and (2) shall file in the office where said request for publication was filed an affidavit showing that copies have been so delivered or mailed.

"(b) If any claimant under any unpatented mining claim which embraces any of the lands described in any notice published in accordance with the provisions of subsection (a) of this section 7 shall fail to file a verified statement, as above provided, within 150 days from the date of the first publication of such notice, such failure shall be conclusively deemed, except as otherwise provided in subsection (e) of this section 7, (i) to constitute a waiver and relinquishment by such mining claimant of any and all right, title, and interest under such mining claim as to, but only as to, Leasing Act minerals, and (ii) to constitute a consent by such mining claimant that such mining claim and any patent issued therefore, shall be subject to the reservation specified in section 4 of this act, and (iii) to preclude thereafter any assertion by such mining claimant of any right or title to or interest in any Leasing Act mineral by reason of such mining claim.

"(c) If any verified statement shall be filed by a mining claimant as provided in subsection (a) of this section 7, then the Secretary of the Interior or his designated representative shall fix a time and place for a hearing to determine the validity and effectiveness of the mining claimant's asserted right or interest in Leasing Act minerals, which place of hearing shall be in the county where said interest or part of it is located, unless the mining claimant agrees otherwise. The procedures with respect to notice of such a hearing and the conduct thereof, and in respect to appeals shall follow the then established general procedures and rules of practice of the Department of the Interior in respect to contests or protests affecting public lands of the United States. If, pursuant to such a hearing the final decision rendered shall affirm the validity and effectiveness of any mining claim as to Leasing Act minerals then no subsequent proceeding under section 7 of this act shall have any force or effect upon any rights or interests under the said so affirmed mining claim. If at any time prior to a hearing the person requesting publication of notice and any person filing a verified statement pursuant to such notice shall so stipulate, then to the extent so stipulated, but only to such extent, no hearing shall be held with respect to rights asserted under that verified statement, and to the extent defined by the stipulation the rights asserted under that verified statement shall be deemed to be unaffected by that particular published notice.

"(d) Any person claiming any right in Leasing Act minerals under or by virtue of any unpatented mining claim and desiring to receive a copy of any notice of any application, offer, permit, or lease which may be published as above provided in subsection (a) of this section 7 and which may affect lands embraced in such mining claim, may cause to be filed for record in the county office of record where the notice or certificate of location of such mining claim shall have been recorded, a duly acknowledged request for a copy of any such notice. Such request for copies shall set forth the name and address of the person requesting copies and shall also set forth, as to each mining claim under which such person asserts rights in Leasing Act minerals:

"(1) the date of location;

"(2) the book and page of the recordation of the notice or certificate of location; and

"(3) the section or sections of the public land surveys which embrace such mining claim; or if such lands are unsurveyed, either the section or sections which would probably embrace such mining claim when the public land surveys are extended to such lands or a tie by courses and distances to an approved United States mineral monument.

Other than in respect to the requirements of subsection (a) of this section 7 as to personal delivery or mailing of copies of notices and in respect to the provisions of subsection (e) of this section 7, no such request for copies of published notices and no statement or allegation in such request and no recordation thereof shall affect title to any mining claim or to any land, or be deemed to constitute constructive notice to any person that the person requesting copies has, or claims, any right, title, or interest in or under any mining claim referred to in such request.

"(e) If any applicant, offeror, permittee, or lessee shall fail to comply with the requirements of subsection (a) of this section 7 as to the personal delivery or mailing of a copy of notice to any person, the

publication of such notice shall be deemed wholly ineffectual as to that person or as to the rights asserted by that person and the failure of that person to file a verified statement, as provided in such notice, shall in no manner affect, diminish, prejudice or bar any rights of that person.

"SEC. 8. The owner or owners of any mining claim heretofore located may, at any time prior to issuance of patent therefor, waive and relinquish all rights thereunder to Leasing Act minerals. The execution and acknowledgment of such a waiver and relinquishment by such owner or owners and the recordation thereof in the office where the notice or certificate of location of such mining claim is of record shall render such mining claim thereafter subject to the reservation referred to in section 4 of this act and any patent issued therefor shall contain such a reservation, but no such waiver or relinquishment shall be deemed in any manner to constitute any concession as to the date of priority of rights under said mining claim or as to the validity thereof.

"SEC. 9. The Atomic Energy Act is hereby amended as follows:

"(a) Section 5 (b) (5) is revised to read:

"(5) Acquisition: The Commission is authorized, to the extent it deems necessary to effectuate the provisions of this act, to purchase, take, requisition, condemn, or otherwise acquire—

"(A) supplies of source materials or any interest in real property containing deposits of source materials, and

"(B) rights to enter upon any real property deemed by it to have possibilities of containing deposits of source materials and to conduct prospecting and exploratory operations for such deposits.

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

"(b) Section 5 (b) (6) is revised to read:

"(6) Operations on lands belonging to the United States: The Commission is authorized, to the extent it deems necessary to effectuate the provisions of this act, to issue leases or permits for prospecting for, exploration for, mining, or removal of deposits of source materials (or for any or all of these purposes) in lands belonging to the United States.

"(c) Section 5 (b) (7) is revised to read:

"'(7) Public lands: No individual, corporation, partnership, or association, which had any part, directly or indirectly, in the development of the atomic bomb project, may benefit by any location, entry, or settlement upon the public domain made after such individual, corporation, partnership, or association took part in such project, if such individual, coropration, partnership, or association, by reason of having had such part in the development of the atomic bomb project, acquired confidential official information as to the existence of deposits of such uranium, thorium, or other materials in the specific lands upon which such location, entry, or settlement is made, and subsequent to the date of the enactment of this act made such location, entry, or settlement or caused the same to be made for his, or its, or their benefit. In cases where any patent, conveyance, lease, permit, or other authorization has been issued, which reserved to the United States source materials and the right to enter upon the land and prospect for, mine, and remove the same, the head of the department or agency which issued the patent, conveyance, lease, permit, or other authorization shall, on application of the holder thereof, issue a new or supplemental patent, conveyance, lease, permit, or other authorization without such reservation.'

"(d) Notwithstanding the provisions of the Atomic Energy Act, and particularly section 5 (b) 7 thereof, prior to its amendment hereby, or the provisions of the act of August 12, 1953 (67 Stat. 539), and particularly section 3 thereof, any mining claim, heretofore located under the mining laws of the United States, for, or based upon a discovery of a mineral deposit which is a fissionable source material and which, except for the possible contrary construction of said Atomic Energy Act, would have been locatable under such mining laws, shall, insofar as adversely affected by such possible contrary construction, be valid and effective, in all respects to the same extent as if said mineral deposit were a locatable mineral deposit other than a fissionable source material.

"SEC. 10. As used in this act 'mineral leasing laws' shall mean the act of October 20, 1914 (38 Stat. 741); the act of February 25, 1920 (41 Stat. 437); the act of April 17, 1926 (44 Stat. 301); the act of February 7, 1927 (44 Stat. 1057); and all acts heretofore or hereafter enacted which are amendatory of or supplementary to any of the foregoing acts; 'Leasing Act minerals' shall mean all minerals which, upon the effective date of this act, are provided in the mineral leasing laws to be disposed of thereunder, 'Leasing Act operations' shall mean operations conducted under a lease, permit, or license issued under the mineral leasing laws in or incidental to prospecting for, drilling for, mining, treating, storing, transporting, or removing Leasing Act minerals; 'mining operations' shall mean operations under any unpatented or patented mining claim or millsite in or incidental to prospecting for, mining, treating, storing, transporting, or removing minerals other than Leasing Act minerals and any other use under any claim of right or title based upon such mining claim or millsite; 'Leasing Act operator' shall mean any party who shall conduct Leasing Act operations; 'mining operator' shall mean any party who shall conduct mining operations; 'Atomic Energy Act' shall mean the Act of August 1, 1946 (60 Stat. 755), as amended; 'Atomic Energy Commission' shall mean the United States Atomic Energy Commission established under the Atomic Energy Act or any amendments thereof; 'fissionable source material' shall mean uranium, thorium, and all other materials referred to in section 5 (b) (1) of the Atomic Energy Act as reserved or to be reserved to the United States; 'uranium lease application' shall mean an application for a uranium lease filed with said Commission with respect to lands which would be open for entry under the mining laws except for their being lands embraced within an offer, application, permit, or lease under the mineral leasing laws or lands known to be valuable for minerals leasable under those laws; 'uranium lease' shall mean a uranium mining lease issued by said Commission with respect to any such lands; and 'person' shall mean any individual, corporation, partnership, or other legal entity.

"SEC. 11. If any provision of this act, or the application of such provision to any person or circumstances, is held unconstitutional, invalid, or unenforcible, the remainder of this act or the application of such provision to persons or circumstances other than those as to which it is held unconstitutional, invalid, or unenforcible, shall not be affected thereby."

The SPEAKER. The question is on the amendment offered by the gentleman from Montana [Mr. D'EWART].

The amendment was agreed to.

The bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

The proceedings whereby the bill H. R. 8896, was passed were vacated, and that bill was laid on the table.

HOUSING ACT OF 1954

Mr. WOLCOTT submitted a conference report and statement on the bill (H. R. 7839) to aid in the provision and improvement of housing, the elimination and prevention of slums, and the conservation and development of urban communities.

SPECIAL ORDER GRANTED

Mr. HAND asked and was given permission to address the House on Thursday and Friday of this week for 30 minutes each, following the legislative business of the day and any special orders heretofore entered.

SPECIAL ORDER VACATED

The SPEAKER. Under previous order of the House the gentleman from California [Mr. PHILLIPS] is recognized for 45 minutes.

Mr. PHILLIPS. Mr. Speaker, I ask unanimous consent that the special order allotted to me be vacated.

The SPEAKER. Is there objection?

There was no objection.

A DISCUSSION OF THE CONCEPT OF EQUAL PAY FOR EQUAL WORK

The SPEAKER. Under previous order of the House, the gentlewoman from Ohio [Mrs. FRANCES P. BOLTON] is recognized for 20 minutes.

Mrs. FRANCES P. BOLTON. Mr. Speaker, on January 14 of this year I introduced H. R. 7172 after considerable research and contact with people of many groups which have expressed interest in the principle of equal pay for equal work. Included in these groups were leaders of American labor, business, finance, education, and women's affairs.

It has seemed wise not to press the matter until I have more significant information. So today I want to discuss the general concept of equal pay for equal work. To do so, let me set forth briefly the provisions of my bill the overall purpose of which was to prohibit discrimination on account of sex in the payment of wages by employers. Briefly, this bill—

First. Directs the Secretary of Labor to set up standards to determine which jobs involve work of comparable character or skills.

Second. Permits an employee to sue for wages he was deprived of because his employer violated the act.

Third. Permits the Secretary of Labor to bring court action if the employee prefers that method.

The administration, the Labor Department, and the Women's Bureau pledged strong support of the bill. So did many other important groups in labor and industry, in women's organizations and education.

Many organizations have expressed their support of the principle of equal pay: the Amalgamated Clothing Workers of America, the American Association of University Women, General Federation of Women's Clubs, National Council of Catholic Women, National Council of Jewish Women, National Council of Negro Women, the National Education Association, National Federation of Business and Professional Women's Clubs, National League of Women Voters, National Women's Trade Union League, National Association of Women Lawyers, Young Women's Christian Association, United Church Women.

The Chamber of Commerce of the United States, in a policy declaration, stated it believed in the equal-pay principle but did not believe in Federal legislation.

The National Association of Manufacturers says:

> The principle of equal pay for equal work performance within the wage structure of a local business establishment is sound and should be observed. Rates of pay should be based on the nature and requirements of each job, irrespective of age, sex, or other personal factors of the worker.

Among individual industrialists who have recently been queried on the matter of equal pay for equal work, there appear to be divergent opinions regarding the validity of the proposed legislation. Most industrialists believe in the principle but look with a certain amount of foreboding on national legislation. They prefer an evolutionary program of education rather than legislation. They are concerned about inspectors, penalties, difficulties of enforcement. However, I recognize that many people in this country, including Members of this Congress, leaders in industrial management, leaders in labor organizations, educators, women's organizations are not fully aware of the advantages and difficulties in the passage and enforcement of such a bill. I think it is important to bring all arguments, pro and con, before you so that you may have all the facts as to the benefits which this bill will bring to all the people.

I think it is wise to take a new look at the woman worker who is so important in our economy.

The typical woman at work today is in her late thirties, and she is married. She works because she and her family need the money she earns. Her job is probably a clerical or factory job, full-time. She may work less than a full year in any one place.

Her income runs between $1,500 and $2,000. This amount combined with her husband's salary gives the family an income of less than $5,000. The Women's Bureau of the Department of Labor figures—1952—show almost 19 million women holding jobs—one-third of this Nation's labor force.

These figures do more than suggest that this woman deserves our attention as "United States citizen, first-class."

It is true also that women generally own two-thirds of all privately owned war bonds, either alone or as co-owner; they hold 40 percent of the titles of 30 million homes in this country; they pay 40 percent of all property taxes; 80 percent of all inheritance taxes. They spend 80 percent of the national income.

Women made up 52 percent of the voters in the 1952 election. There are some 2 million more women than men today in our country. With the necessary withdrawal of men for the Armed Services, these figures may continue to increase. This will mean an even greater necessity for women to earn a decent wage. Should national emergencies arise, her services may again be desperately needed by industry.

The present spiritual and economic climate makes this a peculiarly propitious time for consideration of the whole question of equal pay.

Many experts believe that such a bill will stimulate our economy by increasing consumer purchasing power. If we have learned anything from the disturbed business cycles of the past two or three decades, it is that a high living standard and prosperous business conditions cannot exist if the worker cannot buy the products of his or her labor. Yet, if large numbers of women can be hired at less than the prevailing rates for men, their competition is likely to result either in the displacement of the men or in men's acceptance of lower rates. The eventual result is reduced purchasing power and lower standards of living for all workers.

The payment of lower rates to women for work comparable with men's has adverse effect on the best use of workers. By creating so-called men's jobs and women's jobs, it cuts down free choice of work opportunities for all. Men will not take women's jobs because of their lower rates of pay, and men resent the hiring of women for men's jobs for fear that the rates will be cut if women are brought in. This creates what might be called a frozen labor market, and industry itself suffers because of it.

It is to industry's advantage that workers be able to move freely, as the situation demands, from one job to another, but the artificial barrier set up by unequal wage rates prevents industry from employing workers on the most efficient basis. The widespread establishment of a rate for the job, irrespective of sex, would make a genuine contribution toward creating labor mobility and increased industrial efficiency.

I recognize, of course, that there are many different opinions on the question. Before any bill is passed, these viewpoints have to be adjusted and reconciled. There are the points of view of industrial management, of organized labor, of women's organizations, of educators, of the women who work.

I hope that the discussions which may arise from presentation of available facts will give the American people as a whole an opportunity to express their wishes.

DEFINITION

The increasing number of women in industry has made the question of equal pay for comparable work of growing importance. In two world wars the Federal Government supported the principle of equal pay for women. Various States adopted such legislation.

Equal pay for comparable work by definition is the application of a rate or rate range for the job without regard to the sex of the worker. There are sound methods of job evaluation by which it is possible to weigh the duties, responsibilities, and working conditions and fix the rate of pay for each job. Job evaluation has almost eliminated the difficulty of setting up criteria.

HISTORICAL BACKGROUND

Demands for Government action for equal pay arose as early as 1868, when the National Labor Union Convention passed a resolution urging Federal and State Governments "to pass laws securing equal salaries for equal work to all women employed under the various departments of Government."

The Classification Act of 1923 established for Federal workers the rate for the job, irrespective of sex. Just last week the House Committee on Post Office and Civil Service approved an amendment to the new Federal pay bill—H. R. 8093—permitting appeal to the Civil Service Commission where persons are passed over on job eligibility lists because of their sex. For many years, women's organizations, labor unions, and many others both inside and outside the Government have urged that the Federal Government should enact an equal-pay law.

Many unions, however, have long pressed for equal-pay provisions in their contracts and in legislation.

It is difficult to obtain information as to the extent of wage discrimination against women throughout the United States. Many instances of unequal pay in individual plants or establishments have come to my attention. The dual wage structure in contracts is one method by which employers and unions avoid paying women the man's rate for the job.

In some arbitration awards interpreting union contracts the arbitrator has held that although women perform the same work as men and receive a lower pay rate, they are not entitled to the same pay since the differential has been in existence for a number of years and the union has implicitly condoned it, making no protestation.

A number of States have passed legislation of one sort or another, but State action cannot of itself reach the national goal. It might be interesting to take up at this point just what the States have done. This recapitulation may serve as background for recommendations looking to Federal legislation.

Achievement by women in the First World War resulted in the passage of equal-pay laws in two States, Montana and Michigan.

Wartime developments and the War Labor Board action have helped collective-bargaining agreements and have helped the establishment of job evaluation systems under which pay differentials based on sex have been abolished.

The demand for legislative action during the Second World War resulted in the passage by a number of States of equal-pay laws. In one decade 12 States passed equal-pay laws.

Today, in addition to Michigan and Montana, there are equal pay laws in Illinois, Washington, New York, Massa-

chusetts, Rhode Island, Pennsylvania, New Hampshire, California, Connecticut, Maine, New Jersey, and the Territory of Alaska.

However, among these 14 equal-pay laws, very few are free of loopholes. In Illinois, the Department of Labor has no responsibility to enforce the law. In Illinois and Michigan, the law covers only workers in manufacturing industries. In California, Illinois, Maine, Pennsylvania, and Rhode Island, wage discrimination is permitted if sanctioned by a collective-bargaining agreement. In California, Illinois, Maine, Pennsylvania, and Rhode Island, laws enumerate many factors upon which wage differentials can be based. In New York and Washington, wage differentials are permitted if based on "factors other than sex." The New Jersey law permits "a reasonable factor or factors other than sex" on which to base wage differentials. Such terminology has, in many cases, been used to evade the intent of the laws. In many States the labor commissioner does not have the power to take wage assignments and sue in behalf of the employee. In most States inadequate appropriations make administration of the equal pay laws difficult. No State's laws attempt to eliminate inequalities between rates paid for so-called men's and women's jobs.

Some States require equal pay for teachers and for State employees. Sixteen States and the District of Columbia have equal pay laws for teachers. About one-half the States have civil-service systems in which equal pay for men and women is generally required in all branches of the State government.

However, experience has shown that the limited orbit of State laws cannot cure an evil which is nationwide in its extent. Today, practically all American business and industry touches on interstate commerce. Very few businesses or industries operate on a strictly intrastate basis. For this reason, broad, uniform, countrywide Federal legislation would seem to be needed. Such Federal legislation could: First, eliminate many labor disputes caused by discriminatory wage practices; second, lessen unfair competition among employers; third, raise living standards of all workers and their dependents; fourth, contribute to maximum labor force efficiency and flexibility; fifth, increase the prestige of the United States among the nations of the world; and, above all else, sixth, grant justice to women workers.

Let me touch briefly on each of these points:

LABOR DISPUTES CAUSED BY DISCRIMINATION

Unrest, and even strikes, result from employers' resistance to granting equal pay. Walter P. Reuther testified at a congressional hearing that the fight for equalization of women's rates had prolonged strikes in some plants of General Motors. Joseph A. Beirne, president, Communications Workers of America, has testified that the question of equal pay was always one of the stumbling blocks in contract negotiations.

UNFAIR COMPETITION

The Senate report on the Women's Equal Pay Act of 1950 points out that employers in the States with equal-pay laws are now at a competitive disadvantage in interstate transactions. Furthermore, it states that Federal legislation would benefit employers now voluntarily applying the equal-pay principle by eliminating unfair competition from those areas paying lower wages to women.

LIVING STANDARDS

Labor unions have presented many examples of how unequal pay for women results in lower wages for men and in lower living standards for many American families. Says Mr. T. R. Owens, of the United Rubber Workers, CIO:

> Wherever there are two sets of rates in a plant, there is a continual attempt to bring all rates down to the lower level. Thus industries with a labor force having large proportions of women have lower wage rates than industries employing chiefly men. This is true, for instance, of the cotton textile industry, where the majority of workers are women.

Wage differentials occur in industries where studies have been made, for instance, in the meat-cutting industry.

In 1953, women's hourly rate was 5 cents less than men's. Before collective bargaining, it was as much as 10½ cents an hour less. This is true of other industries, as shown by studies made by the Labor Department.

It is important, for instance, to remedy such a situation as occurred in an arbitration award in Pittsburgh. In absence of a contract clause requiring equal pay for equal work, it was ruled that an employer need not pay female employees the high rate paid male employees for the same work.

A number of important problems still remain in regard to equal pay and collective bargaining. Unequal pay is still the rule where no strong union or no union exists. Unequal pay practices are justified by various devices. For instance, names of the same job vary; first, when performed by men; second, when performed by women. Or a man's job is changed slightly or renamed for performance by a woman, at a lower rate of pay. A number of such devices are used to get around the problem.

Regrettably, we have no comprehensive plant-by-plant job-by-job wage data of the extent to which equal pay for comparable work for women and men is practiced in the United States. Weekly earnings of production workers in certain manufacturing industries in several States are striking examples of the lower level of women's earnings.

The United Automobile Workers, CIO, gives an example of how unequal pay for women can force men to accept lower wage rates. In the Delco-Remy plant in Anderson, Ind., a 16-cent differential existed between male and female rates for the same or comparable work. After V-J Day, management hired more women, while at the same time refusing to hire males, a large percentage of whom were veterans. When management refused to eliminate the differential, the union accepted a compromise. Women were placed on the day shift and new male employees were put on the afternoon shift where the rates were higher.

In other countries the matter has had attention of the government. The British Government announced that it would start applying, in all departments, the principle of equal pay for women. By March 1955, the old practice of paying women less than men for the same work would have been completely eliminated. This should affect all British industry.

On August 15, 1945, Pope Pius XII told the Congress of the Italian Catholic Women Workers, "the Church has always held that women should receive the same pay as men for equal work and output."

JUSTICE TO WOMEN WORKERS

Statistics show that American women work in order to support or help support themselves and their families.

In 1950, the median income of husband-wife families in which the wife was working was $4,003. According to the Bureau of Labor Statistics, a minimum family budget for a city worker's family of four was $3,727 in October 1950. In many families, the wife's entire earnings are essential if the family is to maintain any kind of a standard of living. As Miss Elizabeth Christman pointed out when she represented the National Women's Trade Union League at congressional hearings, a loaf of bread has the same price no matter who purchases it.

It is interesting that both the political parties have had equal pay planks in their platforms.

Republican:

> We favor legislation assuring equal pay for equal work regardless of sex.

Democratic:

> We believe in equal pay for equal work regardless of sex, and we urge legislation to make that principle effective.

So far they have but gathered dust.

CONCLUSIONS

Economic, social, moral, and political reasons all seem to point to the need for adequate equal pay legislation.

The problem we face as a free Nation dedicated to justice and opportunity for the individual spreads itself out before us as the exigencies of living continue to force women into the labor market. What is the way to meet it? A century has passed since women first were openly accepted as part of the labor force. Now women actually form a third of that force. What is the best way to bring about the result? How can we best insure her receiving the same pay as a man whose work is the same as her own?

It seems to me that is a question with which this Congress must deal in the very near future.

The bill I introduced in the 83d Congress dies at the adjournment hour. While I do not feel that the failure of this attempt was caused by any apparent flaws in H. R. 7172, neither does this preclude the possibility that I may take a different approach at a future session of Congress. What should be in the bill which the 84th Congress considers?

I shall greatly appreciate your thoughtful consideration of the whole matter and shall hope you will let me have your thoughts and your suggestions as a guide for possible future legislation.

WHAT THE 83D CONGRESS HAS DONE FOR SEATTLE

The SPEAKER pro tempore (Mr. CANFIELD). Under the previous order of the House, the gentleman from Washington [Mr. PELLY] is recognized for 15 minutes.

Mr. PELLY. Mr. Speaker, as the House of Representatives concludes the regular order of another day's business, I rise to speak in a rather personal way. This session of the 83d Congress will soon adjourn, and from now on our sessions may be longer and our patience shorter. So, while the Members are still in a friendly and receptive mood, I want to take advantage of the situation.

My one purpose in addressing the House today is to discharge the deep sense of obligation I feel to the Members of this body for the unfailing courtesy, help, and cooperation given me since the 83d Congress convened in January 1953.

When I have called on you, Mr. Speaker, or upon the individual Members of this House, for information or sympathetic consideration of a problem, you have invariably earned my gratitude, and the results have been of real importance to the people of Seattle and Kitsap County. We of the First Congressional District owe a great debt to those in the legislative and executive branches of the Government.

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

Mr. PELLY. I yield.

Mr. ARENDS. I would like to say to the gentleman from Washington that in like manner we would express ourselves on this side of the aisle by saying that we have enjoyed not only the fellowship but the complete cooperation of the gentleman from Washington [Mr. PELLY], in the legislative programs that we have had up since he has been a so-called new Member. He has been tireless in his efforts and worked continuously for the best interests of the people of his district. It is Members like the gentleman from Washington [Mr. PELLY], who have made possible this fine constructive program we are trying to put through in this Congress.

Mr. PELLY. I thank the gentleman.

Mr. Speaker, let me cite a few examples:

(a) After a quarter of a century of waiting, the Public Works Committee finally recommended authorization of the Ballard breakwater and small-boat basin in Shilshole Bay outside the Government locks.

(b) After years of waiting, Seattle is getting a new terminal post office.

(c) Enough modernization and conversion work has been allocated to the Puget Sound Naval Shipyard in Bremerton to keep the yard in its present position as the top public shipyard in the Nation from the standpoint of workload. I might say that this is as it should be, because the performance of the Puget Sound yard has been outstanding with regard to economy of operation, meeting time schedules, and quality of workmanship. This fine record fully justified the Navy's decision to give the yard the first $40 million modernization of a *Midway* class carrier.

(d) Utilization of the merchant-marine reserve fleet at Olympia for storage of surplus wheat.

(e) A congressional fact-finding hearing on the transportation problems which have plagued the Seattle waterfront for so long. It is perhaps significant that there has been no major waterfront shutdown since those hearings; untold benefit to the city has followed.

(f) Favorable consideration of several pieces of legislation, including two resolutions authorizing free import of goods for the third and fourth international trade fairs in Seattle, and a bill which will save the shipping industry thousands of operation dollars annually by allowing quarantine inspections during overtime hours.

(g) The transfer of several MSTS vessels to Seattle from San Francisco as their home port, with a resulting boost for Seattle's most important interest, the maritime industry.

(h) Reconsideration at my request of a holdover Defense Department procurement policy, which means that $100 million formerly designated for expenditure each year in foreign shipyards now goes to domestic shipyards.

(i) Successful conclusion of a temporary agreement, through the intercession of the State Department with the Government of Canada, to allow flooding across the Canadian boundary on the Skagit River. This will allow Seattle City Light to meet its power demands without difficulty for at least another year.

For these actions and many, many more my constituents deeply appreciate the assistance of this Congress and this administration. On their behalf and for myself I extend to this body my sincere gratitude.

Mr. Speaker, since early 1953 we of this House of Representatives have considered and debated, pro and con, many issues important to the American people. A good part of President Eisenhower's recommended program has passed the House. By and large, it has been a series of measures designed to be liberal in relation to the needs of the people, but conservative in the spending of their money. All partisanship aside, it is a good program, and if the President is given congressional support during the 84th Congress, the Eisenhower era will go down as one of the great periods in the history of the Republic.

It has been a great satisfaction to have had a part in liberalizing the social-security system.

It has been even more gratifying to be able to give the hard-pressed wage earners and taxpayers of the Nation tax reductions approximating $7 billion.

The achievements of the 83d Congress in the elimination of waste, duplication, and unnecessary expenditures, in doing away with wage and price controls, and in holding the line against the inflation that was destroying our buying power, have all made me proud to be a Member of the legislative branch of the Government. But what has given me the most satisfaction is that I have been part of an administration that terminated the bloodshed and killing of American boys in Korea.

Right now, fortunately, my district is in good sound economic condition, even considering that the war boom is over. The transition has been far easier than one might have expected.

Since I have represented the First Congressional District of the State of Washington many problems have come to me. Some of these have been successfully concluded, some are now in the process of solution and, of course, there were many which had no solution.

Mr. Speaker, during the two sessions of the 83d Congress I have worked on over 100 matters of major importance to my district. Week by week and day by day they have claimed my attention. Many of these projects, some of them already mentioned, appear to be successfully accomplished. Others, such as keeping passenger ships running to Alaska, obtaining cargoes for American merchant ships—of vital importance to the port of Seattle—and keeping the shipbuilding industry alive, are continuing problems which obviously cannot be solved at any one time by any single action.

Finally, Mr. Speaker, I want to say this. I feel that the 83d Congress has accomplished a great deal. Personally, after reviewing the legislation we have passed, I have a sense of real satisfaction. Couple this with the record of the administration in such important respects as the great progress in achieving racial equality, in removing poor security risks from sensitive Government positions, in the elimination of waste of taxpayers' money and increasing the efficiency of Government, gives me a sense of pride and of having kept faith with preelection promises.

I will go back to my district with a feeling of achievement. Meanwhile, again, I thank all Members of the House for their cooperation and the great privilege of association with such a fine group of legislators.

VOCATIONAL REHABILITATION ACT

Mr. McCONNELL submitted a conference report and statement on the bill (S. 2759) 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.

COOPERATIVE RESEARCH IN EDUCATION

Mr. McCONNELL submitted a conference report and statement on the bill (H. R. 9040) to authorize cooperative research in education.

WHITE HOUSE CONFERENCE ON EDUCATION

Mr. McCONNELL submitted a conference report and statement on the bill (H. R. 7601) to provide for a White House conference on education.

NATIONAL ADVISORY COMMITTEE ON EDUCATION

Mr. McCONNELL submitted a conference report and statement on the bill (H. R. 7434) to establish a National Advisory Committee on Education.

TELECASTING AND BROADCASTING OF CONGRESSIONAL HEARINGS

The SPEAKER pro tempore (Mr. CANFIELD). Under the previous order of the House, the gentleman from Michigan [Mr. MEADER] is recognized for 10 minutes.

Mr. MEADER. Mr. Speaker, I desire to call the attention of the House to the very controversial question of whether or not committee hearings should be broadcast and telecast.

Members will recall that in the last Congress the present Speaker of the House [Mr. MARTIN] propounded a parliamentary inquiry and the former Speaker of the House [Mr. RAYBURN] ruled that, in his opinion, committees did not have the power to authorize the broadcasting or telecasting of their proceedings.

My understanding of that statement by former Speaker RAYBURN was that it was not a precedent binding upon the House but merely the expression of an opinion in response to a parliamentary inquiry.

I also understand that the present Speaker of the House has indicated informally that, were the question presented to him for ruling, his ruling would be that the committees in their own discretion could decide what media of communication could be permitted to report the public proceedings of committees.

Mr. Speaker, in the 82d Congress I introduced a resolution to amend the rules of the House to make it clear that committees had the discretion to decide what media of communication could report their hearings.

The Committee on Government Operations, of which I am a member, has taken action in this connection. It adopted a rule which, in my judgment, was unwise. On February 4 of this year on motion of the gentleman from California [Mr. CONDON], the Government Operations Committee adopted a rule, or an amendment to an existing rule, rule 13 (a) and (b). The effect of the amendment is to prohibit regular or special subcommittees from telecasting or broadcasting their hearings except by unanimous consent. With respect to the full committee the rule provides that there must be an affirmative vote of a constitutional majority, in other words, more than one-half of the authorized membership of the committee, before the full committee proceedings could be broadcast or telecast. I voted against that amendment. My colleague, the gentleman from Michigan [Mr. HOFFMAN], chairman of the Committee on Government Operations, and I, were the only members of the committee to vote against the adoption of that rule.

The committee is now reconsidering that action. A special subcommittee was appointed under the chairmanship of the gentleman from New York [Mr. RIEHLMAN] to consider the matter of telecasting and broadcasting our committee proceedings. The gentleman from New York [Mr. RIEHLMAN] asked me if I cared to make any comments on revision of this rule with respect to telecasting. I did so. I addressed a letter to him under date of July 16 setting forth my comments on the proposed reconsideration of telecasting committee hearings. Briefly, Mr. Speaker, I said that I believe telecasting and broadcasting should be permitted within the sound discretion of the committee upon the same type of vote by which the committee takes all action, namely, the vote of a majority of those present and voting, a quorum being present.

Mr. Speaker, to require unanimous consent on a matter such as broadcasting and telecasting, in my judgment, goes too far in the direction of minority rule. I am impressed by the passage in the introduction of the Rules of the House by our parliamentarian, Mr. Deschler, to the effect that the rules of the House are very finely adjusted and so developed that a majority can work its will at all times, even in the face of the most vigorous opposition of a minority.

As I view it, last February the majority of the Government Operations Committee abdicated its power to take action not just to the minority but to one single member. Regardless of the desires of the rest of the membership, one member can block the telecasting of subcommittee hearings.

I think persons who regard those new devices for transmission of news as something to be feared are perhaps a little bit behind the times. I think those new mediums of bringing the Government closer to the people are in the public interest. Eventually I believe the public will insist upon using this instrument for knowing about the public business. Therefore, it is my hope that when the Government Operations Committee considers this problem—and I understand they will do so day after tomorrow—they will unhesitatingly repeal the rule ill advisedly adopted last February.

Mr. Speaker, at this point I ask unanimous consent to incorporate in my remarks a letter I wrote to the gentleman from New York [Mr. RIEHLMAN], on July 16, setting forth my views on this subject.

The SPEAKER pro tempore (Mr. CANFIELD). Is there objection to the request of the gentleman from Michigan?

There was no objection.

Mr. MEADER. The letter is as follows:

JULY 16, 1954.

Hon. R. WALTER RIEHLMAN,
Chairman, Subcommittee on Military Operations, Government Operations Committee, House of Representatives, Washington, D. C.

DEAR WALTER: You have invited my comment on modification of Rule 13 (a) and (b) of the Rules of the Committee on Government Operations adopted February 4, 1954.

You may recall I opposed the adoption of this rule. I believe it should be repealed.

Rule 13 reads as follows:

"Hearings—the taking of testimony—are to be conducted in an orderly, dignified manner, the committee keeping in mind the power of the Congress, the authority of the committee, the attainment of the objective sought and the rights and privileges of the witness.

"Rule 13 (a): * * * None of the hearings of the regular subcommittees, or any of the special subcommittees which may be appointed, shall be telecast or broadcast, whether directly or through such devices as wire recordings, wire tapes, motion pictures, or other mechanical means, unless approved by unanimous consent of the member of such regular subcommittee or of any special subcommittees. Such consent shall be expressed by ballot and the vote on such ballot shall not be released to the public unless the vote is unanimous: *Provided,* That if any member of any regular subcommittee, or any special subcommittee shall be ill or otherwise unavailable for such vote on such ballot, his consent shall not be necessary, if at least a quorum of such regular subcommittee or special subcommittee unanimously approves such telecast or broadcast.

"Rule 13 (b): * * * None of the hearings of the full committee shall be telecast or broadcast by any of the means set forth in rule 13 (a) unless approved by ballot, by a majority of the members of the full committee (not merely a majority of the members present and voting)."

In effect, those rules prohibit telecasting or broadcasting of subcommittee hearings except by unanimous consent evidenced by secret ballot, and of hearings of the full committee except by approval by ballot of a majority of the membership of the full committee (a "constitutional majority").

I oppose that rule on both procedural and substantive grounds.

The general rule in the House of Representatives, and its committees, is that valid decisions are made by vote of a simple majority, that is the majority of those present and voting, a quorum being present (rule XV, 4). The rules of the House are expressly made the rules of its standing committees (rule XI, 25 (a)).

A simple majority can take action on all legislative and procedural questions except those regarded for special reasons as being of exceptional gravity or lasting consequence.

A simple majority vote can declare war, levy taxes, appropriate public funds, raise the limitation on the public debt, impose criminal penalties and decide on all kinds of matters of far-reaching national policy.

Examples of questions requiring more than a simple majority vote are amendments to the Constitution, overriding a veto, expulsion of a Member, rejecting a presidential reorganization plan and conviction on impeachment.

No question, procedural or legislative, is regarded as sufficiently important to require a unanimous vote.

A committee may not adopt rules inconsistent with the rules of the House. It is my opinion that rule 13 (a) and (b) is therefore wholly void as an attempted exercise of the rule-making power by a committee which it does not possess. When an attempt is made to enforce rule 13 (a) and (b) I believe a point of order against it would be well taken.

Whether valid or void as a matter of legality, rule 13 (a) and (b) is unwise and unsound. In effect, it deprives the majority of the right to run a committee. Not only does it place control in a minority, but in the hands of any one member of a subcommittee who, by a single objection, can prevent the broadcasting and telecasting of committee hearings regardless of the wishes of all the other members. This is essentially unparliamentary as the comment of the House Parliamentarian, Lewis Deschler, indicates in this very well expressed passage from the introduction to the Rules of the House:

"From the beginning of the First Congress the House has formulated rules for its

procedure. Some of them have since gone out of existence. More of them have been amplified and broadened to meet the exigencies that have arisen from time to time. Today they are perhaps the most finely adjusted, scientifically balanced, and highly technical rules of any parliamentary body in the world. Under them a majority may work its will at all times in the face of the most determined and vigorous opposition of a minority."

As I appraise the importance of telecasting and broadcasting committee hearings it does not justify requiring action to be taken by a degree of voting more difficult to obtain than that by which all other action of a committee is taken. Certainly the decision on what media of communication shall be permitted to report committee proceedings is simply one of the housekeeping matters which ought to be in the discretion of the majority at all times. It, in my judgment, cannot rise to the dignity and importance of recommending favorable action on bills or resolutions or the filing of committee reports with the House, all of which action is taken by simple majority vote.

Leaving the procedural question, I am unable to agree with the philosophy of rule 13 (a) and (b) on the merits. Public hearings of committees are a legitimate matter of public interest. Any means of communicating the work of a public agency such as a congressional committee to the people of the United States, subject to the control of the committee in its sound discretion, should be effectively utilized to the end that there may be an informed electorate. I have difficulty in distinguishing between agencies or channels of communication where they bear upon reporting of public activities on any basis of principle. The official record of the committee, the transcript of testimony, and the accounts of news reporters, columnists, or commentators are essentially the same, as I view it, as the actual verbatim tape recording, live or transcribed newsreel cameras, and live or transcribed telecasting. If there is a distinction between those media of communication, it would appear that there was less opportunity for distortion, slanting, or editing in the telecasting and broadcasting of proceedings than in other media of reporting committee proceedings which, of necessity, must be hearsay in their character.

Those who would stop or attempt to stop this new and powerful method of bringing Government closer to the people, I predict, will be unsuccessful in the long run. Telecasting and broadcasting are here to stay, and the public will eventually insist upon these new channels for observing the conduct of the public business. I for one have no fear of the public scrutiny of public proceedings. If an individual citizen has the right to be present and observe the proceedings of a committee in person, I see no reason why he should not have the privilege of using the instrumentality of television or of radio broadcasting to observe the conduct of the Nation's business.

I can foresee that it may be necessary in the future to prevent editing and slanting or exploitation of public proceedings for commercial purposes, but in my judgment these possible abuses cannot be anticipated completely in advance and detailed, rigid rules adopted in a vacuum. These matters should be left within the sound discretion of the committee to be acted upon when the issue arises.

In conclusion, I might say that I do not share the apparent distrust of the sound judgment of my colleagues which the adoption of these rules implies. I am not oblivious to weaknesses in human character and freely recognize that there have been abuses in the past and that there will be abuses in the future, but, by and large, my experience in the House of Representatives has led me to respect my colleagues and to regard them as mature, sober citizens who can be trusted to exercise good judgment at least as frequently as persons in any other walk of life.

The work of the Congress is important. The complicated problems we face today can best be handled through the committee system where a smaller group of men can give detailed study to a subject. Committees are the point of contact between the elected legislator, the administrative official, and the private citizen. It is the forum where views, opinions, arguments, and facts are expressed and considered. The factfinding process and the interchange of views are necessary as a basis for sound legislation. If thorough consideration is to be given to public problems within the limited time a committee can devote to it, there must be flexibility and freedom in the committee to manage its business. Rigid, straight-jacketing rules which obstruct and delay the committee's work are therefore not in the public interest.

Sincerely,

GEORGE MEADER,
Member of Congress.

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

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

Mr. HOFFMAN of Michigan. Is it not true, speaking generally, that heretofore the public has been dependent for its information as to the business transacted by congressional committees upon what the reporters and, perhaps, editorial writers and radio commentators and columnists have had to say and write and that the people generally did not hear and see the actual proceedings?

Mr. MEADER. The gentleman is correct, and being an excellent trial lawyer in his home State of Michigan, I know that he is fully aware of the reliability of primary evidence as compared with hearsay evidence, and I think he has very well pointed out that news reports and comments by radio commentators are hearsay; they are secondhand and never can be quite as good as the original article.

Mr. HOFFMAN of Michigan. And the accuracy of what the people get depends, perhaps, in the first instance, upon what the reporter hears and understands as to what the witness said. Then again, following that, upon the degree of accuracy with which the reporter transmits his views to maybe the city editor or whoever it is in the newspaper office who writes it. Then you have the rewrite man, while if you had radio and telecast, the people themselves hear and they see what happens and they are able to judge for themselves as to the intent to be conveyed by the witnesses.

Mr. MEADER. I think the gentleman is absolutely correct. I would like to ask the gentleman if he does not agree with me that since a member of the public, any citizen, has the right to be present in person at a public hearing of a committee, he should also have the right to be there, not in person, but through the instrument of telecasting and radio broadcasting devices.

Mr. HOFFMAN of Michigan. Yes, I agree with the gentleman in that, and I think that while television may in the beginning have had an attraction for some of us to get in front of the camera and put on a show, most of us have discovered that if you are a ham, television will expose you just as quickly as it will promote your good qualities, if you have any, so that in the end what people get through the radio, through the broadcast, and through the telecast, is an accurate picture of just exactly what is going on.

PENDING ATOMIC ENERGY LEGISLATION

The SPEAKER pro tempore (Mr. CANFIELD). Under previous order of the House, the gentleman from California [Mr. HOLIFIELD] is recognized for 60 minutes.

Mr. HOLIFIELD. Mr. Speaker, the majority leadership has indicated that the atomic energy bill, H. R. 9757, may be brought up this week. This bill, consisting of 104 pages, and almost as many sections, is an exceedingly complicated piece of legislation. It deals with matters of the utmost importance to America's future. As the Members may be aware from the debate going on in the other body with regard to the companion bill, S. 3690, many serious questions have been raised about the inadequacies of the bill and its failure to protect the public interest at crucial points.

I am greatly concerned, myself, at the numerous shortcomings in H. R. 9757. Later in these remarks I shall set forth the views that the gentleman from Illinois [Mr. PRICE] and I, as members of the Joint Committee on Atomic Energy, share with regard to what we believe are errors of omission and commission in the atomic energy bill.

Various Members have signified to me their desire to introduce amendments to particular provisions of H. R. 9757. For the convenience of these and other Members who may wish to prepare themselves for the debate on the atomic energy legislation I have assembled 33 relatively brief amendments.

The amendments are numbered consecutively as they would appear in successive sections or pages of the bill, H. R. 9757. However, they are grouped for convenience in discussion. I ask unanimous consent to have them printed at this point in connection with these remarks.

The SPEAKER pro tempore. Without objection, it is so ordered.

(The matter referred to follows:)

Amendment No. 1: On page 3, at the bottom, add the following new subsection:

"i. In achieving the maximum contribution of atomic energy to the general welfare it is essential that the United States, through its own agencies and through other agencies, public and private, undertake a comprehensive program for the production and distribution of electrical power utilizing atomic energy."

Amendment No. 2: On page 4, after line 20, add the following new subsection e and renumber sections e and f as f and g, respectively.

"e. A program for Government and non-Government production and distribution of electrical power utilizing atomic energy so directed as to achieve the maximum public benefits of atomic energy development and make the maximum contribution to the national welfare."

Amendment No. 3: On page 10, line 24, after the word "actions", place a comma and insert the following: "equal access to all

information pertaining to atomic energy matters, whether originating within the Commission or elsewhere in the Government."

Amendment No. 4: On page 11, strike the sentence beginning on line 1, and insert in lieu thereof the following sentence: "The Chairman (or acting Chairman in the absence of the Chairman) shall discharge such of the executive and administrative functions of the Commission as may be delegated by the Commission and as are not in conflict with functions delegated by the Commission to the General Manager or other officers pursuant to section 161o."

Amendment No. 5: On page 13, line 3, after the word "of", insert the following: "Civilian Power Application, a Division of."

Amendment No. 6: On page 15, beginning at line 4, add the following new section, and renumber sections 27 and 28 as sections 29 and 30, respectively (this assumes that the amendment adding an Electric Power Liaison Committee will be sec. 28):

"SEC. 27. Labor-Management Advisory Committee: There shall be a Labor-Management Advisory Committee to advise the Commission on all matters relating to labor-management relations in atomic energy plants and facilities owned or licensed by the Commission, including measures to promote collective bargaining and alleviate industrial strife, health, and safety standards and workmen's compensation provisions and other terms and conditions to be observed by contractors or licensees of the Commission, the application of Federal statutes governing employment and labor standards, personnel security procedures, and the effects of atomic energy enterprises on established industries and occupations. The Committee shall be composed of 9 members who shall be appointed by the President, 4 each representing labor and management and a Chairman representing the public. Each member shall hold office for a term of 6 years, except that (a) any member appointed to fill a vacancy occurring prior to the expiration of the term for which his predecessor was appointed, shall be appointed for the remainder of such term; and (b) the terms of office of the labor and management representatives first taking office after the effective date of this act, shall expire, as designated by the President at the time of appointment, 1 each at the end of 2 years, 2 each at the end of 4 years, and 1 each at the end of 6 years. The Committee shall meet at least 4 times in every calendar year. The members of the Committee shall receive a per diem compensation for each day spent in the work of the Committee and all members shall receive the necessary traveling or other expenses while engaged in the work of the Committee."

Amendment No. 7: On page 15, beginning line 4, add the following new section 28, and renumber present sections 27 and 28 as 29 and 30, respectively (this numbering assumes a new sec. 27 will be added, establishing a Labor-Management Advisory Committee):

"SEC. 28. Electric Power Liaison Committee: There is hereby established an Electric Power Liaison Committee consisting of—

"a. A Chairman, who shall be the head thereof and who shall be appointed by the President, by and with the advice and consent of the Senate, and who shall receive compensation at the rate prescribed for the Chairman of the Military Liaison Committee; and

"b. A representative of the Federal Power Commission, the Securities and Exchange Commission, the Rural Electrification Administration, the Tennessee Valley Authority, the Bureau of Reclamation, the Bonneville Power Administration, the Southwest Power Administration, the Southeast Power Administration, the Corps of Engineers, and such other Government agencies as the President may from time to time determine. The Chairman of the Committee may designate one of the members of the Committee as Acting Chairman to act during his absence. The Commission shall advise and consult with other Government agencies, through the Committee, on all atomic energy matters which relate to electric power applications of atomic energy, including the development, manufacture, and use of atomic reactors for power purposes, the allocation of special nuclear material for such purposes, the technical, economic, and accounting relationships between production of special nuclear material and atomic energy for electric power and for atomic weapons, appropriate policies to govern the production and distribution of electric power from atomic energy in order that the benefits of such power shall be widely distributed and maximum revenues shall be returned to the Federal treasury, and the integration of atomic power policies and administration with other power activities of the Federal Government; and shall keep other Government agencies, through the Committee, fully and currently informed of all such matters before the Commission. Other Government agencies, through the Committee, shall have the authority to make written recommendations to the Commission from time to time on matters relating to civilian applications of atomic energy as they deem appropriate."

Amendment No. 8: On page 19, line 14, after the word "authorized", insert the following: "and directed."

Amendment No. 9: On page 23, in line 8, after the word "publicly", place a comma and insert the word "cooperatively."

Amendment No. 10: On page 23, strike the sentence beginning in line 9 and insert in lieu thereof the following new sentence: "The Commission shall at all times, in disposing of such energy, give preference and priority to public bodies and cooperatives."

Amendment No. 11: On page 23, after line 12, add the following new section:

"SEC. 45. Electric power production: a. The Commission is empowered to produce or provide for the production of electric power and other useful forms of energy derived from nuclear fission in its own facilities or in the facilities of other Federal agencies. In the case of energy other than electric power produced by the Commission, such energy may be used by the Commission, or transferred to other Government agencies, or sold to other users at reasonable and nondiscriminatory prices. Electric power not used in the Commission's own operations shall be delivered to the Secretary of the Interior, who shall transmit and dispose of such power in accord with the provisions of section 5 of the Flood Control Act of 1944 (58 Stat. 890).

"b. The Commission may undertake any or all of the functions provided in subsection 45a, through other Federal agencies authorized by law to engage in the production, marketing, or distribution of electric energy for use by the public, and such agencies are hereby empowered to undertake the design, construction, and operation of nuclear power facilities and the disposition of electric energy produced in such facilities when funds therefor have been appropriated by Congress. Nothing in this act shall preclude any Federal agency now or hereafter authorized by law to engage in the production, marketing, or distribution of electric energy from obtaining a license under section 103 of this act for the construction and operation of facilities for the production and utilization of special nuclear material or atomic energy for the primary purpose of producing electric energy for disposition for ultimate public consumption."

Amendment No. 12: On page 42, beginning line 16, strike section 102 and insert in lieu thereof the following:

SEC. 102. Finding of practical value: Whenever in its opinion any industrial, commercial, or other nonmilitary use of special nuclear material or atomic energy has been sufficiently developed to be of practical value, the Commission shall prepare a report to the President stating all the facts with respect to such use, the Commission's estimate of the social, political, economic, and international effects of such use, and the Commission's recommendations for necessary or desirable supplemental legislation. The President shall then transmit this report to the Congress together with his recommendations. No license for any utilization or production facility shall be issued by the Commission pursuant to section 103 until after (1) the Commission has made a finding in writing that the facility is of a type sufficiently developed to be of practical value for industrial or commercial purposes; (2) a report of the finding has been filed with the Congress; and (3) a period of 90 days in which the Congress was in session has elapsed after the report has been so filed. In computing such period of 90 days, there shall be excluded the days on which either House is not in session because of an adjournment of more than 3 days."

Amendment No. 13: On page 42, in line 23, after the word "Commission", insert the following: "and report to the Congress."

Amendment No. 14: On page 43, in line 16, after the semicolon, insert the following new item (3) and renumber the present (3) as (4): "(3) who agree, if the license is for facilities for the utilization of special nuclear material for the generation of electric energy for sale, to claim no value for such facilities for ratemaking purposes in excess of the net investment in such facilities as defined in the Federal Power Act."

Amendment No. 15: On page 44, in line 3, change the period to a colon and add the following proviso: *"Provided, however,* That upon not less than 2 years' notice in writing from the Commission the United States shall have the right upon and after the expiration of any license to take over and thereafter to maintain and operate any facility or facilities for the utilization of special nuclear material for the generation of electric energy on payment of the net investment of the licensee in such facilities, with severance damages, if any, in general accordance with the terms of section 14 of the Federal Power Act: *And provided further,* That, if the United States does not exercise its right to take over the facility or facilities on the expiration of any license, States, municipalities, and cooperatives shall have a prior right of acquisition on the same terms in connection with the issuance of a new license for such facility or facilities."

Amendment No. 16: On page 47, beginning in line 21, after the letter "b", insert the following new sentence: "Where activities under any license might serve to maintain or to foster the growth of monopoly, restraint of trade, unlawful competition, or other trade position inimical to the entry of new, freely competitive enterprises in the field, the Commission is authorized and directed to refuse to issue such license or to establish such conditions to prevent these results as the Commission, in consultation with the Attorney General, may determine."

Amendment No. 17: On page 52, in line 12, strike the word "approved" and insert in lieu thereof the following: "submitted to the President."

Amendment No. 18: On page 52, in line 22, after the word "purpose" and before the semicolon insert the following: "except where the President determines that such uses will bring reciprocal benefits and be otherwise advantageous to the United States."

Amendment No. 19: On page 53, in line 16, before the period, insert the following: "after which period of time the agreement shall take effect."

Amendment No. 20: On page 53, beginning at line 17, strike the wording of section 124 and insert the following in lieu thereof:

SEC. 124. International atomic pool: The President is authorized to enter into an international arrangement with any nation

or number of nations or with an organization representing any or all of such nations providing for international cooperation in the nonmilitary applications of atomic energy. The President is further authorized to request the cooperation of or the use of the services and facilities of the United Nations, its organs, its specialized agencies, or other international organizations in carrying out the purposes of this section. Any agreements made by the United States under the authority of this section with other governments and with international organizations shall be registered with the Secretariat of the United Nations in accordance with the provisions of article 102 of the United Nations Charter. In the event further legislation is necessary to implement an international arrangement authorized by this section, the President shall transmit recommendations therefor to the Congress."

Amendment No. 21: On page 58, in line 18, after the word "That", insert the following: "unless the President determines that the common defense and security will be endangered thereby."

Amendment No. 22: On page 61, in line 21, after the word "the", insert the following: "production or."

Amendment No. 23: On page 62, in line 3, after the word "the", insert the following: "production or."

Amendment No. 24: On page 63, after line 4, add the following new subsection:

"e. No patent hereafter granted shall confer any rights with respect to any invention or discovery to the extent that such invention or discovery is used in the conduct of research or development activities in the fields specified in section 31. Any rights conferred by any patent heretofore granted for any invention or discovery are hereby revoked to the extent that such invention or discovery is so used, and just compensation shall be made therefor."

Amendment No. 25: On page 63, beginning line 6, strike the wording of section 152 and insert in lieu thereof the following new language:

"SEC. 152. Nonmilitary utilization:

"a. It shall be the duty of the Commission to declare any patent to be affected with the public interest if: (1) the invention or discovery covered by the patent utilizes or is essential in the utilization of special nuclear material or atomic energy; and (2) the licensing of such invention or discovery under this section will effectuate the policies and purposes of this act.

"b. Whenever any patent has been declared affected with the public interest, pursuant to subsection 152a—

"(1) the Commission is hereby licensed to use the invention or discovery covered by such patent in performing any of its powers under this act; and

"(2) any person to whom a license has been issued under sections 53, 62, 63, 81, 103, or 104, or to whom a permit or lease has been issued under section 67, or who is engaged in activities otherwise authorized by this act, is hereby licensed to use the invention or discovery covered by such patent to the extent such invention or discovery is used by him in carrying on the activities authorized by his license, permit, lease or otherwise.

"c. In the event the Commission fails to declare any patent to be affected with the public interest or finds any patent not to be so affected, under subsection 152a, any person conducting activities authorized under this act may at any time make application to the Commission for a patent license for the use of an invention or discovery useful in the production or utilization of special nuclear material or atomic energy covered by a patent. Each such application shall set forth the nature and purpose of the use which the applicant intends to make of the patent license, the steps taken by the applicant to obtain a patent license from the owner of the patent, and a statement of the effects, as estimated by the applicant, on the authorized activities which will result from failure to obtain such patent license and which will result from the granting of such patent license.

"d. Whenever any person has made an application to the Commission for a patent license pursuant to subsection 152c—

"(1) the Commission, within 30 days after the filing of such application, shall make available to the owner of the patent all of the information contained in such application, and shall notify the owner of the patent of the time and place at which a hearing will be held by the Commission;

"(2) the Commission shall hold a hearing within 60 days after the filing of such application at a time and place designated by the Commission; and

"(3) in the event an applicant applies for two or more patent licenses, the Commission may, in its discretion, order the consolidation of such applications, and if the patents are owned by more than one owner, such owners may be made parties to one hearing.

"e. If, after any hearing conducted pursuant to subsection 152d, the Commission finds that—

"(1) the invention or discovery is to be used in the conduct of activities authorized under this act;

"(2) the licensing of such invention or discovery is of primary importance to the conduct of the activities of the applicant; and

"(3) such applicant cannot otherwise obtain a patent license from the owner of the patent on terms which the Commission deems to be reasonable for the intended use of the patent to be made by such applicant, the Commission shall license the applicant to use the invention or discovery covered by the patent for the purposes stated in such application.

"f. The Commission shall not grant any patent license pursuant to subsection 152e for any other purpose than that stated in the application. Nor shall the Commission grant any patent license to any other applicant for a patent license on the same patent without an application being made by such applicant pursuant to subsection 152c, and without separate notification and hearing as provided in subsection 152d, and without a separate finding as provided in subsection 152e.

"g. The owner of the patent affected by a declaration or a finding made by the Commission pursuant to subsection 152b or 152e shall be entitled to a reasonable royalty fee from the licensee for any use of an invention or discovery licensed by this section. Such royalty fee may be agreed upon by such owner and the patent licensee, or in the absence of such agreement shall be determined for each patent license by the Commission pursuant to subsection 156c.

"h. The provisions of this section shall apply to any patent the application for which shall have been filed before September 1, 1964."

Amendment No. 26: On page 68, in lines 12, 13, and 14, strike the word "Advisory."

Amendment No. 27 (in the event the amendment establishing a Labor-Management Advisory Committee is accepted, conforming language should be written to give the members thereof the same privileges as other advisory committees in sec. 163.): On page 79, in line 10, after the words "section 26", place a comma and add the following: "the members of the Labor-Management Advisory Committee established pursuant to section 27."

Amendment No. 28: On page 80, in line 9, add the following new sentence: "Nothing in this section shall be deemed to authorize the Commission to contract for electric utility services which are not delivered by the contractor directly to the installations named herein."

Amendment No. 29: On page 86, in line 18, after the comma insert the following: "to municipalities, public bodies, and cooperatives within transmission distance authorized to engage in the distribution of electric energy to the public."

Amendment No. 30: On page 86, in line 21, add the following new sentences: "In case of protests or conflicting applications or requests for the establishment of special conditions in prospective licenses, the Commission shall, prior to issuance of any license, hold public hearings on such application or applications in general accordance with the procedures established in connection with consideration of applications for licenses under the Federal Power Act and interested parties shall have the same rights of intervention in such proceedings, application for rehearing, and appeal from decisions of the Commission as are provided in that act and in the Administrative Procedure Act. In any proceeding before it the Commission, in accordance with such rules and regulations as it may prescribe, may admit as a party any interested State, State commission, municipality, public or cooperative electric system, or any competitor of a party to such proceeding, or any other person whose participation may be in the public interest."

Amendment No. 31: On page 87, in line 3, add the following new sentence: "Where conflicting applications include those submitted by public or cooperative bodies, such applications shall receive preferred consideration over any submitted by privately owned utility systems."

Amendment No. 32: On page 87, following line 20, add the following new subsection e:

"e. Every licensee under this act, holding a license from the Commission for a utilization or production facility for the generation of commercial power under section 103, shall be subject to the regulatory provisions of the Federal Power Act applicable to licensees under that act as established by sections 301, 302, 304, and 306 thereof and to such other provisions of the Federal Power Act as provide for the enforcement of the regulatory authority of the Federal Power Commission with respect to licensees for development of waterpower."

Amendment No. 33: On page 89, in line 9, change the period to a comma and add the following: "and no construction permit shall be issued by the Commission until after the completion of the procedures established by section 182 for the consideration of applications for licenses under this act."

Mr. HOLIFIELD. Mr. Speaker, the following are my comments on the amendments:

POWER AMENDMENTS

One group of amendments deals with the production of electrical power from atomic energy. These I refer to as the power amendments. They comprise amendments numbered 1, 2, 5, 7, 9, 10, 11, 14, 15, 29, 30, 31, 32, and 33. A brief description of each of the power amendments follows:

Amendment No. 1 adds to the congressional findings in section 2 of the bill the finding that a comprehensive program for the production and distribution of electrical power utilizing atomic energy is essential in achieving the maximum contribution of atomic energy to the general welfare. The finding states that such a program should be carried out by Federal agencies and by other agencies, public and private. There should be no

objection whatever to a congressional finding of this nature. After all, the key to the peacetime benefits of atomic energy is electrical power. If those benefits are to be realized, as this bill intends, then the Congress should be willing to so state at the outset.

Amendment No. 2 is in line with amendment No. 1 and clarifies the purpose of the bill that a program of Government and non-Government production and distribution of electrical power utilizing atomic energy should be undertaken and so directed as to achieve the maximum public benefits of atomic energy development and make the maximum contribution to the national welfare.

Amendment No. 5 provides an organizational base for the atomic power program by providing for a Division of Civilian Power Application in section 25. That section already provides for a Division of Military Application. Since this bill is intended to emphasize the peacetime development of atomic energy certainly civilian applications should have equal recognition in the organizational setup of the Atomic Energy Commission with military applications.

Amendment No. 7 follows through on amendment No. 5 and provides for an Electric-Power Liaison Committee commensurate with the Military Liaison Committee now provided in section 27. The effort here again is to put the civilian peacetime benefits of atomic-energy development on a par with the military aspects. The Electric-Power Liaison Committee would bring in other agencies of the Federal Government concerned with electric-power activities and would serve to keep these agencies and the Atomic Energy Commission in step on the atomic phases of national power politics.

Amendments Nos. 9 and 10 provide that preference and priority shall be given to public bodies and cooperatives in the disposal of byproduct electrical energy produced by the Atomic Energy Commission in connection with the production of special nuclear—fissionable—material in facilities owned by the United States. These amendments bring the Federal marketing of electrical energy from atomic sources in line with the Federal marketing of energy produced at water-power sites. They eliminate the provision in section 44 that the price shall be subject to appropriate regulatory agencies, for no appropriate State or Federal agency has regulatory jurisdiction over the price at which the United States sells the energy it produces.

Amendment No. 11 adds a new section 45 to the bill empowering the Atomic Energy Commission in its own facilities or through the facilities of other Government agencies to engage in the production of electrical power and other useful forms of energy derived from nuclear fission. This amendment makes it clear that the Federal Government as well as other agencies, public and private, can produce and distribute atomic power. In this way a yardstick will be provided to measure the reasonableness of atomic power prices charged by privately owned utilities in the application of this great new source of energy.

Amendment No. 14 provides that licenses of the Atomic Energy Commission producing commercial electrical power from nuclear material must agree as a condition of receiving their licenses that the net investment in atomic facilities, is the limit of the value they can claim for rate-making purposes. This amendment applies the standards in the Federal Power Act to atomic facilities for the production of electrical power.

Amendment No. 15 provides that upon 2 years' notice the United States will have the right to take over, maintain, and operate any atomic power facility for which the license has expired, upon payment of the net investment of the licensee plus severance damages, if any. If the Government does not exercise such right, States, municipalities, and cooperatives will have a prior right of acquisition on the same terms in connection with the issuance of a new license. These provisions are similar to those in the Federal Power Act relating to the licensing of waterpower sites.

Amendment No. 29 provides that before issuing licenses for the operation of atomic-power facilities, the Atomic Energy Commission must give notice in writing to municipalities, public bodies and cooperatives within transmission distance of the proposed power activity. By receiving adequate notices, such public agencies will be enabled to make an appearance before the Commission or present pertinent information affecting the application for a license.

Amendment No. 30 follows through on amendment No. 29 and provides that the Atomic Energy Commission shall hold public hearings in case of protests or conflicting applications or requests for special conditions in prospective licenses. Interested parties are to have the same rights of intervention, application for rehearing and appeal from Commission decisions as are provided in the Federal Power Act and the Administrative Procedure Act. State, municipal, and other public agencies, cooperatives, competitors of the applicant, and so forth, are to be admitted as interested parties at such proceedings.

Amendment No. 31 provides that in case of conflicting license applications for atomic-power facilities, public bodies and cooperatives shall receive preferred consideration over privately owned utilities. This amendment follows the policy laid down in the Federal Power Act for license applications for waterpower sites.

Amendment No. 32 provides generally that licensees of the Atomic Energy Commission engaged in producing atomic power shall be subject to the regulatory provisions of the Federal Power Act applicable to licensees under the act.

Amendment No. 33 follows through on amendments Nos. 29, 30, and 31 and makes the procedures of section 182 applicable to construction permits as well as licenses. Since a permit to construct an atomic-power facility would in all likelihood be followed by a license, it is important that the same procedural safeguards in the case of licenses be applied to construction permits.

DIXON-YATES AMENDMENT

Amendment No. 28 deals with a collateral but important issue in the power field. It is concerned not with atomic-power production as such but with the authority of the Atomic Energy Commission to make long-term contracts for conventional utility services. This amendment adds a sentence to section 164 of the bill affirming the intent of Congress that AEC can make long-term utility contracts for servicing its own installations but not in the capacity of power broker for other agencies or outside parties.

AMENDMENTS ON COMMISSIONERS' STATUS

Amendment No. 3 makes it clear that each member of the Atomic Energy Commission has equal access to all information pertaining to atomic energy matters, whether originating inside or outside the Commission. This amendment is necessary because the AEC Chairman has kept important information on atomic energy matters to himself, claiming a special status as adviser to the President on atomic energy affairs.

Amendment No. 4 eliminates the ambiguous designation of the Chairman as "official spokesman" of the Atomic Energy Commission and makes it clear that any authority he exercises in an executive capacity is by delegation from the Commission as a whole. Without this amendment, the executive and administrative responsibilities of the Chairman and the General Manager would be conflicting or would overlap.

LABOR-MANAGEMENT ADVISORY COMMITTEE AMENDMENTS

Amendment No. 6 sets up a Labor-Management Advisory Committee in the Atomic Energy Commission. In view of the difficult labor-management relations in the atomic energy field, with its tight security requirements and the many new problems of health, safety, and other applications of labor standards that would arise, a Labor-Management Advisory Committee can perform many useful functions in helping to make orderly adjustments as private enterprise comes into the field.

Amendment No. 27 is related to amendment No. 6 and provides that the proposed new Labor-Management Advisory Committee shall have the same status under the law as the General Advisory Committee and other advisory committees.

COMMISSION RESEARCH AMENDMENT

Amendment No. 8 directs the AEC to carry on research and development activities in the atomic field. In section 32 of the bill, the Commission is only authorized to carry on such activities. The amendment makes it clear that the Congress does not want the AEC to slacken its momentum in atomic research.

AMENDMENTS FOR REPORT TO CONGRESS

Amendment No. 12 reinstates the requirement in the present atomic energy law that the Atomic Energy Commission shall make a comprehensive report to

Congress on the social, political, economic, and international effects of atomic energy whenever it finds that development in the civilian field has reached the stage of "practical value." The AEC to date has evaded making such a report which the Congress should have before enacting further legislation in this important field. The amendment also requires that proposed licenses shall be submitted to the Congress for a 90-day period before being issued by the Commission.

Amendment No. 13 is a minor language change to conform to amendment No. 12.

MONOPOLY PREVENTION AMENDMENT

Amendment No. 16 reinstates in section 145b the requirement in the present atomic energy law that the Atomic Energy Commission shall have an affirmative responsibility to prevent monopoly or restraint of trade in the exercise of its licensing function. The pending bill relieves the Commission of this responsibility and "passes the buck" to the Department of Justice or Federal Trade Commission. Many agencies of Government have affirmative responsibilities to prevent monopoly or encourage free competitive business, and the amendment is in line with established practices.

PATENT AMENDMENTS

Amendments Nos. 22 through 26 deal with the patent sections of the bill.

Amendment No. 22 reinstates in section 151 a requirement in the present atomic energy law that inventions used solely in the "production" of special nuclear material or atomic energy are outside the patent area. The purpose of this amendment is to prevent patent bottlenecks on basic production processes for atomic weapons. The pending bill limits the patent ban to "utilization" of inventions in atomic weapons.

Amendment No. 23 is conforming language with amendment No. 22 and provides that no patent rights shall be conferred for inventions to the extent used in production of special nuclear material or atomic energy in atomic weapons.

Amendment No. 24 reinstates a provision in the present atomic energy law that no patent rights will be granted for any invention to the extent used in the conduct of atomic research and development activities. This amendment is necessary to insure that research will not be hampered by patent restrictions.

Amendment No. 25 simplifies the procedure for declaring patents "affected with a public interest" so that the Atomic Energy Commission and other authorized users can have access to the patented inventions. The amendment also simplifies the procedures whereby authorized persons may have access to important patents even though not formally declared "affected with a public interest." Both procedures are provided in the pending bill but are so cumbersome and restrictive that access to important patents will be extremely limited unless the amendment is adopted. The period of accessibility to patents is extended by the amendment from 5 years to 10 years, because the next 10 years are the crucial period in the advancement of atomic technology, and during that period new firms will be able to enter the field if patent monopolies do not stand in their way.

Amendment No. 26 eliminates the word "Advisory" from the Patent Compensation Advisory Board in section 156a, to make it clear that the Board can be delegated authority to make final decisions in patent compensation, awards, and royalties in the event the Atomic Energy Commission finds this work too time-consuming to the detriment of major duties.

AMENDMENTS ON INTERNATIONAL ACTIVITIES

Amendments Nos. 17 through 21 deal with the international aspects of atomic energy.

Amendment No. 17 requires that proposed agreements for cooperation with other nations in authorized atomic energy activities "be submitted" to the President by the Atomic Energy Commission or the Department of Defense. In section 123 of the pending bill, those agencies have to "approve" agreements, thereby ostensibly having authority to override a decision of the President in the international field.

Amendment No. 18 provides that the proposed limitation on other nations using our material for atomic weapons, or research and development on atomic weapons, can we waived by the President when he determines the United States will get reciprocal benefits. In this way, we can gain the benefits of atomic discoveries in other nations such as Great Britain.

Amendment No. 19 clarifies the time when a proposed agreement for cooperation can take effect. Since the proposal must be submitted to the joint committee for a 30-day period, the amendment allows the President to make adjustments in proposed agreements to meet congressional objections before the end of the 30-day period, at which time, according to the amendment, the agreement comes into effect.

Amendment No. 20 rewrites section 124 providing for an international atomic pool. The President's authority to make international arrangements for an international pool for nonmilitary applications of atomic energy should not be hampered by the limiting provisions of section 123. The Congress has a sufficient check in this field because concurrence of both Houses of Congress is required for an international arrangement, as defined in section 11k of the bill. The amendment also authorizes the President to call upon the United Nations and its specialized agencies in working out an atomic pool arrangement.

Amendment No. 21 provides that the restrictions on communicating atomic weapons information can be lifted by the President if he determines that otherwise the defense and security of the United States will be endangered. The purpose of this amendment is to allow for those contingencies when it may be to the best interests of our own defense and security to let our allies have certain information relating to atomic weapons.

Because the time to be allotted for debate on the atomic energy bill is so relatively brief, I believe the members will be greatly aided in their study of the legislation by the following analysis in which Congressman PRICE concurs with me.

INTRODUCTION

Mr. Speaker, the atomic energy bill is one of the most important bills before the Congress. It proposes to chart the future course of peacetime atomic energy development. So deep and far-reaching is its potential impact on the American economy and upon our position in world affairs that we consider it necessary to set forth our own views and reservations concerning the bill.

As members of the Joint Committee on Atomic Energy we have endeavored always to act in a spirit of nonpartisanship. The duties and responsibilities committed to the jurisdiction of our committee are too directly concerned with the Nation's security and welfare to allow the play of partisan politics. In the same objective way we have tried to approach this legislation.

During the course of the committee hearings and conferences, we have presented what we believe were constructive proposals for improving the bill. Some were accepted in whole or in part and others rejected. Among the committee members there were, and presumably still are, many differences of opinion and interpretation regarding particular provisions of the bill. We respect those differences, and although we were willing to have the bill reported out for floor debate, the public importance of this measure compels us to recount here what some of us consider still its major defects.

The discussion proceeds under the following headings: First, "The Legislative Setting"; second, "Questionable Form and Timing"; third, "Evasion of 7-B Report"; fourth, "Placing AEC Chairman on Pedestal"; fifth, "Withholding Information From Commissioners"; sixth, "Overriding the Commission's Will"; seventh, "Limiting AEC Power Production"; eighth, "Inadequate Power Licensing Provisions"; ninth, "Need for Division of Civilian Power Application"; tenth, " 'Passing the Buck' on Monopoly Prevention"; eleventh, "Limiting Access to Patents"; twelfth, "Built-In Subsidy Feature"; thirteenth, "Omission of Labor-Management Provision"; fourteenth, "Complicating International Arrangements"; and fifteenth, "Increasing Military Posture."

1. THE LEGISLATIVE SETTING

The atomic energy program of the United States is governed by the Atomic Energy Act of 1946, known as the McMahon Act. The basic legislation, enacted in 1946, has been amended from time to time in certain respects, but the original pattern of Government control has not been substantially altered.

The monumental contributions of the atomic energy program under the McMahon Act to the common defense and security and to the protection of the free world need not be recited here. They testify to the basic worth of the legislation and to the wisdom of those who conceived it. President Eisenhower affirmed this testimony when he said in a special message to the Congress on February 17, 1954 that "the act in the main is still adequate to the Nation's needs."

The question that now confronts the Congress is what changes are necessary and desirable in the McMahon Act. Unquestionably, some changes are in order. The swift pace of atomic technology, the development of new atomic weapons, the ending of the American monopoly in atomic bombs, all provide—as the President observed in his message—a new setting for the legislative problem.

The broad objectives to be sought by new legislation are not in dispute. Changing requirements of mutual defense demand a freer exchange of atomic information with our allies. Beyond atomic armament for mutual defense, there is the mutual benefit of working together with friendly countries to develop the peacetime uses of atomic energy. At home as well as abroad, this great source of energy holds forth the exciting promise of industrial progress and higher standards of living.

Whether the bill now before us would enhance the achievement of these objectives is an exceedingly complex question. The answers, we believe, are both "Yes" and "No." The negative side weighs so heavily that we cannot support the bill without further amendment.

2. QUESTIONABLE FORM AND TIMING

The method of presentation and the timing of the proposed legislation, in our opinion, are most unfortunate. It represents a complete rewriting of the McMahon Act, carrying over some provisions of the existing law intact, modifying others and adding entirely new sections. Thus the Congress is confronted, in the closing days of this session, with a single-package bill comprehending a bewildering array of technical matters. Some are timely; others could well be postponed. The form and wording of the bill, with its many new definitions, cross-referenced and inter-related sections, make it virtually impossible for the Congress to select the more urgent matters for action at this time. It is an "all or none" proposition.

Before this bill was drafted, we took the position, and I stated publicly, that the Congress should put first things first and enact those amendments which might be necessary to implement the President's proposal, made before the United Nations General Assembly, for an atomic pool of resources to encourage peacetime development of atomic energy among nations and to prepare the way for international accord on atomic armaments. We see no compelling reason why the legislative requirements to facilitate an exchange of atomic information with friendly nations, whether for purposes of mutual defense or peacetime endeavor, have to be coupled with the granting of private ownership and patent rights in atomic energy to domestic corporations. Defense of the free nations and world peace demand more urgent attention than the desire of a few industrial and utility companies to own and operate atomic reactors.

Furthermore, international obligations and domestic aims in atomic-energy development may conflict if simultaneously pursued now. We advert to this matter below.

When President Eisenhower submitted his special message of February 17 on atomic energy, he asked the Congress to approve a number of amendments to the Atomic Energy Act. His recommendations did not contemplate a complete rewriting of the McMahon Act. Accompanying his message were drafts of two separate bills, prepared by the Atomic Energy Commission, proposing to amend the McMahon Act in order to, first, widen cooperation with our allies in certain atomic-energy matters and improve procedures for the control and dissemination of atomic-energy information; and second, encourage broader industrial participation in the development of peacetime uses of atomic energy here at home.

The President's two-package presentation, whether we agree with his particular recommendations or not, at least would have afforded the Congress an opportunity to act on atomic-energy matters of more immediate concern without having to consider, as it does now, the whole range of controversial matters embodied in H. R. 9757. Joint committee members have every right to prepare their own legislation, and indeed are to be commended for their initiative. However the sponsors of the pending bill would have been well advised to take a two-package approach and act first upon the President's suggestions relating to cooperation with our allies, rather than ask the Congress to swallow the whole mass of complicated legislation in one gulp.

Defense and peace requirements in atomic energy which involve our allies should have been first on the agenda. Then the Congress could have taken a long, hard look at the pending proposals to confer private ownership and patent rights in the atomic field.

3. EVASION OF 7-B REPORT

The framers of the McMahon Act, preoccupied as they were with the awesome implications of the atomic bomb, nevertheless registered their desire "to promote the use of atomic energy in all possible fields for peacetime purposes"—79th Congress, 2d session, Senate Report No. 1211, page 20. In anticipation of such peacetime uses, they decided that the Congress should have the benefit of a comprehensive report from the Atomic Energy Commission whenever atomic energy developments appeared to be of "practical value." Section 7 (b) of the McMahon Act reads in part as follows:

> Report to Congress: Whenever in its opinion any industrial, commercial, or other nonmilitary use of fissionable material or atomic energy has been sufficiently developed to be of practical value, the Commission shall prepare a report to the President stating all the facts with respect to such use, the Commission's estimate of the social, political, economic, and international effects of such use and the Commission's recommendations for necessary or desirable supplemental legislation. The President shall then transmit this report to the Congress together with his recommendations.

The Atomic Energy Commission has never seen fit to prepare and present the report required by section 7 (b) of the McMahon Act. One year ago the Commission submitted to the joint committee informally a draft of legislation intended to promote wider industrial participation in the atomic energy program, asserting at the same time that atomic energy developments had not reached the stage of "practical value" and that therefore a report under section 7 (b) would be premature.

The President's message of February 17, transmitting new drafts of legislation from the Commission, states hopefully that peacetime use of atomic energy "can soon become a reality" but makes no mention whatever of a 7 (b) report. A joint committee request in writing to the Commission dated July 31, 1953, for the required report, elicited a promise to file an interim report before 1954. The final gesture as a substitute for actual compliance was an extended speculative essay on the prospects for future industrial development of atomic energy which comprised the major portion of the testimony presented by AEC Chairman Lewis Strauss in his appearance before the joint committee during the June 1954 hearings.

If a 7 (b) report is premature, as the Commission held last year and still appears to hold by its failure to produce the report, then legislation such as the pending bill, which would lay down a blueprint for industrial activities in the atomic energy field, also is premature. If, on the other hand, the stage of "practical value" is at hand, the Atomic Energy Commission has evaded the clear intent of Congress set forth in section 7 (b) of the McMahon Act.

The sponsors of H. R. 9757 propose to escape from this dilemma by the simple expedient of eliminating the requirement for a 7 (b) report to Congress. The Congress now is asked to legislate for the peacetime uses of atomic energy without the benefit of the careful and comprehensive report from the Commission contemplated by the framers of the McMahon Act. We do not agree with the contention in the majority report—page 19—that the Commission's general obligation to keep the committee informed, and the proposed new obligation of the committee to investigate the development of the atomic energy industry during the first 60 days of each session of Congress, justify discontinuance of the requirement for the report.

This omission is not a mere matter of form or one to be taken lightly. The "social, economic, political, and international effects" of using this new source of energy are certain to be profound and wideranging, even if we discount the more exaggerated and optimistic claims. Surely the Congress is entitled, before legislating, to have the expert analysis and advice of the independent Commission it created to administer the atomic energy program.

The sponsors of H. R. 9757 have retained a watered-down version of the 7 (b) report in connection with licensing activities, minus the essential feature of presentation to the Congress. In section 102 of the pending bill, the Atomic Energy Commission would have to make a finding in writing as to the practical value of "any type of utilization or production facility" before issuing a license in a given case. This is a modification

of the McMahon Act provision which tied the 7 (b) report to a specific requirement that before any license could be issued by the Commission for the manufacture, production, export, or use of atomic energy equipment or devices, a report had to be filed with the Congress concerning the activity sought to be licensed, which report was to lie before the Congress for 90 days before issuance of the license. The framers of the McMahon Act evidently regarded industrial licensing in this field so important as to justify a congressional review of specific licensing actions.

4. PLACING AEC CHAIRMAN ON PEDESTAL

In considering legislation which proposes a complete overhaul of the McMahon Act, our joint committee might well have undertaken a systematic review of all phases of the Atomic Energy Commission's organization and management. This it did not do. The committee's interest in the management of the atomic energy program was directed mainly to a proposal to make the chairman of the Commission its principal officer. Seemingly innocuous and trivial at first, this proposal has opened up issues of such gravity and importance that it merits extended discussion.

Why the sponsors of the pending bill desired to elevate by statutory prescription the Chairman of the Atomic Energy Commission, it is difficult to say. Under the McMahon Act, basic authority to administer the atomic-energy program was vested in a five-man Commission responsible for important policy decisions. The act also provided for a General Manager to whom the Commission could delegate executive and administrative functions. The General Manager is the Commission's director of operations, responsible for day-to-day administration.

This organizational arrangement, which brings to bear the collective judgment of the 5-man Commission on crucial matters in the atomic-energy program, while centering in 1 officer the responsibility for directing its far-flung operational activities, appears to be well-conceived and conducive to good administration. Three of the five Commissioners testified as to its efficacy. The General Manager gave a clear and explicit statement of his duties and relationship to the Commission. No important evidence had ever been brought before the joint committee to indicate that the organizational arrangement was unsatisfactory and should be altered by law.

Nevertheless, Chairman Strauss appeared before the joint committee to ask for additional authority in the Chairman's office. He disavowed any responsibility for originating the principal-officer proposal, suggesting that the Chairman's role should be defined more precisely than by the simple designation "principal officer." Mr. Strauss rested his argument on the recommendations of the first Hoover Commission that the chairmen of certain regulatory commissions be made responsible for carrying on the executive and administrative tasks of these commissions.

Since Mr. Strauss relied so heavily on the Hoover Commission report, it is well to emphasize that the Atomic Energy Commission—hardly more than a year old when the Hoover Commission started to work—specifically was excluded from the Hoover Commission studies on independent regulatory commissions.

The Task Force Report on Regulatory Commissions, Appendix N, upon which the Hoover Commission based its report, states at page 3:

> Although the Atomic Energy Commission has certain regulatory powers and is an independent commission, it has been excluded partly because so large a part of its work is operational, and partly because so many of its problems appear to be unique.

Again the task-force report states at page 29:

> To avoid misunderstanding, we emphasize that our examination has been limited to the regulatory commissions; we have not made any study of primarily operating commissions such as the Atomic Energy Commission and the Tennessee Valley Authority, both of which combine a governing board with an executive official to manage the operations of the agency. Consequently we do not intend to imply any judgment on such an organization for these purposes.

The statements we have quoted make it clear and certain that the first Hoover Commission's recommendations concerning regulatory commissions in general were not intended to apply to the Atomic Energy Commission in particular. Mr. Hoover has expressed his personal opinion in a telegram to Chairman COLE that the general recommendations are applicable to the Atomic Energy Commission, but there is no warrant for that opinion in the reports of the Hoover Commission. Whether the decision of that group not to study the organization of the Atomic Energy Commission was based on security reasons, as Mr. Hoover asserts, or on the unique and largely operational character of the agency, as the task force reported, the fact remains that the Atomic Energy Commission was not studied.

In an effort to bring the Atomic Energy Commission within the organization pattern which the Hoover Commission recommended for regulatory commissions generally, Mr. Strauss maintained in his testimony that the relationship of Chairman and General Manager in the Atomic Energy Commission is analogous to that of Chairman and executive officer in the recommended organization of regulatory commissions. This analogy is inaccurate and misleading.

The Hoover Commission Task Force regarded the executive officer as the designee of the chairman, working under the chairman's active direction, speaking in his name, reporting to him exclusively, taking from him the burden of routine administrative detail but keeping away from policy matters which are the business of the Commission itself—see Task Force Report on Regulatory Commissions, Appendix N, pages 47–48. In other words, the executive officer is the Chairman's helper in discharging day-to-day administrative duties which the task force proposed to be vested in the Chairman of the regulatory commission.

Under the law governing the Atomic Energy Commission, the General Manager enjoys a much more important position than that of Chairman's helper. He receives a salary of $20,000 per annum, equal to that of the Chairman and exceeding by $2,000 that of each other Commissioner. He performs executive or administrative duties delegated by the whole Commission, whereas the executive officer, in Mr. Strauss' analogy, would be merely carrying out such duties vested in the Chairman.

The anomalous situation that would be created by increasing the Chairman's statutory authority is highlighted by Mr. Hoover's suggestion that the phrase principal officer be clarified by substituting administrative and executive authority. Precisely this authority now is vested by law in the General Manager by delegation from the Commission as a whole.

Commissioner Smyth, in his testimony before the joint committee, pointed out cogently that to give the Chairman greater administrative authority implied that he should assume the functions of the General Manager who has been responsible, since the establishment of the Commission, for day-to-day administration of the Commission's business and staff.

> If the Chairman were to become the senior administrative officer of the Commission, with the General Manager as his deputy—

Commissioner Smyth observed—

> the essential purpose of our commission form of organization would be defeated.

It was his judgment that in such a case "the other Commissioners would be left uninformed and essentially without function"—hearings, part II, page 785.

To accept Mr. Strauss' analogy for the Atomic Energy Commission could only mean that 1 of 2 alternative developments would ensue: Either the General Manager would be reduced in status and authority to a mere executive assistant of the Chairman, or else a straight line of authority or chain of command would be created, running from the Chairman as principal officer to the General Manager in his present position as directing officers of operations, with the four other Commissioners being shunted aside. Under any such arrangement, to use the expression of Commissioner Zuckert, "you would have a Chairman and four junior-grade Commissioners. The Commission would be maintained in form, but there would be a one-man administration in substance.

Although Mr. Strauss said he retained a preference for the commission form of organization in the atomic-energy field, his conviction was a halfhearted one; a substantial portion of his testimony on this matter was given over to the argument that "you can't operate a large business by committee." In this approach he had the backing of one Commissioner, Joseph Campbell, the newest appointee. Mr. Campbell, it appeared, was not quite sure what his duties were as AEC Commissioner or whether a commission even was necessary; he was "not sold" on the commission form of organization and wanted a "more coherent chain of command." Adding up the testimony of Messrs. Strauss and Campbell leaves the net impression that

they have little use for the commission form of organization, but that they are not quite ready to say so.

A year ago, when President Eisenhower designated Mr. Strauss to be Chairman of the Atomic Energy Commission, the New York Times in an editorial warmly applauded the choice and made this observation about the agency Mr. Strauss was to head:

The Atomic Energy Commission is probably the most important technical body in the world today. It commands intellectual, financial, and industrial resources of unprecedented magnitude. Its power is immense; its decisions have an influence which is far-reaching. For those reasons, it has responsibilities that far transcend those of other Government agencies, except those that are concerned with national defense and with foreign affairs.

That editorial statement is enough to suggest why the Congress placed the management and direction of the atomic energy program in a five-man commission. The undertaking is vast, the responsibilities great, and there is still much pioneering work to do, as Commissioners Smyth and Zuckert emphasized before the joint committee. A commission, the latter said, would make surer progress in charting the tasks ahead "than a line organization of the kind that builds bridges, fights wars, or sells tooth paste."

Similarly, the joint committee reported after its extended investigation of the atomic energy program in 1949:

The framers of the McMahon Act deliberately established a five-man directorate, rather than a single administrator, to control our atomic enterprise for the very purpose of assuring that diverse viewpoints would be brought to bear upon issues so far-reaching as those here involved (81st Cong. 1st sess., S. Rept. No. 1169, p. 81).

Therefore we are deeply disturbed at the indications that the Atomic Energy Commission is disintegrating as a commission under the chairmanship of Mr. Strauss. Three of five Commissioners, Mr. Smyth, an eminent scientist; Mr. Murray, an experienced businessman; and Mr. Zuckert, an able public administrator, registered their concern with the joint committee over the increasing centralization of authority in the Chairman. They urged the Congress to resist this tendency, and expressed the fear that the designation of the Chairman as "principal officer" would only accelerate it. We agree with them, and we will not support any statutory provision which reinforces the dominance of the Chairman to the detriment of the Commission as a whole.

The committee decided to strike "principal officer" from section 21 of the bill, and the phrase does not appear in the final version, H. R. 9757. The committee also wrote language into that section specifying that each commissioner "shall have equal authority and responsibility." However the Chairman's position was singled out by the following language:

The Chairman (or the Acting Chairman in the absence of the Chairman) shall be the official spokesman of the Commission in its relations with the Congress, Government agencies, persons or the public, and, on behalf of the Commission, shall see to the faithful execution of the policies and decisions of the Commission, and shall report thereon to the Commission from time to time or as the Commission may direct.

This particular phraseology apparently represents an attempt to write into law part of an informal description of the Chairman's role which Commissioner Smyth presented to the committee. So far as we know, this is the first time a Federal statute proposes to give the chairman of a commission formal status as "official spokesman." Whatever the legal effect of this phrase, we believe it would be a mistake to pin down by law the chairman's accepted position as chief spokesman of the agency.

Designating the Chairman as "official spokesman" and obliging him "to see to the faithful execution of the policies and decisions of the Commission," are either redundant or a roundabout way of granting him the additional authority he seeks. If redundant, as Commissioner Smyth pointed out in connection with the "principal officer" proposal, the wording had best be eliminated. It does not appear in the McMahon Act and its inclusion now would be construed as meaningful since the Congress cannot be assumed to legislate for idle or trivial reasons. If the language is not redundant, this is a grant of new authority which, uncertain though its dimensions, conflicts with the "equal authority and responsibility" of the other Commissioners and overlaps or replaces the authority and responsibility of the General Manager.

5. WITHHOLDING INFORMATION FROM COMMISSIONERS

It was generally acknowledged in the testimony of the other Commissioners that Mr. Strauss is a strong and vigorous chairman, and this, in itself, is a matter for commendation and not criticism. But Mr. Strauss emerges in a dual role; he is not only Chairman of the Atomic Energy Commission, but also special adviser on atomic-energy affairs to the President. He admits he "wears two hats," as they say in Washington. By putting on the hat of special adviser, he can plead the confidence of the Chief Executive and keep his fellow Commissioners in the dark about atomic affairs of the greatest significance.

Three of the five Commissioners, with a combined record of nearly 12 years of service on the Commission, have testified in substance before the joint committee that the present Chairman has not taken them fully into his confidence; that they were not informed about certain important actions affecting the atomic energy field; that their access to the President has been virtually cut off; and that there is an increasing tendency to one-man rule in the Commission.

These Commissioners first read in the newspapers the President's speech before the United Nations General Assembly, calling for an international atomic pool of resources to promote peaceful development of atomic energy. Commissioner Smyth, the only scientist on the Commission and senior in length of service, was not even consulted when the Chairman called for an international conference of scientists. A press conference announcement by the President to the effect that atomic weapons have reached optimum size, came as a surprise to the other Commissioners. Since Mr. Strauss became Chairman, none of the others, with the exception of Mr. Campbell, has had an opportunity to visit the White House or to discuss atomic matters with the President.

There was a noticeable and understandable reluctance among these three Commissioners to place on the public record instances of disaffection and discord in the Commission. And there are those who argue that the Chairman was fully within his rights in withholding information from his fellow Commissioners because of his separate and privileged status as special adviser to the President on atomic-energy matters. Nevertheless, there is enough in the testimony, taken together with evidence from other sources, to warrant the conclusion that the Atomic Energy Commission has fallen to a low point in harmony and effectiveness.

In trying to treat generously of the strong-man propensities in their Chairman, several Commissioners pointed out that atomic energy is becoming a subject of increasing interest to military men, diplomats, and industrialists; that the difficulties and disturbances in the Atomic Energy Commission reflect the changing role of the agency in relation to other agencies of Government and the public; and that in keeping with these changes, the Chairman necessarily is called upon to take an active part in affairs not directly related to the internal business of the Commission.

There is an important element of truth in these assertions. But the larger truth is that the Congress intended the Atomic Energy Commission to administer the atomic-energy program. There is every reason to suppose that a commission, well organized, with a normal amount of self-discipline and good sense in each commissioner, with a chairman possessed of tact and understanding and a degree of administrative ability, can keep the President fully informed and well advised on all atomic-energy matters without distorting the Commission pattern of organization.

It goes without saying that the President can select whomever he pleases to advise him on atomic energy. It does not go, in our judgment, that the President and the Chairman of the Commission can utilize the device of special adviser to thwart the objectives of the Atomic Energy Act and disrupt the performance of the Commission by putting a blank wall between the Chairman and the other Commissioners.

One of the Commissioners took pains to prepare and submit to Chairman Strauss a detailed memorandum on the latter's dual status as Chairman and special adviser, in an effort to determine where the Commission stood. Mr. Strauss himself acknowledged that a psychological conflict had been created by his two-hat role. He offered to lay aside the hat of special adviser if the other Commissioners so desired. The suggestion ought to be accepted. Maintenance of the integrity of the Commission, of full and equal access by the

Commissioners to the information necessary to the proper performance of their duties, will contribute more lasting benefit to the Nation than setting the Chairman on a pedestal closer to the President's ear.

In this context, we are constrained to note that the committee majority, though willing to acknowledge in the bill the equal authority and responsibility of the five Commissioners, were unwilling to write in a guaranty that these Commissioners would have full and equal access to atomic information. The committee report states, page 10:

> The right of the members to have access to all information within the Commisssion flows from this responsibility and authority.

Undoubtedly this is the case, but explicit statutory affirmation is in order, considering the committee majority's insistence on writing new language with regard to the Chairman's position.

Whether the committee report is intended to mean that atomic information outside the Commission does not come within the purview of the Commissioner's authority and responsibility is uncertain. In any event, we consider the omission of the information guaranty in the bill a sad commentary on the extent to which distrust and suspicion condition the affairs of government.

Our committee chairman has stated publicly his view that a majority of the Commission at some future time might want to vote to withhold from 1 or 2 Commissioners information on a particular subject. With great affection and respect for our committee chairman, we must say that this suggestion astounds us. It throws doubt upon the ability of a President of the United States to select Commissioners deserving of trust and respect. It throws doubt on the competence of our investigative agencies in checking the background of such appointees; and it throws doubt on the judgment and wisdom of the Senate in confirming them.

When and where do doubt and suspicion come to rest if they are carried into the highest levels of government? They will eat like a cancer at the vital organs of free government in a democracy.

6. OVERRIDING THE COMMISSION'S WILL

The independence and integrity of the Atomic Energy Commission as a commission are seriously threatened not only from within, by the position of dominance assumed by the Chairman, but from without by overriding orders of the President.

The Nation is treated with the unpleasant spectacle of the Commisssion being ordered, against its better judgment, to enter into a 25-year contract with a private utility syndicate. This contract is not for the purpose of providing utility services to the atomic-energy program. It has all the earmarks of a smart play, figured out in the White House and the Budget Bureau, to have the Atomic Energy Commission run interference for the private utilities in their contest with the Tennessee Valley Authority.

The committee's immediate interest in this activity stems from the fact that the contract is being negotiated under color of the authority granted in section 12 (d) of the McMahon Act, as amended, which section is carried over intact as section 164 of H. R. 9757.

When the Atomic Energy Commission sought and received this authority from the Congress to make long-term contracts, and to pay cancellation charges to the utility groups involved in the event the contracts were terminated, the authority was specifically limited to utility services for the Oak Ridge, Paducah, and Portsmouth installations of the Commission. As the former General Manager, Marion W. Boyer, testified in answer to a question from me at the time the authorizing legislation was being considered by the committee:

> In other words, it is limited to the power requirements for those three installations. It is not a wide-open authority.

Although many Members of Congress had misgivings about this particular grant of authority, which really served no other purpose than the convenience of the private utilities in financing construction of their new plants, the Members understandably were unwilling to overturn arrangements already made for supplying electricity to the atomic-energy projects. The proposed new contract, however, has nothing to do with the power needs of the atomic-energy program. In the words of Commissioners Smyth and Zuckert:

> The present proposal would create a situation whereby the AEC would be contracting for power not 1 kilowatt of which would be used in connection with the Commission production activities (hearings, pt. II, p. 958).

The scheme is for the Commission to maintain its present firm contract for TVA power to run the Paducah plant while contracting for some 600,000 kilowatts of additional power to be delivered by the private-utility group to the TVA for service in the Memphis area, several hundred miles away from any atomic-energy installation. In other words, the AEC would become a power broker, purchasing power it does not need for an area far removed from its activities. The TVA would be forced into buying the power from the private group through AEC instead of building its own plant to serve the Memphis area.

Over the life of the contract, the taxpayers would foot a bill of at least $90 million over and above the cost of power that TVA could produce itself. The $90 million figure is the AEC's own estimate; the TVA estimate is that this new proposal would result in $140 million added cost to the taxpayers.

The members of the Commission and their General Manager struck us as rather shamefaced about the whole business when they came before the committee. They said in effect: "This proposal did not originate with us. We don't like it but higher authority has decreed it, and we will be good soldiers and carry out orders."

The General Manager testified that the proposal "originated in the Bureau of the Budget as an administrative policy." He cited instructions received from the Bureau of the Budget to proceed with negotiations looking toward a definitive contract, despite his advice to the Bureau "that the Commission did not agree on the wisdom of AEC entering into this type of contract"—hearings, part II pages 946 and following.

Chairman Strauss and Commissioner Campbell were the only Commission members who did not object; in fact, Mr. Strauss had been apprised of the Bureau's intentions at least a month before the matter was brought up at a Commission meeting. The meeting in question was held January 19, 1954, 2 days before the budget message of the President was presented to the Congress, stating that "arrangements are being made to reduce, by the fall of 1957, existing commitments of the Tennessee Valley Authority to the Atomic Energy Commission by 500,000 to 600,000 kilowatts." The arrangements involving discussions with the interested utility group, had been going on at least since early December of 1953, and when finally revealed, did not propose to reduce existing TVA commitments to AEC but to compel the TVA purchase of new and additional power from private sources.

Commissioners Smyth and Zuckert, in a joint letter to the Director of the Bureau of the Budget, undertook to express their personal views that the proposed action was awkward and unbusinesslike and involves the AEC in a matter remote from its responsibilities. Commissioner Murray took substantially the same position in testimony before the committee. It is noteworthy that Mr. Murray, as the Commissioner responsible for initiating the first long-term contract between the Commission and a private utility group, frankly acknowledged the unsatisfactory performance of that group in comparison with the TVA, and strongly objected to the proposed new contract—hearings, part II, page 1001.

A great deal more is involved here than a simple controversy between private and public power. Is the Atomic Energy Commission, created by the Congress as an independent agency of Government to administer the vast atomic energy program, which now represents a public investment of $12 billion, to lay aside its collective judgment in deference—nay, subservience—to unrelated budgetary and power policies of the current administration?

Who, one may well ask, is in charge of the Atomic Energy Commission? Are there not five Commissioners duly appointed and confirmed under the law, sworn to administer it faithfully, and answerable to the Congress as well as the President for their performance? Or does higher authority take over whenever the Budget Bureau or the White House has a pet scheme to promote?

As Members of Congress and of this committee, we are interested in the efficient performance of Government agencies. We have supported constructive proposals to improve the organization and management of the executive branch. Certainly the President as the Chief Executive and the appointed heads of the departments and agencies should have the requisite authority to organize their administrative units in a manner conducive to efficient execution of the laws passed by the Congress.

But there is a line to be drawn between Presidential direction of the executive branch for good administration and Presidential usurpation of the authority of independent commissions. The members of the Atomic Energy Commission do not serve at the pleasure of the President. They are appointed by him, of course, but the Senate confirms the appointments, and the period of tenure is fixed by law. The President can remove a Commissioner only for "inefficiency, neglect of duty, or malfeasance in office."

The administration of the atomic energy program is vested by law in the Commission, not in the President. True enough, the President is charged with certain responsibilities of the highest importance, such as directing the Commission to deliver atomic weapons to the Armed Forces for such use as he deems necessary in the national defense; and the President is given extraordinary authority to exempt the Commission from Federal statutes relating to contracts when he determines such action necessary to the common defense and security. But the President is not authorized to substitute his judgment for that of the Commission members in matters committed to their administration, and certainly he is not authorized to direct the Commission to engage in matters foreign to their duties.

For the benefit of the members of the Atomic Energy Commission we say this: The Commission will forfeit the respect of the public and insult the dignity of its high office if it allows itself to become a puppet agency for the execution of purposes alien to the Atomic Energy Act.

Our own committee, too, has a responsibility in connection with this matter. It is proposed to reenact authority which, in our view, provides no legal justification whatever for the contract under negotiation. None of the three installations named in section 164 of the bill is involved in the proposed new electrical power arrangements, and only by the most violent stretching of an incidental phrase can the general counsel for the Atomic Energy Commission wrap the cloak of legality around this action.

This latest move of the AEC at the behest of the Budget Bureau illustrates the danger of legislating quickly without laying down adequate standards. As the Federal Power Commission observed in connection with section 164:

> Here again the grant of power is without any definition of governing standards, any policy guide, or any limitation of any kind. Apparently this may ratify or authorize ratification of existing contracts. The Federal Power Commission has not indicated any position as to the terms of the contracts heretofore entered into. (Hearings, pt. II, p. 1133.)

We should take the opportunity now to make clear the intent of Congress in originally enacting this section if the plain wording and legislative history of the amendment leave any doubt on that score. We regret that the committee majority has voted down clarifying language and has refused to adopt a motion disapproving the transaction in question. Our responsibility and obligation in this regard are all the greater, since we are asking the Congress to add prerogatives in this bill to the Committee's already important jurisdiction and status.

7. LIMITING AEC POWER PRODUCTION

A remarkable series of incongruities show up with regard to the power position of the Atomic Energy Commission.

The determination to cast the Commission in the role of "power broker" under the proposed new contract would commit that agency to continuing responsibilities for a 25-year period in a field which is external to the Commission's own concerns and power needs.

This contractual arrangement would bring the AEC into the conventional power business as an additional Government agency and tie it to TVA's future power activities despite the professed intention of that agency and the present administration to limit the role of Government in business.

The AEC already has entered into two long-term contracts, and is about to become involved in a third, for the supply of electrical energy from conventional private sources for the next quarter century, even while freely predicting that electrical energy from atomic sources will be available in the next decade.

Most incongruous of all, the AEC wants to stay out of the atomic-power business, a field in which it might be expected to have a legitimate and continuing function.

The Atomic Energy Commission is the largest single consumer of electricity in the world. When presently authorized facilities are completed, the Commission will be utilizing capacity on the order of 5 million kilowatts, exceeding the combined capacity of the New England States. Its consumption of electrical energy in the near future may reach 8 or 10 percent of the Nation's total.

In view of its enormous power needs, which will come to represent an outlay of $150 million to $200 million a year, one would expect the AEC to show initiative and enterprise in adapting its own facilities to supply a substantial portion of these needs rather than to waste the heat energy created by nuclear fission. The framers of the McMahon Act contemplated use of atomic power by AEC as well as the transfer or sale of such power to others when they provided in section 7 (d) of the act:

> Byproduct power: If energy which may be utilized is produced in the production of fissionable material, such energy may be used by the Commission, transferred to other Government agencies, or sold to public or private utilities under contracts providing for reasonable resale prices.

Back in 1946, when this section was written, the atomic-energy program was centered primarily upon the development and production of atomic weapons. Atomic power was still a remote possibility and the section pertaining to its production was embryonic. Now that we stand on the threshold of the atomic-power era and consider legislation designed to usher it in, singular, indeed, is the fact that the new legislation does not enlarge upon the embryo, so far as AEC production of atomic power is concerned.

Section 7 (d) of the McMahon Act is now section 44 of H. R. 9757, dignified only by having a whole section number to itself, and containing a few minor word changes, but still an incidental item tucked away in a corner of the bill instead of becoming a full-fledged set of provisions to launch a positive program of Federal development in the atomic-power field. If anything, the language in the new bill is more restrictive than in the existing act.

The Federal Power Commission, in an extended analysis of the proposed atomic energy legislation, criticizes, among other things, the paucity of legislative standards with respect to section 44. It points out that the sale of byproduct power is not a new problem and calls attention to the series of acts in which the Congress has provided detailed and explicit standards governing the disposition of electric power from projects involving the development of irrigation, water conservation, flood control, and navigation improvement projects. The Federal Power Commission then remarks:

> Corresponding enunciation of policy in the sale of byproduct power from Government atomic energy installations may present some new or different problems, but the precedents cited are sufficient to suggest that the Congress has been jealous to enunciate the policy to be effectuated by the agency marketing the power and has not been willing to leave the responsibility for policy to the agency. (Hearings, pt. II, p. 1132.)

One of the long-established Federal policies to which the Federal Power Commission adverted is the according of preference to municipal, cooperative, or other public bodies in the sale of federally generated power. Section 44, covering the marketing by the Atomic Energy Commission of surplus energy from its own nuclear operations, contains no such preference. This is in conflict with the policy established by every law governing the marketing of federally generated power within the last 50 years. The section should be amended to accord with established Federal power policy.

The Atomic Energy Commission, whether for lack of a positive congressional mandate or because of preoccupation with atomic weapons, has never been a power-minded agency. It has steadily backed away from any concept of Government responsibility for the production of atomic power. It regards the atomic power authorization in section 7 (d) of the McMahon Act as incidental and unlikely to be productive of any important achievements. Chairman Strauss describes the AEC's planned power reactor program for the next few years as a minimum program by choice. The future power role conceived for this agency by the present administration is a narrow and declining one. President Eisenhower said in his message to the Congress on February 17, 1954:

> The creation of opportunities for broadened industrial participation may permit the Government to reduce its own reactor research and development after private industrial activity is well established. For the

present, in addition to contributing toward the advancement of power-reactor technology, the Government will continue to speed progress in the related technology of military propulsion reactors.

A draft of proposed legislation accompanying the President's message contains this language:

Nothing in this act shall be construed to authorize the Commission to engage in the sale or distribution of electrical energy for commercial use except such energy as may be produced by the Commission incident to the operation or research and development facilities or facilities for the production of fissionable material.

That proposed restriction was incorporated in an earlier version of H. R. 9757, but the sponsors were persuaded finally to strike it out. The majority report on the bill, however, construes the restriction to be still applicable to section 44. It states in this regard—page 15:

This section will permit the Commission to dispose of that utilizable energy it produces in the course of its own operations, but does not permit the Commission to enter into the power producing business without further congressional authorization to construct or operate such commercial facilities.

We fail to see why the Commission should be enjoined from producing atomic power for commercial use when it would be given broad authority to license others for such production. If the Nation is to realize the maximum power benefits from its investment in this new resource, a positive program of atomic power production by the Federal Government is essential. The history of electrical power development in this country affords ample evidence that a reasonable balance between public and private power serves as the most important check on monopoly control in the vital field of energy resources. The very magnitude of economically feasible nuclear powerplants persuades us to believe that the balance will be thrown heavily in favor of private monopoly unless provision is made for Federal development of atomic power, particularly where supply is desired by public or cooperative systems.

The committee members are convinced, for security and perhaps other reasons, and have affirmed in the pending bill, that the special material which produces nuclear energy should remain the property of the United States. Another finding in section 2 of the bill is that "In permitting the property of the United States to be used by others, such use must be regulated in the national interest." It is judicially established beyond question in our constitutional system that what the United States owns and permits others to use, it may use itself and dispose in any manner the Congress sees fit, including the transformation of owned resources into electrical energy and the transmission of such energy to market. Private companies engaged in similar and competing enterprises have no vested right to be free from Federal Government competition—*Ashwander* v. *Tennessee Valley Authority* (297 U. S. 288); *Tennessee Power Co.* v. *Tennessee Valley Authority* (306 U. S. 118).

8. INADEQUATE POWER-LICENSING PROVISIONS

H. R. 9757 not only fails to mark out a clear and constructive program for Federal production of atomic power; it is altogether deficient in the matter of safeguards to protect the public interest in the licensing of non-Federal agencies to produce and sell atomic power.

As noted above, the nuclear-energy resource itself will remain the property of the Federal Government. Thus, in terms of the public interest, the use of nuclear energy and the use of the energy in the falling water of streams should be subject to the same safeguards established by law.

These safeguards involve far more than the bare assurance that the electricity generated from the resource shall be subject to the ordinary processes of utility regulation. They are based on the principles that a public resource must be conserved and developed for the best possible use, that it must be always kept open for public use if the people so decide, and that whatever States may do or fail to do about it, the use must always be directed at providing electricity at the lowest possible rates through preventing private capitalization of the value inherent in the right to use a public resource.

The very fact that there are still six States which have set up no State agency to regulate the rates charged by privately owned electric utilities reveals the extraordinary importance of these public resource safeguards, and the necessity for their incorporation in any legislation designed to facilitate the use of atomic energy as a source of commercial power. These safeguards for the right of the people to get the full value out of their resources, without any toll being taken above what is necessary to assure the funds required for development, have already been formulated in detail by Congress in the Federal Power Act which prescribes how hydroelectric resources may be used. They include:

First. Safeguard for the prior right of Federal development of the resource in any specific case where this will best serve the public interest.

Second. Safeguard for the prior right of public bodies and cooperatives, as against a private applicant for a license for any specific development of the resource.

Third. Safeguards for the right to public hearing in connection with any application, with specific provision for admission of interested States, State commissions, municipalities, representatives of interested consumers or competitors as parties.

Fourth. Safeguards for the right of Federal or other public recapture of any development by a private licensee at the end of the license period on payment of no more than the licensee's net investment in the project.

Fifth. Safeguards for reasonable rates to consumers by provision requiring licensees as a condition of any license to agree to Federal regulation where States have provided no regulation of electric rates, with further provision that in any rate proceeding the licensee can claim no more than net investment in the development for rate base purposes.

Sixth. Safeguards for the preferred position of public and cooperative electric systems to obtain power supply from Federal development of the resource.

The bill, as reported, is wholly lacking in such safeguards. It would enable the Atomic Energy Commission to turn this greatest energy resource over to private power monopoly under licenses unconditioned except for the requirements of national security and public health and safety. Aside from section 271, providing that nothing in this act shall affect the authority or regulations of Federal, State, and local regulatory agencies, it is barren of any recognition of the public interest in securing electric energy from this new resource at the lowest possible rates. Experience has shown clearly that such regulatory authority is entirely inadequate to protect the public interest in electric power developed from public resources, unless supplemented by specific standards governing licenses and the availability of public or cooperative competition in the distribution of electric energy.

The bill includes no provision to encourage public or cooperative distribution of nuclear power. Furthermore, it includes no provisions assuring that privately owned electric utilities producing nuclear electric energy under license from the Commission shall sell the power at the lowest possible rates consonant with sound business practices.

The following comments on specific licensing features of the bill indicate what we consider essential requirements for protection of the public interest in the use of this new public resource for the generation of commercial electric power.

Section 103 (b), establishing the minimum qualifications for applicants for commercial licenses to construct, own, and operate facilities for the utilization and production of special nuclear material or atomic energy, contains no provisions requiring agreement by the applicant, where the end result is generation of electric energy for sale, to claim no more than net investment in such facilities for rate-making purposes. Such a limitation is placed upon all licensees for use of the people's waterpower resources under the Federal Power Act. This section of the bill should be amended to bring it in line with established Federal power policy.

Section 103 (c), providing for a limitation on the term of commercial licenses issued by the Commission for the ownership and operation of facilities for the utilization and production of special nuclear material or atomic energy, contains no provision for the right of the United States, after reasonable notice, to take over, maintain, and operate such facilities at the end of the license period on payment to the licensee of its net investment, plus severance damages, if any. All private hydroelectric power developments, licensed under the Federal Power Act, are subject to such a provision. This section should be amended to bring it in line with established Federal power policy.

Section 182 (b), providing for due notice to the public before the issuance of any license for utilization or production facilities which generate commercial power is lacking as to both breadth of notice required and provision of specific procedures in connection with license applications to assure full protection of the rights of interested parties. It also lacks specific recognition of those interests whose rights may be affected by Commission action or whose participation may be in the public interest.

To cure these deficiencies, where generation of nuclear-electric power is the primary purpose involved, we believe the section should be amended to provide that notice of applications shall also be sent to municipalities, and to public and cooperative electric systems within transmission distance; that, in case of protests, conflicting applications, or proposals for special conditions, interested parties shall be accorded opportunity for intervention, hearing, petition for rehearing, and appeal, in general accord with the procedures now prevailing under Federal power legislation; and that the Commission may admit as parties interested States, State commissions, municipalities, public and cooperative electric systems, or representatives of interested consumers or security holders, or any competitor of a party to such proceedings, or any other person whose participation may be in the public interest.

Section 182 (c), providing for preferred consideration to applications for facilities which will be located in high-cost power areas in the United States, lacks a similar provision which has been the policy of the Government since the Federal Power Act became law in 1920, according preferred consideration to public bodies where their applications conflict with those of privately owned systems. We believe this lack should be overcome to bring the section into line with established Federal power policy.

Section 183, providing specific terms which must be included in licenses for the ownership and operation of facilities for the utilization or production of special nuclear material or atomic energy, is completely lacking in provision for Federal accounting control of licensees where such licenses are not also engaged in the transmission of electricity or sale of electricity in interstate commerce for resale. Such accounting control should be vested in the Federal Power Commission which is responsible for such regulation over licensees for hydroelectric power developments, and is provided for, with enforcement authority, in sections 301, 302, 304, and 306 of the Federal Power Act. We believe that the bill should be amended to make these sections applicable to licensees for atomic power development.

Section 185, providing for the issuance of construction permits to applicants whose applications are otherwise satisfactory to the Commission, should be specifically subject to the same procedural safeguards, assuring interested parties full opportunity for notice, hearing, and appeal before issuance, as are provided in connection with the issuance of licenses under section 182. We believe that the section should be amended to make the same procedure specified in section 182 mandatory before construction permits are issued.

The parallels between electrical energy from nuclear and hydropower sources were called to the attention of the committee in earlier hearings during the summer of 1953 by a member of the Federal Power Commission and again during the present hearings by Chairman Kuykendall of the Federal Power Commission, who supplied a detailed analysis of pending atomic energy legislation. This material will be found in part II of the committee's recent hearings at pages 1124 through 1133.

In view of the Federal proprietary interest and congressional authority in the field of atomic energy, the Federal Power Commission observes:

> It becomes pertinent to test any legislative proposals with respect to non-Federal development of atomic energy to see whether the public interest in atomic energy is protected and benefited as adequately as the Congress of an earlier generation sought to do for the Nation's interest in waterpower (p. 1128).

The Federal Power Commission observes further that:

> * * * The grant of the (license) privilege should depend not solely on the negative consideration that national defense will not be harmed, but on the affirmative ground of benefit to the public interest in electric power and other products of the operation of nuclear reactors as well (ibid.).

Unfortunately, the present bill, reflects nothing of this advice from the Nation's outstanding independent power agency, but relies mainly on negative considerations in licensing. The analysis of the Federal Power Commission is sufficient to indicate that the bill is still complete, so far as it comes within the scope of power policy.

9. NEED FOR A DIVISION OF CIVILIAN POWER APPLICATION

Our concern goes not alone to the omission of public interest safeguards in power licensing. If the use of nuclear energy as a source of commercial electric power is to be accorded the consideration which its importance warrants, this should be reflected in the statutory organization of the Commission. It cannot be left wholly to the discretion of the Commission which may be at any given time, and is now, weighted in favor of playing down the Government responsibilities in this field.

Specifically, we believe there should be a statutory Division of Civilian Power Application, counterbalancing the statutory Division of Military Application, with positive responsibility for the commercial development of nuclear electric power by Federal or non-Federal public and private agencies.

There should also be an Electric Power Liaison Committee, corresponding with the Military Liaison Committee, with provision for full cooperation between the Atomic Energy Commission and those Federal agencies responsibile for carrying out other phases of Federal power policy. This would provide a basis, now lacking in the bill, for Federal construction and operation of nuclear powerplants where required in connection with Federal regional programs.

The Electric Power Liaison Committee might well be composed of one representative each of the Federal Power Commission, the Securities and Exchange Commission, the Rural Electrification Administration, the Tennessee Valley Authority, The Bureau of Reclamation, the Bonneville Power Administration, the Southwest Power Administration, the Southeast Power Administration, and the Corps of Engineers, with an independent chairman appointed by the President, by and with the consent of the Senate, serving at the pleasure of the President.

This committee would advise with the Atomic Energy Commission in connection with all activities directed at the development of power from nuclear energy with a view to assuring its maximum contribution to the general welfare. Such advice would include assistance in the formulation of standards as specific problems arise. But dependence on ad hoc decisions alone for the determination of standards affecting the economics of atomic power development and use would be unsatisfactory in the extreme. It is for this reason that we favor amendments which would authorize and direct the Division of Civilian Power Application and the Federal Power Commission, in their respective spheres, to apply substantially the same public interest safeguards in connection with the licensing of atomic powerplants as are applied in licensing hydroelectric developments under the Federal Power Act.

The Nation's interest in ample supplies of low-cost electric power to meet the requirements of an expanding economy is great. It reaches into every farm home and commercial or industrial establishment. It makes the difference between vigorous and retarded regional development. It is a vital factor in the economical operation of farms. It contributes to continually rising living standards. All this has been emphasized in many official reports, including that of the President's Materials Policy Commission, which made an exhaustive analysis of the future requirements of our civilization.

The quality of the legislation which opens the atomic-energy resource to development as a part of the country's total energy economy will have a profound effect on the attainment of these goals. We are convinced that enactment of the present bill without mature consideration of the changes which we propose would be a disservice to the people of the United States. No delay required to perfect the bill to meet the requirements of the general welfare could result in a minute fraction of the losses that would inevitably follow an ill-considered transfer of atomic-power development to private monopoly.

10. PASSING THE BUCK ON MONOPOLY PREVENTION

The fact that electrical utilities are more or less natural monopolies in the areas they serve makes it unlikely that

the antitrust provisions in section 105 of the bill will have any important bearing on the licensing of utilities for atomic power production and distribution. Indeed that section empowers the Atomic Energy Commission, with the approval of the Attorney General, to exempt such classes or types of licenses as it may determine would not significantly affect the licensee's activities under the antitrust laws.

With regard to the provisions of section 105 generally, we believe it is a mistake to relieve the Commission of the affirmative responsibility contained in the McMahon Act, and deleted in this bill, to exercise its licensing authority in a manner to prevent the growth of monopoly or restraint of trade. Section 7 (c) of the McMahon Act reads in part:

> Where activities under any license might serve to maintain or to foster the growth of monopoly, restraint of trade, unlawful competition, or other trade position inimical to the entry of new, freely competitive enterprises in the field, the Commission is authorized and directed to refuse to issue such license or to establish such conditions to prevent these results as the Commission, in consultation with the Attorney General, may determine. The Commission shall report promptly to the Attorney General any information it may have with respect to any utilization of fissionable material or atomic energy which appears to have these results.

Section 105a of H. R. 9757 would permit the Commission to suspend or revoke a license only after a court of competent jurisdiction has found a licensee to be guilty of violating the antitrust laws. It seems to us that here the Commission locks the barn after the horse is stolen. In a new, developing field of industrial endeavor, resort to the cumbersome and protracted procedures, sometimes extending over many years, which eventuate in final adjudication of antitrust violations, can have little effect in assuring the maintenance of free competitive enterprise.

Section 105c of the bill does add a procedure whereby some preventive action can be taken against monopoly or restraint of trade. It is left to the Attorney General or the Federal Trade Commission to determine whether "the proposed license would tend to create or maintain a situation inconsistent with the antitrust laws." In the event of such a determination, the applicant is permitted to file a petition with the Federal Trade Commission for a hearing, and if the Commission finds adversely, the applicant would have recourse to the courts.

We are uncertain as to the legal effect of a court finding which would put an applicant in a position "inconsistent with the antitrust laws" without necessarily being guilty of violating the antitrust laws. In any event, we see little validity in the arguments which led the sponsors of the bill to relieve the Atomic Energy Commission of the affirmative responsibility cited above.

A review of Federal statutes demonstrates rather convincingly that many departments and agencies of the Federal Government are charged by law with such positive responsibility and authority to prevent or discourage monopoly or other restraints of trade, or to actively promote competition and participation by small business, in various fields of endeavor. It is specious reasoning, in our opinion, to say that the Atomic Energy Commission, as the agency charged with the administration of the atomic energy program, should pass wholly on to others the responsibility for taking steps to insure equality of opportunity by all businesses, large and small, to participate in that program and to share the privileges and benefits arising from it.

11. LIMITING ACCESS TO PATENTS

Intimately tied up with the crucial issues of monopoly or competition in the atomic-energy field is the extent to which private patents are authorized and others have access to the patented inventions or discoveries.

The patent question is one of the most controversial in the atomic-energy field. It arose in the very beginning, when the drafters of the McMahon Act decided to make an outright ban on patents for inventions or discoveries which concerned the production of fissionable material or the utilization of such material in atomic weapons. In the nonmilitary field patents could be granted, but were subject to a public-interest declaration under stated conditions, in which case the Atomic Energy Commission and its licensees automatically were entitled to their use, with reasonable compensation to the owner. This constituted a form of compulsory patent licensing.

Since the licensing provisions of the McMahon Act were never utilized, and the Commission acquired practically all of its patents through arrangements with its contractors, who were operating with public funds, the public-interest provision remained a dead letter. It is this feature which H. R. 9757 adopts with modifications, broadening the permissible area of private patenting and authorizing others to have access to the patented inventions or discoveries under certain conditions.

An earlier version of the pending bill proposed to remove the ban on patents in the production of special—fissionable—material, whether for industrial or weapons uses, leaving only the patent ban on utilization of special material in an atomic weapon. The provision for public-interest declarations also was eliminated, in effect opening up the whole nonmilitary atomic-energy field—and part of the military—for private patenting without any obligation to license others in the use of the patented inventions or discoveries.

We commend the committee majority for withdrawing those earlier provisions and for recognizing in the report—page 9—that the dangers of restrictive patent practices are present because few firms may be involved in the atomic-energy program for the immediate future. The fact that a few large industrial corporations, as contractors to the Atomic Energy Commission, have acquired an overwhelming head start on would-be competitors by virtue of technical know-how acquired on the inside is enough to warrant the utmost care on the part of the Congress in legislating patent privileges.

The committee has reverted substantially to the position taken by President Eisenhower when he said in his message of February 17, 1954, to Congress:

> Until industrial participation in the utilization of atomic energy acquires a broader base, considerations of fairness require some mechanism to assure that the limited number of companies, which as Government contractors now have access to the program, cannot build a patent monopoly which would exclude others desiring to enter the field. I hope that participation in the development of atomic power will have broadened sufficiently in the next 5 years to remove the need for such provisions.

While we believe that the President's proposal for compulsory patent licensing is necessary until such time as interested industrial concerns are on a more equal footing in their acquisition of skills and experience in atomic technology, we believe both the President and the sponsors of this bill are unduly optimistic in the hope that a period of 5 years will suffice to reach that stage. It will take at least 5 years to construct a sufficient number of reactors for making comparative evaluations of performance, and it will take at least 5 years more to accumulate the economic and engineering data for these evaluations.

The Congress would be better advised, as an able patent attorney and former deputy general counsel of the Atomic Energy Commission testified before the committee, to strike the September 1, 1959, termination date and leave open the time for legislative removal of compulsory licensing. The Congress could then enact the necessary legislation at such time as a broadened industrial base for atomic energy became evident. At the very minimum the period of compulsory patent licensing should extend for 10 years.

The question next arises whether the language of the bill is designed to make effective the compulsory licensing of patents or whether it is designed to make this process difficult and unusual. Although it is not easy to judge the effect of the prolix and unduly cumbersome provisions in this regard, we are inclined to the conclusion that the compulsory licensing provision is an extremely limited guaranty of accessibility to patented inventions.

Perhaps the simplest way to establish compulsory licensing would have been to carry over the provision in section 11 (c) (2) of the McMahon Act which provides that whenever any patent is declared by the Atomic Energy Commission to be affected with the public interest, not only is the Commission automatically licensed to use the invention or discovery covered by the patent—a provision retained in the present bill—but any person licensed by the Commission automatically is licensed to use the invention or discovery covered by the patent.

Under section 152 of the pending bill, whenever a patent has been declared affected with the public interest, the Commission automatically is licensed to use the invention or discovery covered by such patent, but another person desiring to use the patented invention

or discovery must apply to the Commission for a patent license, which shall be granted to the extent that the Commission finds that the invention or discovery is of primary importance to the conduct of an activity by such person authorized under the act.

In other words, the initiative and the burden of proof now would lie with the applicant who must demonstrate to the satisfaction of the Commission that the use of the invention or discovery is of primary importance to his business. The limiting aspect of this requirement was brought to the attention of the committee in earlier hearings by Caspar Ooms, a patent attorney, formerly United States Patent Commisioner and chairman of the AEC Patent Compensation Board. Mr. Ooms, who suggested patent revisions in the McMahon Act very similar to those now embodied in H. R. 9757, testified before the committee last July; pages 458–459, that by eliminating the automatic licensing feature of the McMahon Act even though a patent is declared affected with a public interest:

> Each applicant for a license must demonstrate separately that the license is necessary to effectuate the policies and purposes of the act. This restriction is maintained to make the invocation of this licensing power an exception and an infrequently used device. It is intended to guard against the fear that the inventor who is willing to devote his resources to making developments in this field would be compelled to share his contributions with his competitors and to insure that he will be required to give licenses only in the extreme and infrequent situation where that is necessary to accomplish the designs of this legislation.

Before a patent reaches the stage of being declared affected with the public interest, several other conditions are interposed by H. R. 9757. In the first place the patent owner is entitled to a hearing before such declaration. Presumably he could present arguments why the patent should be withheld from the public interest sphere, and if overruled, could appeal to the courts under the Administrative Procedure Act, as provided in section 181. Court action, conceivably, could consume a goodly portion of the 5-year period in which the compulsory licensing requirement obtains.

Secondly, declaring a patent "to be affected with the public interest" would be optional or discretionary with the Atomic Energy Commission, whereas under the McMahon Act the declaration is mandatory provided two conditions are met. The pertinent provision of the McMahon Act follows:

> (1) It shall be the duty of the Commission to declare any patent to be affected with the public interest if (A) the invention or discovery covered by the patent utilizes or is essential in the utilization of fissionable material or atomic energy; and (B) the licensing of such invention or discovery under this subsection is necessary to effectuate the policies and purposes of this act.

In contrast, section 152a of the pending bill provides:

> The Commission may, after giving the patent owner an opportunity for a hearing, declare any patent to be affected with the public interest if: (1) the invention or discovery covered by the patent is of primary importance in the production or utilization of special nuclear material or atomic energy; and (2) the licensing of such invention or discovery under this section is of primary importance to effectuate the policies and purposes of this act.

It will be noted that under the present bill the concept of "primary importance" applies to two conditions, whereas in the McMahon Act the mere fact of utilizing fissionable material or atomic energy satisfies one of the conditions. Under the present bill, conceivably, the Atomic Energy Commission could decide that an invention or discovery is of primary importance in the atomic-energy field but is not of primary importance to effectuate the purposes of the act. "Primary importance" is a strong phrase, and its strength is doubled in section 152a of the bill. We can conceive that many inventions or discoveries would not meet the double-strength criterion and yet be important.

Furthermore, it must be borne in mind that what may be of primary importance to the small business may not be of primary importance to the Atomic Energy Commission or to the atomic-energy field generally.

If the "public interest" feature of the patent survives the objection of the owner and the hearing procedure, and meets the double test of primary importance under section 152a, then a person may apply for a license under 152b, which requires still a third test of primary importance.

In the event the Commission fails to make a "public interest" declaration, prospective or actual licensees or persons otherwise authorized may apply to the Commission under section 152c for a patent license for the use of a patented invention or discovery. The Commission then undertakes to hold a hearing within 60 days—section 152d—and must issue the license—section 152e—if it finds that the invention or discovery meets three tests of "primary importance" and an additional condition.

The application that can survive this procedure will be an impressive one indeed. The patent attorneys may derive more satisfaction from section 152 than the would-be user of the invention.

In issuing a patent license under section 152e, the "primary importance" of which is triple-tested, still the Commission itself would not be automatically licensed to use the invention or discovery. We believe the same privilege of automatic licensing for Commission use should apply here as in the case of "public interest" patents under section 152b.

In the event the Commission turns down a patent license application for failing to meet the three primary importance criteria under sections 152a and 152b, it is unlikely that a license application for the same invention or discovery under section 152c would ever come within reach of meeting the three primary importance criteria of section 152e. The unlikelihood is the more apparent in case two or more applicants desire the use of the same patented invention, for the Commission would then be faced with the dubious proposition under section 152e (3) that the use by each is "of primary importance to the furtherance of policies and purposes of this act."

In connection with research, we note a serious omission in the patent sections of H. R. 9757. The provision contained in section 11 (b) of the McMahon Act and carried over to an earlier version of the pending bill, which prohibited any patent rights with respect to any invention or discovery to the extent used in research and development activities in the atomic-energy program, has been deleted.

Failure to enact this provision undoubtedly would be a deterrent to research. It would appear that those desiring to utilize patented inventions or discoveries in research would have to go through the cumbersome procedures of applying for a patent license under section 152 c, d, e, f, and g. The elimination of this patent ban in research, for reasons which are not clear to us, is contrary to the recommendations of the Atomic Energy Commission. We believe the provisions should be reinstated.

Other questionable features in the patent sections we note as follows:

While patents are banned in the case of inventions or discoveries useful solely in the utilization of special nuclear material or atomic energy in an atomic weapon, they are not banned in the production of such material. Since special nuclear material can be utilized both for weapons and nonweapons, apparently a producer of such material could get a patent on basic production processes whether the material is used for weapons or not. We do not believe that the area of patentability should extend to inventions or discoveries that affect the weapons field.

Although drastic penalties are provided for violations of certain provisions in the bill, no penalty is provided for failing to report inventions or discoveries under section 151c, which could involve matters of strategic significance to the atomic-energy program.

The Patent Compensation Advisory Board, created under section 156a, being advisory only, apparently could not be delegated authority to make final decisions, as under the McMahon Act, in the event the Commission found itself bogged down with matters of compensation, awards, and royalties to the detriment of major responsibilities.

12. BUILT-IN SUBSIDY FEATURE

Section 2h of the bill makes this finding:

> It is essential to the common defense and security of the United States that title to all special nuclear material be in the United States while such special nuclear material is within the United States.

Accepting as fundamental to the legislation this finding, which is implemented in section 52 and other sections of the bill, nevertheless we wish to point out some of its implications for the development of atomic-energy enterprise.

What this bill proposes in effect is to relinquish the Federal Government's exclusive ownership rights in the facilities which produce or use nuclear material but to retain its exclusive ownership rights in the material itself. As a consequence, the incidents of private and

public ownership are intermingled in such a way that not only may vexatious problems of administration and accounting control arise, but the private companies licensed for a maximum period of 40 years to own and operate production facilities—atomic reactors—legally can depend on the Government to compensate them adequately for whatever they produce during the life of the license. This constitutes a built-in subsidy for licensed atomic enterprise until about the year 2000 A. D. The subsidy implications have been recognized and objected to by industrial spokesmen appearing before our joint committee.

Since the Government, under the bill, owns any nuclear material which now or may hereafter be produced in privately owned plants, it cannot refuse to take and pay for what is produced. If the Government pays less than the cost of production in a given plant, the action would, in effect, be confiscatory. Therefore, the provision in section 56 of the bill that the Atomic Energy Commission shall pay the same fair price to all licensed producers of the same material means that the highest cost and least efficient producer will set the pace on price schedules.

The fact that the Commission is obligated by the same section to consider the value of the material for official Government use in determining a fair price, constitutes no ground for paying less than it costs to produce the material. Conceivably, by some happy turn of international events, the Government's requirements of material for atomic weapons could be drastically reduced; and new dicoveries of source materials or greatly improved processes of production in the Government's own plants could yield a surplusage of material, reducing its value to the Government to virtually nothing. Still the Government would have to take the material it owns off the hands of private producers at a price fair to them for the 40 years during which they may be licensed to do business.

Even though the Commission can establish guaranteed fair prices for only 7 years at a time, as provided in section 56, the Commission is not thereby relieved of the obligation to pay fair prices throughout the life of the license.

If the Commission, to forestall the possibility that it may be saddled in the future with huge amounts of nuclear material it does not need or want, insists on writing into licenses under section 53e or section 183 a cancellation provision against such contingencies, or issues licenses for a much shorter period than 40 years, it is obvious that few firms would be persuaded to enter the field under such uncertainties.

Again, to forestall such conditions, the Commission might easily persuade itself to grant licenses to only a handful of the largest or most efficient producers, thereby denying wide access to competing industrial firms or other interested sectors of industry.

The intertwined complexities implicit in the obligation to compensate producers for the material automatically owned by the Government and to charge licensed users for such material, create further subsidy possibilities.

Section 53 deals with the Commission as a distributor of special nuclear material to qualified applicants, including licensees under section 103; while sections 52 and 56 deal with the Commission as a purchaser of special nuclear material from licensed producers who produce such material in the burning of the nuclear fuel secured from the Commission. In the first instance, the Commission is authorized to make a reasonable charge; in the second, to pay a fair price. But the vague generalities set up in lieu of standards to guide the Commission in determining both these critical figures leaves a degree of discretion in the administrative body that would enable it to pay considerably more for the production than it charged for the original supply of special nuclear material, thus affording private utilities, let us say, subsidies of undetermined magnitude for their participation in the development of nuclear power. Such subsidies resulting from dual transactions might well escape the public eye.

The Federal Power Commission analysis submitted by Chairman Kuykendall, in pointing out the lack of legislative standards and the subsidy possibilities for electric utilities in the sections discussed immediately above, added this note:

> If subsidies are to be permitted, consideration should be given to the question of the desirability of provisions for passing the benefits of such subsidies on to the public. (Hearings, pt. II, p. 1131.)

The legal ramifications of the intermingled incidents of public and private ownership in nuclear-producing facilities have not been explored by the committee. We venture to suggest that private firms, including utilities, may very well find themselves subject to a variety of Federal statutes affecting Government business in private plants, including the Walsh-Healey Act and other labor standards laws, inasmuch as the nuclear material used in their operations will be Government property.

13. OMISSION OF LABOR-MANAGEMENT PROVISIONS

Labor strikes at the Oak Ridge and Paducah plants of the Atomic Energy Commission at the very time when comprehensive legislation to revise the Atomic Energy Act is before the Congress, serves to highlight an area of legislative concern which the sponsors of H. R. 9757 have completely ignored.

Chronic discontent and frequent strife are attributes of employment in atomic occupations. The labor unions in these occupations believe they are unduly handicapped by the use of secrecy and security as a weapon of management to bludgeon their members into submission and to distort or nullify the procedures of collective bargaining. Many union representatives believe, too, that the Atomic Energy Commission has been completely oriented to the management side in labor disputes.

Whether or not legislative provisions can be written to alleviate the persistent sore spots in atomic labor-management relations, certainly the legislation can at least provide for more effective labor-management representation in the councils of the Atomic Energy Commission. The American Federation of Labor representative who testified before our committee on two separate occasions, has voiced the federation's belief that steps toward this end would have a salutary effect. He also observed—hearings, part I, page 278:

> It is worth noting that the membership of the Atomic Energy Commission and other top jobs in that agency have been filled by individuals drawn from the legal profession, Government, business, and finance. Corporation lawyers, investment bankers, Government bureaucrats would seem to be blessed in some mysterious manner with a genius for administering atomic-energy affairs that has been denied to trade-union leaders and officials. We believe that in the ranks of organized labor there are many able and public-spirited administrators who could bring a fresh view to the Atomic Energy Commission and its work and perform a very useful service.

Although the legislation cannot dictate whom the President should appoint to the Commission, at least it can provide for a labor-management advisory committee, coordinate with other advisory committees provided in the bill. Such a committee might well be composed of equal numbers of management and labor representatives, with a public chairman appointed by the President, by and with the consent of the Senate, and serving at the pleasure of the President.

The fields of interest and attention on the part of the labor-management advisory committee would encompass more than assistance in promoting healthier attitudes toward collective bargaining problems in an area hedged in by difficult security requirements.

The whole difficult area of personnel security, which would involve, under this bill, investigations by the Civil Service Commission and the FBI of the character, associations, and loyalty of privately employed persons having access to restricted data, might well come under the continued scrutiny of the labor-management advisory committee.

Assistance could be provided in the application of safety standards, adequate workman's compensation provisions, and other protective measures in licenses for new and hazardous atomic occupations.

Studies and preparatory steps could be undertaken to minimize the impact of atomic enterprises in industries or areas whose populations depend on competing activities for a livelihood. The economic distress of the coal-mining industry, for example, might become even worse by the substitution of atomic fuel for coal in generating electrical power.

The framers of the McMahon Act had such eventualities in mind when they wrote a requirement for the 7 (b) report discussed above. The special Senate Committee on Atomic Energy reported in 1946—79th Congress, 2d session, Senate Report No. 1211, page 20:

> The committee is aware, nonetheless, that the sudden introduction of certain devices utilizing the power released by nuclear fission might precipitate profound economic

disorganization. Great industrial installations representing nationwide investments, employing many thousands of workers, might be rendered obsolete.

14. COMPLICATING INTERNATIONAL ARRANGEMENTS

We stated at the outset our conviction that international matters relating to atomic energy would be better treated in legislation separate from that which seeks to open the atomic field to domestic private enterprise and profit-making opportunities. Our dependence on foreign sources of uranium, our mutual defense requirements, our moral and economic obligations to assist less privileged nations, our never-ending search for world peace—all these would seem to pose problems of an order and magnitude that press more urgently for solution than how to make a profit from the atom.

Some years ago our Government outlined a plan for the international control of atomic weapons. The plan embraced procedures, carefully drawn, to provide for the gradual transfer of our atomic facilities to international control without endangering national security. It was conceived that the international atomic authority would maintain an inspection system to make sure that no nation would deviate from the control arrangements for aggressive ends.

The Soviets would have no part of this plan. In those days, especially before they had atomic weapons, they insisted that such weapons be banned outright by treaty rather than put under the control of an international authority. Nor did they take kindly to the idea of inspectors coming behind the Iron Curtain. In the face of persistent and stubborn refusal by Soviet Russia to consider a control agency, our plan became dormant.

But the United States has never abandoned as a stated policy its willingness to participate in a really effective program of atomic armament control. The goal may be too remote for achievement in our time, but certainly we should do nothing to throw obstacles in the way of that achievement. Whether the creation of vested ownership rights in atomic facilities by private persons will narrow our opportunities to negotiate in matters which may determine the life or death of civilized society is a question deserving of our most earnest consideration.

When President Eisenhower proposed in an address to the United Nations General Assembly the creation of an international agency to develop peacetime uses of atomic energy, new hope was kindled among peoples everywhere that somehow this might be a vehicle for promoting world peace. Even the Soviets did not dare to ignore the compelling force of this appeal for cooperative peaceful endeavor.

Reportedly, our Secretary of State entered into preliminary discussions with the Soviets on the President's proposal. So far as we know, nothing productive resulted from those meetings. Although the dismal record of Soviet intransigeance leaves little to hope for, we see nothing to be gained by clothing the door entirely to possible participation by Soviet Russia in an atomic pool plan for peaceful uses.

Section 124 of the bill would seem to close that door. Whereas the President would be authorized to enter into an international arrangement with a group of nations providing for international cooperation in the nonmilitary applications of atomic energy, and to cooperate with that group in specific atomic endeavor, the proviso is entered that the cooperation must accord with the conditions presented in section 123.

Section 123 requires that agreements for cooperation cannot be undertaken until a series of conditions are fulfilled by the other nation or nations involved, including acceptable security safeguards and standards. It would be utterly unrealistic to suppose that Soviet Russia could ever comply with the security and other requirements laid down in section 123, even though the atomic pool is intended for nonmilitary uses.

The international atomic pool provision comprising section 124 seems to be a last-minute insertion to suggest that the bill is intended to implement President Eisenhower's proposal. Actually, the legislative requirements, if any, of the atomic pool proposal never have been communicated to us. President Eisenhower in his February 17 message to the Congress making recommendations for legislation to facilitate cooperation in atomic affairs with other nations, stated as follows:

> These recommendations are apart from my proposal to seek a new basis for international cooperation in the field of atomic energy as outlined in my address before the General Assembly of the United Nations last December. Consideration of additional legislation which may be needed to implement that proposal should await the development of areas of agreement as a result of our discussions with other nations. (83d Cong., 2d sess., House Doc. No. 328, p. 4.)

Not only would section 124 preclude the "new basis for international cooperation" which the President seeks; the wording of the section is confusing and self-contradictory. It would authorize the President to enter an international arrangement, which by definition in section 11k excludes any agreement for cooperation; and yet section 124 requires that an agreement for cooperation is necessary if the desired cooperation is to be exercised.

The United States might very well find itself in the position under section 124 of consummating agreements with other nations without being able to exercise the cooperation promised by the agreement unless such cooperation conformed rigidly to the formula contained in section 123.

If the contention is that the President could further the atomic pool idea by the conventional treaty route, or by an international agreement—which requires approval by both Houses of Congress under the bill—independent of section 124, then it is difficult to see what purpose the section serves, except a restrictive one.

The President has broad authority now to negotiate treaties under the Constitution. Section 124 attempts to prescribe a rigid and more restrictive formula of negotiation upon the President and his Secretary of State. The authority to negotiate treaties in our opinion should be left unfettered, subject always, of course, to Senate debate and final ratification.

No additional authority is conferred upon the President by the second method embodied in the term "international arrangement," i. e., "international agreement." The President already has the right to send to Congress any international agreement for legislative approval.

Section 124 on its face seems to authorize the President to "enter into an international arrangement with a group of nations," but the proviso requires compliance with the provisions of section 123, which provides for bilateral agreement only between the United States and an individual nation on all peacetime exchange of nuclear material or nuclear information. The reference therefore to a "group of nations" is misleading because of the proviso. Again it is restrictive and inflexible rather than helpful. It could prove to be embarrassing.

While President Eisenhower's original proposal evidently contemplated a single international atomic pool for peacetime purposes under one universal agreement, our country may be obliged, or may wish, to proceed by smaller group or regional stages, particularly in view of the Soviet Union's negative response. If the negotiations must be undertaken through a bilateral approach, then the language of section 124 which on its face indicates a multilateral agreement, again becomes ambiguous and restrictive on the President.

Section 124 appears to us a premature attempt to legislate in a delicate field where international diplomatic negotiations are pending, and it conflicts with the President's admonition in his message to the Congress that legislation to implement the atomic pool proposal "should await the development of areas of agreement as a result of our discussions with other nations."

Section 123, which sets forth a method of cooperation other than treaties or international agreements, is the principal section of the bill dealing with the authority of the President to make executive agreements on the international plane. The President cannot make any such agreement unless it is approved by the Atomic Energy Commission or in case of agreements relating to defense and military matters, by the Department of Defense. Note that the Atomic Energy Commission is an independent agency whose members serve, not at the pleasure of the President, but for a fixed statutory term.

We seriously question the subordination of the President's authority in the conduct of foreign affairs to the judgment of officials who may not be in a position to weigh the importance of countervailing risks, as is the President. In the present juncture of world affairs it cannot be assumed in case of doubt that no agreement is preferable to the only obtainable agreement, even though the obtainable agreement has not all the provisions which those charged with the technical judgments would like it to

have. In place of requiring the consent of the Atomic Energy Commission or the Department of Defense, we would prefer merely that the President, before making an agreement, be required to obtain a statement from the Commission or the Department of Defense as to the desirability and sufficiency of the agreement in respect to the matters referred to in section 123a.

Many of the provisions in section 123 as well as some of the provisions in section 144 to which we will refer seem in part to be based on the obsolete and false assumption that we have a monopoly of atomic materials and weapons, that our allies will have only what we give them and will have nothing to give in return. We know that Great Britain, for instance, has manufactured and exploded atomic bombs.

Section 144a and section 144b both carry a proviso that international cooperation shall not involve the communication of restricted data relating to the design and fabrication of atomic weapons except as to limited external characteristics. Taken in conjunction with the broad definition of "design" in section 11i, which includes drawings, blueprints, and so forth, and the development data behind the design, these restrictions ultimately may work to our own disadvantage. They hark back to the time when we had or thought we had a monopoly in this field.

While it is not suggested that there should be a free interchange of restricted data, we fear that any blanket refusal to exchange restricted data under any and all circumstances in the future might debar us from cooperation in particular projects where we might have much more to gain than to lose. Great Britain, for example, might come up with some discovery comparable in this field to the jet engine in aviation and might be debarred from working with us on it because of our own shortsighted and nonreciprocal policies.

Having in mind that a 1951 amendment which comprises section 10 (a) (3) of the McMahon Act set forth similar restrictions on communicating design and fabrication data, nevertheless we believe that new legislation must consider the changing role of atomic armament in mutual defense. An understanding of this part of the bill is important and we offer this explanation of its meaning so that each member may judge as to whether it goes too far or not far enough.

The exchange of information on weapons is limited to "external characteristics, including size, weight, and shape, yields, and effects, and systems employed in the delivery or use thereof." These areas of disclosure in the main would permit our military personnel to show our allies an atomic or thermonuclear weapon and describe these external characteristics, also the explosive power in terms of equivalent tons of TNT, the blast effect in terms of square miles destroyed, and the degree of radioactive poisoning of land, water, and air in the vicinity. It would allow disclosure of methods of bomb delivery, whether by plane, artillery device, guided missile, and so forth.

Apparently American military personnel would be permitted to train allied personnel in attaching or installing such weapons in delivery vehicles or devices—section 144b (2). But they would not be allowed to instruct our allies as to how the weapons are constructed internally, how they are assembled or disassembled, or how they are triggered for explosion.

It is obvious that we do not intend to deliver any of these weapons to any military ally for their own use, as complete knowledge of the internal working would be necessary for such use or adjustment in case the weapon failed to work just prior to release.

Therefore we must acknowledge that the bill does not implement the use of our atomic or hydrogen weapons by our allies on behalf of the defense of the free world. It does not make it possible to include such armament in the common arsenal of the North Atlantic Treaty Organization forces, except as they are retained in our sole custody.

Therefore we raise the following questions.

For what purpose do we contemplate training allied military personnel under such limitations?

Will such training be considered seriously by those who receive it?

Will the imparted knowledge of "effect" of atomic-hydrogen weapons be considered as inadequate and be used as propaganda by the enemies of America to deride our lack of faith in our allies?

The language of this bill relating to the highly important subject of foreign relations, with immediate reference to sections 123, 124, 141 and 144 is complicated, ambiguous, restrictive and potentially embarrassing to the President. It adds nothing to the President's treaty powers or the right of Congress to pass specific legislation.

In the lowest strata of "agreement for cooperation" with foreign nations, the restrictive procedures imposed would seem to be of limited assistance in the exchange or use of nuclear materials and information with our allies. Those who fear vital disclosure of security information need have but little fear. Those who hope for wider dissemination of nuclear information have but little grounds for their hope.

15. INCREASING MILITARY POSTURE

Although we do not believe H. R. 9757 departs in any fundamental way from the accepted principle of civilian control and management of the atomic energy program, we wish to take this opportunity to alert the Congress and the public to the possibilities that lie ahead.

It is generally acknowledged that atomic weapons are rapidly achieving a conventional status in military planning for national and allied defenses. Accordingly, we may expect that the military will steadily seek increasing control over the weapons phases of the atomic energy program. This is not said in criticism but only as a reminder that there are bounds which the military must not transgress if the principle of civilian control is to be maintained.

Military influence in the Atomic Energy Commission is by no means lacking and, we believe, it is more pervasive than heretofore.

Apart from the exercise of military influence within the Commission, formal organizational arrangements and procedures have been established under the McMahon Act, slightly modified in the pending bill, to administer the military application of atomic energy and to effect the proper liaison between the Commission and the Department of Defense. We believe the joint committee should have inquired into the efficacy of these arrangements in connection with the proposed revisions of the McMahon Act.

The pending bill gives new authority and responsibility to the Department of Defense in various atomic affairs.

The Department of Defense would be permitted to produce nuclear material in connection with atomic facilities operated for power and other purposes within the military programs—section 91b (2).

The Department of Defense would be authorized to manufacture, produce, or acquire atomic utilization facilities, and its contractors would be likewise authorized, without the need for a license from the Atomic Energy Commission—section 110b.

The Department of Defense would have to approve agreements for cooperation undertaken by the President, or by the Department itself at the President's direction, with other nations with respect to specified atomic matters according to the language in sections 123 and 144b. In effect, an attempt has been made to give power to the Department of Defense to check Presidential action. The grant of power is questionable on constitutional grounds, in our opinion, as the President is Commander in Chief and therefore can direct the Department of Defense in matters pertaining to national defense.

The Department of Defense would have joint authority with the Atomic Energy Commission to decide whether certain atomic data could be communicated to other nations—section 144b.

The Department of Defense has joint authority with the Commission to determine when data relating to atomic weapons may be published and what information may be removed from the restricted category in the weapons field—section 142 c and d.

Employees of the Department of Defense, members of the Armed Forces, and contractors of the Department would be authorized to have access to restricted data in certain circumstances determined by the Department of Defense—section 143.

We cite these provisions to indicate the increasing military posture of the atomic energy program.

INCREASED DISABILITY COMPENSATION FOR EX-SERVICEMEN

The SPEAKER pro tempore (Mr. CANFIELD). Under previous order of the House, the gentlewoman from Massachu-

setts [Mrs. ROGERS] is recognized for 5 minutes.

Mrs. ROGERS of Massachusetts. Mr. Speaker, I rise at this time to state that there seems to have been a great deal of propaganda going on regarding the bill H. R. 9020. There was a petition to discharge the Rules Committee from its consideration, filed by the gentleman from New York [Mr. RADWAN]. I do not know the number of signatures on it now, but there were 164 on Friday, which I think is a record for a petition that had been on the desk for only 3 hours.

The propaganda is that there will be a compromise. No compromise has been agreed to. I do not know that any will be agreed to. There has been propaganda to the effect that this bill is a bonus bill. It is not a bonus bill.

The bill provides for 10 percent across the board for service-connected cases, about that for widows, orphans, and dependents, and then in the non-service-connected and the pension class there was an increase of a certain amount for certain veterans' pensions, Spanish American War widows, other widows, and other cases.

It is in no wise a bonus bill, Mr. Speaker. I emphasize that over and over again because there is a curious propaganda that has been going on against the bill, a curious propaganda that there was a compromise. I understand there were 20 Members who on Friday did not sign the petition because they thought an agreement had been reached.

It has been stated that if there is not a compromise the Congress will adjourn before there is time to bring the petition up for action the necessary number of days after it has been signed and been on the Legislative Calendar. If Congress plans to adjourn on the 31st of July, I can see no reason why the Members who are interested in seeing H. R. 9020 pass should not sign the petition. I do not believe for one minute the Congress will adjourn without seeing that the veterans are cared for. They have been the forgotten men all through this legislative year. In spite of repeated requests for rules on our bills, scarcely a rule has been granted. I for one do not know what I can say when I talk to the veterans of the country. I have to tell them we have not passed much legislation. Certainly the veterans of all the people in the United States today should be considered and should have their legislation voted upon. I cannot believe that this Congress will close its doors for the season to veterans' legislation. You cannot say to the veteran when you go home, "You are forgotten, you have been forgotten," because we would not be in Congress today if the veterans had not sent us.

EXTENSION OF REMARKS

By unanimous consent, permission to extend remarks in the RECORD, or to revise and extend remarks, was granted to:

Mr. SCRIVNER on the subject Sport Car Racing on Strategic Air Command Bases and to include a GAO report.

Mr. BURDICK and to include extraneous matter.

Mr. POFF (at the request of Mr. YOUNGER) and to include extraneous matter.

Mr. FORRESTER.

Mr. REAMS.

Mr. DIES.

Mr. ZABLOCKI (at the request of Mr. JOHNSON of Wisconsin).

Mr. ROONEY to revise and extend his remarks made in Committee of the Whole today and to include extraneous matter.

Mr. KNOX.

Mr. SIEMINSKI in two instances and to include extraneous matter.

Mrs. HARDEN.

Mr. BERRY (at the request of Mr. ARENDS).

SENATE BILLS REFERRED

Bills of the Senate of the following titles were taken from the Speaker's table and, under the rule, referred as follows:

S. 3339. An act to authorize the Farm Credit Administration to make loans of the type formerly made by the Land Bank Commissioner; to the Committee on Agriculture.

S. 3713. An act to give effect to the International Convention for the High Seas Fisheries of the North Pacific Ocean, signed at Tokyo, May 9, 1952, and for other purposes; to the Committee on Merchant Marine and Fisheries.

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. 2617. An act for the relief of Guillermo Morales Chacon;

H. R. 2846. An act authorizing the President to exercise certain powers conferred upon him by the Hawaiian Organic Act in respect of certain property ceded to the United States by the Republic of Hawaii, notwithstanding the acts of August 5, 1939, and June 16, 1940, or other acts of Congress;

H. R. 4928. An act to authorize the Secretary of Agriculture to convey a certain parcel of land to the city of Clifton, N. J.;

H. R. 6263. An act to authorize the Secretary of Agriculture to convey certain lands in Alaska to the Rotary Club of Ketchikan, Alaska;

H. R. 6642. An act for the relief of Mrs. Augusta Selmer-Andersen;

H. R. 6882. An act to amend the act of September 27, 1950, relating to construction of the Vermejo reclamation project;

H. R. 6975. An act authorizing the Secretary of the Interior to convey certain lands to the Siskiyou Joint Union High School District, Siskiyou County, Calif.;

H. R. 7012. An act for the relief of Nicole Goldman;

H. R. 8549. An act granting the consent of Congress to The Breaks Interstate Park compact;

H. R. 8713. An act to amend section 1 (d) of the Helium Act (50 U. S. C. sec. 161 (d)), and to repeal section 3 (13) of the act entitled "An act to amend or repeal certain Government property laws, and for other purposes," approved October 31, 1951 (65 Stat. 701).

H. R. 9006. An act to authorize the Secretary of the Army to donate 28 paintings to the Australian War Memorial; and

H. R. 9242. An act to authorize certain construction at military and naval installations and for the Alaska Communications System, and for other purposes.

The SPEAKER announced his signature to an enrolled bill of the Senate of the following title:

S. 2987. An act to provide for the transfer of hay and pasture seeds from the Commodity Credit Corporation to the Federal land-administering agencies.

BILLS PRESENTED TO THE PRESIDENT

Mr. LECOMPTE, from the Committee on House Administration, reported that that committee did on July 16, 1954, present to the President, for his approval, bills of the House of the following titles:

H. R. 1067. An act to authorize the Supreme Court of the United States to make and publish rules for procedure on review of decisions of the Tax Court of the United States;

H. R. 1673. An act for the relief of James I. Smith;

H. R. 5578. An act for the relief of Hatsuko Kuniyoshi Dillon;

H. R. 5731. An act to authorize the Secretary of the Interior to construct facilities to provide water for irrigation, municipal, domestic, military, and other uses from the Santa Margarita River, Calif., and for other purposes; and

H. R. 7664. An act to provide for the development of the Priest Rapids site on the Columbia River, Wash., under a license issued pursuant to the Federal Power Act.

ADJOURNMENT

Mr. ARENDS. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 3 o'clock and 13 minutes p. m.), under its previous order, the House adjourned until tomorrow, Tuesday, July 20, 1954, at 11 o'clock a. m.

EXECUTIVE COMMUNICATIONS, ETC.

Under clause 2 of rule XXIV, executive communications were taken from the Speaker's table and referred as follows:

1741. A letter from the Executive Director, Rubber Producing Facilities Disposal Commission, transmitting a report prepared by the Reconstruction Finance Corporation, the operating agency, with respect to its expenditures for repairs, replacements, additions, improvements, or maintenance of the Government-owned rubber-producing facilities during the 11-month period in fiscal year 1954, ending May 31, 1954, pursuant to section 15 of the Rubber Producing Facilities Disposal Act of 1953 (67 Stat. 408); to the Committee on Armed Services.

1742. A letter from the Director, Legislative Liaison, Department of the Air Force, transmitting the quarterly report of the number of officers assigned or detailed to permanent duty in the executive element of the Air Force at the seat of the Government as of the end of the fourth quarter of fiscal year 1954, pursuant to section 201 (c) of the Air Force Organization Act of 1951 (Public Law 150, 82d Cong.); to the Committee on Armed Services.

1743. A letter from the Director, Office of Defense Mobilization, Executive Office of the President, transmitting the quarterly report for the quarter ending March 31, 1954, pursuant to section 304 (b) of the Defense Production Act; to the Committee on Banking and Currency.

1744. A letter from the Acting Comptroller General of the United States, transmitting a report on the audit of Fish and Wildlife

Service, an agency in the Department of the Interior, for the fiscal year ended June 30, 1953, pursuant to the Budget and Accounting Act, 1921 (31 U. S. C. 53), and the Accounting and Auditing Act of 1950 (31 U. S. C. 67); to the Committee on Government Operations.

1745. A letter from the Assistant Secretary of the Interior, transmitting a proposed award of a concession permit to National Park Concessions, Inc., which will, when approved by the regional director, region No. 4, National Park Service, authorize a limited concession operation in the Hurricane Ridge Public Service Building, Olympic National Park, Wash., for the period June 15 to September 15, 1954, pursuant to the act of July 31, 1953 (67 Stat. 271); to the Committee on Interior and Insular Affairs.

1746. A letter from the Postmaster General, transmitting a draft of proposed legislation entitled "A bill relating to the payment of money orders"; to the Committee on Post Office and Civil Service.

1747. A letter from the Chief Justice, Supreme Court of the United States, transmitting the report of the proceedings of a special meeting of the Judicial Conference of the United States, held at Washington, D. C., April 15 and 16, 1954, pursuant to title 28, United States Code, section 331. (H. Doc. No. 475); to the Committee on the Judiciary and ordered to be printed.

1748. A letter from the Commissioner, Immigration and Naturalization Service, Department of Justice, transmitting a copy of an order entered in the case of Fintan Patrick Walsh, file 56339/840, who has been found admissible into the United States, pursuant to section 212 (a) (28) (I) (ii) of the Immigration and Nationality Act; to the Committee on the Judiciary.

1749. A letter from the Commissioner, Immigration and Naturalization Service, Department of Justice, transmitting copies of orders entered in cases where the authority contained in section 212 (d) (3) of the Immigration and Nationality Act was exercised in behalf of such aliens, pursuant to section 212 (d) (6) of the Immigration and Nationality Act; to the Committee on the Judiciary.

1750. A letter from the Commissioner, Immigration and Naturalization Service, Department of Justice, transmitting copies of orders suspending deportation as well as a list of the persons involved, pursuant to Public Law 863, 80th Congress, amending subsection (c) of section 19 of the Immigration Act of February 5, 1917, as amended (8 U. S. C. 155 (c)); to the Committee on the Judiciary.

1751. A letter from the Commissioner, Immigration and Naturalization Service, Department of Justice, transmitting copies of orders suspending deportation as well as a list of the persons involved, pursuant to section 244 (a) (5) of the Immigration and Nationality Act of 1952 (8 U. S. C. 1254 (a) (5)); to the Committee on the Judiciary.

1752. A letter from the Commissioner, Immigration and Naturalization Service, Department of Justice, transmitting copies of orders granting the applications for permanent residence filed by the subjects, pursuant to section 4 of the Displaced Persons Act of 1948, as amended; to the Committee on the Judiciary.

1753. A letter from the Commissioner, Immigration and Naturalization Service, Department of Justice, transmitting copies of orders suspending deportation as well as a list of the persons involved, pursuant to section 244 (a) (1) of the Immigration and Nationality Act of 1952 (8 U. S. C. 1254 (a) (1)); to the Committee on the Judiciary.

1754. A letter from the Assistant Secretary of the Navy for Air, transmitting the annual report of all claims paid for the fiscal year beginning July 1, 1953, and ending June 30, 1954, pursuant to section 2673 of title 28, United States Code; to the Committee on the Judiciary.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of rule XIII, pursuant to the order of the House of July 14, 1954, the following bill was reported on July 16, 1954:

Mr. TABER: Committee on Appropriations. H. R. 9936. A bill making supplemental appropriations for the fiscal year ending June 30, 1955, and for other purposes; without amendment (Rept. No. 2266). Referred to the Committee of the Whole House on the State of the Union.

Under clause 2 of rule XIII, pursuant to the order of the House of July 15, 1954, the following bill was reported on July 16, 1954:

Mr. LECOMPTE: Committee on House Administration. H. R. 9413. A bill to reorganize the Capitol Police force in order to increase its efficiency in the performance of its duties; without amendment (Rept. No. 2267). Referred to the Committee of the Whole House on the State of the Union.

Under clause 2 of rule XIII, pursuant to the order of the House of July 15, 1954, the following bills were reported on July 17, 1954:

Mr. VORYS: Committee on Foreign Affairs. H. R. 9910. A bill to amend section 413 (b) of the Foreign Service Act of 1946; without amendment (Rept. No. 2268). Referred to the Committee of the Whole House on the State of the Union.

Mr. WOLCOTT: Committee on Banking and Currency. H. R. 9756. A bill to increase the borrowing power of Commodity Credit Corporation; without amendment (Rept. No. 2269). Referred to the Committee of the Whole House on the State of the Union.

Mr. WOLCOTT: Committee on Banking and Currency. S. 3589. An act to provide for the independent management of the Export-Import Bank of Washington under a board of directors, to provide for the representation of the bank on the National Advisory Council on International Monetary and Financial Problems and to increase the bank's lending authority; without amendment (Rept. No. 2270). Referred to the Committee of the Whole House on the State of the Union.

Under clause 2 of rule XIII, pursuant to the order of the House of July 15, 1954, the following conference report was filed on July 17, 1954:

Mr. WOLCOTT: Committee of conference. H. R. 7839. A bill to aid in the provision and improvement of housing, the elimination and prevention of slums, and the conservation and development of urban communities (Rept. No. 2271). Ordered to be printed.

[*Submitted July 19, 1954*]

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. BURDICK: Committee of conference. H. R. 5185. A bill for the relief of Klyce Motors, Inc. (Rept. No. 2272). Ordered to be printed.

Mr. BURDICK: Committee of conference. H. R. 2098. A bill to provide for determining the compensation of certain persons whose lands have been flooded and damaged by reason of fluctuations in the water level of the Lake of the Woods, Minn. (Rept. No. 2273). Ordered to be printed.

Mr. D'EWART: Committee of conference. H. R. 4854. A bill to authorize the Secretary of the Interior to construct, operate, and maintain the irrigation works comprising the Foster Creek division of the Chief Joseph Dam project, Washington (Rept. No. 2274). Ordered to be printed.

Mr. ARENDS: Committee of conference. H. R. 8571. A bill to authorize the construction of naval vessels, and for other purposes (Rept. No. 2275). Ordered to be printed.

Mr. KEATING: Committee of Conference. S. 252. An act to permit all civil actions against the United States for recovery of taxes erroneously or illegally assessed or collected to be brought in the district courts with right of trial by jury (Rept. No. 2276). Ordered to be printed.

Mr. REES of Kansas: Committee on Post Office and Civil Service. Report on performance rating plans in the Federal Government; without amendment (Rept. No. 2277). Referred to the Committee of the Whole House on the State of the Union.

Mr. REES of Kansas: Committee on Post Office and Civil Service. Second intermediate report pertaining to a survey and study of postal transportation; without amendment (Rept. No. 2278). Referred to the Committee of the Whole House on the State of the Union.

Mrs. ROGERS of Massachusetts: Committee on Veterans' Affairs. H. R. 9888. A bill to amend the laws granting education and training benefits to certain veterans to extend the period during which such benefits may be offered; with amendment (Rept. No. 2279). Referred to the Committee of the Whole House on the State of the Union

Mr. GRAHAM: Committee on the Judiciary. House Joint Resolution 527. Joint resolution to provide for the protection of defense facilities; with amendment (Rept. No. 2280). Referred to the Committee of the Whole House on the State of the Union.

Mr. YOUNGER: Committee on Interstate and Foreign Commerce. H. R. 6310. A bill to amend the Civil Aeronautics Act of 1938 to exempt operations in the transportation of livestock, fish, and agricultural, floricultural, and horticultural commodities from the act and from regulation by the Civil Aeronautics Board thereunder; without amendment (Rept. No. 2281). Referred to the Committee of the Whole House on the State of the Union.

Mr. SHORT: Committee on Armed Services. H. R. 9924. A bill to provide for family quarters for personnel of the military departments of the Department of Defense and their dependents, and for other purposes; without amendment (Rept. No. 2282). Referred to the Committee of the Whole House on the State of the Union.

Mr. ROBSION of Kentucky: Committee on the Judiciary. H. R. 8034. A bill for the incorporation of the Sons of Union Veterans of the Civil War; with amendment (Rept. No. 2283). Referred to the House Calendar.

Mr. PELLY: Committee on Interstate and Foreign Commerce. S. 3464. An act to amend the Communications Act of 1934 in order to make certain provision for the carrying out of the Agreement for the Promotion of Safety on the Great Lakes by Means of Radio; with amendment (Rept. No. 2284). Referred to the Committee of the Whole House on the State of the Union.

Mr. PELLY: Committee on Interstate and Foreign Commerce. S. 2453. An act to amend the Communications Act of 1934, as amended, with respect to implementing the International Convention for the Safety of Life at Sea relating to radio equipment and radio operators on board ship; with amendment (Rept. No. 2285). Referred to the Committee of the Whole House on the State of the Union.

Mr. McCONNELL: Committee of conference. S. 2759. An act 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 (Rept. No. 2286). Ordered to be printed.

Mr. McCONNELL: Committee of conference. H. R. 9040. A bill to authorize cooperative research in education (Rept. No. 2287). Ordered to be printed.

Mr. McCONNELL: Committee of conference. H. R. 7601. A bill to provide for a White House Conference on Education (Rept. No. 2288). Ordered to be printed.

Mr. McCONNELL: Committee of conference. H. R. 7434. A bill to establish a National Advisory Committee on Education (Rept. No. 2289). Ordered to be printed.

Mr. HOPE: Committee on Agriculture. S. 3137. An act to make the provisions of the act of August 28, 1937, relating to the conservation of water resources in the arid and semiarid areas of the United States, applicable to the entire United States, and to increase and revise the limitation on aid available under the provisions of the said act, and for other purposes; with amendment (Rept. No. 2290). Referred to the Committee of the Whole House on the State of the Union.

Mr. GRAHAM: Committee on the Judiciary. H. R. 7130. A bill to provide for the forfeiture of the citizenship of persons convicted of advocating or conspiring to advocate the overthrow of the Government by force or violence; with amendment (Rept. No. 2291). Referred to the House Calendar.

Mr. ALLEN of Illinois: Committee on Rules. House Resolution 642. Resolution for the consideration of H. R. 6004, a bill to amend part II of title III of the Communications Act of 1934, so as to require the installation of an automatic radio call selector on cargo ships of the United States carrying less than two radio operators, and for other purposes; without amendment (Rept. No. 2292). Referred to the House Calendar.

Mr. ALLEN of Illinois: Committee on Rules. House Resolution 643. Resolution for consideration of H. R. 9859, a bill authorizing the construction, repair, and preservation of certain public works on rivers and harbors for navigation, flood control, and for other purposes; without amendment (Rept. No. 2293). Referred to the House Calendar.

Mr. ALLEN of Illinois: Committee on Rules. House Resolution 644. Resolution for consideration of H. R. 9756, a bill to increase the borrowing power of Commodity Credit Corporation; without amendment (Rept. No. 2294). Referred to the House Calendar.

Mr. ALLEN of Illinois: Committee on Rules. House Resolution 645. Resolution for consideration of S. 3589, an act to provide for the independent management of the Export-Import Bank of Washington under a Board of Directors, to provide for the representation of the bank on the National Advisory Council on International Monetary and Financial Problems and to increase the bank's lending authority; without amendment (Rept. No. 2295). Referred to the House Calendar.

Mr. ALLEN of Illinois: Committee on Rules. House Resolution 646. Resolution waiving all points of order against H. R. 9936, a bill making supplemental appropriations for the fiscal year ending June 30, 1955, and for other purposes; without amendment (Rept. No. 2296). Referred to the House Calendar.

PUBLIC BILLS AND RESOLUTIONS

Under clause 4 of rule XXII, pursuant to the order of the House of July 14, 1954, the following bill was introduced on July 16, 1954:

By Mr. TABER:

H. R. 9936. A bill making supplemental appropriations for the fiscal year ending June 30, 1955, and for other purposes; to the Committee on Appropriations.

[Introduced and referred July 19, 1954]

Under clause 4 of rule XXII public bills and resolutions were introduced and severally referred as follows:

By Mr. EDMONDSON:

H. R. 9937. A bill to authorize the Farm Credit Administration to make loans of the type formerly made by the Land Bank Commissioner; to the Committee on Agriculture.

By Mr. HARRISON of Wyoming:

H. R. 9938. A bill to amend the Internal Revenue Code of 1954 to provide emergency tax relief to livestock growers who are forced to dispose of their herds because of drought or other natural causes beyond their control; to the Committee on Ways and Means.

By Mr JENSEN:

H. R. 9939. A bill making an appropriation for the Little Sioux River, Iowa, flood control project for the year ending June 30, 1955; to the Committee on Appropriations.

By Mr. JONES of Alabama:

H. R. 9940. A bill to authorize the Farm Credit Administration to make loans of the type formerly made by the Land Bank Commissioner; to the Committee on Agriculture.

By Mr. KNOX:

H. R. 9941. A bill to amend the Internal Revenue Code of 1939 with respect to definition of a Western Hemisphere trade corporation; to the Committee on Ways and Means.

By Mr. O'NEILL:

H. R. 9942. A bill to amend paragraph 717 of title I of the Tariff Act of 1930, with respect to duties applicable in the case of fish sticks; to the Committee on Ways and Means.

By Mr. PHILBIN (by request):

H. R. 9943. A bill to amend the Mustering-Out Payment Act of 1944, and for other purposes; to the Committee on Armed Services.

By Mr. RAY:

H. R. 9944. A bill to provide for intensified research into the causes, hazards, and effects of air pollution, and the methods for its prevention and control, and for other purposes; to the Committee on Interstate and Foreign Commerce.

By Mr. REES of Kansas:

H. R. 9945. A bill to provide for the purchase of bonds to cover postmasters, officers, and employees of the Post Office Department, contractors with the Post Office Department, mail clerks of the Armed Forces, and for other purposes; to the Committee on Post Office and Civil Service.

By Mrs. ROGERS of Massachusetts (by request):

H. R. 9946. A bill to amend the Mustering-Out Payment Act of 1944, and for other purposes; to the Committee on Armed Services.

By Mr. SIMPSON of Pennsylvania:

H. R. 9947. A bill to amend section 208 (b) of the Technical Changes Act of 1953 (Public Law 287, 83d Cong.); to the Committee on Ways and Means.

By Mr. YORTY:

H. R. 9948. A bill to provide for the construction of the San Luis Reservoir, the San Luis West Side Canal, the Avenal Gap Reservoir, and the Avenal Canal, Central Valley project, Calif.; to the Committee on Interior and Insular Affairs.

By Mr. DIES:

H. Res. 641. Resolution proposing a special committee to investigate public property; to the Committee on Rules.

PRIVATE BILLS AND RESOLUTIONS

Under clause 1 of rule XXII, private bills and resolutions were introduced and severally referred as follows:

By Mr. GWINN:

H. R. 9949. A bill for the relief of Uldric Thompson, Jr.; to the Committee on the Judiciary.

By Mr. KERSTEN of Wisconsin:

H. R. 9950. A bill for the relief of certain Polish orphans; to the Committee on the Judiciary.

By Mr. MASON:

H. R. 9951. A bill for the relief of Margareth Berg Kiessling; to the Committee on the Judiciary.

By Mr. RABAUT:

H. R. 9952. A bill for the relief of Nurhan Akarakcian; to the Committee on the Judiciary.

By Mr. SCHERER:

H. R. 9953. A bill for the relief of Mr. Fu-Ho Chan and Mrs. Fu-Ho Chan; 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:

1106. By the SPEAKER: Petition of the president, National Federation of Business and Professional Women's Clubs, Inc., New York, N. Y., urging favorable consideration of statehood for Hawaii and Alaska; to the Committee on Interior and Insular Affairs.

1107. Also, petition of the city clerk, Ottumwa, Iowa, urging action without further delay by the Federal Government in the matter of the construction of dams on the Des Moines River; to the Committee on Public Works.

EXTENSIONS OF REMARKS

Western Hemisphere Trade Corporation

EXTENSION OF REMARKS

OF

HON. VICTOR A. KNOX

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Monday, July 19, 1954

Mr. KNOX. Mr. Speaker, under leave to extend my remarks, I wish to include herein a statement pertaining to a measure which I have introduced today to amend the Internal Revenue Code of 1939 with respect to the definition of a Western Hemisphere trade corporation.

In 1942 Congress added section 109 to the Internal Revenue Code, as follows:

SEC. 109. Western Hemisphere trade corporations.

For the purposes of this chapter, the term "Western Hemisphere trade corporation" means a domestic corporation all of whose business is done in any country or countries in North, Central, or South America, or in the West Indies, or in Newfoundland and which satisfies the following conditions:

(a) If 95 percent or more of the gross income of such domestic corporation for the 3-year period immediately preceding the close of the taxable year (or for such part of such period during which the corporation was in existence) was derived from sources other than sources within the United States; and

(b) If 90 percent or more of its gross income for such period or such part thereof was derived from the active conduct of a trade or business.

In explanation of the definition of a Western Hemisphere trade corporation, the Senate Finance Committee report on the 1942 bill contained the following:

SEC. 142. Western Hemisphere trade corporation.

This section, which did not appear in the House bill, exempts from surtax certain corporations deriving their income principally from sources outside the United States and within the Western Hemisphere.

To be entitled, however, to such exemption, it is required that not less than 95 percent of the gross income of such corporations must be derived from sources without the United States, while 90 percent of such gross income must be derived from the active conduct of a trade or business. In addition, the entire trade or business of such corporations must be carried on in the Americas or adjacent areas. However, merely incidental economic contact with other countries outside such geographical sphere will not place such corporations outside the exempt classification. For example, the A corporation is engaged in mining activities in South America and in shipping its products to foreign countries outside the United States, including Great Britain. The mere fact that the A corporation ships its goods to England, retaining title to such goods until acceptance of the bill of lading and draft in order to insure collection of the price, will not be considered as carrying on business outside the Western Hemisphere. (S. Rept. 1631, 77th Cong., 2d sess., p. 111; 1942-2 Cum. Bull. 587-588.)

The 1942 report of the Senate Finance Committee thus clearly stated that a corporation did not lose its Western Hemisphere trade corporation status merely because of "incidental economic contact" with a non-Western Hemisphere area, and illustrated the principle by the example of a sale by a South American mining company which shipped the products to England. It would, therefore, seem to follow obviously that if a transaction involving a sale with shipment to England was not intended to constitute "doing business" outside the Western Hemisphere, then a mere purchase from outside the Western Hemisphere, likewise, is not to be considered "doing business" outside the Western Hemisphere. In line with this congressional intent, the statute was so interpreted by taxpayers and their counsel generally. Moreover, such view was in accordance with all the cases which have ever considered "purchases" in relation to "doing business." The judicial decisions are, and always have been, uniform in the view that mere purchase of goods does not constitute "doing business."

Despite the above, and much to the surprise of everyone, the Bureau of Internal Revenue some 10 years later, in May 1952, issued a ruling to the effect that mere purchase, even insignificant purchase, outside the Western Hemisphere of goods by an otherwise qualified corporation constituted "doing business" outside the Western Hemisphere and resulted in the forfeiture of Western Hemisphere trade status by such corporation.

This surprising ruling brought protests from the American Bar Association, the National Foreign Trade Council, Inc., the United States Chamber of Commerce, and the Machinery and Allied Products Institute, among others.

In its action on H. R. 8300, the Ways and Means Committee, to remedy this situation, modified section 109—section 921 in the new code—as follows:

SEC. 921. Definition of Western Hemisphere trade corporations.

For purposes of this subtitle, the term "Western Hemisphere trade corporation" means a domestic corporation all of whose business (other than incidental purchases) is done in any country or countries in North, Central, or South America, or in the West Indies, or in Newfoundland, and which satisfies the following conditions—

And so forth. In the report on H. R. 8300—page 78—the committee said:

To correct an obvious inequity which has arisen in the administration of this provision, it has provided that incidental purchases made outside of the Western Hemisphere, will not disqualify a corporation from the Western Hemisphere trade corporation credit if it is otherwise eligible for it.

The Senate Finance Committee in its deliberations on H. R. 8300 accepted the House amendment. Because of the policy of both committees that H. R. 8300 would contain no retroactive provisions, such amendment could not be made retroactive in H. R. 8300 and, therefore, to avoid any prejudicial inference which might be drawn from this situation, the Senate added a new sentence to section 921, as follows:

For any taxable year beginning prior to January 1, 1954, the determination as to whether any corporation meets the requirements of section 109 of the Internal Revenue Code of 1939 shall be made as if this section had not been enacted and without inferences drawn from the fact that this section is not expressly made applicable with respect to taxable years beginning prior to January 1, 1954.

Since the inequitable ruling mentioned in the Ways and Means report is being applied back to 1942, it is necessary that the amendment which the Senate and House committees, because of policy considerations, could not make retroactive in H. R. 8300 be made retroactive by a separate bill. Therefore, I have today introduced a bill to correct this situation with regard to taxable years ending prior to January 1, 1954. This bill is noncontroversial in that it makes the identical change to section 109 of the Internal Revenue Code of 1939 as was made by the House and Senate committees in H. R. 8300, namely, the addition of the parenthetical phrase "other than incidental purchases."

The Lesson of Chestertown

EXTENSION OF REMARKS

OF

HON. ALFRED D. SIEMINSKI

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Monday, July 19, 1954

Mr. SIEMINSKI. Mr. Speaker, the question is, Have we learned anything from Chestertown?

On July 16 the press reported 11 dead and some thirty-odd injured as a result of an explosion that rocked the little city of Chestertown, Md., a community of 3,140 people.

The press further reported:

Mass evacuation chokes roads and bridges from Eastern Shore town.

Remember Chestertown, 3,140 people, explosion in plant employing 275 persons, roads and bridges choked, wild confusion, people helpless because transportation system is inadequate; what would happen if a more extensive explosion occurred in a large population center?

Same thing. "Mass evacuation, roads and bridges choked, people panicked, exits blocked, dead-end death."

Our present means of evacuation is totally inadequate. What can we do?

One helicopter for every 100 people, strategically located and maintained in each community, like fire engines, ready for immediate use, might well be the answer.

The Supplemental Appropriation Bill

EXTENSION OF REMARKS

OF

HON. E. Y. BERRY

OF SOUTH DAKOTA

IN THE HOUSE OF REPRESENTATIVES

Monday, July 19, 1954

Mr. BERRY. Mr. Speaker, I was very much disturbed when I learned that two items were not included in the supplemental appropriations bill as reported by the Appropriations Committee.

One of these items was $22 million for reinstitution of the Federal-aid airport program. In my State of South Dakota, for example, a number of cities and towns and at least one country are extremely desirous of securing Federal assistance for airport construction to keep pace with requirements placed upon them by the growing tendency of our citizens to take to the air for business and agriculture. As you know, general aviation and scheduled airline travel are both increasing.

The $22 million appropriation is considerably less than was originally recommended. Further, the local governments have gone a full year without needed construction.

As evidence of the need for Federal aid for nonairline airports, I would like to point out that there are more than 52,000 private civil aircraft in the United States as compared with approximately 1,300 airline aircraft. The private or general aviation category airplanes are needed to fly to points that the airlines do not serve. Nonscheduled civil aircraft flew more than 8 million hours during 1953 for an estimated 1¼ billion miles and over 3½ billion passenger miles. In view of these facts, I feel general aviation should be given every consideration that is placed on the scheduled airlines. Federal assistance in airport construction is one of the most important considerations due general aviation, and I hope, therefore, that this $22 million item will be appropriated.

The other item in which there is considerable interest in South Dakota and

which was eliminated by the committee was $35 million for aid to States in building hospitals and clinics.

One of the services in which our rural communities are most deficient is adequate hospital facilities. Many of our small South Dakota towns have had difficulty interesting doctors in establishing practices because of the lack of needed hospitals.

As you know, the authorization for this program was just signed by the President last week. It was one of the important parts of his health program. To fail to implement this authorization now with the necessary funds would defeat the purpose for which this legislation was enacted.

I sincerely hope that the two items—$22 million for Federal-aid airports, and $35 million for hospital construction—will be restored.

The Charter of the United Nations Endangers Our Liberties

EXTENSION OF REMARKS

OF

HON. USHER L. BURDICK

OF NORTH DAKOTA

IN THE HOUSE OF REPRESENTATIVES

Monday, July 19, 1954

Mr. BURDICK. Mr. Speaker, in the late fall and early spring of 1952–53, a subcommittee of the Judiciary Committee investigated American citizens who were in the employ of the United Nations. Twenty-five of these persons who were summoned to testify refused to do so, claiming their privilege under the provisions of the fifth amendment.

When this fact was communicated to Trygve Lie, Secretary-General of the United Nations, all were removed from their service with that organization.

Twenty-one of these people took an appeal to the Administrative Tribunal of the United Nations, sitting at Geneva, Switzerland. This Tribunal consisted of four foreign lawyers. They handed down a decision upholding the Secretary-General in 9 cases, ordered a rehearing on 1 case, and ordered reinstatement of 11, with monetary awards amounting to $170 thousand, and the United Nations was ordered to pay the money, which has been or will be done.

The Administrative Tribunal paid no attention to the laws or the Constitution of this country, and found that the action in dismissing them conflicts with the provisions of regulations 1 and 4 of the Universal Declaration of Human Rights.

I have pointed out time and time again that all the people of the United States have to do if they want to get out of this mess, is to pass a resolution rescinding the approval of the Charter of the United Nations. If that act is passed by the Congress and approved by the President we are out of it. We do not need a Bricker constitutional amendment. We can act directly, and I have cited decision after decision of the Supreme Court of the United States pointing out that a statute passed subsequent to the approval of a treaty controls. If no action is taken a treaty becomes the supreme law of the land, but the way is open, and always has been, for direct legislative action to annul such treaty.

What will those do who are in control of the Government? Will they assert the sovereign rights of the United States, or will they, because of the groundless fear of Russian bombs, meekly pay this outrageous bill and continue right on being controlled by this United Nations organization?

We need intelligence and understanding in everything we do, but on this matter we need something more—we need courage and the unswerving will to protect the United States against all enemies, foreign and domestic. Will we do it? We finally will do it, but it will be when we have no appeasers handling our affairs.

The Declaration of Human Rights has not been approved by the Senate and this universal declaration was approved by no one save the United Nations itself.

Here is a case where a foreign court, without counsel for the United States, and without considering the Constitution of the United States, made its decision, which deeply affects all the people of the United States. Since we pay almost 40 percent of the upkeep of the other 64 nations who are members of the United Nations, it is obvious that a foreign court has assessed damages against the United States on the theory that the laws of the United Nations govern the United States. That is just what the one-worlders want. They want to override the provisions of the Constitution of the United States and set up a supreme organization which will take away the sovereign rights of this great Republic.

The summary action of a foreign court indicates clearly the danger we are in through being a member of an organization like the United Nations. Probably, and very probably, if we do not make appropriations big enough for the United Nations to satisfy foreigners, that organization will directly assess the amount they want against the United States, and if that is done, will the United States abjectly surrender and squander more money for the taxpayers to dig up?

The Administrative Tribunal of the United Nations is composed of Madam Paul Bastid, president; the Lord Crook, vice president; Mr. Sture Pe ren, vice president; Mr. Omar Loutfi, alternate member.

THE AWARDS

Ruth E. Crawford, staff of International Childrens Emergency Fund; award, full salary to date of reinstatement; reinstatement in position; $300 as costs.

Alexander Svenchansky, Radio Division, Department of Public Information; award, full salary to date of reinstatement and $300 costs.

Hope Tisdale Eldridge, Statistical Office, Department of Economic Affairs, award, full salary to date of reinstatement and $300 costs.

Edna Glaser, Secretariat Library Staff member; award, reinstatement with full pay and $300 costs.

AWARDS IN OTHER SEVEN CASES

Jack S. Harris, $40,000 in lieu of reinstatement and $300 costs.

Julia Older, $27,500 in lieu of reinstatement and $300 costs.

Frank C. Bancroft, $12,000 in lieu of reinstatement and $300 costs.

Jane Reed, $10,000 plus retirement pension and $300 costs.

Leon Elveson, $7,000 and costs of $300.

Sidney Glassman, $20,000 in lieu of reinstatement and $300 costs.

Joel Gordon, $6,000 in lieu of reinstatement and $300 costs.

Eugene Wallach, $300 and case remanded for reconsideration.

The dismissals were upheld in the cases of Irving Kaplan, Mary A. Middleton, Martin H. Rubin, Helen-Kagen-Posner, Sonya J. Sokolow, Celia Saperstein, Alfred J. Vam Tassel, and Marjorie and Herman Zap.

Sport Car Races on SAC Bases

EXTENSION OF REMARKS

OF

HON. ERRETT P. SCRIVNER

OF KANSAS

IN THE HOUSE OF REPRESENTATIVES

Monday, July 19, 1954

Mr. SCRIVNER. Mr. Speaker, during the debate on the military appropriations bill, I discussed the matter of sports car races on Strategic Air Command bases.

This matter had been looked into from various angles by investigators for the Appropriations Committee and by the General Accounting Office.

The GAO report was not available until after the bill had been presented to the House.

Inasmuch as these races have been the subject of magazine and news articles, and editorial comment, parts of the GAO report should be made available to Congress and to the public, although the question is now moot, inasmuch as the Air Force has ordered all but 3 or 4 future races to be canceled.

In view of that cancellation the GAO investigators' work was cut short but even so was sufficiently complete to justify the criticism made and to support the action taken by the Air Force.

The introduction and summary of the GAO follows:

BASIS FOR INVESTIGATION

This investigation was initiated as a result of information received from responsible sources to the effect that sports car races being held from time to time at Air Force cases, particularly bases of the Strategic Air Command, were a serious disruption to normal Air Force business, and provided little, if any, benefit from a financial or morale standpoint. The program has also been the subject of complaint letters from private citizens and comment in congressional quarters.

SCOPE OF INVESTIGATION

Investigation included a visit by investigators to MacDill Air Force Base, Florida, in January 1954 while races were being held, development of information from the records at several bases where races previously had been held, and a fairly comprehensive

examination of the records and files on the sports car racing program at Headquarters, Strategic Air Command. Investigation at SAC Headquarters also included interviews with Gen. Curtis E. LeMay, Commanding General of SAC, and other Air Force officers connected with the program.

SUMMARY OF FINDINGS

The SAC racing program has taken on the proportions of a major activity. Approximately 100,000 man-hours are expended on each race, of which approximately 20,000 represent regularly scheduled duty time.

SAC regulations provide for reimbursement to the Government for the labor costs of Government-employed civilians, for services furnished, and for Government-owned supplies and materials issued which are not returned to base supply in usable condition. The SAC regulations are at variance with regulations applicable to the Air Force generally in that Air Force regulations also require reimbursement for labor costs of military personnel used on this type of activity. The average labor costs per race for military personnel is estimated at $23,000 for regularly scheduled duty time, and $115,000 overall.

In addition to the cost of military labor, one of the major items of cost for which no reimbursement is made is the use of military equipment, including aircraft. Upwards of 40 trips by airplane have been made between Air Force bases by observer groups in connection with the sports car racing program.

There appears to be a strong undercurrent of opposition to the racing program among Air Force personnel, who feel that regular Air Force business operations are seriously disrupted by the general preoccupation of personnel with sports-car racing. No substantial evidence was found that military operations are disrupted.

Information developed in the investigation points up a number of legal problems, such as the basic legal authority for using military installations for sports-car racing, and the legal capacity of the custodian of the Strategic Air Command airmen's living improvement fund to enter into binding agreements with the Sports Car Club of America.

Since the program brings a net return of hardly more than $5 or $6 per enlisted man per year, it does not appear to be an effective means of improving the living conditions of airmen, particularly in relation to the personal sacrifices and disruptions to business entailed.

By orders of USAF headquarters dated April 28, 1954, the scheduling of future sports-car races on Air Force bases was prohibited, and races already scheduled, other than those for which binding contracts existed or for which substantial amounts of funds had been expended, were ordered canceled. As of the time this report is written, 3 races had been canceled, 8 races were allowed to remain on schedule, and the fate of 4 races was still under consideration.

Mr. Speaker, the report which supports the above findings sets out some very interesting points.

RACES BECOME MAJOR ACTIVITY

It points out the fact that the SAC races have become a major activity calling for a 72-page manual of information on how to plan and conduct them. The manual covers layout of course, erection of concession stands, latrines, bleachers, crowd and traffic control, communications, fire fighting, insurance, publicity, and so forth.

Preparations begin three or more months in advance, by military personnel at the base, during duty hours, for the most part; in one or more instances requiring 5 officers and 6 enlisted men. Surrounding towns are visited—via military transportation—for publicity stories and ticket sales.

Let the report speak for itself:

Work details of enlisted men are used to construct ticket booths, latrines, and food and beverage stands, to erect bleachers and snow fences (for crowd control), and to clean up the base before and after the race. At the Offutt race 5 ticket booths were constructed, 16,000 feet of snow fence were erected, 14 outdoor latrines were built, 9 concessionaire stands were constructed, and borrowed bleacher seats for 25,000 persons were secured, erected, dismantled, stacked, and returned.

Base communications personnel install temporary telephones in race committee headquarters, and provide race day telephone service to the judges' stand, to positions around the track, and to the press box. At Offutt these services include the installation of switchboard facilities at the judges stand which were connected with telephones in the pits, at the starter's position, and at various points around the track. Approximately 11 miles of wire were used in making this installation.

Starting several months before the race day with a nucleus of key race committee personnel working on a spare-time basis, prerace activity increases as the date of the race draws near. Three weeks prior to the race 10 or 15 persons are devoting almost all their duty time to it, with perhaps several hundred working part time. On the day before the race, the day of the race, and the day following, several hundred officers and enlisted men are working full time on the project. One commanding officer estimated that over 1,100 enlisted men and 72 officers were actively utilized in putting on the race at his base.

The racing event calls for the use of airfield runways, the erection of barricades and markers requiring the fields to be closed for 2 or 3 days prior to the run, and, of course, the day of the race. Frequently this calls for the transfer of activities to other nearby bases, such as it did at MacDill where operations had to be transferred to Tampa Municipal Airport—contact being kept by shuttle bus.

MILITARY MANPOWER REQUIRED

Crowd control requires many airmen. At Offutt it is reported that this phase of the race alone called for 10,000 airman hours.

The report states:

No records have been maintained of military man-hours spent on sports car racing.

However, estimates have been made which show that at Turner Air Force Base 18,962 duty hours were expended. The comptroller at Offutt, 1953, estimated 117,239 man-hours were used—duty and nonduty. The average man-hours is in the neighborhood of 100,000 at a conservative estimate of $1.15 per hour—or $115,000 per race which far exceeds even the gross sales.

The GAO report shows that there is a great direct and indirect cost to the taxpayers, little of which is accounted for.

Although Air Force regulations required reimbursement to the Government for the cost of duty hour activities in events like this; here is what the GAO report says:

COST TO TAXPAYER

The original SAC regulation on reimbursement to the Government for costs incurred in connection with sports car racing provided that reimbursements would be made "for any military labor utilized during regularly scheduled duty hours, and for any material furnished by the Government."

The regulations went on to say that material used during the event and returned in undamaged condition would not require reimbursement.

It soon became apparent that reimbursement for military labor would probably turn a race profit into a deficit, and this part of the regulation was never enforced. On April 28, 1953, after three SAC races had been run, the regulation was changed to provide for reimbursement to the Government "for labor utilized on work projects during regularly scheduled duty hours." The effect of this change was to limit reimbursement for military labor to that used on normal base maintenance type construction and repair work. This type of labor has been handled by the services as a "costed" item for many years.

On June 24, 1953, shortly before the first Offutt race, and while the local Air Force auditor was pressing for some sort of recordkeeping on military labor being utilized in the forthcoming Offutt race, the regulation was again changed to provide that reimbursement should be made to the Government "for civilian employee labor utilized on work projects." The revised regulation went on to say that "neither reimbursement to the Government for military labor utilized nor the keeping of records thereof is required." The effect of this change was to exempt military labor from reimbursement and to set up a new category of reimbursement, namely, civilian labor, which had not been mentioned in the prior regulations and which is not used to any considerable extent on the sports car races.

HOW LOSS TURNED TO PROFIT

Particular attention is called to the GAO statement:

It soon became apparent that reimbursement for military labor would probably turn a race profit into a loss, and this part of the regulation was never enforced.

The report also shows that, although regulations require reimbursement to the Government for civilian labor used, in all except three, there is no record of reimbursement, although it is quite obvious that civilian employees were engaged in these activities—in administration, supervisory, and secretarial work.

Although the Air Force claimed that the duty time was made up by overtime, GAO could not find evidence of that, even though it is a known fact that many who were assigned to race duty were given leaves or passes with pay.

LITTLE REIMBURSEMENT

Very little reimbursement was made for material, such as lumber, canvas, wire, film, oil and gas, and so forth, and countless other items, which, although small in themselves, eventually run into surprising figures.

No reimbursement is made for use of military vehicles, including planes or the fuel and oil used therein. Neither is there for communication equipment such as telephones and radio, nor office equipment, tools, and the like.

At Offutt, for instance, reported cost of Government transportation furnished

shows that 5-ton tractors were driven 1,886 miles, buses 1,487 miles, and passenger sedans 2,618 miles. The reimbursement? It was $86.90 for gasoline and $1.70 for oil.

However, the GAO reports point out the largest equipment item for which there has been no reimbursement is that of plane used by "observer group" who travel under "temporary duty travel orders." No per diem was authorized, but all other pay and allowances were received.

OPPOSITION IN AIR FORCE

As to the attitude of Air Force personnel, the report shows:

There appears to be a strong undercurrent of opposition to this racing program among Air Force personnel.

Phone calls which I have received and letters sent to me are convincing proof that this is an understatement.

But let us proceed with the report:

This undercurrent has reached such proportions that many officers have gone out of their way to voluntarily express their feelings to GAO representatives during the course of personal and official conversations. The consensus of the feelings of these officers seems to be that regular Air Force business is seriously disrupted by the general preoccupation of personnel at administrative and supervisory echelons with the additional responsibilities placed upon them incident to the sports car races. Two officers told the investigators that they had successfully objected to having military personnel under their jurisdiction detailed to racing duties on the grounds that their official workloads would not permit the diversion. The inference seemed to be that they had taken this stand at some risk to their Air Force careers because it would be interpreted as a failure to support command policy.

MILITARY ACTIVITIES INTERFERED WITH

GAO representatives making an inspection of supply operations at MacDill Air Force Base at the time of the January 1954 race found supply office records in a chaotic condition and the supply division in the process of extensive overhaul. Labor crews, working on special detail from the Warner-Robins air materiel area, were at work packing and crating hundreds of thousands of dollars' worth of excess property that had been generated at the base, apparently due to failure to maintain the necessary paperwork controls over inventories. Nevertheless, on the day following the MacDill races, 22 airmen assigned to the base supply office were away from their jobs working on a cleanup detail.

In another incident, a representative of the GAO, making arrangements to visit an Air Force base to observe supply operations, was requested by the base command to defer the visit until the following week because the base was engrossed in getting ready for a sports-car race.

The foregoing incidents are typical of the hundreds of disruptions, large and small, that necessarily entail from an operation as extensive as the sports-car races. The cost or damage resulting from these disruptions would probably bear no relationship to the value of the man-hours involved. A few hours of neglect in maintaining supply records can result in hundreds of thousands of dollars lost to the Government.

SERVICES VOLUNTEERED?

The Air Force has stated that most, if not all, of the services rendered were voluntary. My mail reflects an entirely opposite view.

The GAO did not go into this phase of the races. However, their report does show that at MacDill orders were actually cut detailing officers and men to specific duties in connection with the race. This, according to General LeMay, was a deviation from Air Force policy, yet the Air Force holds that any injury received by military personnel during any of these events will be considered in line of duty.

Although the Air Force also claimed that, contrary to information given me, leaves and passes were not canceled for a period of time before and after the races, I have in my file a cut order which did cancel leaves and passes for several days before and after the races.

The report goes into some detail as to the purpose for which expenditures are made, but quite naturally does not raise the question of the attitude of the other military personnel who are on duty on the bases where funds cannot be so raised and so used.

REPEAT PERFORMANCE

The report does show that "repeat performances are not financially successful" and concludes that the races are not financial successes. The report states:

	First race	*Second race*
Turner Air Force Base	$47,764	$3,964
MacDill Air Force Base	30,746	23,393
Bergstrom Air Force Base	24,337	8,315

Even if the level of return, which has averaged about $28,000 per race up to the present time, could be sustained, it is doubtful that the racing program can be regarded as a financial success. This return probably represents not more than $5 or $6 per enlisted man a year, a small sum indeed in relation to the effort and personal sacrifice involved on the part of the officers and men in putting on a race, and a drop in the bucket in relation to the overall annual cost to the Government of providing for the housing and welfare of the personnel at any given base.

EFFECT ON MORALE

While effect on morale was not within the specific orbit of their investigation, the GAO report says:

Also for consideration, of course, is the effectiveness of the program from the standpoint of morale. SAC Headquarters has taken the position that apart from the material benefits derived from the program, a direct morale benefit accrues from airman participation in this type of program. Against this intangible benefit there would have to be offset the equally intangible adverse effect on morale of those personnel who do not find the races interesting and whose participation is on something less than a voluntary basis.

Mr. Speaker, as I have previously stated, I have no objection to sports car races, as such. However, the use of Government property at the expense of the taxpayer is something to which I do object. I would be derelict in my duty if I did not. It is my purpose to get the greatest amount of defense possible for the lowest possible number of dollars. Dollars spent for these races are not available for defense.

Personally, I feel that the decision of the Air Force was a proper decision—made upon full consideration of all facts, and that such decision, leaving out some rather complex legal questions, is fully justified by the report of the GAO and that of our committee investigators.

Foreign Service Academy—Part III

EXTENSION OF REMARKS

OF

HON. CLEMENT J. ZABLOCKI

OF WISCONSIN

IN THE HOUSE OF REPRESENTATIVES

Monday, July 19, 1954

Mr. ZABLOCKI. Mr. Speaker, a short time ago, in presenting its recommendations on the subject of reforming the personnel structure of the State Department, the Wriston Public Committee on Personnel made this statement:

Diplomacy has become serious, urgent, and arduous business. Precisely because diplomacy is so serious, urgent, and arduous, a high state of morale is essential to an effective Foreign Service. The morale of that Service today stands in need of repair.

Similar observations were made in the past, and suggestions were advanced with view toward remedying the situation. For that reason, some short-sighted persons may take the Wriston Report very lightly. But the fact remains that—if we are truly interested in having an effective foreign policy—we cannot afford to adopt such a narrow-minded and unrealistic view. The effectiveness of our foreign policy depends largely on the capabilities and the morale of the men who are entrusted with the job of executing it. For that reason, these matters ought to be of deep concern to each and every one of us.

Under permissions granted on June 23 and July 8, I discussed certain aspects of the personnel problem in our Department of State. I reviewed my proposal for the establishment of a Foreign Service Academy of the United States, and commented on the Wriston Report.

In further reference to those remarks, I wish to include in the RECORD an editorial from the Milwaukee Journal of July 6, 1954, entitled "State Department Morale Is Low, Must Be Restored." It is my hope that this outspoken and informative editorial will receive careful consideration of my colleagues:

STATE DEPARTMENT MORALE IS LOW, MUST BE RESTORED

Administrative reform within the State Department, as recommended by the Wriston committee and ordered by Secretary Dulles, will no doubt improve efficiency and effectiveness. It will not, however, remedy the major malady in the Department—low morale.

The situation is well expressed in these words of the Wriston report:

"Diplomacy has become serious, urgent, and arduous business. Precisely because diplomacy is so serious, urgent, and arduous, a high state of morale is essential to an effective Foreign Service. The morale of that Service today stands in need of repair."

Why is morale so low? There are many reasons.

One is the reduction in force of more than 22 percent under the Eisenhower administration. Another is appropriation cuts which, along with the reduction in force, have resulted in 80 percent of the personnel shifting jobs. Another is poor administration over a long period of time, with no consistent program of promotions or pay raises.

Two more reasons—major ones—remain.

One is the incessant political attacks upon the integrity and morality of State Department personnel, largely from congressional sources. This has driven many good men out of the Service in disgust. It has kept many good young men from entering the Service. It has frightened many men still in Service into becoming little more than reporters of events. They fear that to analyze conditions or express opinions or suggest policies will bring attacks on them, now or in the future, from partisans in Washington.

The other major reason is the administration of the security program within the Department. Here is what the Wriston report says of this:

"The program has been drastic and thorough * * * the task has inevitably occasioned uncertainties, doubts, and fears * * * investigations of such sensitive character should be conducted with the professional impartiality associated in the public mind with the FBI.

"Only as these investigations are carried out with the most scrupulous objectivity will the apprehensions of Government servants be abated * * * if the security program is to achieve its true purpose of protecting the Government and the American way of life, it must be so administered that it does not impair the things it is designed to preserve."

Other critics have not been so unspecific, and so kindly, toward the security program administration and its chief, R. W. Scott McLeod.

Charges have been made that McLeod conceives it his responsibility to clear all Democrats and all liberal Republicans out of the State Department, that he has established a private spy system inside the organization, that people are forced to resign without hearing or trial, or, in some cases, without knowing the charges against them. It is claimed people are plagued into retirement by threats or by repeated investigations. A Washington correspondent recently related that stenographers in the planning division had been directed to make weekly reports of the reading matter of their bosses.

The Wriston committee expressed hope that with the reduction in force about completed and the security review scheduled to end this summer, there would be a quick recovery of morale.

For its part, it reports, it has been impressed by the "high standards of devotion and loyalty" animating our State Department people and "does not hesitate to urge the American people to reinvest their confidence, without reservaton, in the character and steadfastness of both the Department and its diplomatic arm."

We wish we could be as optimistic as the members of the committee. We cannot, however, see how there can be a revival of morale until the inquisitors and informers are gone, until demagogs stop using the Department as a punching bag, until an individual knows that his job is to report facts as he sees them, and until the Secretary of State stands up and fights for his employees.

More Power for Peace

EXTENSION OF REMARKS

OF

HON. ALFRED D. SIEMINSKI

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Monday, July 19, 1954

Mr. SIEMINSKI. Mr. Speaker, I was surprised to learn that there is available to each person in Asia an average of less than 1 horsepower, while in the United States the average is around 30 horsepower.

I am caused to wonder if this ratio of horsepower might not well be related to the difference in standards of living. I also wonder if these great variations in power and living standards might, in a large degree, account for the difficulty in harmony and understanding between these great areas of the earth.

Railroad Retirement

EXTENSION OF REMARKS

OF

HON. RICHARD H. POFF

OF VIRGINIA

IN THE HOUSE OF REPRESENTATIVES

Monday, July 19, 1954

Mr. POFF. Mr. Speaker, I understand that the House Committee on Interstate and Foreign Commerce has favorably reported H. R. 7840, pertaining to the Railroad Retirement Act. The bill is now before the Rules Committee awaiting a rule for floor debate.

It happens that approximately 1 out of every 10 people in the Sixth Congressional District of Virginia, which I have the honor to represent, depends directly upon railroad wages for his livelihood. Naturally, all of these people are interested in obtaining as many benefits as possible under the railroad-retirement plan. At the same time, they are also concerned that this plan should be and remain financially sound and strong. They feel, as I feel, that the benefits they now receive are little enough in comparison with the high premium they and their employer pay. That rate is 6¼ cents on each dollar earned, up to $300 a month. A like amount is paid by the railroad company. H. R. 7840 proposes to raise the taxable wage to $350 a month. This will mean an additional cost to each worker of $3.12½ per month. It will also mean a similar increase in the amount to be contributed by the railroad company. On the other hand, the additional benefits proposed by the measure are extremely meager.

I wish to call to the attention of the Honorable CHARLES A. WOLVERTON, chairman of the House Interstate and Foreign Commerce Committee and the Honorable LEO ALLEN, chairman of the House Rules Committee, that I have on my desk a petition, signed by 208 Norfolk & Western railroad workers in Roanoke, Va., in the following language:

DEAR CHAIRMAN WOLVERTON: We, the undersigned, are opposed to H. R. 7840 recently reported out of your committee for the following reasons:

1. To increase the taxable base from $300 to $350 would cost the worker and the railroad an additional tax of $3.12½ each per month and would increase the pension only 5 cents per month. That looks like a fine investment, but for whom?

2. This base change would only benefit the labor union leaders who draw their pay from the unions and the employees of the Railroad Retirement Board.

3. More than 90 percent of the rail workers earn less than $350.

4. Most of the major railroads have a supplemental pension plan which takes care of all earnings over the present base of $300 and which cost less and pay more than the Railroad Retirement Act.

5. Should the taxable base be increased, the railroads would start their supplemental plan at $350, thereby cancelling the plan with respect to those earning between $300 and $350. For example, an employee with 50 years' service who averaged $350 per month for the last 10 years would receive a $25 pension.

6. If the railroads can pay this kind of pension for 4½ percent, it is high time the Congress finds out what is the matter with the Railroad Retirement Act.

7. As for the balance of this bill, the so-called benefits are worthless, meaningless, and impracticable of application.

I favor H. R. 5269, sponsored by the Rail Pension Forum, which is composed of 80 percent of the railroad workers, and which will give direct benefits to those who pay the bill.

Respectfully yours.

I also have in my files a photostatic copy of a petition bearing 270 names addressed to Senator H. ALEXANDER SMITH, chairman of the Senate Committee on Labor and Public Welfare, urging that committee to hold hearings on S. 1911. This is the companion bill to H. R. 5269 on which I testified before the House committee on June 2.

In view of these petitions and as a result of my personal conversations with many of my railroad friends, I am persuaded that a poll of the individual railroad workers would disclose almost universal support for H. R. 5269 and S. 1911 and opposition to an increase in the taxable base.

If the railroad workers thought that they were now receiving all of the benefits they are paying for, I believe that all of them would be willing to pay a little more for reasonable additional benefits. But as long as they can compare their premiums and their benefits with the premiums and benefits available under a commercial insurance policy and find that they are paying for more than they are getting, they are going to resist any effort to increase the taxable base. They realize, of course, that they cannot get something for nothing and they do not want something for nothing. All they want is a dollar's worth of benefits for a dollar's worth of premium. Since the railroad retirement fund belongs not to the Federal Government but to the railroadmen themselves, it seems to me that we, as the trustees of the fund, should lend a sympathetic ear to its owners.

Big Housing Project for Negroes Fails

EXTENSION OF REMARKS

OF

HON. E. L. FORRESTER

OF GEORGIA

IN THE HOUSE OF REPRESENTATIVES

Monday, July 19, 1954

Mr. FORRESTER. Mr. Speaker, the Washington Evening Star of Saturday, July 17, 1954, carried on its front page a news item captioned "Big Housing Project for Negroes Fails."

Reading of that news item identifies that project as the swank Rhode Island Plaza, 413-unit interracial apartment at 1300 Rhode Island Avenue NE., in the District of Columbia. The article states that the FHA from the start regarded the project as an important experiment, and that the project received wide publicity as one of the first and biggest of its type to have Federal backing. The FHA guaranteed a mortgage loan which was made by the New York Life Insurance Co. to finance this great experiment in interracial living to the amount of $3,594,000.

Now, Mr. Speaker, according to the above news item, the great experiment has failed, and the New York Life Insurance Co. has notified the FHA that mortgage payments have not been met and that sufficient occupancy has not been obtained to make the project a successful project, and that said life insurance company is calling upon the FHA to pay the mortgage as it guaranteed it would do.

In other words, Mr. Speaker, when the radicals and wild-eyed leftwingers and mongrelizers are given an opportunity to join in these socialized experiments they refuse to do so. The taxpayers of the United States will have to pay for this blunder, unless the advocates of interracial mixing will come to their rescue, as they certainly ought to do. Maybe the members of the ADA will do their duty and move into this apartment project with their families and encourage others to do so. Maybe the officials in the FHA who thought this was a wonderful idea, to such an extent that they gambled taxpayers' money therein, will also move into this project with their families. Maybe those who endorse the recent United States Supreme Court decision will practice what was advocated in that psychological decision abolishing segregated schools and the United States Constitution, and save this experiment. That decision said "separate educational facilities are inherently unequal." If that is true, then separate living quarters are inherently unequal.

I understand that public schools are maintained by taxpayers' money, but this project was also guaranteed by taxpayers' money. A wonderful opportunity is presented to all these people to at last prove that they are honest in what they have advocated, and it is now time for them to move into this project, taking care that the interracial idea is scrupulously and uniformly maintained. If that project was good enough for others, certainly it is good enough for them and by moving into that project they can help salvage something for the taxpayers that they bound to pay this mortgage.

It is time now for these so-called leaders who are always crying "discrimination" to practice what they preach, for up to now that crowd has been living in the most exclusive sections of Washington, and it is high time they come out of hiding and prove they believe what they would put on less fortunate people.

Certainly it does not go unnoticed that the advocates for abolishing segregated schools are sending their children to private schools—notably the United States Attorney General, who filed a brief asking that segregated schools be abolished although the law and the Constitution was against it.

Mr. Speaker, I am wondering if the failure of this project does not teach us a great lesson? Evidently, decent white people and decent Negroes simply do not care to mix. I suggest, Mr. Speaker, that the next time a project like this is undertaken that it will be at the expense of those who advocate these experiments, instead of the taxpayers of this country who are not permitted to say yes or no to these wild and unjustified ventures.

It Would Not Have Happened Had Dies Committee Been Heeded

EXTENSION OF REMARKS

OF

HON. MARTIN DIES

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Monday, July 19, 1954

Mr. DIES. Mr. Speaker, since World War II communism has cost the United States thousands of lives and billions of dollars, and the end is not in sight. No one can predict the outcome. There may be another world war far more destructive and devastating than any war in history.

This situation was caused by the failure of the United States to grasp the fixed purpose of the Kremlin to conquer the world and to understand the tactics employed for the accomplishment of this purpose. On January 3, 1939, the Dies committee unanimously submitted its first report to the Congress and the executive department. Among other things, the committee found:

> We have shown that communism is a worldwide revolutionary movement aiming ultimately at the setting up of a world union of Soviet Socialist Republics. This is a proposition which is beyond dispute. It is substantiated by voluminous literature of the Communists themselves.
>
> In this plan for world revolution the Communists have omitted no country or people as too small or insignificant to command their attention. They have, on the other hand, taken the logical position of concentrating their attention upon the richest and most populous countries of the earth. Among these the Communists recognize the United States of America as the foremost. The Communist's conquest of the earth will be far less than complete until it has conquered America and destroyed our free institutions.
>
> It follows logically from the Communist International's plan of world conquest that every possible tactic, device, maneuver, and intrigue would be employed to gain such an end as the communization of America. These tactics, devices, maneuvers, and intrigues are both boldly open and patently subtle, both violent and insidious. The tactics and maneuvers for revolutionary ends are the meat and drink of a Communist. They are the very air he breathes.

If our Government had heeded this finding of the Dies committee, it would not have made enormous concessions to Russia at Yalta and Potsdam. It was these postwar concessions which enabled the Soviet Union to emerge from a third-rate power to the status of a world menace.

Another cause of the Communist menace was the theft by Communists inside our Government of our military, diplomatic, and scientific secrets and the influence which these same Communists exerted upon our foreign policy. If we could have retained these secrets, such as the A-bomb and the H-bomb, as well as many others, it would have been a long time before Russia could have acquired them and thereby neutralized the tremendous advantage which the exclusive possession of these secrets gave us. Long before these secrets were stolen, the Dies committee named the Communists on the Federal payroll and urged their discharge. In its report filed on January 3, 1939, the Dies committee found:

> The Communist Party has penetrated the Government itself, with the result that some Communists hold key positions in Federal agencies and projects.

In the report of the Dies committee dated January 2, 1943, are the following findings:

> Since the committee's creation in 1938, there has come to its attention from time to time the presence in the Federal Government of high salaried employees who were prominently and definitely identified with communism and its front organizations. Many of these cases were promptly called to the attention of the President, the Congress, and the departmental head concerned by either the committee or its members. At this point, the committee would like to cite a number of examples where this procedure has been followed.
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> On October 25, 1939, the committee made public the names, positions, and salaries of some 563 Government employees located in Washington, D. C., who were members of the American League for Peace and Democracy. In three reports which this committee has made to the House, it has found the American League for Peace and Democracy to be a Communist-front organization. * * *
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> Pursuant to this request, the committee on October 17, 1941, sent to the Attorney General the names of 1,124 Federal Government employees who were members of organizations which this committee had found to be subversive. These membership lists had been obtained largely by subpena and have been identified and authenticated by the officials of the organization involved. All of the committee's files were immediately made available to the Attorney General and his investigators, who were charged with carrying out the mandate of Congress as contained in this act.

Thus, it will be seen that before World War II the Dies committee had furnished the executive department with the names of several thousand Government officials and employees who belonged to organizations which the committee and the Attorney General had found to be Communist controlled and subversive. Included in this list were the names of Alger Hiss, Harry Dexter White, and Harold Glasser. These people were kept on the Government payroll for at least 10 years after they were exposed, and the theft of our military, diplomatic, and scientific secrets was made possible because of their presence on the Federal payroll. Furthermore,

these Government officials greatly influenced our foreign policy in favor of Russia.

Another cause which contributed to Communist successes was the failure of our Government to deport and exclude Communist aliens. In 1932, my bill to deport and exclude Communist aliens passed the House of Representatives but was stymied in the Senate by the liberal bloc headed by Senator La Follette. At that time, there were only 20,000 Communists in the United States and 90 percent of them were aliens. If my bill had become a law, these Communists would have been deported and the thousands who came after 1932 would have been excluded. The Communist conspiracy would have been nipped in the bud.

In the committee's report filed on January 3, 1939, is the following finding:

The committee received considerable evidence of the activities of Communist, Nazi, and Fascist aliens in the United States. It does not seem that these aliens experience any difficulty in entering the United States or remaining here after entrance. A large part of un-American activities is inspired and carried on by these aliens. * * *

The committee believes that it will be difficult to ever cope with un-American activities and propaganda in this country so long as the Department of Labor follows its present policy with reference to deportation. The laxity with which the Department of Labor deals with alien agitators would be unbelievable if we did not have before us the most convincing proof. * * *

We further believe that greater care shou'd be exercised in permitting aliens to enter the United States to the end that aliens who believe in or advocate communism, fascism, and nazism will be excluded.

In the committee's report filed January 3, 1940, we recommended:

The mandatory deportation of aliens who advocate any basic change in the form of our government; the enactment of legislation to stop all immigration from foreign countries that refuse to accept the return of their nationals found under American law to be deportable from this country.

Needless to say, this recommendation was more or less ignored. Belatedly, however, 335 deportation orders were issued for alien Communists. A majority of the 335 names appear in the records of the Dies committee. There have been 99 indictments and, in most cases, convictions under the so-called Smith Act, and all but 22 of these persons were named by the Dies committee as Communists.

Another cause of Communist strength and success in the United States was the infiltration of labor unions and seizure of control. Through these labor unions Russia was able to wield great political influence. These unions had the balance of power in some areas. In its report filed January 3, 1939, the committee found:

The Communist Party is boring from within labor unions on a wide scale, seeking to dominate or wreck the unions for purposes that are alien to the interest of organized wage earners. It deliberately projects violence in labor disputes for the purpose of training a revolutionary group in the tactics of civil war. It seeks to sabotage and cripple our economy on every possible front, with the view to its profiting by the resulting economic crisis.

The Dies committee cited the following unions as Communist-dominated:

The United Electrical and Radio and Machine Workers; the United Office and Professional Workers; the United Farm Equipment Workers; the International Union of Mine, Metal, and Smelter Workers; the United Public Workers; the Food, Tobacco, and Agricultural Workers; the American Communications Association; the International Fur and Leather Workers Union; the International Longshoremen's and Warehousemen's Union; the Marine Cooks and Stewards; and the International Fishermen and Allied Workers.

The Dies committee was bitterly assailed by the CIO because it named these unions as Communist-dominated. In my own district where we had strong CIO unions, I was denounced by CIO leaders and publications as a labor baiter and a reactionary. Years later, however—in many instances 10 years later—all of these unions were expelled from the CIO for being Communist-dominated. If they had been expelled promptly after the Dies committee exposed them, as we recommended, the influence of communism in the United States upon our domestic and foreign policies would have been considerably lessened.

Another cause for Communist success in the United States was the infiltration of educational institutions. In its report filed January 3, 1939, the Dies committee found:

The Communist Party is unusually active in our schools, both openly and subtly insinuating its propaganda into the minds of students.

In its report dated January 3, 1941, the Dies committee recommended as follows:

Withhold all Federal financial support from any educational institution which permits members of its faculty to advocate communism, fascism, or nazism as a substitute for our form of government to the student body of these educational institutions.

If this recommendation had been adopted, educational institutions would have been compelled to expel Nazis, Fascists, and Communists from their faculty. This would have struck a telling blow at the Communist conspiracy.

After my bill to deport and exclude Communist aliens was stymied in the Senate, instructions went forth to all Communist aliens to become naturalized. Therefore, in the committee's report dated January 3, 1941, we recommended as follows:

We recommend that the statutory period during which citizenship papers can be revoked under existing law be extended to at least 10 years.

If this recommendation had been followed, our Government could have revoked the citizenship papers of Nazis, Fascists, and Communists and deported at least 90 percent of them.

A contributing cause to the growth of the Communist conspiracy in the United States was the ease with which Communist agents were able to travel to and from the United States. In its report dated January 3, 1945, the committee recommended:

Due to the fact that the committee has discovered that many members of foreign-controlled organizations have traveled on American passports which have been fraudulently obtained, the committee feels that the statute of limitations should be extended from 3 to 7 years. This is made necessary because of the unusual difficulty in apprehending those who resort to the use of fraudulent passports within the period of 3 years.

The most important recommendation made by the Dies committee during the 7 years of its existence was the recommendation contained in the report of 1941, that foreign-controlled political organizations be outlawed. It reads as follows:

The enactment of legislation to outlaw every political organization which is shown to be under the control of a foreign government. As long as these organizations have a legal status in the United States, it will be difficult for any agency of the Government to deal with them. We now know that they furnish the legal apparatus for the operations of saboteurs and the window dressing for espionage. The committee believes that legislation can be worked out to outlaw such organizations, and that this will in no sense constitute a violation of the Bill of Rights since such legislation would only affect organizations controlled or directed by foreign countries.

Mr. Speaker, had this recommendation been adopted in 1941, the Communist conspiracy would have been dealt a death blow. In its 1939 report, the committee found:

The Government, by use of the provisions of the wartime legislation, drove the Communist Party underground, where it remained in an illegal status until 1924, when the repeal of the war measures and the consequent halting of Government activities by the agents of the Department of Justice permitted it to reappear. The Communists came more and more into the open until today they flaunt their revolutionary activities throughout the country. Since 1925 the Department of Justice has had no power, no authority, or no funds from the Congress to investigate Communist propaganda or activities. During the period that the Department of Justice had actual authority, the Communist Party was driven underground where it could not function successfully. Just as long as the agents of the Department of Justice were active, the movement remained comparatively stationary and innocuous. At the present time the Communist Party of the United States is thoroughly and highly organized, nationally and locally, and is extremely active.

Eventually Congress must pass my bill to outlaw the Communist Party and its subsidiary, auxiliary, and frontal organizations, because there is no other way to crush this criminal and treasonable conspiracy.

Mr. Speaker, before concluding this speech I would like to read a few excerpts from my book, The Trojan Horse in America, which was published in the early part of 1940 by Dodd, Mead, & Co. On page 354 I said:

It should, however, be stressed that the Government itself has played an important role in the growth of communism by providing Commnists with jobs and opportunities for recruiting members and fellow travelers. There are few subversive organizations in America which cannot produce letters of endorsement and encouragement from prominent Government officials.

On page 362, I said:

These leftwingers are scattered throughout the Government service and occupy key posi-

tions which enable them to oppose any efforts to combat the fifth column. * * * Until they are removed from their positions, we may expect at best only halfhearted and ineffectual action.

On page 363, I said:

The issue is before the President. He must take the initiative in performing this necessary task in the interest of adequate preparedness.

The President cannot supply the leadership on which our national security rests until he inaugurates a thorough and genuine housecleaning in Government service. This is the plain truth, and to deny or avoid it may prove fatal in the end.

The President must surely realize by this time that his left-wing followers in the Government are the fountainhead of subversive activities.

Whether or not we can develop courageous leadership in this country remains to be seen. It depends upon an awakening of the people. The totalitarian psychology of communism and fascism has taken root in the minds of many of our people. It must be eradicated before the Nation is prepared to defend itself against the assault of totalitarianism.

Government Competition With Business and Industry

EXTENSION OF REMARKS

OF

HON. CECIL M. HARDEN

OF INDIANA

IN THE HOUSE OF REPRESENTATIVES

Monday, July 19, 1954

Mrs. HARDEN. Mr. Speaker, under leave to extend my remarks, I wish to refer to a subject of interest to all taxpayers.

I am sure that few taxpayers are aware that they are supporting oxygen and nitrogen manufacturing in the Department of Defense and the manufacture of argon, freon, and a great many other things, large and small. The truth is that the Federal Government is engaged in a great many classes of commercial-type activities of which one includes items such as those listed above.

At the beginning of this session of Congress the Subcommittee on Intergovernmental Relations of the House Committee on Government Operations began a program to identify Government commercial-type activities which use but do not pay taxes. The subcommittee thought that the elimination of any unnecessary commercial activities would be a long step toward reducing Federal expenditures and increasing the tax base needed to sustain legitimate functions of the Federal, State, and local governments.

The Department of Defense has joined in the efforts of the subcommittee and has issued a directive calling for a review of its numerous business activities on the installment plan. On March 8, 1954, the Department of Defense called for a listing of individual plants in the following increment of activities: Aluminum smelting or sweating facilities, clothing factory and cloth sponging plants, motion-picture studios, rope walk, bakeries, furniture repair shops, laundries and/or dry cleaning plants, scrap metal baling, coffee roasting plants, paint factories, sawmills, clothing reclamation shops, and ice cream manufacturing plants.

A listing by the Department of Defense of plants indicated that the Army, Navy, and Air Force have 239 facilities in this grouping.

It is hoped and expected that action will be taken to discontinue many of these facilities within the near future.

On June 28, 1954, the Department of Defense issued a call for a listing of facilities in increment No. 2, as follows: Chain manufacturing, automotive repair shops, caustic soda manufacturing, chlorine manufacturing, ice plants, oxygen and nitrogen manufacturing, powerplants, tree and garden nurseries, argon manufacturing, acetylene manufacturing, cafes and restaurants, cement mixing plants, cobbler shops, office equipment repair shops, power line construction, tire retreading activities, wood preservation, and freon manufacturing.

The taxpayers of the Nation should take heart in this program of the Department of Defense though it has just begun. There are many, many more activities in the manufacturing, service, transportation, banking, insurance, and other classes which need to be identified, analyzed, and justified or discontinued. The subcommittee has been hopeful that every agency of the Government would institute the same sort of a program now begun by the Department of Defense. While the Department of Defense is undoubtedly the largest operator in the commercial field, it by no means has a monopoly with respect to other departments.

The subcommittee has also been heartened by the fact that the new Hoover Commission is organizing to make a thorough study of private enterprises in the Federal Establishment. A recent letter from the Executive Director of the Hoover Commission indicates that all agencies of Government have been asked to list their facilities in these classes: Laundries; ice cream plants; coffee roasting plants; clothing manufacture and repair; commissary stores, canteens, civilian cafeterias; dry cleaning plants; meat cutting plants; bakeries; shoe manufacture and repair; and post exchanges.

Who is responsible for this enormous unnecessary growth on our economic system? All of us—the citizen who encourages unneeded Federal activities in his city, the agency which creates the activity and annually justifies it, the Budget Bureau which annually sifts them through a large meshed budgetary process and of course the Congress which appropriates for their continuance.

The effort we are now making through the Subcommittee in Intergovernmental Relations will, upon its conclusion, provide us with the facts we need if we are to meet the problem posed by governmental competition with taxpaying businesses and industries.

I am extremely heartened by the progress which has been made to date.

Trade Has Been Used by the Communists Strictly As a Political Weapon

EXTENSION OF REMARKS

OF

HON. FRAZIER REAMS

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Monday, July 19, 1954

Mr. REAMS. Mr. Speaker, the Reciprocal Trade Agreements Act has been extended for 1 year by this Congress. While the President was disappointed that his request for a 3-year extension was not granted, he has signed the compromise bill.

The reason for cutting the extension from 3 to 1 years is that the House Committee may have an opportunity to study the Randall Commission report on foreign policy. This report came too late to be carefully considered before the Reciprocal Trade Agreements Act was to expire.

This law was largely devised and sponsored by Cordell Hull when he was a Member of the United States Senate. Under its provisions, the United States foreign trade expanded and strong commercial ties were built up between our country and those nations who signed these agreements and chose to trade with the United States on a selective basis. Under this law agreements have been made with these nations setting forth the conditions and the goods which will be traded between the nations. Under this plan those products which each member nation under the agreements can export the most favorably are chosen.

In recent years the agreements have carried the "peril point" provision which provides that we may withdraw specific items from an agreement whenever the continuation of importation into our country of these competitive products has reached a point that imperils an industry here in the United States. The President himself is the final judge of when the peril point is reached on a particular product.

Today I want to discuss with you the very large and important question of United States foreign trade. Particularly, do I want to speak of the controversial question of whether or not we should trade with the Soviet Union and Communist China.

First of all, I believe we can agree that foreign trade is essential to a healthy economy here at home. Since 1940 the productive capacity of our factories and farms has been very greatly increased. We have trained and skilled manpower which must either operate these factories and farms or we face a serious condition of unemployment. Before World War I, 6 percent of unemployment of the workers of our country was not considered a serious matter. Today 6 percent has become the danger point in unemployment. Above this percentage it is a matter of concern to the Government. Therefore, foreign trade is a matter which neither the President, nor the Congress, nor the people can afford to ignore.

The problem of foreign trade in our future is going to be increasingly a matter of competition with the Communist countries dominated and controlled from the Kremlin. Stalin made it very clear before his death that communism sought not only political control of the world but economic control as well. He referred to the fact that World War II had left the economic world divided into two world markets. He said that the sphere of world trade between capitalistic countries would not expand but would contract; that capitalistic opportunities for sales in the world market would deteriorate; that the industries of the capitalistic countries would operate more and more below capacity as the Communists drew a greater part of the world trade. On this premise Stalin drew the conclusion that "wars between capitalistic countries" are inevitable, as each struggles to gain a larger share of the world market, which would be receding for the capitalist nations.

There is much in the history of the world even in the short time since Stalin's death to support his prediction. It should be clear even now to the United States and other free capitalistic nations that we cannot do business with Communists and Communist-dominated nations and expect to win in this battle for world trade. As bait, the Communists may hold out, for the present, short-term gains. They did this in the 1920's when trained engineers from the United States were building the great electrical powerplants and factories in Russia, and our heavy machinery manufacturers were equipping them with dynamos and helping German and English contractors and engineers to develop the basic industry for Russia. It seemed like good business then, just as it apparently seemed like good business in the 1930's and 1940's to accept the peaceful approach of Russia on the political side.

Today marks the era when the Russians are offering the very tempting East-West trade not in order to develop a permanent trade with us but to get equipment they cannot yet obtain within the Communist bloc. It must seem clear by now that this is done only in order that they may become self-sufficient within the Iron Curtain. Then they will not need to trade with us at all. In this manner they expect to make the prophecy of Stalin come true. It was to divide the capitalistic powers in this competition for the Soviet's temporary trade and, eventually, cause discord and war among the free nations that in reality have so much in common with each other and so little with the Communist world.

The United States is going to be tempted greatly to trade with the Soviet nations because the free world market has been contracted by Communist victories at the very time when our productive capacity has been expanded in excess of what we at home can consume in peacetime. It comes at a time, also, when we are especially sensitive to unemployment. We are already hearing in business circles and in the Congress the cry, "Why not trade with Russia and Communist China?"

To answer this question of why we should not trade with Russia or even with Red China, we should look at the basic principles which underlie world trade. When we refer to world trade we must realize that there are both in the political realm and in the field of trade, two worlds: the Communist world ruled from Moscow and the free world of trade made up of many nations each eager to promote its own interests and thereby activated by the spirit of free enterprise and competition.

We must realize that trade must be a reciprocal proposition before it can be on a permanent basis. Each country must have goods to exchange or money with which to buy. Each of the traders must have products which complement rather than compete with the other. To have a permanent trade with a nation there must be political security and stability. American as well as British business has had experience with trade with customers under unstable governments. It is difficult to trade with a country if its government is not going to protect the rules of trade and guarantee a reasonably stable currency or other media of exchange. These required conditions cannot be expected with any reasonable degree of certainty in trading with the Soviet nations. Even with the jealousy and competition which exist among the free nations there has been a code of honor among them going back through the centuries.

The law of merchant developed among the trading nations of Europe and adopted by this country has produced fair trade in the ports of the free world. But this is not true of the Communist world. The representatives in trade of the Soviet Union are not businessmen as is the case of the traders in the free world. They try to appear that way, but they are not. They are political representatives of Soviet governments strictly controlled by the men in the Kremlin. The ultimate end they seek is political not commercial. It is not private enterprise. Time and time again these minions of the Communist rulers come posing as merchants and making attractive offers and promises but have been unable as well as unwilling to carry them out.

The record is clear that in the entire history of the Russian communism there has never been any effort at a continuous, reciprocal trade with any free country. Trade has been used by Communists strictly as a political weapon. It has been on the basis of building a self-sufficiency for the Communist countries and to give a little trade alternately to one country or another as the political advantage indicated.

Chinese Communists follow the same pattern. The dictator Mao has announced on numerous occasions that his plan is self-sufficiency for China through nationalization of industry, collective farming, and all the other Marxian practices which exist in Russia. Sweden is an example of a country which has made a sincere effort to develop East-West trade but has found that even with Czechoslovakia, a country with which it did a satisfactory business as a free nation, that it was necessary to discontinue trade because of unfair practices and unsatisfactory payments.

There is an insistent demand among some of our business people that the United States trade with Communists. This is either because our people do not know the facts, or because it is hard to resist the attraction to trade with China and other Communist countries at a time when a potential market anywhere is attractive to a nation which has overproduced.

Now we come to the question of what is the alternative? The United States must have foreign trade if we are to keep the standards of living which we have come to appreciate and expect. I am greatly indebted in this study of the question of whether or not we should trade with the Soviet Union and Red China to Congressman WALTER JUDD. He made an excellent speech in the House of Representatives on May 28. I have drawn on that speech for some of the facts in this presentation. I have done this because having studied the situation myself, I find the clearest expression of my own beliefs and feelings in some of his words.

With reference to the difficulty of trading with China Dr. JUDD says:

> Some good Americans believe that by increasing trade with Communist China we can detach the Chinese from the Russian Communists, or can drive a wedge between Peiping and Moscow.
>
> But why should Mao move away from the Kremlin if he can have all the advantages of trade with the Western World as long as he needs it and, in addition to this, the closest relations with the Soviet bloc. Does anyone believe that the hard-headed men in the Kremlin would be moving heaven and earth to get Communist China accepted in the United Nations if that would lead or enable Red China to break with Moscow and thereby wreck the Communist world government?

Since Dr. JUDD lived in China for years and understands not only the facts but the philosophy and personality of the Chinese, his words cannot be overlooked. It is my belief that we have already gone as far as we dare go with Communist trade. The free world must build a free, reciprocal trade among the nations that are and expect to remain free from the yoke of Communist domination. We must not let the Communists win any more political victories or trade victories. We must develop our foreign trade first in this Western Hemisphere.

If we continue building a genuine friendship and understanding with the countries in the American continents, we can have a reciprocal trade that will take care of most of the output of our factories and absorb the surpluses from our farms. Sound trade is based on the fact that different products traded in are complementary, not competitive. East-West trade implies by its very name that we are trading with those products that can be raised or produced under about equal circumstances in the same latitude. But from Alaska to the tip of South

America there is every degree of temperature; every type of soil and probably every mineral product needed in industry. If through a better prepared and instructed exchange of tourists; through an expanded student exchange program; through a more effective diplomatic exchange and an effective governmental policy, we approach the problem of a free foreign trade, not exclusively but predominately in the Western Hemisphere, we will not need be tempted by the siren of trade with Russia and Red China.

We should continue through the United Nations to fight Communists on the diplomatic level but build a sound trade with free countries.

SENATE

TUESDAY, JULY 20, 1954

(Legislative day of Friday, July 2, 1954)

The Senate met at 10 o'clock a. m., on the expiration of the recess.

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

Eternal Father, once more we enter the stream of life with its rush and pressure of public affairs. We pray for the quickening awareness of Thy constant presence. May we face all the duties which the day may bring in the firm confidence that Thou art our sufficient shield and defense. With that assurance may we know that neither disappointment nor weariness, nor any temporary defeat, can separate us from Thy love.

Thou hast kindled a divine light on the altar of our souls. Always may we remember that we are guardians of that sacred flame. Guide us to find the burning bush that glows in the drab valley of daily duty. In all our dealings with distressed humanity, yearning for a more abundant life, keep us faithful to the spirit of the Master who came not to be ministered unto, but to minister. We ask it in His name. Amen.

THE JOURNAL

On request of Mr. KNOWLAND, and by unanimous consent, the reading of the Journal of the proceedings of Monday, July 19, 1954, was dispensed with.

MESSAGE FROM THE HOUSE

A message from the House of Representatives, by Mr. Maurer, its reading clerk, announced that the House had passed the following bills of the Senate, severally with an amendment, in which it requested the concurrence of the Senate:

S. 2670. An act to provide for the termination of Federal supervision over the property of certain tribes, bands, and colonies of Indians in the State of Utah and the individual members thereof, and for other purposes;

S. 3197. An act to authorize the acceptance of c nditional gifts to further the defense effort; and

S. 3344. An act to amend the mineral-leasing laws and the mining laws to provide for multiple mineral development of the same tracts of the public lands, and for other purposes.

The message also announced that the House had passed the bill (S. 3487) to authorize the Central Bank for Cooperatives and the regional banks for cooperatives to issue consolidated debentures, and for other purposes, with amendments, in which it requested the concurrence of the Senate.

The message further announced that the House had passed the following bills and joint resolution, in which it requested the concurrence of the Senate:

H. R. 1843. An act to increase the retired pay of certain members of the former Lighthouse Service;

H. R. 4118. An act to authorize the preparation of rolls of persons of Indian blood whose ancestors were members of certain tribes or bands in the State of Oregon, and to provide for per capita distribution of funds arising from certain judgments in favor of such tribes or bands;

H. R. 5796. An act to amend the Bankruptcy Act to make tax liens of States and their subdivisions valid against trustees in bankruptcy;

H. R. 5832. An act to authorize the Commissioner of Public Lands of the Territory of Hawaii to sell public lands to certain lessees, permittees, and others;

H. R. 6223. An act to amend section 87 of the National Defense Act of June 3, 1916, as amended (32 U. S. C. 47), to relieve the States from accountability and pecuniary liability for property lost, damaged, or destroyed except in cases where it shall appear that the loss, damage, or destruction of the property was due to carelessness or negligence or could have been avoided by the exercise of reasonable care;

H. R. 6399. An act granting the consent and approval of Congress to an interstate forest fire protection compact;

H. R. 6814. An act to facilitate the acquisition of non-Federal land within areas of the National Park System, and for other purposes;

H. R. 7568. An act to authorize and direct the Farm Loan Board of Hawaii to convey certain land and to ratify and confirm certain acts of said Farm Loan Board;

H. R. 7734. An act to amend section 47 of the National Defense Act concerning the requirement for bond covering certain property issued by the United States for use by Reserve Officers' Training Corps units maintained at educational institutions;

H. R. 7912. An act to abolish the Old Kasaan National Monument, Alaska, and for other purposes;

H. R. 8205. An act to authorize the conveyance by the Secretary of the Interior to Virginia Electric & Power Co. of a perpetual easement of right-of-way for electric transmission line purposes across lands of the Richmond National Battlefield Park, Va., such easement to be granted in exchange for, and in consideration of, the conveyance for park purposes of approximately 6 acres of land adjoining the park;

H. R. 8783. An act to provide for the conveyance of certain housing units owned by the United States to the Housing Authority of St. Louis County, Mo.;

H. R. 8898. An act to amend section 401 (e) (2) of the Civil Aeronautics Act, as amended;

H. R. 9302. An act to permit retired members of the uniformed services to revoke elections made under the Uniformed Services Contingency Option Act of 1953 in certain cases where the elections were made because of mathematical errors or misinformation; and

H. J. Res. 359. Joint resolution designating the period from October 11 to October 16, inclusive, 1954, as National Nurse Week.

ENROLLED BILLS SIGNED

The message also announced that the Speaker had affixed his signature to the following enrolled bills, and they were signed by the Vice President:

H. R. 7466. An act to authorize the Secretary of the Interior to execute an amendatory repayment contract with the Pine River irrigation district, Colorado, and for other purposes; and

H. R. 8026. An act to provide for transfer of title to movable property to irrigation or water users' organizations under the Federal reclamation laws.

COMMITTEE MEETINGS DURING SENATE SESSION

On request of Mr. KNOWLAND, and by unanimous consent, the Committee on Interior and Insular Affairs, the Committee on Finance, the Committee on Government Operations, and the Subcommittee on Rules of the Committee on Rules and Administration were authorized to meet during the session of the Senate today.

ORDER FOR TRANSACTION OF ROUTINE BUSINESS

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

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

CALL OF THE ROLL

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

The VICE PRESIDENT. The Secretary will call the roll.

The legislative clerk called the roll, and the following Senators answered to their names:

Aiken	Gore	Mansfield
Bennett	Hayden	Murray
Bricker	Hill	Payne
Burke	Holland	Robertson
Butler	Johnson, Tex.	Saltonstall
Clements	Kerr	Smith, Maine
Dirksen	Kilgore	Thye
Dworshak	Knowland	Welker
Flanders	Langer	Wiley
Gillette	Lehman	Williams

Mr. CLEMENTS. I announce that the Senator from Missouri [Mr. HENNINGS] is necessarily absent.

The Senator from Tennessee [Mr. KEFAUVER] and the Senator from Arkansas [Mr. McCLELLAN] are absent on official business.